NEW DELHI, THURSDAY, JUNE 10, 2021

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SENSEX: 51,941.64 ▼ 333.93 NIFTY: 15,635.35 ▼ 104.75 NIKKEI 225: 28,860.80 ▼ 102.76 HANG SENG: 28,742.63 ▼ 38.75 ₹/$: 72.98 ▼ 0.09 ₹/€: 88.96 ▼ 0.22 BRENT: $72.66 ▲ $0.44 GOLD: ₹48,736 ▼ ₹121

IN THE NEWS

Exports up 52.4% to $7.71 billion during June 1-7

INDIA'S EXPORTS grew by 52.39% to $7.71 billion during the first week of this month on account of healthy growth in shipments in sectors including engineering, gems and jewellery and petroleum products, according to preliminary data of the commerce ministry, reports **PTI**.

HDFC invokes Rel Capital shares worth ₹16 crore

HDFC HAS sold certain pledged shares of Reliance Capital worth ₹16 crore in the secondary market sale through stock exchanges, the company said on Wednesday, reports **PTI**. HDFC has invoked the pledge on certain shares of Reliance Capital through Axis Trustee Services.

Ready to talk, says agri minister; farmers unmoved

AGRICULTURE MINISTER Narendra Singh Tomar on Wednesday expressed readiness to resume talks with protesting farmers to resolve their objections to the agri laws, but the unions remained adamant on their demands, reports **PTI**.

ROADSHOW

Highways being built at brisk pace despite pandemic

Construction at 24.1 km a day in April-May, up from 14 km/day a year ago

SURYA SARATHI RAY
New Delhi, June 9

DESPITE THE pandemic-induced lockdown and restrictions on mobility in large parts of the country, highway construction grew by 74% on year in April-May of the current financial year to 1,470 km or 24.1 km a day. Of course, the sharp y-o-y growth is on a low base (14.1 km/day in April-May 2021), but even in comparison to April-May 2020 (28.2 km a day), the performances of state-sector highway builders were creditable in the first two months of the current fiscal.

The latest highway construction signals that the construction sector of the economy, which posted a recovery with 14.5% growth in gross value added (GVA) in Q4FY21, may somewhat retain the momentum in Q1 this fiscal.

The sector, which is not facing any funds constraints as projects being implemented are almost totally government-funded via the engineering procurement and construction (EPC) contracts or the hybrid annuity model (HAM), is clearly one of the most unaffected by the lockdown.

Continued on Page 13

AGRI PUSH

Modest hike in Kharif MSPs to curb inflation

Even as farm law protests continue, crop procurement remains robust, Punjab farmers key beneficiaries

FE BUREAU
New Delhi, June 9

THE CABINET ON Wednesday announced a modest year-on-year increase of 1-7% in the benchmark prices of over a dozen summer-sown crops for the year starting July. The move reflects the government's intent to keep inflationary pressure in check at a time when it needs the monetary policy committee to retain its accommodative stance for long to spur growth in the aftermath of the pandemic.

The modest hike will likely upset farmers, many of whom (especially from Punjab and Haryana) have been protesting against the new farm laws for over six months now. But agriculture minister Narendra Singh Tomar stressed the MSPs of all Kharif crops are still at least 50% higher than their full paid-out costs (A2+FL). In 2018, the year in which the cost-linked norm was introduced ahead of the last general elections to ensure farmers get 50% over the paid-out costs, the hikes were more dramatic — in the range of 50-97%.

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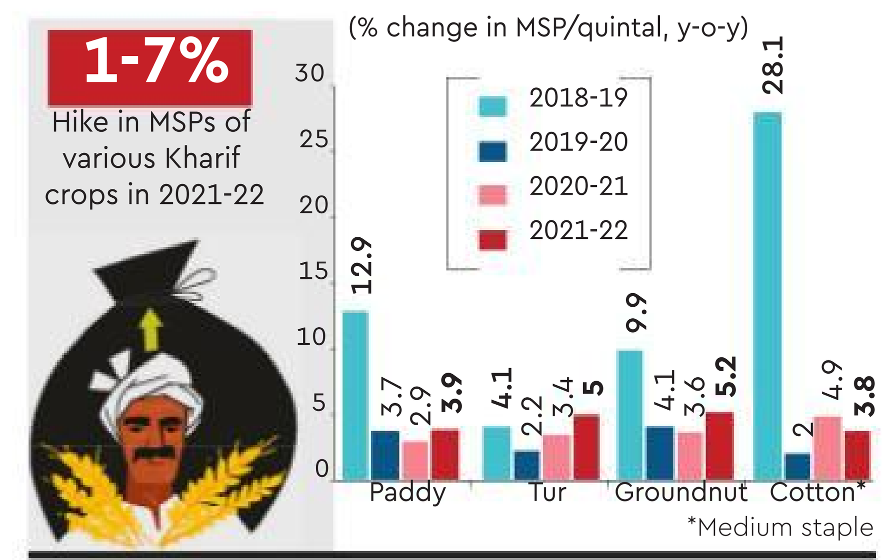


COVID PRODUCTS

WTO to begin talks on patent waiver

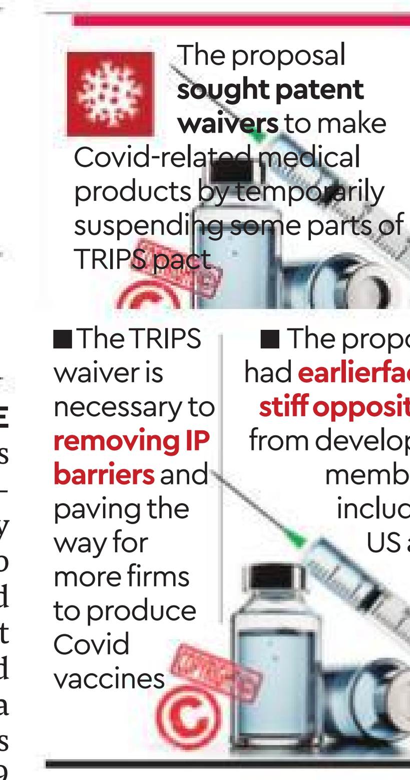
US, EU soften stance on proposal initiated by India and South Africa

BANIKINKAR PATTANAYAK
New Delhi, June 9

AFTER STIFF RESISTANCE from rich nations, members of the World Trade Organization (WTO) on Wednesday unanimously agreed to initiate granular, text-based negotiations for a patent waiver proposal initiated by India and South Africa, in a significant step towards fighting the Covid-19 pandemic.

The proposal, first submitted in October last year, sought patent waivers to manufacture Covid-related medical products by temporarily suspending certain parts of the global Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement.

Continued on Page 2



Vaccines, front-loading of fiscal steps to spur growth: Finmin

THE FINANCE MINISTRY on Wednesday said rapid vaccination and frontloading of the fiscal measures planned in the FY22 Budget hold the key to invigorating the investment, and thereby consumption, cycle in the coming quarters, reports **fe Bureau** in **New Delhi**.

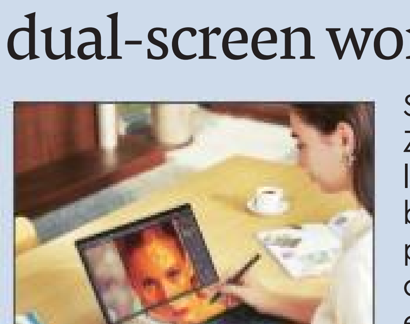
In its latest monthly report on the economy, the department of economic affairs said as witnessed in the March quarter, where "growth in capex generated positive spill-overs for consumption, including in the contact-sensitive sectors, these steps would facilitate recovery post the second wave". "Quickening the pace and coverage of vaccination is critical to help India heal and regain the momentum of economic recovery," it added. ■ Report on Page 2

Peer review of Covaxin Ph-3 trials in Q4

BHARAT BIOTECH, which is yet to publish the data of its Covid-19 vaccine Covaxin phase-3 trials, expects a peer review of the jab in 2-4 months after it was given to scientific journals, Raches Ella project lead, Covid-19 vaccines, at Bharat Biotech said on Wednesday, reports **PTI**. In a series of tweets, Ella said there were nine publications on Covaxin so far and the efficacy paper of phase-3 trials would be the 10th one. ■ Report on Page 14

Special Features

Asus ZenBook Duo: Powerful dual-screen wonder



Starting at ₹129,990, Asus ZenBook Duo is a feature-rich laptop with high-quality build, top-notch design and powerful specs. A good combination of speed, efficiency and power ■ **Gadgets, P7**

PC industry's record breaking sales will continue in 2021

Technologies like cloud, 5G and AI play a critical role as we look to the future of computing, says Meghana Patwardhan, vice-president, Dell Latitude & Mobility Products, Dell Technologies ■ **eFE, P7**

DEAL UNDONE

Petronet-Tellurian's $2.5-bn pact shelved

FE BUREAU
New Delhi, June 9

A PLANNED $2.5-BILLION deal between Tellurian Inc and India's largest gas importer Petronet LNG has fallen through as the US-based firm hasn't made any request to continue interactions after December 2020, Petronet MD and CEO Akshay Kumar Singh said on Wednesday. "The (Tellurian) MoU has not been extended", Singh said, adding "as on today there is no MoU between us".

On September 21, 2019, when Prime Minister Narendra Modi met CEOs of 17 global energy firms at Houston, US, Tellurian and Petronet LNG had signed an MoU to form a joint venture, with Petronet investing $2.5 billion in Tellurian's Driftwood LNG export terminal in the US in exchange for the rights to 5 million tonnes per annum (MTPA) of LNG supply over 40 years. Global markets have changed considerably since the signing of the non-binding MoU, and industry experts feel the firms are not keen on investments in such projects anymore because of higher gas availability and supply.

Continued on Page 2

SCRAPPED

■ During **PM Modi's US visit** in Sept 2019, Tellurian and Petronet LNG signed an MoU under which the latter was to invest **$2.5 bn** in the US firm's Driftwood LNG export terminal

■ In return, Petronet was offered right to **5 mtpa** of LNG supplies **over 40 years**

■ The two firms have **abandoned the plan** as global markets have changed, gas availability & supply have risen

GAIL split plan junked, to monetise pipelines

A PROPOSAL to bifurcate GAIL (India) has been scrapped for now, and it will instead monetise some of its pipelines by selling a minority stake through an InvIT, reports **PTI**. GAIL CMD Manoj Jain said the company has sent a plan for monetising two of its pipelines to the petroleum ministry and an Infrastructure Investment Trust (InvIT) is possible within the current fiscal if approvals come soon.

■ Page 4

MONSOON IN MUMBAI

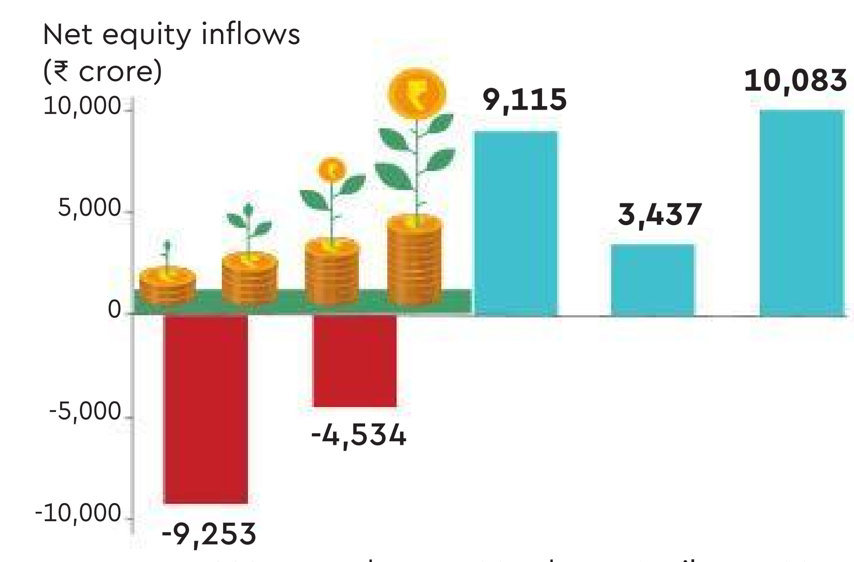
Stranded local train commuters walk on waterlogged railway tracks at Kurla in Mumbai on Wednesday. The year's first monsoon rains caused severe waterlogging in various parts of the city

Stocking up

AGENCIES

Inflows into equity MFs hit 14-month high

Equity mutual funds witnessed a net inflow of over ₹10,000 crore in May, making it the highest infusion in 14 months due to rally in stock markets on the back of declining Covid-19 cases and robust quarterly earnings. This also marks the third consecutive monthly inflow, data from the Association of Mutual Funds in India (Amfi) showed.



JAYPEE INFRA

Mkt value of Yamuna E-way higher than liquidation value: NBCC

RISHI RANJAN KALA
New Delhi, June 9

NBCC, IN A letter to the committee of creditors (CoC) of Jaypee Infratech (JIL) on Wednesday, said the fair market value (FMV) of Yamuna Expressway is higher than the liquidation value projected.

The state-run company emphasised assenting financial creditors (AFCs) can realise up to ₹4,000 crore for the 90% stake in the e-way SPV being offered to them as part of the insolvency resolution process.

JIL's CoC meet on Thursday (June 10) to deliberate on the revised resolution plans of NBCC and the consortium led by Suraksha Realty as well as decide on the voting process for acquisition of the bankrupt real estate developer.

Sources said the lender's panel on Monday (June 7) had sought clarification from NBCC on the rationale behind its offer to AFCs and dissenting financial creditors (DFCs). The PSU replied that according to the interim resolution professional's (IRP) letter last month, the liquidation value (LV) of Yamuna Expressway is ₹3,458 crore.

Continued on Page 13

QuickPicks

Will appoint chief compliance officer in a week: Twitter to govt

SOCIAL MEDIA platform Twitter is learnt to have written to the government that it is in advanced stages of finalising a chief compliance officer as per the new IT rules and additional details will be submitted to the government within a week, according to an official source, reports **PTI**. Twitter, in its reply to the final notice of the government dated June 5, said it is making all efforts to comply with the new norms but has been unable to do so because of the global impact of the pandemic. **PAGE 5**

Revenue deficit grant: Finmin releases ₹9,871 cr to 17 states

THE FINANCE ministry on Wednesday said it has released the third monthly instalment of revenue deficit grant of ₹9,871 crore to 17 states, reports **PTI**. With the release of this instalment, total ₹29,613 crore has been released in the first three months of the current fiscal to states. The Department of Expenditure on Tuesday released the third monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of ₹9,871 crore for the year 2021-22 to 17 states, the ministry said in a statement. **PAGE 2**

IndiGo hopes to reach pre-Covid level traffic by Q2 of 2022: CEO

INDIGO IS hoping to reach pre-Covid level of overall traffic, both domestic and international, by the second quarter of next year, its CEO Ronojoy Dutta said on Wednesday, reports **PTI**. The carrier is currently operating around 40% and 30% of its pre-Covid domestic and international flights, respectively, and it does not plan to lay off any employees this year, Dutta said. In July last year, India's largest carrier had laid off 10% of its workforce due to the coronavirus-induced economic crisis.

ADDING TO THE CART

G7 nations devise way to catch Amazon in tax net

REUTERS
Paris, June 9

G7 STATES HAVE found a way to include Amazon, one of the world's biggest companies, on a list of 100 set to face higher taxes in the countries where they do business by targeting its more profitable cloud computing unit, officials close to the talks said.

Some European countries had concerns Amazon may fall out of scope of the proposed new rules because its overall operating margin as a company is less than 10%, the threshold set as a criteria for companies on the list.

But because its Amazon Web Services business has a margin of over 30%, Amazon as a whole can be included, the officials told Reuters. Talks on a global minimum corporate tax agreed by the G7 rich nations on June 5 are running parallel to talks on how to divide the rights to tax excess profits, those which can be considered routine, of the 100 biggest, most profitable firms.

Continued on Page 13

ILLUSTRATION: ROHNIT PHORE

A HARD LINE

US Senate passes bill to tackle China tech threat

REUTERS
Washington, June 9

THE US SENATE voted 68-32 on Tuesday to approve a sweeping package of legislation intended to boost the country's ability to compete with Chinese technology.

An indignant China responded to the vote by saying it objected to being cast as an "imaginary" US enemy.

The desire for a hard line in dealings with China is one of the few bipartisan sentiments in the deeply divided US Congress, which is narrowly controlled by President Joe Biden's fellow Democrats. The measure authorises about $190 billion for provisions to strengthen US technology and research — and would separately approve spending $54 billion to increase US production and research into semiconductors and telecommunications equipment.

Continued on Page 13

Economy

THURSDAY, JUNE 10, 2021

FTA PITCH

Amitabh Kant, Niti Aayog CEO

You (Indian companies) first do manufacturing, bring size and scale, become globally competitive so that you can penetrate the global market. Problem is that Indian manufacturing companies spread protectionism.

Quick View

Karnataka may go for unlock in 4 to 5 phases

KARNATAKA REVENUE MINISTER R Ashoka on Wednesday indicated that the state may go for unlocking in four to five phases after June 14, as the lockdown comes to an end. Chief minister BS Yediyurappa may call a meeting of ministers, officials and experts on June 11 or 12.

5-pronged strategy to stop possibility of third wave: PHDCCI

PHDCCI ON WEDNESDAY suggested the government a five-pronged strategy including immediate imposition of lockdown in a district, where the number of active cases are more than 500, to stop the possibility of a third wave of coronavirus in the country.

IRCTC offers 'Work from Hotel with Nature' travel plans

IRCTC IS OFFERING "Work from Hotel with Nature" travel plans for those who want to work while away from their homes amid the ongoing pandemic. Various destinations in Puri, Konark & Gopalpur, and similar packages for other locations are also being explored.

FINMIN REPORT

'Vaccines, front-loading of fiscal steps to spur growth'

FE BUREAU
New Delhi, June 9

THE FINANCE MINISTRY on Wednesday said rapid vaccination and front-loading of the fiscal measures planned in the FY22 Budget hold the key to invigorating the investment, and thereby consumption, cycle in the coming quarters.

In its latest monthly report on the economy, the department of economic affairs said as witnessed in the March quarter, where "growth in capex generated positive spill-overs for consumption, including in the contact-sensitive sectors, these steps would facilitate recovery post the second wave".

Manufacturing and construction are expected to experience a softer economic shock in the current quarter, with localised lockdown curbs in states being more adaptive to learnings from the first Covid wave, the report said. The prospects for the agriculture sector continue to remain robust amid the expectation of a normal monsoon. "Quickening the pace and coverage of vaccination is critical to help India heal and regain the momentum of economic recovery," it added.

Vaccinating to achieve herd immunity (75-80% of the population) will boost consumer and producer confidence and reinvigorate the engines of economic growth. So, challenges relating to vaccine supply, vaccine hesitancy, operational aspects to achieve high daily throughput, and widespread reach must be anticipated and planned for in advance, it added.

Already, the country is undertaking the world's largest vaccination drive, with 23.9 crore doses administered as on date. Having witnessed a drop during the peak of the second wave, certain high-frequency indicators such as power consumption, E-way bills and foreign portfolio investment flows witnessed uptick in the second half of May 2021.

However, sequential slackening was observed in eight core industrial output, PMI manufacturing, steel consumption, auto sales, tractor sales, petroleum products consumption, rail freight, port and air traffic, PMI services, highway toll collections, GST collections and UPI transactions, the report said.

Third instalment of revenue deficit grant of ₹9,871 crore released by govt to 17 states

PRESS TRUST OF INDIA
New Delhi, June 9

THE FINANCE MINISTRY on Wednesday said it has released third monthly instalment of revenue deficit grant of ₹9,871 crore to 17 states. With the release of this instalment, total ₹29,613 crore has been released in the first three months of the current financial year as Post Devolution Revenue Deficit Grant to states.

"The department of expenditure on Tuesday has released the 3rd monthly instalment of Post Devolution Revenue Deficit (PDRD) Grant of ₹9,871 crore for the year 2021-22 to 17 states," the ministry said in a statement.

The Centre provides PDRD grant to states under Article 275 of the Constitution. The grants are released as per the recommendations of the Finance Commission in monthly instalments to meet the gap in Revenue Accounts of states post devolution.

The 15th Finance Commission has recommended grants to 17 states — Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Karnataka, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand and West Bengal.

Exports rise 52.39% during June first week

PRESS TRUST OF INDIA
New Delhi, June 9

INDIA'S EXPORTS GREW by 52.39% to $7.71 billion during the first week of this month on account of healthy growth in shipments in sectors including engineering, gems and jewellery and petroleum products, according to preliminary data of the commerce ministry.

Imports, too, rose by about 83% to $9.1 billion.

Exports of engineering, gems and jewellery and petroleum products increased by 59.7% to $741.18 million, 96.38% to $297.82 million and 69.53% to $530.62 million, respectively.

However, exports of iron ore, oil seeds and spices recorded negative growth during June 1-7.

HC to Centre: What steps taken to publicise SOPs for vaccinating sans prescribed IDs?

PRESS TRUST OF INDIA
Mumbai, June 9

THE BOMBAY HIGH Court on Wednesday asked the Maharashtra and Union governments what steps they had taken to inform citizens about the Centre's SOPs on Covid-19 vaccination for people who do not possess one of the seven identity cards prescribed for the purpose.

A bench of Chief Justice Dipankar Datta and GS Kulkarni also asked the Union government to inform the court of the steps taken to cover under its vaccination drive the people who were mentally ill and without a legal guardian and hence, not in a position to give an informed consent for receiving the vaccine. The bench was hearing a bunch of PILs on ensuring greater access of the anti-Covid vaccines to citizens, improved functioning of the CoWIN portal and other issues.

The petitioners informed the bench that the Centre had prescribed a list of seven recognised identity cards, including the Aadhaar and the PAN cards, for citizens to register for vaccination on the CoWIN portal.

'Carry out surgical strike' on virus'

THE BOMBAY HIGH Court on Wednesday said the Centre's approach against the virus, which is the society's biggest enemy at present, should be 'like a surgical strike' instead of standing at the borders waiting for the virus to come out. A division bench of Chief Justice Dipankar Datta and justice GS Kulkarni said the Centre's new "near-to-home" vaccination programme was like waiting for the virus carrier to come to the Centre. — PTI

GST aid arrangement enough for FY22: Icra

But no mechanism yet for ₹61k-cr arrears for April-January of FY21

FE BUREAU
New Delhi, June 9

THE GST COMPENSATION cess collections, back-to-back market loans and some funds parked in the GST Compensation Fund will be enough to meet the ₹2.63 lakh crore needed in FY22 to compensate states for shortfall, but it will not be enough to pay ₹61,000-crore arrears for April-January of FY21, rating agency Icra said.

"For FY22, we estimate the combined protected revenues of all the states at ₹8.72 lakh crore and the state GST (SGST) collections at ₹6 lakh crore. Accordingly, we estimate the GST compensation requirement for FY22 (April-March) at ₹2.7 lakh crore. Out of this, the proportionate compensation for the period April 2021-January 2022 is pegged at ₹2.26 lakh crore, which is expected to be disbursed to the state governments in FY22 itself. The balance ₹45,200 crore for February-March 2022 would be rolled over to FY23," Icra said.

The compensation requirement for February-March of a fiscal typically gets rolled over to the next year. Accordingly, a total payout of ₹2.63 lakh crore (₹36,700 crore for February-March 2021 plus ₹2.26 lakh crore) would need to be released by the Union government to the state governments during FY22 for the 12 months from February 2021-January 2022, it said.

The opening balance of ₹4,700 crore in the GST Compensation Fund, the projected cess collection of ₹1 lakh crore for FY22 and the back-to-back market borrowing of ₹1.58 lakh crore, announced recently by the Union government, would provide ₹2.63 lakh crore to the Centre to release as GST compensation to the state governments in the current fiscal, it said.

"This is sufficient to cover the GST compensation for the period February 2021-January 2022. However, the available funds will not cover the sizeable spillover of ₹61,000 crore pertaining to the period April 2020-January 2021, the financing options for which remain unclear," Icra said.

Icra has estimated the amount of compensation related to the period April 2020-January 2021 at ₹2.41 lakh crore, against which the Union government has released ₹1.8 lakh crore to the state governments in FY21 through back-to-back loans and the inflows of GST compensation cess. Accordingly, it estimates that a compensation of ₹61,000 crore pertaining to the period April 2020-January 2021, is pending. Moreover, the compensation for February-March 2021 is estimated by the rating agency at ₹36,700 crore, which is expected to be released in FY22.

From the Front Page

Covid products: WTO to begin talks on patent waiver

After a two-day meeting of the WTO's TRIPS Council through Wednesday, the chairman concluded that "there is no objection from any member to start text-based negotiations", a senior Indian commerce ministry official said. As many as 48 members, including the EU, had joined the discussion.

The proposal had earlier faced strong opposition from developed members, especially the US (under Donald Trump) and the EU. But after Joseph Biden took over as the American President, the US softened its stance and agreed to undertake further consultations. The EU was among the last to budge on the issue.

The chairman of the TRIPS Council will now start consultations and a plenary meeting is called on June 17 to further discuss the issue. The chair has now called on the members to wrap up text-based negotiations by July 21 when the WTO's General Council is scheduled to meet, said the official.

The TRIPS waiver is a necessary to removing IP barriers and paving the way for more companies to produce Covid-19 vaccines, therapeutics or diagnostics by providing them with the freedom to operate without the fear of infringement of IP rights or the threat of litigation.

In a statement delivered at a TRIPS informal meeting held on May 31, India said: "The virus has not given us a time-out to go on endlessly discussing the need for or benefit of a waiver. We must rather infuse some certainty in these uncertain times by agreeing to start text-based negotiations on the waiver proposal."

Modest hike in Kharif MSPs to curb inflation

Tomar said, with the latest increase, the expected returns to farmers over their cost are expected to be the highest in case of bajra (85%), followed by urad (65%) and tur (62%).

While any increase in the support prices can potentially inflate the government's food subsidy, except for few crops (primarily grains), the procurement mechanism is still far from robust. Nevertheless, in years of bumper procurement, elevated MSPs tend to dent the fisc. Analysts have often argued against unreasonable hike in MSPs, highlighting its impact on both food as well as headline inflation.

The government has now raised the price of paddy (common variety) by 3.9% on year to ₹1,940 per quintal in 2021-22, jowar (hybrid) by 4.5% to ₹2,738, maize by 1.1% to ₹1,870, moong by 1.1% to ₹7,275, tur and urad by 5% each to ₹6,300, groundnut by 5.2% to ₹5,550, soyabean (yellow) by 1.8% to ₹3,950 and cotton (medium staple) by 3.8% to ₹5,726. The highest increase was in sesamum — 7% to ₹7,307 per quintal.

Already, the central bank last week flagged the rising trajectory of international commodity prices, especially of crude. Together with logistics costs, elevated commodity prices pose upside risks to the inflation outlook, it said.

Though retail inflation eased to 4.29% in April from 5.52% in the previous month, wholesale price inflation (WPI) shot up to as high as 10.49%, the highest in the current 2011-12 series. Analysts expect WPI inflation to rise further to about 13-13.5% in May. Any sustained spurt in WPI inflation may spill over to the retail level, some of them have cautioned.

Despite the farmers' protests, the Centre's procurement of grains has only risen. It has procured a record 81.3 million tonnes of rice from farmers so far in the 2020/21 marketing year, up over 10% from a year earlier, Tomar said. Similarly, the government has purchased 41.7 million tonnes of wheat so far, 12% higher than a year before, he added. As much as ₹1,53,515 crore has been transferred to farmers for rice purchases and ₹82,347 crore for wheat procurement, the minister said.

As reported by *FE* earlier, the country is set to report record wheat procurement at MSP for the soon-to-be-concluded rabi season. And two-thirds of the payments were made to farmers in Punjab and Haryana, the two states which are at the forefront of the agitation against the new farm laws.

Petronet & Tellurian's $2.5-bn pact shelved

HSBC Global Research had pointed in February that the rejection of the Tellurian deal gives more confidence to analysts about Petronet's upcoming capex deployment. Petronet plans to invest more than $2.5 billion in the next five years in projects such as expanding the capacity by 5 MTPA of the Dahej terminal, which is currently the largest gas import terminal in the country with the strength of 17.5 MTPA. It is also planning to set up a new terminal in the east coast of the country.

The company is planning to increase gas procurement from Qatar which it considers a "preferred supplier" owing to its closer distance from the country. "We have 7.5 MTPA long-term contract with Qatar and as per the terms, we need to take it all by December, 2023," Singh stated, adding that "we are in dialogue with them and the extension of the existing contracts need to be firmed up in the next couple of years".

The Petronet CEO said that "we need to look for suppliers which meets our expectations of price requirement".

Petronet reported an 8.7% year-on-year rise in net profit to ₹2,939.2 crore on a consolidated basis for the fiscal ended March 2021. Revenue in the fiscal dropped 26% y-o-y to ₹26,382 crore while expenses — mostly cost of buying gas — fell by a sharper 31% to ₹22,443 crore in the same period. Petronet shares were trading at ₹228.55 at Wednesday end, 7.86% lower than Tuesday's close. The company's board has recommended a final dividend of 35% on equity, it said on Wednesday.

State-run Indian Oil, Oil and Natural Gas Corporation, GAIL and Bharat Petroleum each hold 12.5% stake in Petronet.

LETTERS TO THE EDITOR

Be in battle mode against Covid

There is a slight sense of relief that the ferocious second wave of the Covid-19 pandemic that has been costly in terms of lives is receding. There are no words to describe what the pandemic has done for us. Our lives are being shaped by the effects, losses and memories it has engendered. Despite the decline in the number of daily new cases and casualties there is no room for complacency. It is crucial that we don't let the pandemic catch us off guard one more time. It is of utmost importance that we understand the fact that the virus is still very much in circulation.
— G David Milton, Maruthancode, Tamil Nadu

I-T e-filing portal off to a false start

The new income tax electronic-filing portal launched on Monday got off to a false start, with users struggling to access the site for the second successive day. Finance Minister Nirmala Sitharaman hoped that Infosys and Nandan Nilekani would deliver and not let down the taxpayers. The IT bellwether, which bagged the contract in 2019, needs to fix the teething problem soon to redeem itself. One may recall that the Goods and Services Tax Network (GSTN) portal, also set up by Infosys, had faced initial glitches after its launch.
— NJ Ravi Chander, Kalyan Nagar, Bengaluru

●Write to us at feletters@expressindia.com

Yes Bank case: CBI carries out searches

PRESS TRUST OF INDIA
New Delhi, June 9

THE CBI HAS carried out searches at 14 locations in Delhi-NCR and three other cities after registering an FIR against Oyster Buildwell Private, Avantha group promoter Gautam Thapar and others for alleged diversion of over ₹466 crore in Yes Bank during 2017-19, officials said.

Thapar is already being probed in another case related to diversion of public money in Yes Bank allegedly involving the bank's former chief Rana Kapoor, they said.

In the present case, the CBI has also booked directors of Oyster Buildwell — Raghubir Kumar Sharma, Rajendra Kumar Mangal and Tapsi Mahajan — as well as unidentified executives of Avantha Realt and Jhabua Power.

Oyster Buildwell (OBPL) is part of Avantha group with over 97% stake held by Avantha Realty and the remaining by Thapar and Vani agencies, the CBI alleged.

The case has been registered on a complaint, dated May 27, 2021, from Chief Vigilance Officer of the Bank Ashish Vinod Joshi.

The CBI has alleged that the accused have indulged in a criminal conspiracy, criminal breach of trust, cheating and forgery for diversion of public money to the tune of ₹466.15 crore, they said.

After registering the case, the CBI team searched at 14 locations in Delhi and NCR, Lucknow (Uttar Pradesh), Secunderabad (Telangana) and Kolkata (West Bengal) including the premises of the accused, they said.

Choksi's bail hearing adjourned till June 11

PRESS TRUST OF INDIA
New Delhi, June 9

THE DOMINICA HIGH Court has adjourned the bail hearing of fugitive diamond merchant Mehul Choksi till June 11, local media reports stated.

Choksi had approached the high court after the magistrate rejected his bail petition.

The bail hearing took place before high court judge Wynante Adrien-Roberts through video-conferencing on the plea of Choksi's local legal team comprising Julien Prevost, Wayne Norde, Wayne Marsh and Cara Shillingford-Marsh.

The government side represented by Director of Public Prosecution (DPP) Sherma Dalrymple "strongly objected" to Choksi's plea calling him a flight risk, *Dominica News Online* reported.

The judge adjourned the matter till June 11, it said.

Tomar says govt ready to talk, asks farmers to share objection on laws

PRESS TRUST OF INDIA
New Delhi, June 9

UNION AGRICULTURE MINISTER Narendra Singh Tomar on Wednesday said the government is ready to resume talks with protesting farmers but asked the unions to point out their objections to the provisions of the three farm laws with logic.

The government and unions have held 11 rounds of talks, the last being on January 22, to break the deadlock and end the farmers' protest. Talks have not resumed following widespread violence during a tractor rally by protesting farmers on January 26.

Thousands of farmers, mainly from Punjab, Haryana and western Uttar Pradesh, have been camping at Delhi's borders for more than six months in protest against the three laws that they say will end state procurement of crops at MSP. The Supreme Court has put on hold the implementation of the three laws till further orders and set up a committee to find solutions.

"All political parties of the country wanted to bring the farm laws, but they could not gather courage to bring them. Modi government took this big step in the interest of farmers and brought reforms. Farmers got benefit of that in several parts of the country. But in the meantime, farmers agitation started," Tomar said at a Cabinet briefing.

He said the government held 11 rounds of talks with farmers and Unions were asked about their objections in the laws and which provisions they think were against farmers.

"But neither leader of any political party gave its answer in the House (Parliament) nor any farmers' leader, and the talks did not move forward."

Govt allots 5 MHz spectrum in 700 MHz band to upgrade Rly security

FE BUREAU
New Delhi, June 9

THE UNION CABINET on Wednesday approved the allotment of a 5 MHz spectrum in 700 MHz frequency band to the Railways for public safety and security services at stations and in trains. The spectrum allocation is in line with the Railways' objective to provide Long Term Evolution (LTE) based mobile train radio communication on its route, a project with an estimated investment of ₹25,000 crore. The project is expected to be completed in the next five years.

The railways currently rely on optical fibre for their communication network but with the allocation of fresh spectrum, it will be able to use high-speed radio on a real-time basis. It will help in augmenting both communication and signalling networks of the railways.

"Spectrum would lead to secure data with adequate bandwidth to take care of the massive capacity expansion of Railways and making it a strong real-time network-centric national transportation platform. This will also give a boost to Aatmanirbhar Bharat mission," a Railway statement.

The spectrum charges may be levied based on a formula basis as prescribed by the Department of Telecommunications for royalty charges and license fee for captive use as recommended by the Trai.

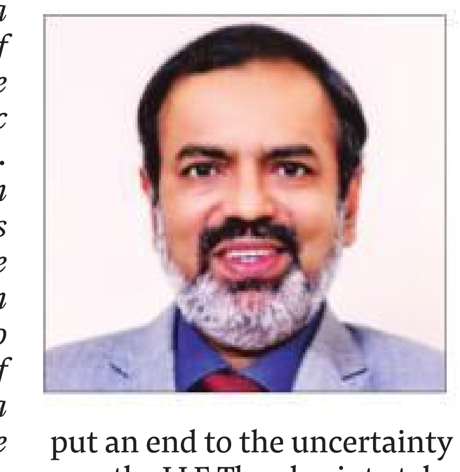
With this LTE based communication facility, the Railways can provide secure and reliable voice, video and data communication services for operational, safety and security applications. It will be used for modern signalling and train protection systems and ensure seamless communication between loco pilots and guards. It will enable the Internet of Things (IoT) based remote asset monitoring especially of coaches, wagons and locomotives and live video feed of CCTV cameras in the train coaches to ensure efficient, safer and faster train operations.

The national transporter has also upgraded its operations and maintenance regime by approving the train collision avoidance system in a move to attract multinational industries to set up manufacturing units and boost the 'Make in India' mission. This indigenously developed automatic train protection system will help in avoiding train collisions thereby reducing accidents and ensuring passenger safety. It will help in increasing the line capacity to accommodate more trains using the existing infrastructure, reduce transportation cost and allow higher efficiency.

INTERVIEW: V KALYANA RAMA, CMD, Concor

'Domestic production base for containers top focus'

Container Corporation of India (Concor), a wholly-owned arm of Indian Railways, is among the firms on the list for strategic sales in the current fiscal. **V Kalyana Rama**, *chairman and managing director, tells* **Nivedita Mukherjee** *that the company has a robust growth plan; it is planning to foray into indigenous manufacturing of containers and has laid out a road map for strong top line growth over the medium term.*



Your Q4 results showed a sharp 92% dip in consolidated profit, despite top line being strong. What do you attribute the low profitability to?

There were some one-time expenses that we incurred in the quarter. There was a change in the method of charging the land licence fee (LLF) that the Railways levy on us. The Railways took a decision that LLF would be charged on the basis of 6% of the market value of railway land. Earlier, LLF was charged on per-container basis. Based on that the LLF increased from ₹120 crore in 2019-20 to ₹520 crore in 2020-21. There was another one-off expense, regarding the assets left over at the 16 terminals that we handed over to the Railways. The asset value of the non-recoverable items on those lands was around ₹77 crore and we made a provision for it. So, all put together — the one-off expenses of some old pending LLF issues, the write-off and the difference in our and Railways' calculation — amounted to ₹280 crore that we have given provision for in Q4. That has actually brought down the Q4 profit by 92% to ₹24.97 crore.

What is the outlook for the current financial year?

In this financial year, we expect the operating income to increase by 12%. As for the bottom-line, I am very hopeful of a 100% growth because all the one-time expenses have been cleared off. We are also heading towards a long-term agreement for the railway land to put an end to the uncertainty over the LLF. The plan is to take over 24 terminals where Concor operates on Railway land. For 24 terminals, Concor will sign a long-term lease agreement of 35 years with the Railways for use of land. This is estimated to cost the company around ₹6,000 crore. With a cash balance of around ₹2,500 crore, we are looking at raising ₹3,000 crore as loan.

Are you on track to start container manufacturing by March 2022 as announced?

The annual requirement of containers will be around 8,000 per year for the next five years. We have already released developmental order (for manufacturing) of 2,000 containers with BHEL and Braithwaite & Co and these are in progress. For the remaining 6,000 containers, we have recently invited bids for domestic manufacturing. The EoI has drawn interest from 59 entities.

We will be selecting only 6 companies, with orders of 1,000 for each. Things will be clearer in two months. Concor is the largest procurer of containers in India, so we thought we will develop a manufacturing base in India.

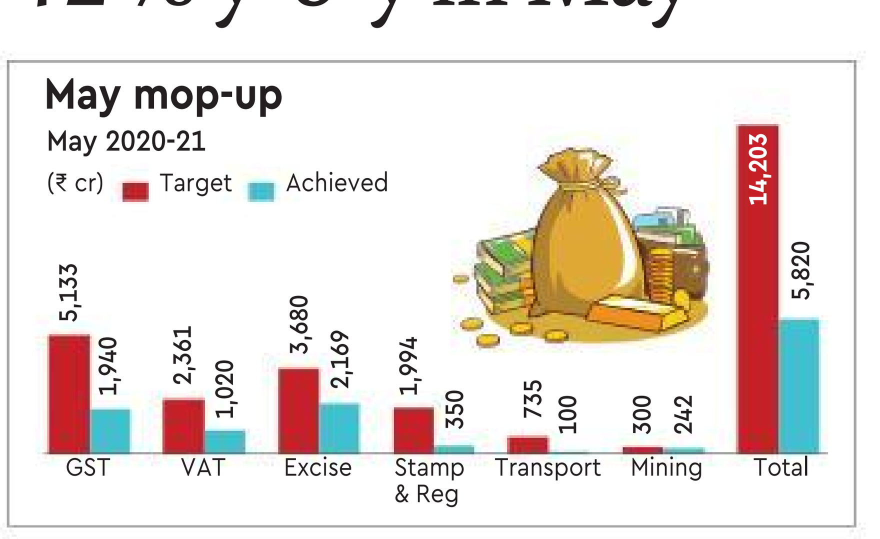
What are other new ventures?

We are going a little slow on expansion plans since divestment is on the cards. Concor ventured into coastal cargo but that had to be stopped because of the Covid. We wanted to do bulk movement of commodities in containers and are doing it in food grains. The plan is to start movement of cement in tank containers in another six to eight months. We also wanted to start flexi bag containers and are doing experiments in that. There is also the intent to get into distribution and logistics business which we had announced and some people had shown interest.

How important is the recent extension of benefits on the rail freight tariff?

There has been a positive growth in exports and imports in recent months, resulting in shortages of empty containers to cater to the export demand. With the aim of helping exporters and reducing the cost of exporting goods, we launched a scheme from April 1, 2021, of giving 50% freight concession for movement of empty containers between gateway ports and the firm's inland container depots, container rail terminals and private sidings. Since it became very popular and successful we have now extended this till March 31, 2022. We are working on giving a complete logistical solution and connecting the end dots to make it a seamless experience.

UP revenues increase 42% y-o-y in May



DEEPA JAINANI
Lucknow, June 9

UTTAR PRADESH'S TAX revenues (OTRs) have risen significantly in May 2021 from the year-ago period, but are still in the range of 50% of the target, information gathered by *FE* suggests.

A graded pick-up in the industrial activities, despite the Covid-19 induced curfew imposed in the state, have aided the slow recovery and the gains are mainly due to a rise in GST, VAT collections.

According to the finance department data accessed by *FE*, the state mopped up ₹8,272.55 crore as tax and non-tax revenue in May 2021, an increase of 42% from ₹5,820 crore collected a year ago. However, this is just 52.7% of the target of collecting ₹15,683.37 crore for the month. The GST revenue in May 2021 was ₹2,771.32 crore, which was 48.1% of the target of ₹5,764.74 crore for the month, while the VAT collection of ₹2,286.44 crore was 90.7% of the target at ₹2,520.63 crore. In May 2020, the GST collections stood at ₹1,939.52 crores, while the VAT collection was ₹1,019.65 crore.

The alcohol excise revenue, which had bailed out the government in the previous months, fell in May to ₹2,138.86 crore, against ₹2,169.25 crore collected in last May. While the drop of ₹30.39 crore against last year's earnings is merely 1.5%, the department managed to collect only 52.5% of the ₹4,073 crore target set for the month.

Though the state's performance in collecting ₹625.03 crore stamp duty has shown an increase over ₹349.52 crore collected in May 2020, the department still managed to collect just 28.5% of the target of ₹2,192 crore. The transport department's collection of ₹314.62 crore, though showing a threefold rise over May 2020's collection of ₹99.86 crore, is just 39.6% of the month's target.

The mining department, too, reported a lower revenue of ₹136.28 crore compared to ₹242.24 crore for the same period last year, which is 60% short of the month's target of collecting ₹338 crore.

UP govt in favour of GST cut on Covid medicines, says state's FM

FE BUREAU
New Delhi, June 9

THE BHARATIYA JANATA Party-ruled Uttar Pradesh government is in favour of a reduction in goods and service tax (GST) rates on Covid-19 medicines and essentials to give relief to patients, the state's finance minister Suresh Kumar Khanna said on Wednesday.

Khanna is one of the members of the group of ministers (GOM) led by Meghalaya chief minister Conrad Sangma on GST relief on Covid medicines/materials. The GoM is learnt to have recommended reduction of the GST rate temporarily to 5% for most the Covid medicines and materials except vaccines. The GoM's recommendations will be considered in the next GST Council meeting.

Many opposition ruled states are seeking zero-rating or 0.1% GST on Covid related essentials. "The UP government is in favour of a reduction in tax rates...we want to help patients," Khanna said, adding that the state would abide by the GST Council decision in this regard.

With the second wave of Covid-19 affecting people and their livelihoods, the northern state on Wednesday transferred ₹1,000 each to 23 lakh labourers or ₹230 crore in total, Khanna said. The state government had also transferred ₹1,000 each to 30 lakh labourers in the first wave of Covid-19 pandemic in FY21.

"We are trying to give purchasing power to people. We have not closed down any industry even during the second wave of Covid," the minister said.

He admitted that the second wave will have some impact on the state tax revenues in FY22. Unlike many other states, the minister said, the state has not raised VAT rates on petrol and diesel to raise additional resources. The pandemic hit the states' revenues hard in FY21 with the receipts adding up to only 66% of the targeted ₹4.2 lakh crore, according to CAG data. The gap in resources forced the state to cut capex by 37% from the budget target of ₹81,000 crore in FY21.

Exports, ethanol boost to raise sugar mill margins up to 100 bps, says Crisil report

PRESS TRUST OF INDIA
Mumbai, June 9

PROFITABILITY OF INTEGRATED sugar mills is likely to go up by 75-100 basis points (bps) this financial year due to high exports for the second consecutive season and increased supplies of ethanol for blending with petrol, according to a report.

High exports for the second sugar season (October-September) in a row, coupled with increased supplies of ethanol for blending with petrol will improve the operating profitability of integrated sugar mills by 75-100 bps to 13-14% this fiscal, according to a Crisil Ratings report.

Also, the recent announcement by the government to advance the ethanol-petrol blending target of 20% by two years to 2023, could help sustain this momentum over the medium term, it added.

Additionally, sugar closing stocks are expected to decline to their lowest levels in the past four sugar seasons (SS) to 9-9.5 million tonnes in SS 2020-21, resulting in lower working capital borrowings.

The improvement in profitability and controlled debt levels will, in turn, bolster the credit profiles of integrated mills this fiscal, the report noted.

The credit outlook on non-integrated ones, at the other end, will remain largely stable, it added. "The improvement in profitability of integrated sugar mills will be supported by higher sugar exports, with remunerative prices and increasing proportion of more profitable ethanol, which will offset impact of lower profitability in domestic sugar sales, and subdued returns from co-generation of power," Crisil Ratings Senior Director Anuj Sethi said.

Further, the global white sugar prices, which are currently higher than domestic sugar prices increased by 14.3% over last six months to ₹33.6 per kg (excluding export incentives) in June 2021.

Companies

THURSDAY, JUNE 10, 2021

ON HIRING SPREE

Mukul Dhyani, business head for Europe, Tech Mahindra

We are committed to hiring 250 people only in Nordics in the next 18-24 months. These additions will be in different technologies, but primarily it will be in the case of SAP and Cloud Network and 5G

Quick View

Hyundai starts bookings for Alcazar

HYUNDAI MOTOR INDIA (HMIL) on Wednesday commenced bookings for its upcoming six- and seven-seater premium SUV – Alcazar. The company is accepting bookings at Hyundai dealerships and on its online car buying platform for ₹25,000.

Truemeds closes $5m series A funding round

TRUEMEDS, A TELE-health platform that helps chronic patients find best value alternate brands for medicines, closed its $5-million series A funding round led by InfoEdge, Asha Impact and Indian Angel Network(IAN).

Tablez to launch retail chain of toys

TABLEZ — A LEADING Abu Dhabi-based retail and F&B group with a substantial presence in India, has announced its decision to launch a proprietary retail chain of toys by rebranding its existing toy stores into spaces of experience and entertainment for kids and parents.

RPower board to consider raising long-term funds

THE BOARD OF Reliance Power will consider a proposal to raise long-term resources at its meeting scheduled for June 13. In a filing to BSE on Wednesday, the company said funds are proposed to be raised by issue of equity shares/ equity linked securities/ warrants convertible into equity shares, by way of preferential issue and/ or qualified institutional placement and/or rights issue or any other method.

Jio providing vax info to users via WhatsApp

TELECOM OPERATOR RELIANCE Jio has started providing information regarding vaccine availability through WhatsApp chatbot, along with other customer services, according to a company source.

Indian Bank ties up with Practo for staff health plan

CHENNAI-BASED PUBLIC sector lender Indian Bank and leading integrated healthcare company Practo have joined hands to empower the bank's employees, both existing and former, and their family members with the latter's corporate health and wellness plans during the Covid pandemic. More than 74,000 present and retired staff members of the bank will benefit from these health plans.

Greenjoules raises ₹33 cr from Blue Ashva Capital

GREENJOULES, A PUNE-based green energy technology company, has raised Series A round of ₹33 crore from Blue Ashva Capital through its Blue Ashva Sampada Fund. The funds raised are a combination of equity and debt and will be utilised to set up commercial scale waste to energy plants and invest into R&D initiatives.

TeamLease Services posts Q4 PAT at ₹19.64 cr

STAFFING COMPANY TEAMLEASE Services on Wednesday reported a consolidated profit after tax (PAT) of ₹19.64 crore for the quarter ended March 2021. The company had posted a loss of Rs 29.43 crore during the corresponding period of 2019-20, TeamLease Services said in a BSE filing.

JAYPEE INFRA RESOLUTION

IRP files plea before SC for more time

Anuj Jain has sought extension of timeline for completion of resolution process till July first week

PRESS TRUST OF INDIA
New Delhi, June 9

JAYPEE INFRATECH'S INTERIM Resolution Professional (IRP) Anuj Jain has filed an application before the Supreme Court seeking extension of timeline for completion of its resolution process till the first week of July.

State-owned NBCC and Suraksha group are in the fray to acquire the debt-laden realty firm Jaypee Infratech (JIL) and complete over 20,000 pending flats for homebuyers.

The 45 days' time granted by the Supreme Court to complete the Corporate Insolvency Resolution Process (CIRP) expired on May 8.

In the last meeting of JIL's Committee of Creditors (CoC), Jain informed that an application was filed before the court on May 6 to seek an extension by 30 days, sources said.

The 45 days' time granted by the Supreme Court to complete the Corporate Insolvency Resolution Process expired on May 8

On the instructions of the CoC members, Jain filed another application on June 3 seeking further extension by 30 days. The applications are likely to be heard in the first week of July, they added.

Jain informed the CoC that the CIRP of JIL has to be completed by July 7, subject to the Supreme Court's decision on extension of timeline.

He also said all decisions taken by the CoC after May 8 related to the approvals of resolution plans submitted by the two contenders will be subject to the decision of the apex court on the two applications filed on May 6 and June 3 seeking extension.

Earlier this week, the financial creditors decided to consider the bids of both state-owned NBCC and Suraksha group to acquire the embattled realty firm at their next meeting scheduled on June 10 (Thursday).

Just before the start of the meeting of the CoC on Monday, Suraksha group submitted its revised bid, offering more funds to banks while reducing the timeline to complete some stalled projects for benefit of homebuyers.

The Mumbai-based firm did not submit its resolution plan on June 4 and rather sought at least seven days' extension to sweeten its offer for both homebuyers and bankers. NBCC, however, submitted its resolution plan on June 4.

This is the fourth round of the bidding process in the matter of JIL bankruptcy case. JIL went into the insolvency process in August 2017 after the National Company Law Tribunal (NCLT) admitted an application by an IDBI Bank-led consortium.

In the first round of insolvency proceeding, the ₹7,350-crore bid of Lakshadweep, part of Suraksha Group, was rejected by lenders.

The CoC had rejected the bids of Suraksha Realty and NBCC in the second round held in May-June 2019.

The matter reached the National Company Law Appellate Tribunal (NCLAT) and then the apex court. In November 2019, the Supreme Court directed the completion of JIL insolvency process within 90 days and ordered that the revised bids be invited only from NBCC and Suraksha.

Then in December 2019, the CoC approved the resolution plan of NBCC with 97.36% votes in favour during the third round of the bidding process. In March 2020, NBCC had got approval from the NCLT to acquire JIL.

However, the order was challenged before the NCLAT and later the Supreme Court, which on March 24 this year ordered that fresh bids should be invited only from NBCC and Suraksha.

The apex court had also directed that the resolution process be completed in 45 days, which lapsed on May 8.

Dr Reddy's ties up with Rockwell for vaccine freezers

FE BUREAU
Pune, June 9

DR REDDY'S LABORATORIES has tied up with commercial cold chain appliance manufacturer Rockwell Industries for freezers to store Sputnik V Covid-19 vaccines.

The vaccine requires a temperature of -18 degrees celsius to keep the jab stable and potent. Dr Reddy's has been working on stabilising it at storage temperature between 2 and 8 degrees celsius.

While a commercial launch is due later this month, Dr Reddy's has done a soft launch of the Sputnik V vaccine in the country on May 14. Dr Reddy's plans to roll out the Sputnik V vaccine across India.

Ashok Gupta, managing director, Rockwell Industries, said their technology ensured that Sputnik V's storage management at vaccine centres meets the stringent refrigeration standards set forth by Sputnik V manufacturers.

Covid-19 vaccines are temperature sensitive and require the precise temperature to maintain its potency, he said.

Rockwell has developed the vaccine freezers as per the WHO performance, quality and safety standards, and has tested it at a WHO authorised test laboratory at Denmark. Two different sizes of vaccine freezers have been certified by the laboratory. These freezers can handle various harsh usage conditions in rural locations too and maintain desired temperature range overcoming hurdles in the vaccine cold chain.

Rockwell and Dr Reddy's are working on a wireless IoT based controllers and data loggers, which could give access to real-time data of temperature and performance of the freezers across location in the country.

Rockwell has closed deals for over 750 Covid-19 vaccine freezers till now with various hospitals and institutions. Hospitals such as AIG Hospitals, Apollo, Omega and Care Hospitals have already started using the Rockwell's vaccine freezers. The company is also in the process of exporting these vaccine freezers to developed countries including an initial pilot deal with Japan.

The company can manufacture about 1,000 machines per day. Rockwell has two manufacturing facilities in Hyderabad with an annual production capacity of 4,00,000 units.

GAIL split plan scrapped, co to monetise pipelines

PRESS TRUST OF INDIA
New Delhi, June 9

A PROPOSAL TO bifurcate state-owned gas utility GAIL (India) has been scrapped for now, and instead the company will monetise some of its pipelines by selling a minority stake through InvIT.

GAIL chairman and MD Manoj Jain said the company has sent a plan for monetising two of its pipelines to the Ministry of Petroleum and Natural Gas and an Infrastructure Investment Trust (InvIT) is possible within the current fiscal year if approvals come soon. GAIL is India's biggest natural gas marketing and trading firm and owns nearly three-fourths of the country's 17,126-km gas pipeline network, giving it a stranglehold on the market. To resolve the issue, it was proposed that GAIL's pipeline business should be hived off into a separate entity.

"There is no pending proposal in this regard," Jain said at a call with reporters on the company's earnings. He was asked about the fate of the plan to transfer the pipeline business into a new subsidiary, with GAIL holding the core business of marketing natural gas and petrochemical production.

"We are initially monetising through InvIT. Proposals for InvIT for two pipelines have been sent to the ministry. Once it clears, we will start working on monetisation plan," he said. Asked if this meant that the split plan was junked, he said, "it appears so." To start with, GAIL plans to monetise the Dahej-Uran-Panvel-Dabhol pipeline and the Dabhol-Bengaluru pipeline.

GAIL FY21 profit falls 35% to ₹6,143 cr

GAIL'S NET PROFIT fell 35.4% year-on-year (y-o-y) to ₹6,142.8 crore on a consolidated basis in the fiscal ended March, as the natural gas marketing business — GAIL's largest revenue earner — reported a loss of ₹435.4 crore against a profit of ₹2,639 crore in the corresponding period a year ago.

In the fourth quarter of FY21, the company posted a profit of ₹2,535 crore against the ₹4,814 crore consolidated profit recorded in Q4FY20. The company's tax expenses also increased 73% to ₹1,582.6 crore in FY21. During the fiscal, GAIL's capex was ₹6,982 crore, mainly on pipelines, and the capex is expected to be around ₹6,600 crore in FY22. The petrochemical segment, owing to higher margins and volumes, swung to a before-tax profit of ₹1,065 crore in the fiscal from the ₹246-crore loss a year ago. —FE BUREAU

JSW Steel sues US competitors for metal 'conspiracy'

JOE DEAUX
June 9

INDIA-BASED JSW Steel claims three of the largest American steelmakers conspired to stifle competition by refusing to sell raw metal to its US pipe and plate-making operations after the Trump administration imposed imports on cheaper foreign supplies.

US Steel Corp, Nucor Corp and Cleveland-Cliffs control more than 80% of domestic steelmaking capacity and conspired to cause direct harm to JSW, according to a lawsuit filed on Tuesday in Houston federal court.

JSW said it hasn't been able to get enough semi-finished steel slab from suppliers outside the US since the tariffs were imposed in 2018. When the American companies refused to supply metal, JSW said its costs rose. The refusal also led to higher steel prices for US buyers at a time when domestic prices of the metal are near a record, JSW said.

"When the tariffs were imposed we were working hard at getting exclusions and these companies had said: 'Don't worry about it, you don't need an exclusion to bring in slabs, we can supply all you need,'" JSW board member John Hritz said in an interview. "We went down that road with them, and we tried our best to work with them, but never once did they ever supply us slabs." Spokeswomen at U.S. Steel and at Nucor each said their companies don't comment on pending litigation. Cleveland-Cliffs also said it's not their policy to comment on litigation.

JSW originally supported Trump's efforts to protect the American steel industry before suing in 2019 for relief, saying then that the U.S. Commerce Department wrongfully denied waivers for steel-slab raw materials, forcing the steel processor to pay tens of millions of dollars in tariffs. Nucor at the time objected to one of JSW's exclusion requests, saying giving slab production to American mills was "exactly the outcome intended" by the tariffs.

"Clearly the end goal — and they succeeded — was to stop us from getting exclusions," Hritz said. Nucor produced 24.4 million metric tonne of steel in 2017 and told Commerce it could supply 42 million tonne to companies seeking waivers, according to the Mercatus Center at George Mason University. U.S. Steel had said it could produce 49 million tonne, more than three times its production in 2017. —BLOOMBERG

Uber to hire about 250 engineers in India to expand tech, product teams

PRESS TRUST OF INDIA
New Delhi, June 9

RIDE-HAILING PLATFORM Uber on Wednesday said it is recruiting close to 250 engineers for its teams in Bengaluru and Hyderabad as it continues to expand the scope of operations for its engineering and product work in the country.

The current round of hiring will strengthen the company's rider and driver growth, delivery, eats, digital payments, risk and compliance, marketplace, customer obsession, infrastructure, adtech, data, safety and finance technology teams, a statement said.

These roles are currently split between the company's Hyderabad and Bengaluru tech centres, it added.

"Uber's expansion plans are in line with its vision to make mobility and delivery more accessible, and to become the backbone of transportation in over 10,000 cities across the globe," it said.

Uber senior director (engineering) Manikandan Thangarathnam said the teams in Hyderabad and Bengaluru work on important global mandates, and pioneer various industry-first innovations.

By the end of the year, the cumulative headcount at these centres is expected to touch 1,000 people.

"In order to serve more people across the globe, we're expanding our teams and are looking for bright engineering minds so we can collectively solve mobility and delivery challenges across all our global markets," he added. Uber said it has started reaching out to prospective candidates for building new teams and adding to existing ones, including Uber infrastructure, Eats, Marketplace, Risk and Payments, Uber for Business (U4B), marketing and advertising platforms.

Uber's tech teams have been heavily invested in building technology to enable safer rides and delivery across cities, including enabling mask-detection features and updating maps across countries.

To facilitate more effective social distancing measures, Uber's engineers have been accelerating digital payments in several countries, and also using Machine Learning (ML) and Artificial Intelligence (AI) to digitise several parts of Uber's operations, including driver onboarding, and uploading digital menus.

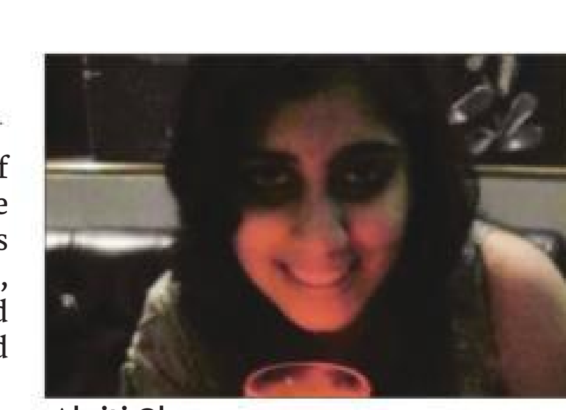
Ahead of $1.1-bn IPO, Zomato elevates ex-CFO Akriti Chopra to co-founder, chief people officer

FE BUREAU
New Delhi, June 9

ZOMATO HAS ELEVATED former chief financial officer (CFO) Akriti Chopra to the position of co-founder in the run up to its $1.1-billion initial public offering (IPO), founder & CEO Deepinder Goyal informed employees on Wednesday. *FE* has reviewed a copy of the email.

According to her LinkedIn profile, Chopra has been working with Zomato for close to 10 years and has served as the CFO from April 2019 to October 2020. Akshant Goyal took over the role of the new CFO starting November 2020. Chopra has also been appointed as the new chief people officer.

"She's mostly been behind the scenes all these years, working hard and building an impeccable finance team which keeps our engines running flawlessly. The quality of her work, her work ethic, and the insane ownership of the team she's built, all shone very brightly (and continues to) over the last few months as we prepared ourselves for our IPO," Goyal said in the mail. "...and now in her new role as our chief people officer, she is trying to instil her values in all of us. We would all do well to learn from her, and be like her," Goyal added.



Akriti Chopra PHOTO: TWITTER

In late April, Zomato filed the draft red herring prospectus with capital markets regulator Sebi. The company's IPO includes a fresh issue worth ₹7,500 crore and a ₹750-crore offer for sale by existing shareholder Info Edge.

JM Financial PE invests ₹35 cr in Walko Food

JM FINANCIAL Private Equity has invested ₹35 crore in Pune-based consumer packaged food company Walko Food to fund the company's expansion plans. This marks the closing of the eighth investment by JM Financial India Fund II.

Walko Food Company owns a natural ice cream brand NIC. The company operates a manufacturing plant in Pune and retails in over 50 cities across India. Proceeds from the investment will be used for brand building activities and augmenting the existing capacities of the company. —FE BUREAU

'Women rated better leaders than men by those who worked with them'

SAJAN C KUMAR
Chennai, June 9

VALLI ARUNACHALAM, 'KARTA' of MV Murugappan Hindu Undivided Family (HUF) who has dragged the Murugappa family members to NCLT over the denial of a board seat in the holding company Ambadi Investments (AIL) to her, has said businesses need to adapt to the new normal of incorporating women's voices in dealing with crisis in the Covid pandemic era, as they are capable of handling it more efficiently than their male counterparts.

In an exclusive chat with *FE*, Valli said the Covid -19 crisis had fundamentally changed the way businesses had been operating and there was a need to embrace the new normal.

Valli Arunachalam

She said, according to a study published in the December 2020 Harvard Business Review, women were rated significantly better leaders than men by those who worked with them. The gap widened in the pandemic, possibly indicating that women tend to perform better in a crisis.

Women outscored men in 13 of the 19 competencies that comprised overall leadership effectiveness, she said.

Valli, fighting the gender bias at the over ₹38,000-crore Murugappa Group's holding company AIL, said she came to India in the beginning of the second Covid wave and though her case at the Chennai NCLT was still pending, she was in 'action mode' dealing with women and girls empowerment issues.

She said data had shown that women had been disproportionately affected by the pandemic, their livelihood had been hit badly and many had been thrown into disarray.

She is working to empower women impacted by the pandemic under her father's foundation. "I am fighting for equality, passionate about it, and 100% committed to the cause," she said. She is reaching out to them and also looking for partnership with other foundations to help the women in distress.

About the update on the NCLT case, she said: "As far as the matter was concerned, it is in the NCLT and it is sub-judice. I won't be able to tell you anything, except those facts that are already in the public domain. There was a hearing scheduled on April 23, but it was re-posted to July 1, due to Covid pandemic."

The MVM family — comprising Valli, her sister and their mother — moved the Chennai bench of the National Company Law Tribunal (NCLT), seeking waiver of the minimum 10% shareholding required to ensure the alleged oppression and mismanagement case against AIL. It also sought board representation or alternately that its 8.21% stake in AIL be bought out.

Referring to her moving NCLT, she said legal battles are not new to her as she has been fighting the issue for almost two years now. "Our preference was to settle the matter amicably, and we ensured that no stone is unturned to resolve it, but unfortunately the family was unwilling to come to the table and settle the issue. In the course, we made several proposals, but at the end of the day, we had no choice but to move NCLT," she said.

Chief compliance officer to be named in a week: Twitter

PRESS TRUST OF INDIA
New Delhi, June 9

SOCIAL MEDIA PLATFORM Twitter is learnt to have written to the government that it is in advanced stages of finalising chief compliance officer as per the new IT rules and additional details will be submitted to the government within a week, according to an official source.

Twitter in its reply to the final notice of the government dated June 5, said that it is making all efforts to comply with the new guidelines but has been unable to do so because of the global impact of Covid-19 pandemic.

"...We are in advanced stages of finalising the appointment of the role of chief compliance office and we plan to provide additional details to you in the next several days, and at the latest within a week," Twitter said.

According to the source, the letter was sent on June 7 to the ministry of electronics and IT.

When contacted, a Twitter spokesperson said, "Twitter has been and remains deeply committed to India, and serving the vital public conversation taking place on the service. We have assured the Government of India that Twitter is making every effort to comply with the new Guidelines, and an overview on our progress has been duly shared. We will continue our constructive dialogue with the Indian government."

The new IT rules for social media companies that came into effect last month mandate large platforms like Facebook and Twitter to undertake greater due diligence and make these digital platforms more accountable and responsible for the content hosted by them.

Under the rules, significant social media intermediaries — those with over 50 lakh users — are required to appoint a grievance officer, a nodal officer and a chief compliance officer.

Videocon to give Vedanta arm majority stake in Ravva oilfield

PRESS TRUST OF INDIA
New Delhi, June 9

BILLIONAIRE ANIL AGARWAL'S metals-to-oil group on Wednesday said it will make an upfront payment of almost \$40 million (about ₹292 crore) for the acquisition of Videocon Industries, which will help it become the largest shareholder in the Ravva oil and gas fields in KG basin.

The National Company Law Tribunal's Mumbai bench on Tuesday approved the acquisition of bankrupt Videocon Industries by Vedanta group firm Twin Star Technologies, with the lenders set to take a haircut of about 90%.

Anil Agarwal's group will make an upfront payment of almost \$40 m for the acquisition of Videocon

In a filing to the London Stock Exchange, Agarwal's Volcan Investments said its wholly-owned Indian subsidiary, Twin Star Technologies (TSTIL), had submitted a resolution plan for Videocon Group companies, under the Insolvency and Bankruptcy Code of India.

"The bid for the Videocon asset consists of an upfront payment of almost \$40 million, which is less than 10% of the total bid value, and the remaining deferred payments shall begin post completion of 2 years from the acquisition date," it said.

Agarwal made a fortune buying state companies and fixing them up, building a metals and mining powerhouse. His group acquired state-owned Bharat Aluminium Company (BALCO) in 2001 and Hindustan Zinc in 2002 and bankrupt assets such as Electrosteel and Ferro Alloys Corporation Limited.

It acquired Sesa Goa in 2007 and VS Dempo in 2010. It acquired Cairn India in 2012. Its 22.5% stake in Ravva oil and gas field came from the Cairn acquisition.

Ravva field produced 22,000 barrels of oil and oil equivalent gas per day.

"Mr. Anil Agarwal's visionary leadership has successfully turned around various stressed assets in the past. The Videocon acquisition shall be no different and we are really excited to nurture the asset for overall value creation for our employees, customers, and stakeholders," the filing said.

Airbnb, Oyo, Yatra & EaseMyTrip join hands to form umbrella body

FE BUREAU
New Delhi, June 9

AIRBNB, EASEMYTRIP, Oyo Hotels & Homes and Yatra have joined hands to form an association — Confederation of Hospitality, Technology and Tourism Industry (CHATT) — an industry body that seeks to represent the interests of small and independent hotel and homeowners.

CHATT will also join the efforts of the government to revive the travel and hospitality industry, bridge the digital gap, and provide educational training to small hotel and homeowners, travel partners, the association said in a statement on Wednesday.

The association comprises start-up founders and business leaders such as Amanpreet Bajaj, general manager, Airbnb India, Southeast Asia, Hong Kong and Taiwan; Nishant Pitti, co-founder & CEO of EaseMyTrip.com; Rohit Kapoor, CEO of Oyo India & Southeast Asia; and Dhruv Shringi, co-founder & CEO of Yatra.com.

"Last year, inspired by the feedback from India's small hotels, independent hosts and travel operators, leading players of the industry such as Airbnb, EaseMyTrip, Oyo and Yatra started to discuss how interests of and challenges faced by these new-age entrepreneurs, building travel businesses beyond tier-1 cities of India, could also become an inclusive part of thought leadership and advocacy for the industry. The Covid-19 crisis presents a unique opportunity to collaborate on reviving the industry and only progress upwards from here on," the association said.

CHATT aims to promote domestic tourism, lead the digital transformation of tourism-related businesses and operating models while imparting educational training and beneficial programmes to all industry segments. Every member will be able to access CHATT's resources and benefits. They will get the scope to participate in year-round programmes and signature business events.

'PE investments hit record \$62.2 bn in 2020'

FE BUREAU
New Delhi, June 9

THE TOTAL VALUE of private equity investments in India hit a record \$62.2 billion in 2020 led by the Jio Platforms and Reliance Retail deals.

At \$26.5 bn, the investments bagged by the two Reliance entities comprised about 40% of the total deal value, said the report by Bain & Company and India Venture Capital Association

At \$26.5 billion, the investments jointly bagged by the two Reliance entities comprised about 40% of the total deal value, according to India Private Equity Report 2021 launched by Bain & Company and Indian Private Equity & Venture Capital Association (IVCA).

Excluding Jio Platforms and Reliance Retail, the total deal value was, however, down by 20% as the volume of large deals, totalling over \$100 million dipped by around 25%.

Total growth stage VC (venture capital) investments in India managed to touch \$10 billion in 2020 defying a pandemic year; recording only a marginal decline from \$11.1 billion in investments garnered by companies in 2019. Most of the investments were led by the edtech, foodtech and enterprise SaaS.

"Overall, the pandemic period saw a shift in the type of deals done, with investors focusing on alternative equity investment strategies," analysts said in the report.

From a sector standpoint, healthcare, consumer tech, and manufacturing contributed the most to growth, while IT/IT-enabled services (ITES) remained relatively strong despite contractions across several sectors. In absolute terms, consumer tech and IT/ITES were the largest sectors in investment value in 2020.

Opinion

THURSDAY, JUNE 10, 2021

ON FARMER PROTESTS

Congress leader Rahul Gandhi

To safeguard their farms and the country, farmers are dying slowly. But they are not afraid and they are true to their stance #500DeathsAtFarmersProtest

Sebi's Franklin-Templeton ruling a defining moment

It sends the right message to AMCs on need for due diligence and respecting investors's money

THE CAPITAL MARKET REGULATOR'S tough stance against Franklin Templeton Asset Management India (FT AMC) sends the right signals to the mutual funds sector. For too long have mutual funds had it their way, taking unnecessary risks—especially in the fixed income segment—and asking for relief at the slightest sign of trouble. Despite turning out less than ordinary returns, fund managers' salaries have only gotten bigger. As such, the action taken by the Securities and Exchange Board (SEBI) against the FT AMC and its senior executives should come as a lesson for all players, a reminder that investors' savings need to be respected.

FT AMC has now been barred from launching new debt schemes for two years. Monday's order from SEBI also imposed a ₹5 crore penalty and asked the fund house to refund the investment management and advisory fees collected between June 4, 2018, and April 23, 2020—₹512 crore—for the six wound-up debt schemes, including interest at 12% annum. FT AMC may claim that the market conditions were unfriendly, but that can't be an excuse; mutual funds can't seek to be let off for destroying hard-earned savings because the markets are illiquid. That the bond market in India is relatively shallow, especially for paper rated below AA-, is well-known—with inadequate tools to hedge the risks—and the portfolio needs to be created accordingly; holding debt paper of companies that are not well-rated and could default is asking for trouble. There is little point blaming illiquidity in the market. It isn't as though FT is a new entrant to India; as SEBI has pointed out, the fund house has been here for close to two-and-half decades.

The regulator has found FT guilty of adopting a high-risk strategy across schemes, putting long-term paper in short-duration schemes, and even not exercising exit options when a liquidity crisis emerged. Going by the order, the AMC's valuation practices were not exactly *kosher* and neither was the due diligence up to the mark. From the looks of it, the risk management effort at the AMC left much to be desired. As SEBI observed in its order, simply because high-risk strategies have paid off in the past, this can't be held to mean that they won't fall apart in the future. In general, it would appear that AMCs in India seem to be abandoning caution as they take on high-risk strategies to grow their businesses. A couple of years ago, several mutual funds were seen to have large exposures to NBFCs, unwarranted and risky since it is well-known NBFCs have long-term assets on their books. Investors in India tend to rely on the name and reputation of a fund house, they are not really looking at every scheme closely to gauge the risk levels. One could argue they should. But it is equally important that the risk management systems are strong and also that fund managers don't take undue risks in their quest for high returns. Requests for "side-pocketing" an exposure when a company defaults on repayments are unjustified. The FT episode is a defining moment in India's mutual fund history, but one does not expect AMCs to mend their ways overnight. The greed for bigger AUMs must give way to better fund management practices. It is time the investor got a break.

Don't lift reservation cap

Govt must instead focus on education support to communities

MAHARASHTRA CM Uddhav Thackeray has requested prime minister Narendra Modi to work towards lifting the 50% cap on reservations. The request comes after the Supreme Court quashed Maharashtra's public-sector jobs and education quota for the Maratha community, terming it unconstitutional. The apex court had rightly stated the quota violated the right to equality and the constitutional prohibition of discrimination on grounds of religion, race, caste, sex, or place of birth. Not only this, the five-member bench had observed that such violation of the 50% cap—derived from the landmark *Indra Sawhney* judgment—would signal an intent to have society based not on the principles of equality but caste rules. While the SC had noted that there were no extraordinary circumstances that merited reservations for Marathas, the fact is that, over the past three decades, several communities have arm-twisted state governments on quotas, pushing considerations of merit further and further into the background. The fact that these communities—be it the Jats in Haryana or the Patidars in Gujarat—have been able to wrest support from mainline political parties across the spectrum for their demand shows how much electoral heft they command. And, in the case of the Jats, the Marathas and the Patidars, among others, electoral heft is also matched by social and economic might.

State governments, for their part, have abused the Ninth Schedule protection to protect the breach of the 50% cap, despite the SC ruling in *IR Coelho* that this protection can't be held as sacrosanct if it violated specific Constitutional tenets. As this newspaper has highlighted before, the SC has been clear that reservations are meant for those who are truly historically backward and a "dominant forward class…in the mainstream of national life" cannot lay claim to special benefits. Thackeray and the prime minister—the BJP has supported the demand for Maratha reservations—will do well to keep in mind that the SC, in its verdict in the matter, made it clear that it will neither revisit its verdict nor refer it to a larger bench. In this context, its statement that "the Constitution (Eighty-first Amendment) Act, 2000 by which sub-clause (4B) was inserted in Article 16 makes it clear that ceiling of 50% has now received constitutional recognition" spells out that the current provisions of the Constitutions will be violated if the cap is breached. This makes it likely that any raising of the cap will need a constitutional amendment, and given the populist underpinnings of quota demands, it will open the floodgates for many communities to ask to be accommodated.

While many have argued that a 50% cap limits true reservation since the general category constitutes a small proportion of the population, the impact of access to education on the upward socioeconomic mobility of households must be taken into consideration. PRICE analysis of household incomes shows that reserved category households, headed by individuals with higher educational attainment, reported higher incomes than general category households headed by less-educated persons. Also, with 'reservations in perpetuity'—understood as the lack of the creamy-layer filter for certain reserved categories—the demand for reservation of unreserved categories who perceive themselves as backwards will continue to grow, making raising the 50% cap seem like a political imperative. The government must thus push education support for certain communities, instead of making reservation meaningless by raising the cap every now and then.

LEGISLATIVE LETHARGY

IN 2020, DESPITE THE PANDEMIC, PARLIAMENT MET FOR 33 DAYS. NINETEEN STATE LEGISLATURES MET FOR 29 DAYS ON AVERAGE IN THE PRECEDING, NON-PANDEMIC YEARS

The productivity of state legislatures

BIBEK DEBROY

Chairman, EAC to the prime minister
Views are personal

THE CONSTITUTION HAS a Seventh Schedule, with separate Lists for Union and State Governments, and there is a Concurrent List. Compared to public attention devoted to executive arm, relatively limited attention is paid to legislature and judiciary. As citizens, we should be concerned with productivity of legislatures too. Today, if we have metrics and information to gauge efficiency of Lok Sabha and Rajya Sabha, a large part of the credit goes to PRS Legislative Research. In discussions on reforms, or debates about public expenditure, there is excessive focus on Union government, reflecting perhaps our mindset that there is a "Centre", though constitutionally, there is no "Centre". There is the Union government. Witness interest in Union Finance Commission recommendations and amnesia about State Finance Commissions and their recommendations. Alternatively, there is limited scrutiny of state-level expenditure, or fiscal devolution and decentralisation of decision-making within states, or tracking functioning of state legislatures. (There are, of course, reports on the state of state finances.) Most factor markets we seek to reform are in the Concurrent List or the State List. Now that PRS has ventured into monitoring state legislatures, we will probably start to have better information, with a caveat.

"This report focuses on the legislative work performed by states in the calendar year 2020. It is based on data compiled from state legislature websites and state gazettes. It covers 19 state legislatures, including the union territory of Delhi, which together account for 90% of the population of the country. Information and data on state legislatures is not easily available. While some state legislatures publish data on a regular basis, many do not have a systematic way of reporting legislative proceedings and business." The report in question, just published (June 2021), is an annual review of state laws, for 2020. Notice that bit about information and data not being available. Typically, information becomes available when countervailing pressure is generated. Reports like this help to do that. If we cast our minds back, it was no different with Lok Sabha and Rajya Sabha, once upon a time. In passing, what is a state legislature? Most states are unicameral, with legislative assemblies. Some (Andhra, Bihar, Karnataka, Maharashtra, Telangana, UP) have a legislative council. There were historical and colonial reasons behind legislative councils. Since then, most states scrapped legislative councils, with valid reason. They delayed passing of legislation and required additional expenditure, funded indirectly by citizens. Unless one wants to accommodate individuals who lost in Assembly elections, or did not wish to stand, there is no need for a legislative council. That debate assumes an added significance because West Bengal abolished legislative council in 1969, but the newly-elected government wants to bring it back. In principle, a similar argument exists about Rajya Sabha, especially with the domicile requirement removed. But there is a Supreme Court judgement (*Kuldip Nayar versus Union of India and others*, 2006) on that.

There is very low scrutiny in the legislative process, PRS finds, in 2020, 59% of the Bills were passed on the same day that they were introduced in the legislature

To return to PRS, the annual review has not been done in the best of times. After all, 2020 was in the midst of the first wave of the pandemic, though, in principle, meetings can also be virtual. As a benchmark, Parliament met for 33 days in 2020. Pre-2020, these 19 states met for an average of 29 days a year. In 2020, they met for an average of 18 days. Before the pandemic, 29 days in a year? Had it not been for this report, I would have expected the number to be much more. There is of course a difference between a Bill being passed by a state Legislature and it becoming an Act, with assent of the Governor, and time-lags in that process. When they met in 2020, what did State Legislatures do? "States passed an average of 22 Bills (excluding Appropriation Bills). Karnataka passed 61 Bills, the highest in the country. The lowest was Delhi, which passed one Bill, followed by West Bengal and Kerala, which passed two and three Bills, respectively."

Pandemic certainly affected productivity. But the following problem is probably systemic and has nothing to do with Covid. "State legislatures pass most Bills without detailed scrutiny. In 2020, 59% of the Bills were passed on the same day that they were introduced in the legislature. A further 14% were passed within a day of being introduced…In Parliament, Bills are often referred to Parliamentary Standing Committees for detailed examination. …In most states, such committees are non-existent. In the absence of a robust committee system and fewer working days, state legislatures barely spend any time scrutinising legislative proposals brought before them." What subjects featured in state legislation? As expected, agriculture, land, labour, law and order, trade, commerce and industry. I will skip those details. But since this was in the middle of the epidemic, there was also legislation linked to Epidemic Diseases Act of 1897 and Disaster Management Act of 2005. Given the pandemic, I found a nugget interesting. "In 2020, several states decided to reduce the salaries and allowances of their respective MLAs, MLCs, Ministers, Speakers, and Whips….While the states of Gujarat, Himachal Pradesh, Karnataka, Kerala, and Uttar Pradesh decided to reduce the emoluments by 30%, the Bihar government amended the Rules (that provide for salaries and allowances) to reduce salaries by 15%. Several other states such as Andhra Pradesh, Odisha, and Telangana issued orders deferring the salaries of their MLAs, MLCs, and Ministers." The nugget is interesting because several states did no such thing.

The sustainability heat on companies

At least three key factors have led us here: investors unwilling to put their money in companies without a sustainability focus, regulatory push, and the streamlining of sustainability reporting

UK SINHA

Former chairman, SEBI
Views are personal

MAY 2021 WILL be remembered for the heat it generated on companies across the world on their sustainable business practices. In a global first, a judicial court in Netherlands has invoked the principles of human rights obligations of companies to rule that the Royal Dutch Shell will have to further accelerate its targeted reduction in greenhouse gas (GHG) emission. Convinced that Exxon Mobil does not have enough focus on sustainability, an activist shareholder having only 0.02% shares was able to mobilise votes from the likes of BlackRock and Vanguard to get two board directors of its choosing appointed in spite of strong resistance from the management. The shareholders of Chevron forced upon the management a resolution to set strict emission targets from the products that it sells. The International Energy Agency recently noted in a report that if the Paris climate goals have to be achieved, all new oil and gas projects will have to stop right now. The German cabinet approved a law which requires all coal-fired plants to close down much earlier than the target date set only eighteen months ago. In India, the SEBI came out with a new set of Business Responsibility and Sustainability Reporting (BRSR) that is more detailed, quantitative and comparable than the erstwhile BRR and will be mandatory for the top 1,000 companies from the next year. The International Integrated Accounting Board, IIRC in the UK and the Sustainability Accounting Standards Board in the US formally decided to merge under the IFRS umbrella to provide internationally comparable reporting standards on sustainability.

All of this in the month of May 2021! The decades-old debate on environmental damage and sustainability is now reaching a decisive phase. There is a confluence of three sets of undercurrents which generate this optimism.

Investors' pull: Workers saving for their pension do not want their investments to go to companies whose tailings-dam can burst and cause hundreds of death in Brazil, or that destroy an ancient site of aborigines in Australia for an extra bit of coal reserves. Investors also realise the long-term business risk of companies if sustainability isn't a focus, and that, in the long run, financial capital is just one of the multiple capitals a successful company must possess. Questions over 'existential threats' and 'purpose' of the company are being raised in the boardrooms.

Governments'/regulators' push: In 2021, the US announced that it will cut emissions by over 50% by 2030. Japan has almost doubled its 2030 targets. The UK has now announced a target to cut 40-45% by the same time, from the earlier goal of a 30%-cut. China has announced that its emissions will peak by 2030, and by 2060, it would have net zero emissions. India is expected by the global community to announce net zero by 2050. All of these have huge implications not only for hydrocarbon companies, but across multiple sectors, including shipping, airlines, steel, mining, financial services and others. Banking regulators are asking banks to include climate in the risk-assessment of the companies they lend to. Insurance and pension regulators are raising similar questions in their sector. Regulators of securities market are including sustainability as crucial elements in protecting long-term interests of all stakeholders of companies. The IEA has projected in its report that, for the world to reach net zero emission by 2050, gas consumption has to decline by 50%, oil by 75% and coal by 90%. International conventions and national laws are prescribing stricter environmental targets.

Measurement/reporting: When sustainability debates picked up, a plethora of organisations like CDP, CDSB, PRI, GRI, TCFD, IMP, IIRC, SASB, etc, sprang up to fulfill the need for sustainability reporting. Often, these worked at cross purposes and in competition with each other, leading to 'greenwashing' and other malpractices and creating confusion in the minds of investors. But, the realisation that the investors need a set of comparable and verifiable reporting formats has gathered momentum in the past one year. The merger of SASB and IIRC within the IFRS umbrella this year is a leap-frogging in the measurement and uniform reporting of sustainability practices of companies. The last excuse to avoid focus on sustainable business practices will also wither away. The heat on the companies is only going to intensify further.

Leveraging natural gas to usher in the green hydrogen era

HEMANT MALLYA & TIRTHA BISWAS

Mallya is senior programme lead, and Biswas is programme lead, Council on Energy, Environment and Water (CEEW)

Critical to position natural gas as a transition fuel for near-term GHG reductions & enable entry of hydrogen in a decade

Natural gas currently has a 6.6% share in India's energy mix and is targeted to increase to 15% by 2030. Natural gas is the cleanest fossil fuel and has wide usage across power, industry and transport sectors, but only has a 40% smaller emission-footprint than coal. Splitting water using renewable energy to produce green hydrogen is expected to be a viable cost-competitive and carbon-neutral energy source, but only by 2040. Green hydrogen can displace natural gas wholly or partly in all sectors. Therefore, it is critical to strictly position natural gas as a transition fuel for immediate GHG reductions and enable the entry of hydrogen in a decade. Three broad measures need to be prioritised – first, deploying technologies in industry and transport that use natural gas now but are hydrogen-ready; second, adapting natural gas infrastructure to hydrogen; and third, utilising natural gas for producing hydrogen to kickstart the green hydrogen ecosystem.

First, we need to invest in technologies that can readily transition to hydrogen. Steel manufacturing currently consumes 14% of the total delivered energy. A 150 million tonnes capacity addition primarily based on coal is being targeted by 2030 to propel our economic growth through manufacturing, requiring investments to the tune of ₹5,000 crore per million tonnes of steel capacity. It takes 40-50 years to recover these costs. Coal-based technologies have limited potential to blend hydrogen in the existing process. Current commercial steel-making technology can switch between natural gas and hydrogen (and all intermediate blends) to produce steel. It is essential to deploy this technology for all new capacity additions. This will reduce the overall carbon intensity of the steel industry, and green hydrogen can eventually be introduced as it becomes cost-competitive with natural gas.

Equipment such as boilers, furnaces, and heaters that have widespread use across industrial sectors for hot water, steam, and heat currently use furnace oil, coal, and pet coke. While many of them can be electrified, hydrogen is the only potential long-term solution for applications requiring high-grade heat. Again, natural gas equipment needs to be deployed that can utilise a blend with hydrogen. Depending on the technology, up to 20% blending of hydrogen is possible. Similarly, compressed natural gas blended with hydrogen (H-CNG) technology is being piloted in the transport sector and should be promoted.

Second, India has 17,000 km of natural gas transmission pipelines, and there are plans to add another 15,000 km in the coming decade. This provides an opportunity to deploy hydrogen-ready pipelines and associated infrastructure. Pipelines typically have a lifetime of over 40-50 years, and the turnover is slow. Thus, planning for future hydrogen-ready pipelines today is critical. New pipe should all be hydrogen corrosion-resistant through use of better grade steel. Existing pipe can be gradually made hydrogen resistant over the next decade through scheduled adaptation programs. This will spread out the cost of such a transition over many years. Further, a significant share of this adaptation cost would then be borne by natural gas now, thus enabling the entry of hydrogen in the future.

Third, green hydrogen is currently at least three and seven times as expensive as natural gas and coal, respectively, per unit of energy. But we need to build an ecosystem to absorb green hydrogen when it becomes cost-competitive with fossil fuels. However, the ecosystem will not materialise until there is a demand for hydrogen. Natural gas can also be utilised in new technologies that produce hydrogen and solid carbon (black). This eliminates carbon dioxide emissions and produces a useful by-product. Hydrogen so derived will be competitive with green hydrogen and can be utilised to build demand for green hydrogen of the future. In the green-hydrogen economy story, the journey will be as important as the destination itself. If planned well, natural gas can play the role of a bridge fuel and not act as a barrier to the entry of green hydrogen. On the contrary, stigmatising natural gas will only lock in more of the existing dirtier fossil fuels, further delaying the entry of green hydrogen.

Regd. No: DL -21048/03-05. R.N.I. No.26750/74. Printed and Published by R.C. Malhotra on behalf of The Indian Express (P) Ltd and printed at The Indian Express (P) Ltd Press, A-8, Sector-7, Noida - 201301 and published at The Indian Express (P) Ltd, Mezzanine Floor, Express Building, 9 & 10, Bahadur Shah Zafar Marg, New Delhi-110002. Phone: 0120-6651500. (Cover price: Patna: Mon-Fri ₹6, Sat ₹9, Sun ₹11; Raipur: Mon-Fri ₹7, Sat ₹10, Sun ₹10) Chairman of the Board: Viveck Goenka, Editor (Delhi) Shobhana Subramanian* (*Responsible for selection of News under the PRB Act) ©Copyright: The Indian Express (P) Ltd

Gadgets

THURSDAY, JUNE 10, 2021

TECH IN TANDEM

CP Gurnani, MD & CEO, Tech Mahindra

"During the pandemic, the IT industry has functioned like an orchestra—without being in the same room."

ASUS ZENBOOK DUO

Plenty of power in this dual-screen wonder

Asus ZenBook Duo is a feature-rich laptop with high-quality build, top-notch design and powerful specs

SUDHIR CHOWDHARY

THESE ARE PANDEMIC times and professionals as well as students are spending long hours on their laptops and desktops—windows to the outside world – undertaking work-related tasks and learning from the safe environment of their homes. Fact is, this new phenomenon of remote learning and working is taking a toll on our computers—with periodic system crash, battery dying quickly, or viruses and malware attacks. Thus, if you are on the lookout for a smart and efficient PC to improve your productivity, the new Asus Zenbook Duo (UX482) can be a good option. It boasts of a high-quality build and top-notch design and can easily rival some of the established laptop makers when it comes to performance.

Recently, we got our hands on the new 14-inch ZenBook Pro – a dual-screen laptop packed with plenty of power. We have been using this laptop for over a month now and it has all the essentials to be a classy work or learning companion. It is an ideal machine for a smooth, versatile PC experience.

Basically there are two models available: Asus ZenBook Duo UX482EA (our trial unit) and ZenBook Duo UX482EG. Company officials inform that the ZenBook Duo is an evolution of the elegant-looking ZenBook industrial design of its predecessors. For an ordinary user, this means that this Asus creation is adept at undertaking heavy office-related tasks, putting together a student's project, even for playing a game, video editing or watching a movie.

The new ZenBook Duo measures less than 17mm and weighs merely 1.6kg. Battery life has also been boosted to an amazing 17 hours for all-day productivity. Switched on and connected to the home network, the ZenBook Duo 14 delivers an immersive viewing experience with a four-sided frameless NanoEdge display that's super-bright and has ultraslim bezels for an expansive 93% screen-to-body ratio. The laptop also features the new tilting ScreenPad Plus, a secondary touchscreen that automatically tilts upto a seven-degree angle, reducing glare and reflections for improved readability. You can enjoy seamless visuals across both displays, with easy multitasking thanks to the ScreenPad Plus-optimised apps.

In terms of performance, the new ZenBook Duo harnesses the power of the latest 11th Generation Intel Core processors combined with plenty of fast RAM, plus Intel Iris Xe and discrete Nvidia graphics option. There's also an ultrafast PCIe SSD to ensure fast boot times and rapid app loads. The latest Wi-Fi 6 (802.11ax) chip on-board also enables rapid fast and efficient wireless networking performance.

ZenBook Duo is engineered with the new Active Aerodynamic System Plus system, which uses the ErgoLift hinge mechanism and tilting ScreenPad Plus to increase overall cooling airflow by upto 49%. This in turn allows an optimum internal temperature maintenance for maximum performance. Inside, there's a powerful dual-fan setup with a large-bore heat pipe for efficient heat dissipation. The secondary display or the Asus ScreenPad Plus is powered by ScreenXpert 2 software. You can boost your productivity with the built-in apps, and enhance creative work flows with the Control Panel app. The Control Panel is customisable and works with Adobe Photoshop, Lightroom Classic, Premiere Pro and After Effects.

Key takeaways: The stylish ZenBook Duo is a sleek, compact and a powerful laptop when it comes to work or learning. A good combination of speed, efficiency and power and hence a strong recommendation.

SPECIFICATIONS

- Dimensions: 324 x 222 x 16.9mm
- Display: 14-inch LED-backlit Full HD, 93% screen-to-body ratio
- Processor: 11th Generation Intel Core processors
- Operating system: Windows 10 Home
- Memory & storage: Upto 32 GB 4266 MHz LPDDR4X onboard
- Ports and connectivity: 2 x Thunderbolt 4 USB-C with full range (5~20V) of charging
- 1 x USB 3.2 Gen 2 Type-A, 1 x full size HDMI 1.4, 1 x 3.5 mm audio jack, 1 x MicroSD reader
- Battery: 70 Wh lithium-polymer battery (upto 17-hour of battery life)
- Estimated street price: ₹129,990 (UX482EA), ₹134,990 (UX482EG)

COVID-19 IMPACT

Why edge computing is gaining popularity

It empowers remote work infrastructure with greater computation and storage capabilities

Neelesh Kripalani

THE PANDEMIC HAS compelled enterprises to rapidly move their critical workload to the cloud to ensure seamless functioning of business. As cloud is gaining momentum, and enterprises are frantically looking for ways to optimise their network, storage and agility, edge computing has turned out to be the perfect solution.

To understand where edge computing fits in the whole spectrum of IT infrastructure, we need to begin with the basics— Understanding what actually is edge computing. "Edge computing" is a type of distributed architecture in which data processing occurs close to the source of data, that is, at the "edge" of the system. This approach reduces the need to bounce data back and forth between the cloud and device while maintaining consistent performance. This reduces latency in data transmission and computation, thereby enhancing agility.

With regards to infrastructure, edge computing is a network of local micro data centers for storage and processing purposes. At the same time, the central data centre oversees the proceedings and gets valuable insights into the local data processing. However, we need to be mindful that edge computing is a kind of expansion of cloud computing architecture—an optimised solution for decentralised infrastructure.

The ultimate purpose of edge computing is to bring compute, storage, and network services closer to endpoints and end users to improve overall application performance. Based on this knowledge, IT architects must identify and document instances where edge computing can address existing network performance problems.

How does edge computing work?

In traditional enterprise computing, data is produced at a user's computer. That data is moved across a WAN such as the internet, through the corporate LAN, where the data is stored and worked upon by an enterprise application. Results of that work are then conveyed back to the end-user. However, if we consider the number of devices that are connected to a company's server, also the volume of data it generates, it is far too much for a traditional IT infrastructure to accommodate.

So, IT architects have shifted focus from the central data centre to the logical edge of the infrastructure—taking storage and computing resources from the data centre and moving those resources to the point where the data is generated.

There are several reasons for the growing adoption of edge computing:

- Due to emerging technologies such as IoT and IoB, data is being generated in real-time. Devices enabled by these technologies require a high response time and considerable bandwidth for proper operation.
- Cloud computing is centralised. Transmitting and processing massive quantities of raw data puts a significant load on the network's bandwidth.
- Incessant movement of large quantities of data back and forth is beyond reasonable cost-effectiveness and leads to latency.
- Processing data at the source and then sending valuable data to the centre is a more efficient solution.

As organisations move back to remote working models, we will witness wider adoption of edge computing as it empowers remote work infrastructure with greater computation and storage capabilities.

The writer is senior vice-president & head – Centre of Excellence, Clover Infotech

SYSKA P2024J POWER BANK

Never let your phone run out of juice

An ultra-high capacity power bank than charge multiple devices simultaneously

SUDHIR CHOWDHARY

THE SUMMER MONTHS of May and June are exceptionally hot in the national capital region (NCR), frequent squalls and thunderstorms are aplenty too. Unfortunately, that translates into long power outages, too. At a time when most of us are remotely working or learning from our homes, the Syska P2024J Power Bank can be an ideal option for charging our smart devices and smartphones.

Priced at ₹2,499, the Syska P2024J zoom charging power bank consists of a steady capacity of 20,000mAh. The power bank charges multiple smart devices simultaneously with a uniform fast charging speed and offers a safe current supply through its 12-layer chip protection.

The power bank includes a built-in intelligent control circuit that can shunt the current flow when the power bank is self-charging and outputting power at the same time. Syska has built the power bank with 12-layers of intelligent protection, which ensure safe passage of currents both ways and protects the user from experiencing any kind of short-circuits and malfunctions. Syska P2024J comes with a power button, LED indicator, micro USB input, micro USB output and type-C port installed, making it easier to power up the latest smartphones and other devices.

The P2024J gives out 18W power. Through three different ports, you can charge three devices simultaneously, without any hassle.

KEY FEATURES

- Capacity: 20000mAh/74Wh
- 12 layers of protection
- Two-way fast charging
- Triple output ports
- Uniform fast charging for multiple devices
- Estimated street price: ₹2,499

eFE

INTERVIEW: MEGHANA PATWARDHAN,

Vice-President, Dell Latitude & Mobility Products, Dell Technologies

PC industry's record-breaking sales will continue in 2021 too

The need and the demand to work from anywhere will place greater emphasis on PCs that are always connected, globally, with simple connectivity solutions. "We like to say we're in the 'post, post PC era' where the PC remains the number one choice for working and learning in the 'do it from anywhere' world," says ***Meghana Patwardhan****, vice-president, Dell Latitude & Mobility Products, Dell Technologies, in a recent interview with* ***Sudhir Chowdhary****. Excerpts:*

Technologies such as AI, ML, IoT and cloud are being touted as the next big thing. What are the major shifts you have seen in the PC landscape, as far as these technologies are concerned?

Technologies like cloud, 5G and AI play a critical role as we look to the future of computing and overall customer experience. We have made a lot of headway with our most intelligent PCs, and our future PCs will take this even further.

For example, we already use AI to make PC usage more seamless, customised and hassle-free. In the future, these technologies will make today's common tech challenges, like connecting to the local network or setting up a printer, much more intuitive and simple. Remote management will be made easier too. Imagine a future where PCs will self-heal to keep you working instead of looking for help, ultimately fixing problems before they manifest. "We are on this journey already, and our PCs of the future will evolve to where IT never even touches a PC.

Increased intelligence with AI and ML will also open new ways to connect and collaborate. Imagine a PC that understands when you want to be seen, and learns when you don't—where you can trust your PC to keep your camera turned off until you choose the moments you want to participate via video.

There will also be greater use of the cloud as large application loads move beyond the device itself, thanks to innovations in 5G connectivity. It will bring new use cases and applications in telemedicine, manufacturing, and field work—while providing capacity and performance from any location.

How has the technology landscape changed as far as computing is concerned?

Twenty years ago people declared the death of the PC. However, the industry is seeing record-breaking sales, proving quite the opposite. The momentum has continued into 2021 with record revenue for Dell's PC business with first quarter earnings of $13.3 billion, up 20%. It's not just about the PC – it's the software and ecosystem around it too. You'll continue to see us invest in key areas to make computing experiences more personal, more intelligent, more connected, more collaborative and more beautiful while keeping sustainability and security at the core.

"We already use AI to make PC usage more seamless, customised and hassle-free. In the future, these technologies will make today's common tech challenges, like connecting to the local network or setting up a printer, much more intuitive and simple"

Can you shed some light on how Dell has integrated the use of these technologies in the latest commercial portfolio?

Dell Optimizer, our AI and ML-based software, is available across select Dell Latitude, OptiPlex and Precision devices. It works intelligently in the background and adapts to how each user works for a more personalised experience. Powering features like Express Sign-in where the PC will wake on approach and lock as you walk away. Dell Optimizer also improves overall application performance, eliminates echoes and background noise, conserves battery power, improves connectivity, enhances security and more. Optimizer is the culmination of multiple years of software development and customer feedback, and is especially crucial in this moment. As professionals navigate the balance of work and home, they need devices that can keep up with them, not slow them down.

Connectivity is also top of mind as more companies embrace a permanent flexible work policy. Our Dell Latitude 9510 was the industry's first 5G-capable business PC, and we continue to introduce new Latitude PCs with 5G, Wi-Fi 6E and 4G LTE for fast connections.

How is Dell minimising the environmental impact through sustainable designing?

Our goal is that by 2030, for every product a customer buys, we will reuse or recycle an equivalent product, and 100% of our packaging and more than half of our product content will be made from recycled or renewable material. The drive to meet this goal is embedded across our organisation.

JOINING THE DOTS

Now CIOs are enablers of a digital-first economy

An Adobe report says 98% of Indian CIOs (compared to 92% in US) saw their responsibilities expand during Covid-19

FE BUREAU

NEW RESEARCH FROM Adobe has revealed that CIOs sit at the centre of virtually every major business initiative in today's digital-first economy, with businesses tapping CIOs to digitally transform their organisations and help shape their return-to-work plans. In order to understand how the CIO's role has evolved, Adobe surveyed more than 500 CIOs across the US (200), EMEA (150) and APAC (156) regions. It found that 98% of Indian CIOs (compared to 92% in US, 83% in EMEA and 94% in APAC) reported an increase in their responsibilities.

Nitin Singhal, managing director, Digital Experience, Adobe India

"In just a year, we went from a world with digital capabilities to a digital-first economy, which placed immense pressure on many leaders, including CIOs— many of whom were tasked with taking on a range of new responsibilities," says Nitin Singhal, managing director, Digital Experience, Adobe India.

Around 96% of Indian CIOs have more influence on leadership decisions (compared to 83% in US, 85% in EMEA, 94% in APAC) while an even greater number (98%) share that their organisational structures have been reimagined to meet the changing needs brought on by a transition to a digital-first economy. Among the many priorities CIOs must now manage, customer experience is ranked the highest by Indian CIOs (92%, compared to 38% in US, 67% in EMEA, 74% in APAC). According to the survey, upto 50% of Indian CIOs singled out hybrid and public cloud as the most likely area for increased investment in 2021.

While customer experience is a top focus, the new "work from anywhere" environment has evolved CIO's priorities to be first and foremost, employees and then customers. In fact, 89% of CIOs see themselves as change agents. Around 80% of Indian CIOs foresee their organisation focusing more on productivity than time measures (compared to 36% for US, 41% for EMEA, 57% for APAC), while a significantly high 71% are willing to hire from anywhere in the country and world (compared to 29% for US, 37% for EMEA, 44% for APAC). Additionally, 63% of Indian CIOs are ready to implement a shorter work-week compared to 7% for the U.S., 27% in EMEA, and 41% across APAC.

International

THURSDAY, JUNE 10, 2021

CHINA CREATING OWN PROBLEMS

Kurt Campbell, US coordinator for Indo-Pacific affairs

"Over the last year or two the country that has done the most to create problems for China is not the US but China. But is that getting through to the most inner-circle in the Chinese leadership? I think that's a question we can't answer."

STARK INEQUITY

Wealthiest Americans 'pay almost no income tax'

President Biden has proposed raising the top marginal income tax rate to 39.6% from 37%

NEW YORK TIMES
Washington, June 9

An analysis by ProPublica based on IRS documents show it has seen the tax returns of Jeff Bezos, Warren Buffet and Elon Musk FILE PHOTO

THE 25 RICHEST Americans, including Jeff Bezos, Michael Bloomberg and Elon Musk, paid relatively little, and sometimes nothing, in federal income taxes between 2014 and 2018, according to an analysis from the news organisation ProPublica that was based on a trove of Internal Revenue Service tax data.

The analysis showed that the nation's richest executives paid just a fraction of their wealth in taxes, $13.6 billion in federal income taxes during a time period when their collective net worth increased by $401 billion, according to a tabulation by Forbes.

The documents reveal the stark inequity in the American tax system, as plutocrats like Bezos, Bloomberg, Warren Buffett, Musk and George Soros were able to benefit from a complex web of loopholes in the tax code and the fact that the United States puts its emphasis on taxing labour income versus wealth. Much of the wealth that the rich accrue, like shares in companies they run, vacation homes, yachts and other investments, isn't considered "taxable income" unless those assets are sold and a gain is realised. Even then, there are loopholes in the tax code that can limit or erase all tax liability.

Administration officials said on Tuesday that federal authorities were investigating the disclosure of private tax information, which can constitute a criminal offense.

"Any unauthorised disclosure of confidential information by a person with access is illegal," Jen Psaki, the White House press secretary, said at a briefing. "We take this very seriously."

The rare window into the tactics of the nation's top billionaires comes as President Biden is trying to overhaul the tax code so that corporations and the rich pay more.

Biden has proposed raising the top marginal income tax rate to 39.6 percent from 37 percent, which would reverse the reduction ushered in by former President Donald J. Trump's 2017 tax cuts.

The documents and the conclusions of the analysis could renew calls for Biden to consider a wealth tax, given that a higher marginal tax rate would do little to raise the tax bills of the 25 richest Americans. From 2014 to 2018, the 25 wealthiest Americans paid an average of 15.8 percent, or $13.6 billion, in personal federal income taxes.

Chuck Marr, senior director of federal tax policy at the Center on Budget and Policy Priorities, said the private tax data highlighted the relatively modest approach that Biden is proposing considering the extent to which the tax code rewards wealth and punishes labour. "Some of the solutions are often cast as aggressive," Marr said. "What's really radical is the current circumstance."

Lawmakers like Senator Elizabeth Warren, Democrat of Massachusetts, have championed the idea of placing a 2 percent tax on an individual's net worth above $50 million, including the value of stocks, houses, boats and anything else a person owns, after subtracting any debts.

Singapore finds Delta most prevalent among virus variants locally

REUTERS
Singapore, June 9

SINGAPORE HAS FOUND the Delta variant of the coronavirus to be the most prevalent among local cases of variants of concern (VOCs), according to health ministry data, highlighting its level of infectiousness.

There were 449 local cases with VOCs as of May 31, of which 428 were the Delta variant first detected in India and nine of the Beta variant first identified in South Africa, the health ministry said in emailed statement on Wednesday. Singapore authorities first reported the presence locally of the Delta variant in early May. The Delta variant is stoking concern of a major spike in infections in other countries where it has been found, such as the United Kingdom, potentially delaying reopening plans after the rollout of vaccines in many regions.

Singapore performs viral genomic sequencing for all confirmed COVID-19 cases, unlike some countries who typically sequence a smaller proportion of their infections. A recent rise in cases, including those linked to the Delta variant, prompted Singapore to tighten curbs on social gatherings last month. It reported 476 domestically transmitted cases during May. Infections have been falling since, with only 2 cases on Wednesday, the lowest since early May.

El salvador leader makes bitcoin legal tender

BLOOMBERG
June 9

EL SALVADOR HAS become the first country to formally adopt Bitcoin as legal tender after President Nayib Bukele said congress approved his landmark proposal.

The 39-year-old president, whose Twitter profile has a "laser eyes" picture of the kind popular with devotees of cryptocurrencies, said on Twitter lawmakers approved the legislation by a supermajority.

Bukele has previously said that Bitcoin will help counter El Salvador's low banking penetration rate and cut the cost of sending remittances. Such transfers, mainly from Salvadorans working in the US, surged to a record of nearly $7 billion over the last year.

A significant percentage of that is lost to financial intermediaries, according to Bukele. "El Salvador, like many Latin American countries, pays significant fees with international transfers, so the embracing of cryptos should not come as a surprise," said Edward Moya, senior market analyst for the Americas at Oanda, in a note Monday. The high-stakes plan to ramp up usage of the volatile crytpocurrency adds to the bull case, just as the token struggles to recover from last month's rout.

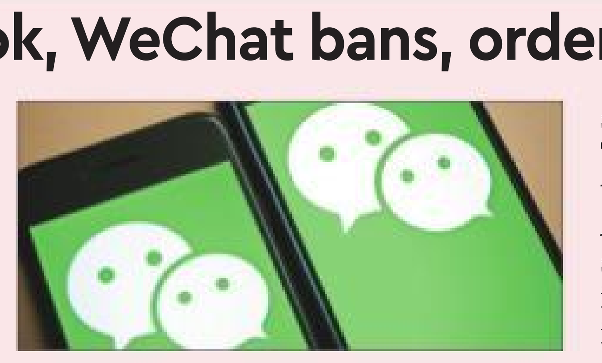
Remittances are surging across Latin America as the US economy recovers. El Salvador's move raises the question of whether other countries in the region might follow suit, said Jonathan Cheesman, head of over-the-counter and institutional sales at crypto derivatives exchange FTX.

Paraguay is seen as the country most likely to follow El Salvador, Cheesman wrote in a research note. It also raises the question of whether Bitcoin might now qualify as a foreign currency for US accounting purposes, Cheesman said.

Since taking office in 2019, Bukele has flouted conventions and tried to present an image of a new style of Latin American leader. He communicates with frequent tweets, wears a baseball cap back-to-front, and often talks about his passion for surfing.

El Salvador's central bank President Douglas Rodriguez said in an interview with state TV on Tuesday that Bitcoin is already used in the country and "it's not something people need to be afraid of".

Biden revokes TikTok, WeChat bans, orders security review



PRESIDENT JOE BIDEN is revoking Trump-era bans on the Chinese-owned apps TikTok and WeChat on Wednesday, and instead will review software applications from foreign adversaries that could pose a risk to Americans' sensitive data, senior administration officials said.

Biden, in an executive order, is directing Secretary of Commerce Gina Raimondo to evaluate the apps and block those that pose a security risk. The order replaces former President Donald Trump's actions, aimed specifically at Chinese companies including TikTok owner ByteDance. and WeChat owner Tencent Holdings, that tried to ban the use of those apps in the US. Trump's measures have been blocked by federal judges, who said the former administration hadn't shown those apps in particular posed a national security threat justifying a ban.

The new order aims to clarify the criteria that the US views as harming Americans' sensitive data, the officials said. The data includes personally identifiable information and genetic information that would go to people directly linked to foreign adversaries, including China, according to a White House fact sheet. A separate national security review into the sale of TikTok to an American company is ongoing and not connected to Wednesday's action, a senior administration official said. —BLOOMBERG

MAPPING THE VIRUS

Cases exceed	Deaths near	Recoveries
174 million	3.75 million	158,405,132

- European parliament approves vaccine passports
- Merck signs $1.2 billion US supply pact for Covid-19 pill
- Most English adults have antibodies
- Another shot gets nod in China
- US gets crucial EU support for new study into Covid's origins
- G-7 to discuss virus origin hunt

Global airline alliances oneworld, SkyTeam and Star Alliance renewed their calls for governments to adopt aligned travel measures to restart international travel, according to a blog post on the Delta Airlines website.

Merck entered a $1.2 billion agreement to supply the US government with its pill for Covid-19, should the experimental drug receive regulatory clearance. Merck agreed to supply 1.7 million courses of the treatment, called molnupiravir, to the US

China administered about 14.8 million doses of COVID-19 vaccines on June 8, bringing the total number administered to 808.96 million, data from the National Health Authority showed on Wednesday.

Leaders of the Group of Seven nations meeting on June 11-13 are expected to discuss a renewed push from the US among others into investigating the origins of Covid-19 after conflicting assessments about where the outbreak began, according to a EU official.

The Covid-19 vaccine developed by the Chinese Academy of Medical Sciences is available for emergency use in the country, Science and Technology Daily said.

Getting vaccinated for Covid-19 in Hong Kong could mean winning a Tesla or even a pile of gold as as the city's tycoons and their companies look to incentivise the shots and help boost a sluggish inoculation rate.

Meet Grace, the healthcare robot Covid-19 created

REUTERS
Hong Kong, June 9

THE HONG KONG team behind celebrity humanoid robot Sophia is launching a new prototype, Grace, targeted at the healthcare market and designed to interact with those isolated by the pandemic.

Dressed in a blue nurse's uniform, Grace has Asian features, collar-length brown hair and a thermal camera in her chest to take your temperature and measure your responsiveness. She uses artificial intelligence to diagnose a patient and can speak English, Mandarin and Cantonese. "I can visit with people and brighten their day with social stimulation ... but can also do talk therapy, take bio readings and help healthcare providers," Grace told Reuters as she stood next to her "sister", Sophia, in creator Hanson Robotics' Hong Kong workshop.

Quick View

Amazon explores replacing JPMorgan in credit-card tie-up

AMAZON.COM IS fielding bids to replace JPMorgan Chase as the issuer on its popular co-brand credit card as a fresh wave of competition for new card customers emerges. American Express and Synchrony Financial are among those bidding on the portfolio, according to people with knowledge of the matter, who asked not to be identified discussing the negotiations. Representatives for the lenders declined to comment, while a spokesperson for Amazon didn't have an immediate comment when reached by email on Tuesday. JPMorgan is willing to part with the Amazon portfolio, according to some of the people familiar with the matter.

Airbus set to move ahead with A350 freighter

AIRBUS IS POISED to begin taking orders for a freighter version of its A350 wide-body as soon as next month, in a challenge to Boeing's dominance in the market for dedicated cargo aircraft. The European planemaker has been speaking to more than a dozen potential customers and will seek board authorisation to market the new plane in the coming weeks, provided it can line up enough commitments, according to people familiar with the matter.

US panels to study reopening EU travel

THE BIDEN ADMINISTRATION is forming working groups with Canada, Mexico, the EU and the UK to examine how to reopen international travel as the coronavirus pandemic eases, a White House official said Wednesday.. The announcement came shortly before President Joe Biden arrived in the UK for a Group of Seven summit.

Former VW boss to pay firm $13 million over diesel scandal

ASSOCIATED PRESS
Frankfurt, June 9

FORMER VOLKSWAGEN CEO Martin Winterkorn has agreed to pay 11.2 million euros ($13.6 million) in compensation for what the company called his failure to quickly get to the bottom of the 2015 scandal over diesel engines rigged to cheat on emissions tests, the company said Wednesday.

Winterkorn's payment is his share of an overall 288 million-euro settlement with Volkswagen by him and three other former managers.

Volkswagen said it would get 270 million euros ($329 million) from liability insurance against loss from the actions of directors and officers.

Rupert Stadler, former head of the Audi luxury car division, would pay 4.1 million euros; former Audi executive Stefan Knirsch 1 million euros; and former Porsche executive Wolfgang Hatz 1.5 million euros. Porsche is a part of the Volkswagen Group.

More than 30 insurers were also involved in the talks, the dpa news agency reported. The settlement must be approved by the company's annual shareholder meeting July 22.

The company said in a statement that Winterkorn "breached his duties of care" as CEO, based on an extensive investigation by a law firm commissioned by the company.

Renault aims to produce 400,000 vehicles a year at new French electric hub

REUTERS
June 9

Loss-making Renault has been looking to slash costs, including through redundancies, as it tries to lift its profitability under De Meo.

FRENCH CARMAKER RENAULT said on Wednesday it will combine three of its plants in northern France to form an electric car hub with lower production costs, which aims to turn out 400,000 vehicles a year by 2025.

Renault said creating the single plant, known as Renault ElectriCity, would lead to the creation of 700 jobs spread across the various sites, which currently employ nearly 5,000 people, by 2025.

The company, which is looking to produce fewer and more profitable cars under boss Luca de Meo, faces strong competition in the electric car market, an area in which it had an early lead but where bigger rival Volkswagen has started catching up.

Its French plan to create a new legal entity and combine the workforce from the three sites has backing from all the company's unions, Renault said, and will entail further labour negotiations as it overhauls previous work agreements.

Talks will include reviewing gaps between some older contracts for 35-hour weeks that were paid at 39 hours and newer ones without that status, said Luciano Biondo, the head of the new industrial hub.

Changes such as these "will contribute to reaching the necessary competitiveness to produce B segment cars in France", Biondo said, referring to smaller passenger vehicles.

Of the three plants affected, Douai is a car assembly site, Maubeuge a commercial vehicles assembly plant and the Ruitz site, which manufactures gear boxes, will be assigned a new electrical components manufacturing role, Renault said.

It will shrink the size of some of the factories and also aims to produce some its future electric models, like the Megane and next generation R5, on one assembly line.

Loss-making Renault has been looking to slash costs, including through redundancies, as it tries to lift its profitability under De Meo.

Electric cars are still more expensive to produce than traditional ones, adding to the cost equation. Renault wanted to nudge manufacturing costs to between 3% and 4% of the cars' selling price, but was still far from these levels, Biondo remarked.

Hacker known as Max is a 55-year-old woman from Russia, say US investigators

BLOOMBERG
June 9

Witte, now 55, assumed the identity "Max" and started writing illicit code, according to a federal indictment unsealed on February 8 after she was detained in Miami FILE PHOTO

ALLA WITTE'S PLANS for a new career as a computer programmer included helping clients make enough money to see the world, according to YouTube videos and social media posts. She was in her late 40s with a degree in applied mathematics and an itch to do computer programming.

But there was a darker side to Witte's interest in computers, according to federal prosecutors. In the six years leading to October 2018, Witte allegedly transformed from amateur developer to a key cog in a cybercrime syndicate known as Trickbot.

Witte, now 55, assumed the identity "Max" and started writing illicit code, according to a federal indictment unsealed on February 8 after she was detained in Miami.

She's since been transferred to Cleveland, where she's one of seven alleged members of the Trickbot gang facing charges for their role in a global fraud, data theft and ransomware operation with roots in Russia, Ukraine and Belarus.

But Witte is the first alleged member of the Trickbot cybergang ever to be detained in the US She appeared before a US magistrate judge on June 4 for her arraignment, where she waived her rights to a detention hearing. She hasn't yet made any pleadings in the case. Witte's public defender in Cleveland, Ed Bryan, didn't respond to requests for comment.

If Witte were to cooperate with authorities, her insights could be invaluable at a time when the Biden administration and a newly formed Justice Department task force are taking aim at ransomware and other cybercrime, said Alex Holden, the founder of the cyber-investigations firm Hold Security. She could also help US officials understand the structure of a tenacious and wide-ranging cybercrime operation with so many tentacles that it managed to evade a pair of takedown operations by US Cyber Command and Microsoft in 2020, he said.

Trickbot is the name of a cybercrime group, piece of malicious code and a botnet, a network of hijacked internet-connected devices used to carry out cyberattacks.

The cybercrime group manages the botnet and sells its malware to "affiliates" who then use it to target various victims, according to the cyber research firm, Malwarebytes.

Once infected, victims become part of the botnet, a network of thousands of computers and servers around the world that are carriers of the Trickbot malware. The malware is used as a point of entry for hackers hunting for data for espionage or looking to inject ransomware. It is among the most popular sources of entry for ransomware attacks in use today, according to the cybersecurity company, Eclypsium.

Since it was first detected in 2016, Trickbot operators have stolen tens to hundreds of millions of dollars from victims in the US, including banks, universities and local governments, according to cybersecurity experts and court documents. In October, as coronavirus cases surged in the US, authorities warned of "increased and imminent cybercrime threat to US hospitals and health-care providers" from Trickbot.

Australia says WTO should punish Chinese economic coercion

ASSOCIATED PRESS
Canberra, June 9

THE WORLD TRADE Organization should penalise "bad behaviour when it occurs," Australia's prime minister said Wednesday ahead of a Group of Seven leaders' meeting in Britain where he hopes to garner support in a trade dispute with China.

Prime Minister Scott Morrison said Australia would be "working with others to buttress the role of the World Trade Organization and to modernise its rulebook where necessary."

"In my discussions with many leaders, I've taken great encouragement from the support shown for Australia's preparedness to withstand economic coercion in recent times," Morrison said in a speech delivered in the Australian west coast city of Perth before leaving for the G7 meeting in Cornwall.

The Australian government announced in December it would ask the WTO to intervene in its dispute with China over barley and expects other nations to become involved in the case.

Markets

THURSDAY, JUNE 10, 2021

EXPERT VIEW

Indian regulators place significant emphasis on financial inclusion and priority sectors, which can limit the potential model and opportunity for digital challenger banks.

—BCG report

Money Matters

10-year GILT

The benchmark was up post RBI announcements 0.010%

₹/$

The rupee gained amid selling in the equity market 0.1505%

€/$

The euro weakened against the dollar 0.1228%

₹10,000 CRORE

Inflow in equity MFs at 14-month high in May

Barring equity-linked saving schemes (ELSS), which saw withdrawal of ₹290 crore, all the equity schemes witnessed inflows last month

PRESS TRUST OF INDIA
New Delhi, June 9

EQUITY MUTUAL FUNDS witnessed a net inflow of over ₹10,000 crore in May, making it the highest infusion in 14 months, due to the rally in stock markets on the back of declining Covid-19 cases and robust quarterly earnings.

This is also marks the third consecutive monthly inflow after ₹3,437 crore net inflow seen in April and ₹9,115 crore in March, data from the Association of Mutual Funds in India (Amfi) showed on Wednesday.

Prior to this, equity schemes had consistently witnessed outflow for eight straight months from July 2020 to February 2021.

"With stock markets moving to all-time highs, investors continued their preference towards mutual funds and this trend could continue in the coming months," Gopal Kavalireddi, head of research, FYERS, said.

Himanshu Srivastava, associate director — manager research, Morningstar India, said a significant improvement on the coronavirus situation with daily Covid-19 cases falling consistently, along with improving recovery rate, over the last few weeks, would have provided comfort to investors.

"Good quarterly results, positive earnings growth outlook over the long-term and waning concerns of any severe impact of the second wave of the pandemic on the economy, would have also boosted sentiments. This would have prompted investors to again allocate assets towards equities," he said.

According to the data, inflow from equity and equity-linked open-ended schemes was at ₹10,083 crore in May. This was the highest inflow since March 2020, when equity schemes had seen a net infusion of ₹11,723 crore.

Barring equity-linked saving schemes (ELSS), which saw a withdrawal of ₹290 crore, all the equity schemes have seen inflow last month.

Within the categories of equity funds, multicap funds saw the largest net inflow at ₹1,954 crore. This was followed by a net inflow of ₹1,368 crore in midcap funds.

"Investors who have accumulated higher savings in the last year due to lower spending and were staying on the sidelines are slowly getting back. The strong returns in equities and the stability of the markets despite the second wave provide the much-needed positive nudge," Arun Kumar, head of research at FundsIndia, said.

RALLYING POINT

- Inflow from equity and equity-linked open-ended schemes was at ₹10,083 crore in May
- Apart from equities, investors put in ₹6,217 crore in hybrid funds in the month under review
- Contribution to systematic investment plans (SIPs) were strong at ₹8,819 crore in May

Sensex slumps 334 pts on profit booking, RIL slips

PRESS TRUST OF INDIA
Mumbai, June 9

THE MARKETS SURRENDERED early gains to finish deep in the red on Wednesday as profit booking emerged in Reliance Industries, banking and infra stocks amid a weak trend in global equities. Concerns over frothy valuations and a depreciating rupee also sapped investor confidence, traders said.

After a firm opening, the Sensex suddenly succumbed to selling pressure in mid-afternoon trade.

It finally closed 333.93 points or 0.64% lower at 51,941.64, extending its losing streak to the second session.

The Nifty slumped 104.75 points, or 0.67% to end at 15,635.35.

L&T was the top loser among the Sensex companies, shedding 1.80%, followed by Reliance Industries, Bajaj Finserv, IndusInd Bank, Bajaj Finance, SBI, Maruti, Axis Bank and Bajaj Auto.

On the other hand, PowerGrid, NTPC, Titan, HCL Tech and Asian Paints were among the gainers, spurting up to 3.42%.

"Domestic equities fell sharply as selling pressure in financials, auto and RIL dragged indices down," said Binod Modi, head – strategy, Reliance Securities. Further, Asian markets traded weak, reacting to higher-than-expected jump in China's producer price index at 9% for May, he added.

"Global investors remained cautious ahead of the European Central Bank (ECB) policy decision and US inflation data to be released on Thursday.

"ECB is expected to continue its bond-buying policy to support a recovering economy. US inflation is forecast to be high but transitory.

"Both these factors, if in line, will provide comfort to the market," said Vinod Nair, head of research at Geojit Financial Services.

Sector-wise, BSE energy, oil and gas, realty, capital goods, industrials and auto indices fell up to 1.71%, while utilities, power and consumer durables closed higher.

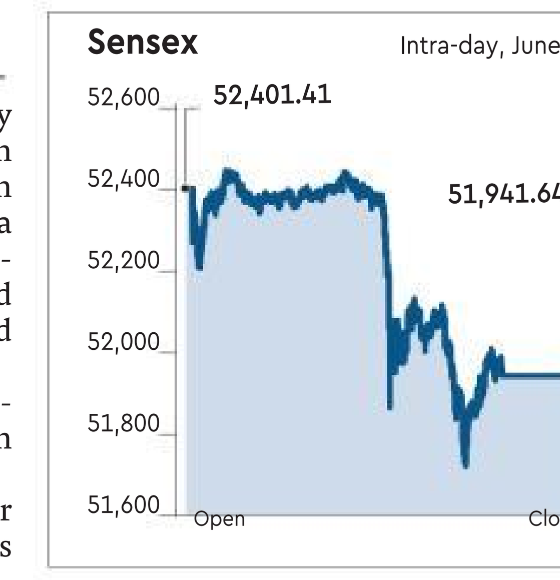
Broader BSE midcap and smallcap indices fell up to 0.95%.

Elsewhere in Asia, bourses in Seoul, Tokyo and Hong Kong closed in the red, while Shanghai ended with gains.

International oil benchmark Brent crude was trading 0.36% higher at $72.48 per barrel.

The rupee declined by 8 paise to end at 72.97 against the US currency on Wednesday in its second straight day of losses.

Foreign institutional investors were net buyers in the capital market on Tuesday as they purchased shares worth ₹1,422.71 crore, according to exchange data.



Quick View

Capital Float raises ₹50-cr debt funding from Triodos IM

FINTECH FIRM CAPITAL Float on Wednesday said it has raised ₹50 crore in debt for a period of three years from Triodos Microfinance Fund and Triodos Fair Share Fund. The two entities are financial inclusion funds managed by The Netherlands-based Triodos Investment Management (Triodos IM) — a wholly-owned subsidiary of Triodos Bank that manages €5.4 billion in assets under management (AUM).

Devendra Kumar steps down from directorship of SBI Card

SBI CARDS AND Payment Services (SBI Card) on Wednesday said State Bank of India nominated director Devendra Kumar has resigned from its board. In a regulatory filing SBI Card said Devendra Kumar, Director (nominated by State Bank of India) has tendered his resignation from directorship of the company with effect from the close of business of June 8, 2021.

First year premium of life insurers falls 5.6% in May

NEW PREMIUM INCOME of life insurance companies declined by 5.6% to ₹12,976.99 crore in May this year, according to the Irdai data. As many as 24 life insurance companies in the country had a collective new business premium of ₹13,739 crore in May 2020.

Bajaj Allianz Life declares bonus of ₹1,156 crore

BAJAJ ALLIANZ LIFE has declared bonuses of ₹1,156 crore for its policyholders, including a special one-time bonus over and above the regular bonus, the company said on Wednesday. "Bajaj Allianz Life has declared bonuses amounting to ₹1,156 crore to its policyholders. This includes a special one-time bonus of ₹315 crore, which is over and above the regular bonus," the company said in a release.

Muthoot Fin extends support to Covid vaccination drive

MUTHOOT FINANCE, IN association with Third Planet Foundation, has initiated a special programme to support the world's largest Covid vaccination drive as part of its corporate social responsibility (CSR) programme. This CSR initiative, being supported by the Muthoot Group, will be providing free pick-up and drop services to the nearest vaccination centre for impoverished, vulnerable, underprivileged and differently-abled individuals across Delhi, Gurugram and Faridabad, according to a press release.

India offers huge potential for digital banks: BCG report

PRESS TRUST OF INDIA
Mumbai, June 9

INDIA OFFERS HUGE potential for digital challenger banks (DCBs), but the currency depreciation and local regulations are concerns for foreign investors, according to a report.

Leading consultancy BCG said in the report on Wednesday that the revenue opportunity in India, which has a population of 130 crore people, was pegged at being up to 10 times higher than that of rest of South East Asia.

"Indian regulators place significant emphasis on financial inclusion and priority sectors, which can limit the potential model and opportunity," the report said, flagging the policies as among the "strategic hurdles" faced by foreign entities.

However, the report said not all licenses carry the constraint and operating as an NBFC gives one a significant flexibility. Once an NBFC gets formed, partnering with a traditional bank is the "best of both worlds", it added.

In the case of currency depreciation, which supports the large number of Indian exporters, the report said considerations are true for multiple other developing economies as well, and an investor needs to look at India's attractive demographics and high growth potential.

The report also highlighted that some entities perceive India as a "diverse and geographically dispersed market" which lead to concerns over significant capital and operational investments to build a meaningful scale.

"This is more a perception than reality on a relative basis. One way to address this is to pick niches and build scale within them," it said and pointed out that the businesses of MSMEs, which are concentrated in 30 clusters, have credit outstanding of $300 billion.

The Indian DCB landscape includes captive units being set up by banks, new attackers like Niyo focusing on customer experience for financial services products and existing digital ecosystem players with a large customer base like Paytm.

HDFC invokes pledged shares of Reliance Capital worth ₹16 crore

PRESS TRUST OF INDIA
New Delhi, June 9

MORTGAGE LENDER HDFC has sold certain pledged shares of Reliance Capital worth ₹16 crore in the secondary market sale through stock exchanges, the company said on Wednesday.

Housing Development Finance Corporation (HDFC) has invoked the pledge on certain shares of Reliance Capital through Axis Trustee Services.

The corporation has sold part of the shares, HDFC said in a regulatory filing.

HDFC said it had acquired the shares of Reliance Capital through the invocation of pledge and that were sold through stock exchanges in the secondary market.

"The sale transactions were carried out through stock exchanges at the prevailing market price. The aggregate consideration received for the sale of 95,00,000 shares is 16,08,16,075," it said.

The shares were sold between June 3-8, 2021.

The standalone total revenue of Reliance Capital stood at ₹563 crore as of March 31, 2021. The company's balance sheet stood about ₹13,638 crore.

ANALYST CORNER

Maintain 'buy' on Bharat Forge with TP of ₹850

MOTILAL OSWAL

GREENFIELD CAPEX WITH focus on the defence and e-Mobility space: Strong performance by BHFC in 4QFY21 was driven by a strong recovery in the auto export business and resultant benefits of operating leverage.

While all core businesses are expected to witness a sharp cyclical recovery, BHFC's huge plans in Defense and e-Mobility is starting to fructify with the setting up of a greenfield plant focusing on these areas.

We raise our consolidated EPS by 17%/18% for FY22E/FY23E, driven by revenue upgrades due to a strong cyclical recovery.

We maintain our 'Buy' rating with a TP of ₹850/share (28x Mar'23E EPS).

Strong performance led by Auto and non-Auto verticals: Standalone revenue/Ebitda/adjusted PAT grew 48%/125%/LTP YoY to ₹13 billion/₹3.3 billion/₹2.1 billion.

The same in FY21 declined 20%/29%/42% YoY to ₹36.5 billion/₹7.3 billion/₹3.2 billion.

Volumes grew 39% YoY to 55.8k tonne. Realisations grew 7% YoY (15% QoQ) to ₹234.1k/t due to bettermix and steel price pass through.

Adjusting for the steel price pass through benefit, realisation stood at ₹227k/t.

CV exports/India CV/PV exports grew 66%/126%/48% YoY (up 25%/34%/55% QoQ).

Domestic PVs grew 27% YoY (-11% QoQ). Non-auto exports grew 22% YoY (+91% QoQ) due to good performance in both domestic and export markets.

Gross margin declined ~340bp YoY to 59.7%.

However, operating leverage supported Ebitda margin improvement by 870bp YoY (+300bp QoQ) to 25.5%.

Forex gains boosted adjusted PAT by ~₹2.1 billion.

Valuation and view: All businesses are witnessing a sharp cyclical recovery.

This, coupled with its focus on creating new revenue pools in defense and e-Mobility, can further lead to de-risking of the business.

We estimate consolidated revenue/Ebitda/PAT to grow at a 31%/68%/302% CAGR (FY21-23E). The stock trades at 40.4x/24.6x FY22E/FY23E consolidated EPS.

Rupee settles 8p down at 72.97 vs dollar

PRESS TRUST OF INDIA
Mumbai, June 9

THE RUPEE DECLINED by 8 paise to end at 72.97 against the US currency on Wednesday in its second straight day of losses amid a lacklustre trend in domestic equities.

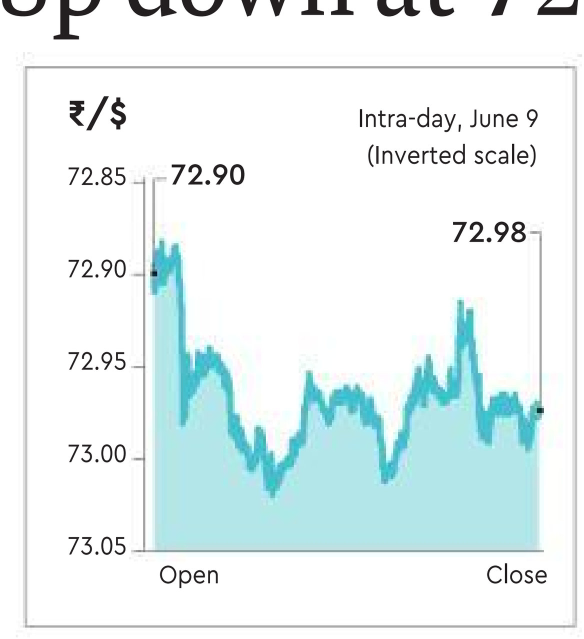
At the interbank foreign exchange market, the rupee opened on a negative note at 72.90 per dollar as against its previous close of 72.89. It hovered in the range of 72.78 to 73.02 per dollar during the day before ending at 72.97.

The domestic currency has lost 17 paise in the two trading sessions to Wednesday.

The local unit traded in a narrow range amid lack of any major data on Wednesday in the domestic and the international markets, traders said.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, fell 0.09% to 89.99.

"The USDINR spot is hovering around 73 zone, whether it will bounce or not depends on US CPI. The forex traders await some guidance from Thursday's CPI data and ECB policy," said Rahul Gupta, Head Of Research — Currency, Emkay Global Financial Services.



AHEAD OF PROBABLE IPO

LIC chief gets 9-month extension

PRESS TRUST OF INDIA
New Delhi, June 9

THE GOVERNMENT HAS given a nine-month extension to LIC chairman MR Kumar till March next year in view of the insurer's proposed initial public offer towards the end of the current fiscal.

In her Budget Speech 2021, finance minister Nirmala Sitharaman said the Initial Public Offer (IPO) of LIC would be floated in 2021-22 as part of the ambitious ₹1.75 lakh crore disinvestment target.

The government has approved the proposal of the Department of Financial Services for the term of Kumar from June 30, 2021 till March 13, 2022, the date when he completes three years, sources said.

The sources said the rules under the Life Insurance Corporation Act, 1956, have been amended to provide extension beyond 60 years in view of the ongoing preparation for the IPO, they added.

Kumar was to retire this month upon attaining the age of 60 years.

LIC chairman MR Kumar

The government owns 100% stake in LIC. Once listed, it is likely to become the country's biggest company by market capitalisation with an estimated valuation of ₹8-10 lakh crore.

Meanwhile, the government has significantly increased the authorised capital of LIC to ₹25,000 crore from ₹100 crore to facilitate the listing.

The country's largest life insurer has an asset base of ₹31,96,214.81 crore.

LIC collected the highest ever new business premium of ₹1.84 lakh crore in the fiscal ended March 31, 2021, as per provisional data.

The market share of the insurer, which has more than 29 crore policy holders, stood at 81.04% in terms of the number of policies issued in March 2021.

Retain 'hold' on Container Corp of India with TP at ₹660

HSBC

SEVERAL POSITIVES BEYOND a mixed bag Q4 performance: Concor's headline Q4 performance was significantly weaker than expected due to several one-off expenses, adjusted for which Q4 was a mixed bag: **1)** in-line revenue, **2)** higher than expected rail freight margin, **3)** lower than expected Ebitda. Even FY22e guidance (12% top-line growth and FY22e profit of ₹10 billion) was not very exciting considering pre-results expectations.

But guidance of ₹4.5 billion LLF in FY22e (HSBCe: ₹6.3 billion) during the earnings conference call was a very positive development and an earnings accretive event. More importantly, management clarified categorically that all outstanding issues on LLF are now cleared and ₹4.5 billion LLF for FY22e is in line with Indian Railways current land policies. This development clears the biggest roadblock to Concor's potential privatisation in our view.

Growth outlook is well appreciated: Concor offers an interesting play on India's container logistics sector given a cyclical volume recovery, nearing of Dedicated Freight Corrido (DFC) commissioning and potential privatisation of the company. That said we believe the volume growth outlook post DFC commissioning (~9% per annum) will be less than what consensus is building in.

We also believe that Concor's market share in the EXIM segment will trend downwards and there are limited levers to further improve the rail freight margin, the key driver of Concor's earnings growth pre-pandemic. Considering this, we think the current valuation at 34x FY23e PE (more than 2 standard deviations above the historic mean) well appreciates the growth outlook and strong narrative.

Earnings estimates revision: We have made small downward changes to our FY22 volume forecasts due to the Covid-19 second wave, though our FY23 forecasts are largely unchanged. We now factor in lower land licence fees of ₹4.5 billion in FY22 as against the ₹6.3 billion that we had assumed earlier.

ICICI PRUDENTIAL MUTUAL FUND TARAKKI KAREIN!

ICICI Prudential Asset Management Company Limited

Corporate Identity Number: U99999DL1993PLC054135

Registered Office: 12th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001. **Corporate Office:** One BKC, 13th Floor, Bandra Kurla Complex, Mumbai - 400 051.
Tel.: +91 22 2652 5000, Fax: +91 22 2652 8100, Website: www.iciciprumf.com, Email id: enquiry@icicipruamc.com
Central Service Office: 2nd Floor, Block B-2, Nirlon Knowledge Park, Western Express Highway, Goregaon (E), Mumbai - 400 063. Tel.: 022 2685 2000 Fax: 022 26868313

NOTICE-CUM-ADDENDUM

Notice-cum-Addendum to the Investors of ICICI Prudential Value Fund - Series 20 and ICICI Prudential Value Discovery Fund (the Schemes)

The investors are requested to note that the Board of Directors of ICICI Prudential Asset Management Company Limited (the AMC), Investment Manager to the schemes of ICICI Prudential Mutual Fund (the Mutual Fund) and ICICI Prudential Trust Limited, Trustees to the Mutual Fund have decided to merge ICICI Prudential Value Fund - Series 20 (Merging Scheme) into ICICI Prudential Value Discovery Fund (Surviving Scheme).

The Securities and Exchange Board of India vide its letter no. IMD/DF3/OW/P/2021/6943/1 dated March 24, 2021 has accorded its no-objection to the aforesaid proposal. This notice cum addendum therefore is to inform the unit holders of the aforesaid proposed merger in terms of the prevailing regulatory requirements.

In this regard, please find below the relevant information about the Merging and Surviving Schemes to facilitate you in taking an informed decision:

1. **Investment Objective, Asset Allocation, Investment Strategy and main features of the Merging and Surviving scheme**

   The merger will not result in the emergence of any new scheme as ICICI Prudential Value Fund - Series 20 will be merged in the Surviving Scheme, viz. ICICI Prudential Value Discovery Fund. The tenure of the Merging Scheme is 1262 days from allotment date. Post-merger, the investments under the Surviving Scheme will be in accordance with the investment objective and asset allocation of the Surviving Scheme. The features of ICICI Prudential Value Discovery Fund and ICICI Prudential Value Fund - Series 20 are stated below for easy reference of the investors:

<table>
<tr><th>Provisions</th><th>ICICI Prudential Value Discovery Fund</th><th>ICICI Prudential Value Fund - Series 20</th></tr>
<tr><td>Type of the Scheme</td><td>An Open Ended Equity Scheme following a value investment strategy.</td><td>A Close Ended Equity Scheme</td></tr>
<tr><td>Investment Objective</td><td>To generate returns through a combination of dividend income and capital appreciation by investing primarily in a well-diversified portfolio of value stocks.
However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.</td><td>The investment objective of the Scheme is to provide capital appreciation by investing in a well-diversified portfolio of stocks through fundamental analysis.
However, there can be no assurance that the investment objectives of the Scheme will be realized.</td></tr>
<tr><td>Asset Allocation</td><td>
<table>
<tr><th rowspan="2">Type of Security</th><th colspan="2">Indicative allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maxi-mum</th><th>Mini-mum</th></tr>
<tr><td>Equity & Equity related instruments</td><td>100</td><td>65</td><td>High</td></tr>
<tr><td>Debt and Money Market Instruments including Units of Debt oriented mutual fund schemes*@$</td><td>35</td><td>0</td><td>Low to Medium</td></tr>
</table>
The Margin may be placed in the form of such securities / instruments / deposits as may be permitted/eligible to be placed as margin from the assets of the Scheme. The securities / instruments / deposits so placed as margin shall be classified under the applicable category of assets for the purposes of asset allocation.
@ Excluding subscription money in transit before deployment / payout
$ Any other security as may be permitted by SEBI/ RBI, subject to approval from SEBI / RBI as required
* Securitised Debt up to 15% of the Net Assets or maximum permissible limit for debt portfolio, whichever is lower.
Derivative positions for other than hedging purposes shall not exceed 50% of total assets. Derivatives shall mean derivatives instruments as permitted by SEBI, including derivative exposure in accordance with SEBI Circular no. DNPD/Cir-29/2005 dated September 14, 2005, Circular no. DNPD/Cir-30/2006 dated January 20, 2006 and Circular no. SEBI/DNPD/Cir-31/2006 dated September 22, 2006, Circular no. Cir/IMD/DF/11/2010 dated August 18, 2010, SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2017/109, dated September 27, 2017 and SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/17 dated January 16, 2019.
ADR/GDR/Foreign securities/Overseas ETFs up to 35% of the Net Assets. Investment in ADR/GDR/Foreign Securities/Overseas ETFs would be as per SEBI Circular No. SEBI/IMD/CIR No. 7/104753/07 dated September 26, 2007, SEBI/IMD/CIR No. 122577/08 dated April 8, 2008 and SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 5, 2020, SEBI Circular dated September 26, 2007, as may be amended from time to time. Investments limits applicable for investment in ADR/GDR/Foreign Securities/Overseas ETFs shall be as per SEBI Circular no. SEBI/HO/IMD/DF3/CIR/P/2020/225 dated November 5, 2020.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, other permitted securities/assets and such other securities/ assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the Scheme.

The Scheme can take covered-call positions for stock derivatives, as permitted by SEBI.
Securities lending up to 20% of its net assets.
It may be noted that no prior intimation/ indication would be given to investors when the composition/asset allocation pattern under the scheme undergo changes within the permitted band as indicated above or for changes due to defensive positioning of the portfolio with a view to protect the interest of the unit holders on a temporary basis. In the event of variance in the asset allocation, the fund manager will carry out portfolio rebalancing within 30 Days. Further, in case the portfolio is not rebalanced within the period of 30 days, the same shall be reported to the Internal Investment Committee and reasons for the same shall be recorded in writing. The internal investment committee shall then decide on the future course of action. The investors/unit holders can ascertain details of asset allocation of the scheme as on the last date of each month on AMC's website at www.icicipruamc.com that will display the asset allocation of the scheme as on the given day.

</td><td>
<table>
<tr><th rowspan="2">Type of Security</th><th colspan="2">Indicative allocation (% of total assets)</th><th rowspan="2">Risk Profile</th></tr>
<tr><th>Maxi-mum</th><th>Mini-mum</th></tr>
<tr><td>Equities & Equity related instruments</td><td>100</td><td>80</td><td>Medium to High</td></tr>
<tr><td>Debt, Money Market Instruments and Cash#</td><td>20</td><td>0</td><td>Low to Medium</td></tr>
</table>

Investment in Derivatives can be up to 50% of the Net Assets of the Scheme.
The Cumulative Gross Exposure to Equity, Debt and Derivatives Positions will not exceed 100% of the Net Assets of the Scheme.
The Scheme can take exposure up to 20% of its net assets in stock lending. The Scheme shall also not lend more than 5% of its net assets to any counter party.
#Investment in Securitized Debt- up to 50% of debt allocation
Investment in ADRs/ GDRs/ Foreign Securities, whether issued by companies in India and foreign Securities, as permitted by SEBI Regulation, can be up to 50% of the Net Assets of the Scheme.
Investment in Foreign Securities shall be in compliance with requirement of SEBI circular dated September 26, 2007 and other applicable regulatory guidelines.
The Scheme can invest in debt / money market instruments, having residual maturity up to the residual maturity of the Scheme.
The Scheme may invest in derivatives to engage in permitted currency hedging transactions with an intention to reduce exchange rate fluctuations between the currency of the Scheme (INR) and the foreign currency exposure.

The Scheme does not intend to undertake/ invest/ engage in:

Repos in corporate debt securities
Short selling of securities
Credit default swaps
Equity Linked Debentures

</td></tr>
<tr><td>Asset Allocation (contd.)</td><td>

Considering the inherent characteristics of the Scheme, equity positions would have to be built-up gradually and also sold off gradually. This would necessarily entail having large cash position before the portfolio is fully invested and during periods when equity positions are being sold off to book profits/losses or to meet redemption needs.
Investors may note that securities, which endeavor to provide higher returns typically, display higher volatility. Accordingly, the investment portfolio of the Scheme would reflect moderate to high volatility in its equity and equity related investments and low to moderate volatility in its debt and money market investments.

</td><td></td></tr>
<tr><td>Investment Strategy</td><td>
The Scheme is an open-ended Scheme that aims to provide long term capital growth by investing primarily in a well diversified portfolio of companies that are selected based on the criteria of Value Investing. Value investing is an investment strategy where stocks are selected that trade for less than their intrinsic values.
The Scheme proposes to carefully accumulate a portfolio of stocks, which are available at a discount to its intrinsic value through a process of "Discovery". The Discovery Process would be through identification of such stocks, which have attractive valuations in relation to earnings or book value or current and/or future dividends and are available at a price, which can be termed as a bargain. This may constitute stocks, which have depreciated for a short period due to some exceptional circumstance or due to market correction phase or due to lack of interest in investing in a sector, which has significantly under performed the market. Such stocks are considered to have intrinsic value because of their business models and show potential for smart growth in the future. Intrinsic value of a stock is determined through analyzing the financial statements of the companies and parameters such as EPS (Earnings per Share), the Book Value per share, understanding the competition land-scape and business structure of these companies. The universe of stocks for this Scheme will be defined as those stocks whose prices are low relative to their fundamentals, their historic performance, their book values, their earnings and cash flow potential and current and/or future dividends.
For investment, AMC would use industry specific valuation measures to evaluate companies in every sector in order to select the most attractive companies for the portfolio.
The Scheme may also invest a part of its corpus in overseas markets in Global Depository Receipts (GDRs), ADRs, overseas equity, bonds and mutual funds and such other instruments as may be allowed under the Regulations from time to time.
The Scheme may engage in Stock Lending activities.
The Scheme may invest in derivatives such as Futures & Options and such other derivative instruments like Stock/ Index Futures, Interest Rate Swaps, Forward Rate Agreements or such other derivative instruments as may be introduced and permitted by SEBI from time to time. The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Hedging using Interest Rate Futures could be perfect or imperfect, subject to applicable regulations.
Fixed Income securities
The Scheme may also invest in Debt and Money Market Securities/Instruments (Money Market securities include cash and cash equivalents). The Scheme aims to identify securities which offer optimal level of yields/returns, considering risk-reward ratio. With the aim of controlling risks rigorous in depth credit evaluation of the securities proposed to be invested in will be carried out by the Risk Management Team of the AMC. The credit evaluation includes a study of the operating environment of the issuer, the short as well as long-term financial health of the issuer. Rated debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC may consider the ratings of such Rating Agencies as approved by SEBI to carry out the functioning of rating agencies. The Scheme may invest in securitised debt.
In addition, the investment team of the AMC will study the macro economic conditions, including the political, economic environment and factors affecting liquidity and interest rates. The AMC would use this analysis to attempt to predict the likely direction of interest rates and position the portfolio appropriately to take advantage of the same.
Further, the Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Funds in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments.
For the present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations and with the prior approval of the Board of the AMC/Trustee.
The scheme may undertake repo transactions in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Such investment shall be made subject to the guidelines which may be prescribed.
</td><td>
The scheme aims to provide long term capital growth by investing in a well-diversified portfolio of equity and equity related securities. The fund manager proposes to concentrate on business and economic fundamentals driven by in-depth research techniques and employing the full potential of the research team at the AMC. The stock selection process proposed to be adopted is generally a bottom-up approach seeking to identify companies with long term sustainable competitive advantage (as this is one of the key factors responsible for withstanding competitive pressures and does not allow rivals to eat up any excess profits earned by a successful business). The fund would also use a top down discipline for risk control by ensuring representation of companies from select sectors.
As part of the stock selection process the fund proposes to study parameters like the price-to-book (P/B) ratio, price-to-earning (P/E) ratio, dividend yields (D/Y) of companies within its researched universe and try to identify companies with low P/B and P/E ratios and which have historically declared dividends on a consistent basis and have reasonable certainty of declaring attractive dividends in the future. The fund would also look into other quantitative parameters like Return on Equity (ROE) and Return on Capital Employed (ROCE) to identify stocks which may be available at more favourable valuations when compared with peer group and its applicable benchmark. Such stocks may have some degree of an overlap to stocks picked by following the value style of investing or are part of the mid and small cap universe. To the extent that the portfolio comprises of mid and small cap stocks, the fund would optimally diversify to mitigate liquidity and concentration risks. The fund does not intend to restrict to only value stocks. The fund may also look at stocks which have in the recent past demonstrated significant price appreciation as a result of improved earnings growth or due to some other reasons.
Notwithstanding above criteria, the fund would also invest in companies in which the above quantitative factors may not be a correct indicator of the intrinsic value of the stock. For example a company which has land as an asset in its balance sheet at historical cost, the P/B may not be a correct indicator of the worth of the stock. Another such example is that of a company undergoing special situation like a merger or a de-merger, debt structuring, buy-back or some other special situation. The fund would also look at contra picks to identify companies that are currently out of favor, overlooked or neglected due to temporary fallacies like poor results, failure with regards to the product launch, factor affecting the industry, etc. However, these companies may be fundamentally strong but market may have failed to recognize their true potential. The scheme may invest in such undervalued companies to take advantage of price appreciation. The fund proposes to take long term call on stocks, which in the opinion of the fund manager offer better return over the maturity profile of the fund.
As and when the fund manager is of the view that a specific investment has met its desired objective and the investment is liquidated, the proceeds may be distributed by way of dividend, subject to the availability of distributable surplus.
The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unit holders' interest.
The Scheme may invest in other schemes managed by the AMC or in the schemes of any other Mutual Funds, provided it is in conformity with the investment objective of the Scheme and in terms of the prevailing Regulations. As per the Regulations, no investment management fees will be charged for such investments. As per the SEBI Regulations, such inter scheme investments shall not exceed 5% of the Net Asset Value of the Fund.
At present, the Scheme does not intend to enter into underwriting obligations. However, if the Scheme does enter into an underwriting agreement, it would do so after complying with the Regulations and with the prior approval of the Board of the AMC/Trustee.
The Fund may also invest in depository receipts including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs).
The Scheme may also invest in debt and money market instruments, in compliance with Regulations.
The Scheme may invest in derivatives to engage in permitted currency hedging transactions with an intention to reduce exchange rate fluctuations between the currency of the Scheme (INR) and the foreign currency exposure.
</td></tr>
</table>

To be continued

Brent oil hits 2-year high

SHADIA NASRALLA
London, June 9

OIL PRICES CONTINUED to rally on Wednesday on signs of strong fuel demand in Western economies, while the prospect of Iranian supplies returning faded as the US secretary of state said sanctions against Tehran were unlikely to be lifted.

Brent crude futures were up 44 cents, or 0.6%, at $72.66 a barrel at 1338 GMT, having earlier touched $72.83, the highest since May 20, 2019. Brent rose 1% on Tuesday.

US West Texas Intermediate (WTI) crude futures climbed 30 cents, or 0.4%, to $70.35 a barrel, after reaching $70.62, the highest since October 17, 2018. WTI prices climbed 1.2% on Tuesday.

"The widespread faith that oil demand growth will trend significantly higher in the second half of the year is paving the way forward for the price rally," PVM analysts said.

On Tuesday, the US Energy Information Administration (EIA) forecast fuel consumption growth this year in the US, the world's biggest oil user, would be 1.49 million barrels per day (bpd), up from a previous forecast of 1.39 million bpd.

In another bullish sign, industry data showed US crude oil inventories fell last week. —REUTERS

Sona Comstar sets price band of ₹285-291 for IPO

Auto component maker Sona BLW Precision Forgings (Sona Comstar) on Wednesday fixed a price band of ₹285-291 a share for its ₹5,550-crore IPO. The IPO will open on June 14 and conclude on June 16. The IPO comprises fresh issue of shares amounting to ₹300 crore and an OFS aggregating up to ₹5,250 crore by selling shareholder Singapore VII Topco III Pte, an affiliate of Blackstone Group. —PTI

"IMPORTANT"

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G7 nations devise way to catch Amazon in tax net

G7 finance ministers agreed that governments should get the right to tax at least 20% of profit earned in their country by a multinational, when this profit was over a 10% margin. "We now decided that if a corporation as a whole does not reach the profitability limit, but a large division of it exceeds the G7 thresholds, it must be included," a source close to the discussions said. "With this, we're aiming exactly at Amazon," the source added.

Amazon did not immediately respond to requests to comment.

Without singling out Amazon, a British government source familiar with the negotiations said consideration was being given to how the rules would apply to companies that had different activities and business lines. OECD head of tax Pascal Saint-Amans said that Amazon's AWS unit would be liable because it had revenues exceeding a threshold of 20 billion euros ($24.4 billion). "The profits linked to the cloud (business) will thus be shared among countries," he told France Info television. **— REUTERS**

US Senate passes bill to tackle China tech threat

The equipment includes billion dedicated to chips used by automakers that have seen massive shortages and made significant production cuts.

China's parliament expressed "strong indignation and resolute opposition" to the bill. It said in a statement that the US bill showed "paranoid delusion of wanting to be the only winner" and had distorted the original spirit of innovation and competition. "We firmly object to the United States seeing China as an imaginary enemy," Chinese foreign ministry spokesman Wang Wenbin told reporters in Beijing.

The bill must pass the House of Representatives to be sent to the White House for Biden to sign into law. **— REUTERS**

Jaypee Infra: Mkt value of Yamuna e-way higher than liquidation value: NBCC

"NBCC emphasised that the FMV of Yamuna Expressway is estimated to be higher based on Dun & Bradstreet's June 2019 traffic study report. It also attributed the higher value to development of Jewar international airport, upcoming toy and film city and growing industrial and commercial activity in the surrounding areas. It is of the view that lenders can realise ₹3,500-4,000 crore for their 90% stake in expressway," one of the sources added.

The company pointed out that it will create a separate special purpose vehicle (SPV) for the expressway with settlement of operational liabilities upon approval of its bid, he said.

NBCC has offered to transfer 90% equity of the Expressway SPV, including concession rights of Yamuna Expressway and land, to AFCs in its revised bid submitted on June 4. It also offered 1,903 acres of land to institutional financial creditors (IFCs), which includes parcels identified for enforcement of security interest of DFCs total admitted claim of IFCs is ₹9,783 crore.

From the Front Page

"NBCC said IRP's May 17 letter puts LV of 1,903 acre at ₹3,133 crore. However, land monetisation would fetch a higher value of about 40-50% than the LV, in the range of ₹4,400-4,700 crore, over a period of time. This is due to the Jewar international airport, film city, toy city and various other commercial ventures. The values are based on NBCC's assessment," the source added.

Highways being built at brisk pace despite Covid

Of the total construction in the first two months of the current fiscal, the ministry of road transport and highways (MoRTH) built 790 km followed by the National Highways Authority of India (NHAI) (465 km) and National Highways and Infrastructure Development Corporation (215 km).

The NHAI set an ambitious 4,600-km highway construction target for 2021-22. Last fiscal, NHAI constructed a record 4,192 km, up from 3,979 km developed in 2019-20 and 3,380 km in 2018-19. NHAI chairman SS Sandhu recently told *FE* that the authority was confident on achieving the target even as there had been some impact on highway construction lately owing to labour shortage in some sites due to the second Covid wave.

Sources said project awards by NHAI in the current fiscal could be close to 5,000 km and HAM is expected to have the largest share of awards followed by EPC. Build-operate-transfer projects, which are likely to gain momentum will constitute between 5-10% of the award basket. Project awards through the BOT route drew a blank in both 2018-19 and 2019-20.

Highway construction in the country touched an all-time high of 13,298 km in 2020-21 (36.4 km/day). Analysts attributed the record construction to a slew of industry-friendly measures that the government had taken during the pandemic year, including those to ensure better cash flow to the contractors. In a recent report, Crisil said, "Though the second wave of infections has dampened this momentum, it may not have a material bearing on growth for the current fiscal."

During April-May of the current fiscal, project awards, however, declined to 663 km from 747 km awarded a year ago. The NH length has increased 50% from 91,287 km, as of April 2014, to 1,37,625 km, as on March 20, 2021. Average annual project awards during FY15 to FY21 were up 85% against FY10-FY14 period. During 2020-21, 10,467-km highway project was awarded, up from 8,948 km a year earlier.

Bharat Biotech expects peer review of Covaxin's Phase 3 trials data in Q4 2021

PRESS TRUST OF INDIA
Hyderabad, June 9

BHARAT BIOTECH, WHICH is yet to publish the data of its Covid-19 vaccine Covaxin phase-3, expects a peer review of the jab in two to four months after it was given to scientific journals, Raches Ella Project Lead Covid-19 Vaccines at Bharat Biotech said on Wednesday.

In a series of tweets, Ella said there were nine publications on Covaxin so far and the efficacy paper of phase-3 trials would be the tenth one.

To remain unbiased, Bharat/ICMR cannot access any data.

Our service provider IQVIA has started the final statistical analysis.

After submitting efficacy and 2 months of safety to CDSCO (July), it is expected to instantly reach a pre-print server. Peer review takes 2-4 months, he tweeted.

According to his tweet, as many as 25,800 participants took part in phase-3 trials and there were 30 separate forms pertaining to each volunteer amounting to individual data points of 70.4 lakh.

"The last participant (participant #25,800) received the second dose in mid-March, add two months (based on CDSCO/FDA requirements for 2-months post-dose-2 safety follow-up), and we are in mid-May with sufficient data for quality checks and analysis, he said in another tweet.

Meanwhile, Suchitra Ella, joint managing director of Bharat Biotech, said Covaxin has reached private hospitals in as many as 28 cities.

Advent International exits Crompton; sells entire 5.36% stake for ₹1,348 cr

PRESS TRUST OF INDIA
New Delhi, June 9

According to block deal data available with the BSE, Advent International's Amalfiaco sold a total of 3,36,67,802 shares, amounting to a 5.36% stake of Crompton

PRIVATE EQUITY FIRM Advent International on Wednesday divested its entire 5.36% stake in Crompton Greaves Consumer Electricals for a little over ₹1,348 crore through multiple open market transactions.

The shares were lapped up by over a dozen entities, including foreign investors, domestic mutual funds and insurance companies.

According to block deal data available with the BSE, Advent International's Amalfiaco sold a total of 3,36,67,802 shares, amounting to a 5.36% stake of Crompton.

The shares were offloaded on an average price of ₹400.4 apiece, valuing the transaction at ₹1,348.06 crore, the data showed.

As of the March quarter, Amalfiaco held a 5.36% stake in Crompton, shareholding data with BSE showed.

Prior to this, Amalfiaco had divested 3.8 crore shares of Crompton for over ₹1,492 crore in February 2021. Also, it had offloaded over 3.6 crore shares of the company for ₹1,070 crore in November 2020.

Among the buyers that purchased Crompton stocks on Wednesday are — White Oak India Equity Fund II, Morgan Stanley Mauritius Company, Integrated Core Strategies Asia, Al Mehwar Commercial Investments and Ashoka India Equity Investment Trust.

In addition, shares were also bought by SBI Mutual Fund, Mirae Asset Mutual Fund, SBI Life Insurance Company, ICICI Prudential Life Insurance Company, HDFC Standard Life Insurance Company and Bharati Axa Life Insurance Company.

Shares of Crompton settled 5.11% higher at ₹425.05 apiece on the BSE.

In a separate block deal on NSE, IIFL Special Opportunities Fund sold a total of 6,49,349 shares of Nazara Technologies at ₹1,641.95 apiece, valuing the transaction at ₹106.62 crore.

FSSAI asks states to enforce decision to ban blending of mustard oil with other cooking oil

FOOD REGULATOR FSSAI has asked states to effectively enforce the decision to ban blending of mustard oil with any other cooking oil from June 8.

In its notification dated March 8, the FSSAI had prohibited the blending of mustard oil for production of Multi-Sourced Edible Vegetable Oils (MSEVOs) with effect from June 8.

To ensure that the prohibition is effectively enforced, the food regulator has issued an order on June 8 asking all the Commissioners of Food Safety of States/UTs and Central Licensing Authority to carry out an inspection drive.

As per the FSSAI regulations, blending of two edible oils is permitted, provided the proportion by weight of any edible vegetable oil used in the blending process is not less than 20%. —PTI

Tech Mahindra plans acquisition in Europe; to hire 250 people in Nordic region in 2 years

PRESS TRUST OF INDIA
New Delhi, June 9

IT COMPANY TECH Mahindra is looking for acquisitions in Europe to upgrade its capabilities in various segments, including cloud computing, 5G, SAP and Salesforce softwares, a senior company official said on Wednesday.

Tech Mahindra is also planning to add around 250 people in the Nordic region to support its growth, Tech Mahindra business head for Europe Mukul Dhyani told PTI.

"We are expanding our footprint in the cloud, digital topics like 5G, SAP and Salesforce. These are some of the broader topics we are looking at from an expansion perspective. We are looking at multiple companies (for acquisition). If we get a single entity across four domains or five domains, we will be happy," Dhyani said.

The company is mainly looking at boutique companies specialising in particular domains like SAP, Salesforce etc with several hundred of employees.

Dhyani said that Tech Mahindra's ability to computerise data and bring operating technology and IT for enterprises and deployment for 5G in organisations is driving the company's business in Europe, especially in the Nordic region.

"We are committed to hiring 250 people only in Nordics in the next 18-24 months. These additions will be in different technologies, but primarily it will be in the case of SAP and Cloud Network and 5G," Dhyani said.

CEO: IndiGo hopes to reach pre-Covid level of traffic by Q2 of '22

DEEPAK PATEL
New Delhi, June 9

INDIGO IS HOPING to reach pre-Covid level of total traffic, including domestic and international, by the second quarter of next year, said its CEO Ronojoy Dutta on Wednesday.

The carrier is currently operating around 40% and 30% of its pre-Covid domestic and international flights, respectively, and it does not plan to lay off any employees this year, Dutta told *PTI* in an interview.

In July last year, India'a largest carrier had laid off 10% of its workforce due to the coronavirus-induced economic crisis. IndiGo was operating 80% of its pre-Covid domestic flights in February, before the second wave of the pandemic hit the country. Dutta said the traffic fell in April and May.

"It bottomed out on May 18 and at that point we had gone down from 1,200 departures to about 400 departures. That is how bad it was. Since then, we have started recovering. From May 18 to June 6, the numbers (of passengers) are picking up nicely," he stated.

The domestic growth observed post May 18 tells us that the hesitancy, which was observed among air passengers during the first Covid-19 wave regarding air travel, is no longer there, he added.

Dutta said there is a structural shift and the carrier has seen faster growth in Tier-2 and Tier-3 cities of the country in the last one-and-a-half year.

"About 45% of our total deployed capacity (total domestic flights) was in Tier-2 and Tier 3 cities (in pre-pandemic era), which has increased to 65% right now," he mentioned.

"Is this temporary? I do not know (for sure) but I don't think it is temporary. I think with the manufacturing and trading and so forth, there has been a faster growth in Tier-2 cities than Tier-1 cities," he stated.

In the last one-and-a-half year, cities such as Patna, Ranchi, Coimbatore have seen faster growth than the others, he said. "It all points to Tier-2 cities growing faster than the Tier-1 cities," he added.

Dutta said states should remove their quarantine and testing requirements for all domestic air passengers by June-end. —PTI

INTERVIEW: SHASHI KIRAN SHETTY, founder and chairman, Allcargo Logistics

'Pandemic actually enhanced our operational efficiencies'

*The logistics sector, witnessing transformation in the wake of the Covid-19 induced pandemic, has brought about a change in its functional narrative. **Shashi Kiran Shetty**, founder and chairman of Allcargo Logistics, speaks to **Indronil Roychowdhury** about the sector's transformed model. Excerpts:*

How has the Covid -19 impacted the logistics landscape and the modus operandi to which the sector had to adopt?

Logistics sector, at the global level, during the first wave of pandemic, faced interruptions in delivery, congestion, capacity constraints, transportation and irregularities in container movement. But things improved fast. The Indian logistics industry on the contrary, showing resilience, continued operations with workers exhibiting exceptional commitment with nearly no disruption in port operations and containers transported efficiently to CFSs and ICDs.

The challenges during the second wave were no different but the industry was better equipped. In Allcargo, we prepared elaborate contingency and operations never came to a halt. The pandemic actually enhanced our operational efficiencies and in the process we are realigning the management heads of our global operations across more than 70 countries.

The business of logistics is man power intensive. Are you going to realign your workforce as digitisation has already come to play?

We had to switch to remote working model to ensure safety. Working with precision and responsiveness became imperative in the transitory environment. Allcargo Logistics played a pioneering role in adopting ECU360, our digital platform for global trade, offering single-window shipping. This gave convenience to companies with in-depth local market expertise, unmatched custom clearance experience and strong global logistics network.

At the operational level, technology-upgradation and digitalisation have become critical with the growing e-commerce penetration. The warehousing and contract logistics segments have also become extremely competitive and demand for modern warehouses with higher throughput is growing.

What is the present scenario of sea-borne cargo logistics that also influences occupancy in the CFS/ICDs?

Sea-borne cargo logistics have been disrupted in the past one year with pandemic restrictions in different parts of the world at different times, bringing in temporary trade imbalances. This drove freight rates to unprecedented levels though container inventory and trade imbalances witnessed some gradual rectification. The Suez canal blockage pushed the recovery back to the same situation as several weeks ago but at the present point of time trade is again returning to normalcy.

As for CFS/ICDs, they play a very significant role in India. They were the rescuers in most challenging times since many ports faced a risk of closure. But seamless evacuation of cargo to CFS/ICD network allowed ports to operate efficiently.

As you have made a number of acquisitions both domestically and globally, and Covid is now continuing for more than a year now, have these acquisitions been helpful to your business?

All the acquisitions have been strategised to make Allcargo group a specialised global integrated logistics service provider with scale and the right footprint across markets. Our global NVOCC business has been an early mover towards digitisation — we run a digital platform for global trade, on ECU360, a part of ECU Worldwide which we acquired in 2006. During the pandemic, this has been helping our customers across the globe carry on with their business with just a few clicks.

The acquisition of Gati is a part of our strategy to foray into the express distribution with first and last mile logistics segments. The aim is to combine Gati's domestic reach with our global network to offer end-to-end integrated logistics solutions. As e-commerce is witnessing rapid growth during pandemic, the acquisition will make us a part of the e-commerce growth journey.

How has Covid -19 impacted your business revenue-wise last fiscal? How do you foresee the current fiscal, specially revenue-wise?

If you look at our financial results last year up to the December quarter, we have done better than in 2019 even during the pandemic aided by improved volumes and in part by higher freight rates across the board. There are, of course, challenges due to lockdowns in multiple states in India, but I expect the logistics industry — both in India and across the world — to be a very exciting place post pandemic as economic activity fully recovers.

How is Allcargo charting its growth trajectory?

We are certainly not shy of acquiring companies. We have acquired over 10 companies outside India, all of which have been successful amalgamations. Our last was Gati, completed in 2020, and we are turning it around to get its growth trajectory on track by reducing debt, improving operational efficiency and exiting non-core businesses. The aim is to regain the market leadership that Gati once enjoyed in express distribution.

China returns to strict Covid limits to fight a new outbreak

Foreign businesses worry that tough quarantines and restrictions could persist into next year as Beijing struggles with variants and questions about its vaccines

KEITH BRADSHER
Beijing, June 9

NEIGHBOURHOODS UNDER STRICT lockdown. Thousands quarantined. Millions tested in mere days. Overseas arrivals locked up for weeks and sometimes months.

China has followed variations of that formula for dealing with the coronavirus for more than a year — and a new outbreak suggests that they could be part of Chinese life for some time to come.

China appeared to get the coronavirus under control nearly a year ago. But hundreds of millions of Chinese people remain unvaccinated. New variants of the coronavirus have appeared, and questions remain about whether China's self-made vaccines can stop them.

The latest cases have been found in Guangzhou, capital of the southern province of Guangdong. The authorities have blamed the Delta variant, which has caused widespread loss of life in India.

The city tested practically its entire population of 18.7 million between Sunday and Tuesday, some of them for the second time. It has also put neighbourhoods with over 180,000 residents into total lockdowns, with practically no one allowed out except for medical testing.

The early infections appear to have jumped from person to person at a cluster of eateries. Each infected person has infected more other people than in any previous outbreak that China has confronted, Zhang Zhoubin, deputy director of the Guangzhou Center for Disease Control, said at a news conference.

"The epidemic faced by Guangzhou this time is an unprecedented opponent, and it requires more resolute and decisive measures to deal with it," he said.

Test facilities in Guangzhou have been operating around the clock. Lines are long. Residents wake early to try to beat the rush, but still find delays. Mandy Li, a long-time resident of the city's Liwan District, where most of the infections have occurred, said she set her alarm clock for 3:30 am. She still had to wait an hour.

"In the queue, there was a family of three," she said. "Some woke their kids to line up, and some had strollers. But everyone was cooperative and quiet, as we know some volunteers and medical workers worked very hard and they've been there all this time without rest."

China's approach has evolved since the coronavirus first emerged, when Beijing initially put harsh restrictions on hundreds of millions of people. Today its lockdowns are focused on neighbourhoods rather than cities or provinces. China has made vaccination the centerpiece of its strategy.

Still, many of the core tenets remain for a huge and densely populated country: vast testing, strict limits on movement and intense scrutiny of arrivals from other countries.

Foreign businesses have worried that those limits on international travellers could snarl their plans. A European Union Chamber of Commerce survey released this week found that three-quarters of member companies said they had been adversely affected by travel restrictions, usually by hindering them from bringing in key engineers or executives.

Beijing has demanded that travellers from dozens of countries spend two weeks in employer-supervised quarantine even before flying to China. Once there, travellers must spend at least two weeks and sometimes three or longer in government-supervised quarantine, even if they are fully vaccinated. Rounds of tests can turn up a possibly false positive, leading to more tests and additional days or weeks in isolation.

A German national who flew into Shanghai last month said that he had been sent to a hospital isolation room for three days because he tested positive for antibodies, which he attributed to taking a second vaccine dose 16 days earlier.

Wuhan animal markets sold dozens of species that can carry pathogens that infect humans, a study found.

Nurses took his blood twice a day and performed six throat swabs, four nasal swabs and two anal swabs daily, said the German, who insisted on anonymity to avoid offending the authorities. The hospital room had no towels, no toilet paper and no television, and the bed was a steel plate with a thin mat, he said.

The German said that, after consistently testing negative for the virus, he was allowed to spend the remaining 11 days of isolation in a government-supervised quarantine center.

Many businesses expect that China may retain stringent travel restrictions through February, when Beijing will host the Winter Olympics, and possibly through autumn of next year, when the Chinese Communist Party will hold its party congress.

Many foreigners in China face a choice: If they leave to visit spouses, children and other family members elsewhere, they may be unable to re-enter the country later because of the pandemic restrictions.

"There is absolutely a growing fatigue for a lot of the foreigners who are here," said Jacob Gunter, senior policy and communications manager at the European Union Chamber of Commerce in China.

At home, China's leaders are pushing its people to get vaccinated. It has administered about 800 million doses by the government's count, compared with 300 million administered in the United States. Yin Weidong, the chairman and chief executive of Sinovac Biotech, one of China's main vaccine manufacturers, told state television last Friday that Chinese regulators had approved the emergency use of vaccines in children as young as 3.

Still, administering 800 million doses — almost all of the vaccines require two shots — means most of China's 1.4 billion people have not been fully vaccinated. Some people remain hesitant to get the shots, and Chinese media outlets have used the Guangzhou outbreak to encourage skeptics to get inoculated.

The spread of the virus has raised fresh questions about the effectiveness of China's vaccines, particularly against variants. The Seychelles last month and now Mongolia in the past three weeks have both had large numbers of infections despite high vaccination rates. Both have used the Sinopharm vaccine from China, although the Seychelles also relied partly on AstraZeneca vaccines.

The Delta variant now circulating in Guangzhou has also shown the ability in other countries to infect some people who had already been vaccinated, a phenomenon known as vaccine escape. Research elsewhere has found that to be a particular problem for people who have received only a first injection of a two-jab vaccine and are then exposed to the Delta variant.

Researchers in Britain have found that receiving only the first of two shots of the Oxford-AstraZeneca or Pfizer-BioNTech vaccines may be only 30 percent effective in preventing infection with the Delta variant, said Raina MacIntyre, who heads the biosecurity programme at the Kirby Institute of the University of New South Wales in Sydney, Australia.

After two doses, effectiveness appears to rise to 60% with the AstraZeneca vaccine and 88% with Pfizer-BioNTech. "With the degree of vaccine escape there is with the Delta variant, you really do need people to be fully vaccinated," she said.

Yin, of Sinovac, told China's state-run television on Saturday that a third shot of his company's vaccine produces a tenfold increase in antibodies within a week. But Chinese vaccine manufacturers are not yet recommending a third dose. — NYT

WTO to intensify talks over protections of coronavirus vaccines

JAMEY KEATEN
Geneva, June 9

WORLD TRADE ORGANISATION member states agreed on Wednesday to intensify talks toward improving access to Covid-19 products, as developing nations push for a proposal to ease patent and other legal protections on coronavirus vaccines - and some wealthier countries remain stiffly opposed.

A WTO panel focusing on intellectual property, which includes patents on technological know-how like vaccines and the processes to manufacture them, wrapped up a two-day meeting on Wednesday with an agreement to start a "text-based process" to pull together proposals about improving the fight against Covid-19 through the Geneva-based trade body's intricate system of rules.

The goal is to help jump-start lagging efforts to get vaccines to developing-world countries that badly need them, according to a Geneva-based trade official, who spoke on condition of anonymity because he was not authorised to speak publicly on the matter.

New, informal talks will start next week among members of the panel, with an eye toward pulling together a report for a meeting of WTO ambassadors on July 21-22.

South Africa and India floated the proposal for a temporary easing of patent protections for Covid-19 vaccines, therapies and tests - known as an "IP waiver" -- last fall. While many developed countries with strong pharmaceutical industries hesitated about or were outright opposed that idea, the debate received a jolt last month when the Biden administration announced support for an IP waiver for vaccines alone.

In the two days of talks, South Africa and India laid out a revision of their proposal - now backed by over 60 countries - that insisted on the three-year temporary nature of the waiver for Covid-19 products, the trade official said.

But some countries - notably the European Union's 27 member states, as well as Britain, Switzerland and Korea - continue to oppose a waiver, the official said, relaying deliberations in the closed-door talks Tuesday and Wednesday.

Countries like Australia, Brazil, Canada, China and the United States haven't rallied fully behind the South African and Indian proposal, and view it as just one part of what they believe should be a more comprehensive approach in getting Covid-19 products to the developing world, the official said. — AP

EU lawmakers OK virus pass, boosting summer travel hopes

LORNE COOK
Brussels, June 9

EUROPEAN UNION LAWMAKERS on Wednesday endorsed a new travel certificate that will allow people to move between European countries without having to quarantine or undergo extra coronavirus tests, paving the way for the pass to start in time for summer.

The widely awaited certificate is aimed at saving Europe's travel industry and prime tourist sites from another disastrous vacation season. Key travel destinations like Greece have led the drive to have the certificate, which will have both paper and digital forms, rapidly introduced.

Several EU countries have already begun using the system, including Bulgaria, Croatia, the Czech Republic, Denmark, Germany, Greece and Poland.

Right now, travelling in the EU's 27 nations is a trial for tourists and airlines alike. Countries have various Covid-19 traffic-light systems, where those in green are considered safe and those in red to be avoided. But each nation is applying different rules and standards, making travel confusing for all.

The new regulations governing the vaccine certificates were adopted in two votes at the European Parliament in Strasbourg, France. Rules for EU citizens were passed 546 to 93, with 51 abstentions. Those for people from outside the bloc passed 553 to 91, with 46 abstentions.

The vote must still be rubber-stamped by EU nations, but that's likely a formality.

It means that beginning July 1 for 12 months, all EU countries must recognise the vaccine certificate. They will be issued free and certify that a person has either been fully vaccinated against the virus, has recently tested negative or has recovered from the disease.

The rules will not be heavily enforced for 6 weeks to allow countries to prepare. — AP

Uber and Lyft ramp up legislative efforts to shield business model

NOAM SCHEIBER
June 9

AFTER CALIFORNIA PASSED a law in 2019 that effectively gave gig workers the legal standing of employees, companies like Uber and Lyft spent some $200 million on a ballot initiative exempting their drivers.

To avoid such threats in other states, the companies have pressed for legislation that classifies drivers as contractors, meaning they are not entitled to protections like a minimum wage and unemployment benefits.

The most serious initiative in this vein, in New York State, has stalled while facing opposition from labour groups as the state's legislative session winds down this week.

But the effort seems certain to be revived, and the negotiations — in which the companies offered to grant workers bargaining rights and certain benefits but not all the protections of employment — have indicated what an eventual deal could look like in New York and beyond.

Gig companies like Uber and Lyft have long resisted classifying workers as employees, stating in regulatory filings that doing so would force them to alter their business model and risk a financial hit. Industry officials have estimated that making drivers employees could raise labour costs 20-30%.

As California considered a bill under which gig drivers were likely to be classified as employees in 2019, the companies met repeatedly with a few large unions, including the Service Employees International Union and the Teamsters, to discuss a deal along the lines of what they have proposed in New York. But the talks collapsed because many in the labour movement refused to make significant concessions while holding the legislative upper hand. The bill passed in September of that year.

After the ballot initiative that exempted drivers was approved last fall, however, some in labour became more amenable to a deal. New York, where discussions were already underway, was a natural place to seek one.

Some of the companies had a relationship with labour in the state, chiefly the International Association of Machinists, with which Uber created and funded a driver organisation in 2016, known as the Independent Drivers Guild. In some ways the drivers guild foreshadowed the arrangement the companies are seeking today: It provided a way for drivers to address concerns with the company but agreed not to contest drivers' contractor status.

At the same time, labour had leverage. A number of rulings in New York granted gig drivers conventional unemployment benefits in the state, potentially leading to hundreds of millions of dollars in liabilities for the companies. And there were New York City regulations — like a minimum pay standard for drivers amounting to over $17 an hour after expenses — that some gig companies have sought to ease.

A legislative draft, produced by industry officials in consultation with labour groups, deemed gig workers to be "network workers." That would essentially have made them contractors with certain protections and the right to join a labour organisation that would bargain on a sectoral basis, meaning all at once with the major companies. The arrangement would have created more than 150,000 new union members in the state. — NYT

US state Ohio files suit to have Google declared a public utility

AGENCIES
San Francisco, June 9

THE STATE OF Ohio on Tuesday filed an unprecedented lawsuit calling on a local court to declare Google as much a public utility as an electric company.

Google should be designated a public utility subject to government regulation regarding its search engine and other services, Ohio attorney general Dave Yost contended in the legal filing.

Public utilities typically supply essential goods or services, such as water or power, and tend to have naturally monopolistic characteristics.

"When you own the railroad or the electric company or the cellphone tower, you have to treat everyone the same and give everybody access," Yost said in a release announcing the suit. Yost accused Google of favouring its own products, websites, and services in search results, putting competitors at a disadvantage.

Ohio late last year was among some three dozen US states that filed a federal lawsuit accusing Google of abusing its market dominance. That case is still pending.

France's competition regulator fined Google 220 million euros ($267 million) on Monday for favoring its own services for placing online ads at the expense of rivals, as US tech giants face growing pressure in Europe and the United States.

The penalty is part of a settlement reached after three media groups -- News Corp, French daily Le Figaro and Belgium's Groupe Rossel -- accused Google in 2019 of abusing a dominant market position over ad sales for their websites and apps.

The competition authority determined that Google gave preferential treatment to its own ad inventory marketplace AdX and to the Doubleclick Ad Exchange, its real-time platform for letting clients choose and sell ads. Google did not contest the findings, and the regulator said the company has committed to operational changes, including improved interoperability with third-party ad placement providers.

Last week, Germany's competition regulator said it was expanding an antitrust investigation into Google and its parent company Alphabet to include Google News Showcase, a service aimed at increasing revenue for media publishers.

Indian-Americans regularly face discrimination: Survey

PRESS TRUST OF INDIA
Washington, June 9

INDIAN-AMERICANS, WHO constitute the second-largest immigrant group in the US, regularly encounter discrimination and polarisation, according to a survey released on Wednesday.

The report, 'Social Realities of Indian Americans: Results from the 2020 Indian American Attitudes Survey' draws on the Indian-American Attitudes Survey (IAAS) -- a collaboration between the Carnegie Endowment for International Peace, Johns Hopkins-SAIS, and the University of Pennsylvania.

The findings of the report are based on a nationally representative online survey of 1,200 Indian-American residents in the US -- the 2020 IAAS -- conducted between September 1 and September 20, 2020, in partnership with the research and analytics firm YouGov, it said in a statement.

"Indian-Americans regularly encounter discrimination. One in two Indian Americans reports being discriminated against in the past one year, with discrimination based on skin colour identified as the most common form of bias.

"Somewhat surprisingly, Indian-Americans born in the United States are much more likely to report being victims of discrimination than their foreign-born counterparts," said the report.

According to the report, Indian-Americans exhibit very high rates of marriage within their community.

While eight out of 10 respondents have a spouse or partner of Indian-origin, US-born Indian-Americans are four times more likely to have a spouse or partner who is of Indian-origin but was born in the United States.

Journalists demanding more action against online harassment

DAVID BAUDER
New York, June 8

THE ASSOCIATED PRESS' recent firing of a young reporter for what she said on Twitter has somewhat unexpectedly turned company and industry attention to the flip side of social media engagement — the online abuse that many journalists face routinely.

During internal meetings after the Arizona-based reporter, Emily Wilder, was let go, several journalists expressed concern over whether the AP would have the backs of employees under attack from the outside.

"The Emily Wilder situation triggered this for many people on the staff," Jenna Fryer, an AP sportswriter who spoke at one of the meetings, said in a subsequent interview.

Wilder was fired last month because of what the company said were tweets on the Israeli-Palestinian conflict that violated AP's social media policy against offering opinions on contentious issues. Before her firing, a conservative group had sparked an online campaign against her over her pro-Palestinian views, and while the AP has said it wasn't responding to pressure, her dismissal ignited debate over whether the news organisation acted too rashly.

Journalists are often subjected to racist or sexist slurs, vile insults and threats of rape, dismemberment or other violence from online readers.

Online harassment is hardly unique to journalists. But the visibility of reporters makes them particularly vulnerable to attack, said Viktorya Vilk, programme director for digital safety and free expression at the literary and human rights organisation PEN America.

Fryer, who covers auto racing, said she "was in tears daily" over online abuse she received for coverage of a noose found last year in an Alabama garage stall used by NASCAR's only full-time Black driver. She said the only time she heard from the company about harassment was when a manager remarked that Fryer had gotten a lot of it.

"Sometimes you feel like you're on a total island," she said.

The news agency says it has worked with law enforcement in many cases when its journalists were attacked online. Still, following the meetings, the AP ordered a study on whether more can be done.

"I can speak from personal experience that we have not been ignoring this," said Julie Pace, the AP's Washington bureau chief. "What we have to do is put this on a par with the way we handle what we have traditionally viewed as security threats for our journalists — if you are going to Syria, or if you're covering protests that could potentially become chaotic." — AP

Suga regrets having to take all the heat for hosting Olympics in pandemic

KIYOSHI TAKENAKA & JUNKO FUJITA
Tokyo, June 9

JAPANESE PRIME MINISTER Yoshihide Suga said on Wednesday he regretted having to take all the flak for holding the Summer Olympics during a pandemic as his government was reported to favour allowing domestic spectators into stadiums to watch.

Tokyo 2020, already postponed by a year, has faced strong opposition from the public, medical experts and some former athletes amid a fourth wave of infections.

And Suga's comments appeared to illustrate tensions bubbling to the surface as the government bolsters its assurances to the world that the Games will be safe.

He was speaking in response to comments at a parliamentary session from an opposition lawmaker, who said the prime minister had been coming under attack over holding the Games during the Covid-19 pandemic when the host city governor, Yuriko Koike, should be weighing in.

"I'm very glad you said what I want to say," Suga replied. "Even though I (tried to make) such remarks, parliament's discussions conclude that all the responsibilities should be the prime minister.

"...I am not trying to run away from (responsibilities), but I feel it is regrettable that this is the direction of the debate in parliament."

Koike was not immediately available for comment.

Government officials and Olympics organisers are in favour of holding the Games with local spectators as Covid-19 vaccines are rolled out and case numbers decline, the Asahi newspaper reported, without citing sources.

The prime minister's office declined to comment. Foreign spectators are already prohibited from the Olympics and organisers will finalise plans for spectators before the end of this month.

Japan has been spared the widespread infections seen elsewhere in the world but has recorded more than 760,000 cases and more than 13,600 deaths. Tokyo and other regions are still under a state of emergency which is set to be lifted on June 20.

Japan's vaccination rate has risen to about 11% of its population with at least one dose, still slow compared with other advanced nations. — REUTERS