OPINION, P6

MAHUA ACHARYA

India's domestic emissions trading must heed global learnings

EDITORIAL

States must not seek lower Covishield pricing; pricing freedom for companies will push vaccine innovation

ECONOMY, P2

SECOND WAVE

We will soon come out of crisis, says Prime Minister

BACK PAGE, P14

CORONA-WAR

Half of British population has had first jab

NEW DELHI, MONDAY, APRIL 26, 2021

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IN THE NEWS

Rlys runs more oxygen express trains for Delhi

THE RAILWAYS has stepped up operations of oxygen express trains for transportation of liquid medical oxygen amidst shortages of the life-saver gas being faced by several Delhi hospitals, reports **Fe Bureau** in New Delhi. The oxygen express trains will move from Angul, Raigarh, Kalingnagar and Rourkela.

Over 81% wheat area harvested amid pandemic

THE GOVERNMENT on Sunday said over 81% of wheat sown area has been harvested so far, while harvest of pulses and oilseeds has been completed amidst the Covid-19 pandemic situation, reports **PTI**. Farmers are harvesting rabi (winter) crops sown in the 2020-21 crop year.

Indian, French Navies begin 3-day wargame

THE INDIAN and French navies on Sunday kicked off a three-day mega wargame in the Arabian Sea in the backdrop of rising concern over China's growing maritime presence in the Indian Ocean region, reports **PTI**.

FRONT-LOADING

Centre allows states higher borrowing

The idea behind the move is to enable them to regain spending momentum

PRASANTA SAHU
New Delhi, April 25

GIVEN THE REVENUE constraints and an evolving Covid-19 situation, the Centre has allowed the state governments to borrow 75% of their annual market borrowing limit of 4% of their respective Gross State Domestic Product (GSDP) in the first nine months of the current fiscal, a senior finance ministry official told *FE*.

This compares with the permission given to them to borrow up to 50% of the annual threshold in the year-ago period.

Coupled with the central government securities, the state development loans could boost supplies, leading to hardening of bond yields in the coming few months, unless the RBI steps up open market operations, analysts feel.

The idea behind the Centre's move is to enable states, which had bucked the trend in the last fiscal by reporting an year-on-year decline in capex, to regain spending momentum, even as they meet the rising spending commitments arising from the spike in Covid cases.

Conventionally, the states' borrowing used to be capped at 3% of GSDP or thereabouts, and the bulk of the borrowings occurred in the second half a fiscal year.

According to the source, the Centre has also mandated that states must spend 50 bps of the 4% unconditional market borrowing limit for the current fiscal year, on 'incremental capital expenditure' to improve the quality of spending.

Continued on Page 2

■ Conventionally, the bulk of the borrowings by states used to occur in the second half of a fiscal year

Centre has mandated that states must **spend 50 bps of the 4%** unconditional market borrowing limit for the current fiscal year, on incremental capital expenditure

Last year, states reported a decline in capex, as **Covid-specific healthcare and welfare spending** rose amid a dip in revenue

DIRECTIVE

ONGC asked to sell stake in oilfields

AMMAR ZAIDI
New Delhi, April 25

THE PETROLEUM MINISTRY has told India's largest oil and gas producer ONGC to sell stake in producing oilfields such as Ratna R-Series to private firms, get foreign partners in KG basin gas fields, monetise existing infrastructure, and hive off drilling and other services into a separate firm to raise production.

Amar Nath, additional secretary (exploration) in the ministry of petroleum and natural gas, on April 1 wrote to Oil and Natural Gas Corporation (ONGC) chairman and managing director Subhash Kumar, giving a seven-point action plan, 'ONGC Way Forward' that would help the firm raise oil and gas production by one-third by 2023-24.

The action plan wants ONGC to bring in global players in gas-rich block KG-DWN-98/2 where output is slated to rise sharply by next year, and the recently brought into production Ashokenagar block in West Bengal. Also identified for the purpose is the Deendayal block in the KG basin which the firm had bought from Gujarat government firm GSPC a couple of years back.

Continued on Page 2

REUTERS

PTI

EXPRESS PHOTO: ABHINAV SAHA

STRUGGLE TO BREATHE

An oxygen cylinder is loaded into an aircraft at Singapore's Changi airport to help hospitals in India (left). People in Kanpur stand to refill their cylinders (top right), and patients get free oxygen facilityin an e-ricksaw.

PLANTS ASKED TO MAXIMISE OUTPUT

Govt bars use of liquid O_2 for non-medical purposes

PRESS TRUST OF INDIA
New Delhi, April 25

IN A BID to make oxygen available to more people, the Centre on Sunday barred the use of liquid oxygen for any non-medical purpose and asked manufacturing units to maximise its production and make it available to the government for medical use.

The order by Union home secretary Ajay Bhalla came amid a scarcity of medical oxygen in many parts of the country, particularly in Delhi, that have been hit by a fresh wave of the coronavirus pandemic.

Exercising the powers conferred under the Disaster Management Act, the union home secretary directed the state and union territory governments to ensure that "use of liquid oxygen is not allowed for any non-medical purpose and all manufacturing units may maximise their production of liquid oxygen, and make it available to the government for use for medical purposes only, with immediate effect and until further orders."

Continued on Page 2

PMO gives nod to set up 551 oxygen generation units via PM Cares Fund

PRESS TRUST OF INDIA
New Delhi, April 25

AS MANY AS 551 dedicated pressure swing Adsorption (PSA) medical oxygen generation plants will be set up inside public health facilities across the country to boost availability of the gas amid its shortage in several states battling the Covid-19 surge. The PMO said on Sunday that the PM Cares Fund has given in-principle nod for grant of funds for their installation, with Prime Minister Narendra Modi directing these plants should be made functional as soon as possible.

Continued on Page 2

Major ports asked to waive all charges for ships carrying oxygen, related equipment

THE GOVERNMENT has directed all major ports to waive all charges for ships carrying oxygen and related equipment amid a massive Covid surge across the country, the ministry of ports, shipping and waterways said in a statement.

■ Page 5

Lockdown in Delhi extended by another week as Covid-19 cases keep on surging

CHIEF MINISTER Arvind Kejriwal on Sunday announced extension of the ongoing lockdown in Delhi for another week, saying the severity of Covid-19 is unabated and positivity rate has been as high as 36% in the last few days.

■ Page 3

DIGITAL TRANSFORMATION

New-age tech skills see rise in demand

SHUBHRA TANDON
Mumbai, April 25

DEMAND FOR IT professionals continues to soar as companies digitise their operations. Companies are now willing to pay top dollar for those skilled in new–age spaces such as artificial intelligence, machine learning and cloud computing. They are also scouting for people with more than one skill.

"Overall we have seen salaries increase by 30-40% on average for those with new age skills," said Sudhakar Balakrishnan, group CEO, First-Meridian Business Services.

Continued on Page 2

Salaries for top five IT skills

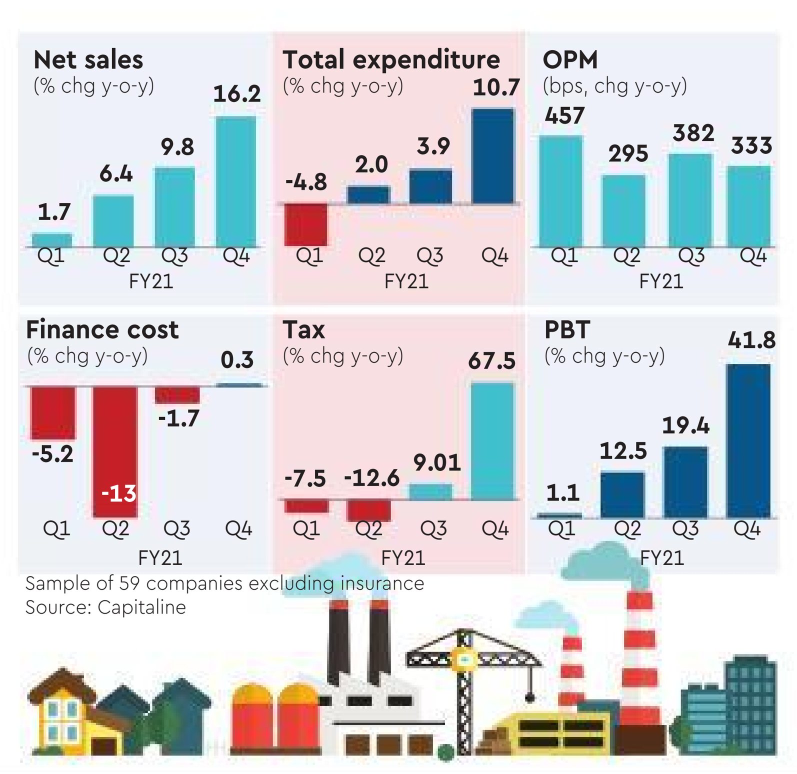
(in lakhs) Top Skills	Salary Range Earlier	Current
AI/ML	16-20	22-28
Cloud Computing	12-18	15-24
Cybersecurity	14-18	20-26
FullStack Development/ DevOps	12-15	15-25
Data Scientist	16-20	18-30

Earning season

FE BUREAU

India Inc makes a good start

India Inc has got off with a good start for January-March earnings season with a sample of 59 companies posting revenues higher by 16.15% on a year-on-year basis.



Sample of 59 companies excluding insurance
Source: Capitaline

BARRIER-FREE TRADE

Solar imports from China seen surging in FY22

ANUPAM CHATTERJEE
New Delhi, April 25

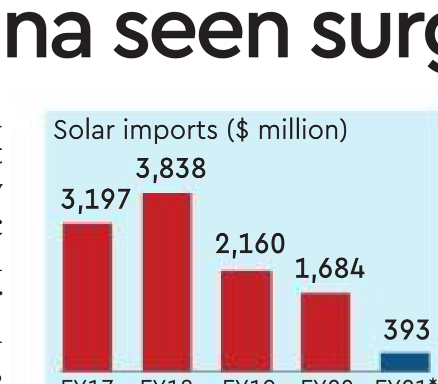
COME AUGUST, IMPORT of solar modules and cells might witness a sudden surge, thanks to the opening of an eight-month barrier-free window. The bulk of the imports are likely to be from China, given the pricing power being enjoyed by exporters from the neighbouring country.

A 15% safeguard duty on solar imports from China and Malaysia — the only import barrier in the absence of any other duty, including the basic customs duty (BCD) — will cease to exist on July 31. Solar module and cell imports will attract BCD of 40% and 25%, respectively, effective FY23.

Import of solar cells and modules had dropped 75% on year to $392.8 million in April-January FY21.

"There are around 20 gigawatt (GW) of solar projects under implementation and another 5 GW for which bids are to be invited. Considering the BCD on modules and cells will kick in from April 2022 there will be a rush to import modules before that date," Debashish Mishra, leader of energy, resources and industrial products at Deloitte India said.

Continued on Page 2



GOVT ORDER

Twitter, FB and others remove posts

PRESS TRUST OF INDIA
New Delhi, April 25

TWITTER AND OTHER social media platforms have removed about 100 posts and URLs after the government asked them to remove content that was critical of the handling of the current medical crisis or spreading fake news around the pandemic.

Twitter said it has notified the impacted account holders of its action taken in response to a legal request from the Indian government, while Facebook did not comment on the issue.

Meanwhile, government sources said the IT ministry, on the recommendation of the ministry of home affairs, asked the social media platforms to remove the posts and URLs to "prevent obstructions in the fight against the pandemic" and disruption of public order due to the posts.

Continued on Page 2

TOUGH TIMES

Survival at stake: Radio needs to re-invent itself

ASMITA DEY
New Delhi, April 25

A RECENT ANALYSIS by EY showed the radio sector would take the longest time to recover from the impact of the pandemic; even by 2023, estimated revenues of ₹2,750 crore would be smaller than the ₹3,110 crore earned in 2019. The unfortunate truth is that this space was faring poorly even before pandemic struck; revenues had plummetted 7.5% in 2019 largely because advertisers felt they were getting better reach on regional television even if advertising rates on radio were just about ₹100 for a 10 second spot. The trend was exacerbated by the pandemic and sent advertising revenues plunging 54% in 2020 to ₹1,430 crore.

Even if advertising revenues recover, which they are, given how the digital segment of media and entertainment (M&E) is becoming more popular by the day, radio operators will need to re-invent themselves if they want to survive.

Already, the absence of a third party audit on the reach of the medium is a big disadvantage at a time when every page view can be counted. If a Mumbai-based advertiser was to pay ₹1,000 for a per 10 second ad slot on radio, he would have no way of knowing what kind of response the advertisement generated, explains Ashish Pherwani, partner at EY.

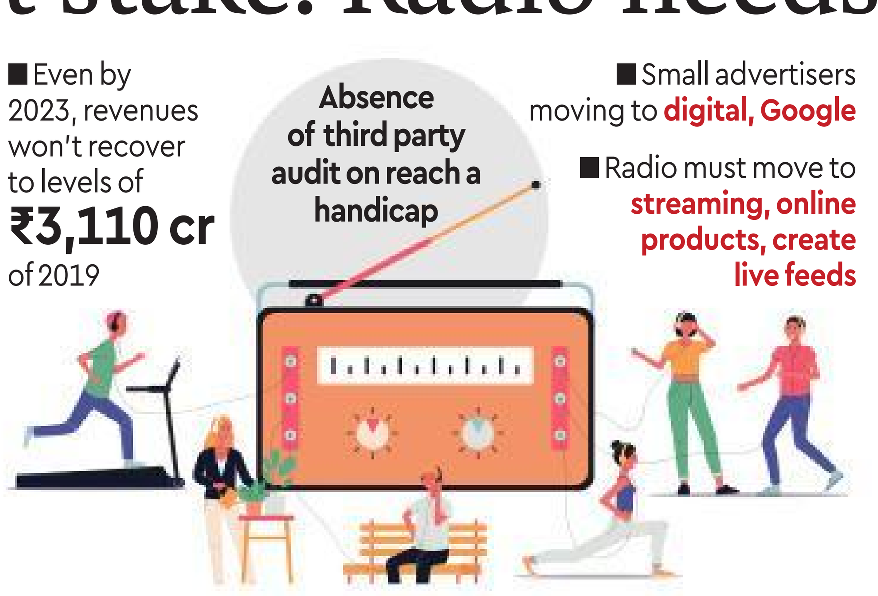
Continued on Page 2

■ Even by 2023, revenues won't recover to levels of **₹3,110 cr** of 2019

Absence of third party audit on reach a handicap

■ Small advertisers moving to **digital, Google**

■ Radio must move to **streaming, online products, create live feeds**



Economy

MONDAY, APRIL 26, 2021

ON TRACK

Suneet Sharma, chairman, Railway Board

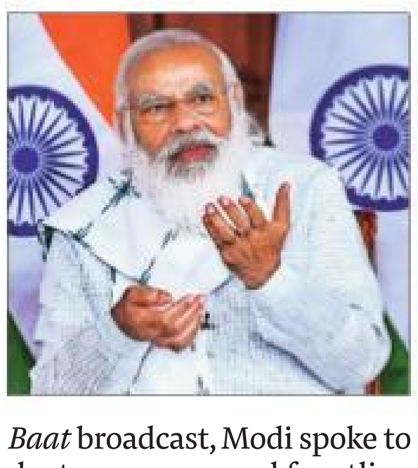
Despite Covid, trains will continue to run. Wherever there is demand, we are increasing services. We can rationalise service where demand is less. Over 70% of the trains are currently in operation.

MANN KI BAAT

Second wave has shaken country: PM

Modi appealed to states to extend the benefit of the Centre's free vaccine campaign to the maximum number of people

PRESS TRUST OF INDIA
New Delhi, April 25



NOTING THAT THE second wave of Covid-19 is testing people's patience and their capacity to endure pain, Prime Minister Narendra Modi said on Sunday that this *'toofan'* (storm) has shaken the country after it was full of enthusiasm and self-confidence after successfully tackling the first wave.

In his monthly *Mann Ki Baat* broadcast, Modi spoke to doctors, nurses and frontline workers, who shared their experience and views on the disease, and expressed confidence that people will soon come out of this crisis.

The over 30-minute broadcast was entirely focussed on the pandemic, which has been rampaging across the country for weeks, with Modi asserting that defeating the disease is the biggest priority.

Modi began the programme by taking note of people's sufferings.

"Many of our near and dear ones have left us untimely. After successfully confronting the first wave of corona, the country was full of enthusiasm, full of self-confidence, but this storm has shaken the country," he said.

He urged people to go for vaccination against the disease and cautioned them against rumours about it.

The Centre, he said, will continue to provide jabs free of cost to the eligible people (those over 45 years of age).

"We have to accord priority to the expert and scientific advice at this time to win this battle," he said.

Modi also appealed to states to extend the benefit of the Centre's free vaccine campaign to the maximum number of people.

"The government of India is applying its entire might to give a fillip to endeavours of state governments. The state governments too are trying their best to fulfil their responsibilities," he said.

A doctor, whose conversation with the prime minister was played in the programme, noted that people are a bit scared about the pandemic situation, while saying that there is absolutely no need for it as 80 to 90% of the infected people do not show any of these symptoms.

It is imperative that treatment protocol is as per the doctor's advice, he said.

Echoing his view, Dr Naveed Nazeer Shah from Srinagar urged people to follow Covid guidelines to avoid getting infected and to get inoculated.

The prime minister said while people are getting infected by the disease, they are also recovering from it in big numbers, and also spoke to one Preeti Chaturvedi of Gurugram, who shared her experience of dealing with the disease. She has now recovered.

Modi also lauded the help offered by citizens during the pandemic.

"I urge all of you to get vaccinated and we also have to take full care. *'Dawai bhi, kadai bhi'*, get vaccinated and maintain all precautions. Never forget this mantra. We will soon prevail together over this calamity," the prime minister said.

India logged a record 3,49,691 new coronavirus infections in a day taking it total tally of Covid-19 cases to 1,69,60,172 while active cases crossed the 26-lakh mark, according to the Union health ministry data updated on Sunday.

The death toll increased to 1,92,311 with a record 2,767 daily new fatalities, the data updated at 8 am showed.

Railways runs more oxygen express trains

FE BUREAU
New Delhi, April 25

THE RAILWAYS HAS stepped up operations of oxygen express trains for transportation of liquid medical oxygen (LMO) amidst shortages of the life-saver gas being faced by several Delhi hospitals.

The oxygen express trains will move from Angul, Raigarh, Kalingnagar and Rourkela to the national capital region and the Delhi government has been advised to obtain road tankers. A train from Raipur to Delhi cantonment, will carry four tankers with around 70 metric tonne of LMO from Jindal Steel plant siding in Raigarh. Movement of oxygen containers has also been planned from Durgapur to Delhi and container wagons are ready.

As on April 25, IR has delivered 10 tankers and a total of

150 metric tonne of LMO in the oxygen express trains running between Mumbai to Vizag via Nagpur to Nashik and Lucknow to Bokaro and back. Nine tankers are on the move which will reach Lucknow by April 26, carrying around 140 MT liquid oxygen.

For the delivery of more LMO to Maharashtra, IR has planned transportation from Jamnagar to Mumbai and for Nagpur/Pune from Vizg/Angul. Besides, a route has been mapped from Angul to Secunderabad to deliver LMO for Telangana. For Madhya Pradesh, IR has mapped the route from Jamshedpur to Jabalpur for the transportation of LMO.

The national transporter is also scaling up the initiative of Covid care isolation coaches and readying them with additional amenities for isolation of Covid patients with mild symptoms. Nearly 4,000 Covid care coaches with 64,000 beds have positioned at various railway stations in the country with coolers, jute-mats to cater to the current weather conditions.

In Delhi, 50 coaches with 800 beds are deployed at Shakur Basti station and 25 coaches with 400 beds are deployed at Anand Vihar terminal. At Nandurbar in Maharashtra, 21 coaches with 378 beds are positioned; at Bhopal station, 20 coaches have been positioned; 50 coaches have been readied for deployment in Punjab and 20 coaches are positioned for deployment in Jabalpur.

From the Front Page

Govt bars use of liquid oxygen for non-medical purposes

Further, Bhalla directed that all stocks of liquid oxygen should also be made available to the government for use for medical purposes and no exception is allowed to any industry with regard to use of liquid oxygen.

The home secretary referred to various measures taken so far to ensure uninterrupted supply of medical oxygen across the country.

He said it was considered necessary to restrict industrial usage of oxygen for ensuring availability of adequate and uninterrupted supply of medical oxygen across the country for management of Covid-19 patients and necessary order in this regard was issued on April 22 to restrict the use of industrial oxygen.

The central government has reviewed the oxygen supply situation and has decided that with immediate effect, use of liquid oxygen, including the existing stock, will be allowed for medical purposes only, and that all manufacturing units may be allowed to maximise their production of liquid oxygen, and make it available to the government, for use for medical purposes only, the order said.

Centre allows states higher borrowing

Given the nominal GDP estimated in the Union Budget for FY22, the states' combined unconditional market borrowings could be around ₹6.5 lakh crore in April-December of the year, thanks to the Centre's decision.

Constitutionally, states need prior approval of the Centre for undertaking market borrowings. The states, in coordination with the Reserve Bank of India (RBI), schedule the actual borrowings, subject to the threshold.

The FY22 borrowing by states is seen to be in the region of ₹8.7 lakh crore, including about ₹1 lakh crore earmarked for capex, due the mandatory stipulation of 50 bps capex.

Sixteen states reviewed by *FE* reported combined capital expenditure of ₹2.16 lakh crore in April-February of FY21, compared with ₹2.56 lakh crore in the year-ago period. This means that against their combined annual capex target of ₹4.7 lakh crore for the year, these states achieved only a dismal 46% in the first 11 months of FY21. The capex by all states, a major pillar of public capex, must have seen a dip in FY21, even as the Centre and CPSEs managed to sustain the tempo, despite the pandemic.

"In accordance with the views of the 15th Finance Commission, we are allowing a normal ceiling of net borrowing for the states at 4% of GSDP for the year 2021-2022. A portion of this ceiling will be earmarked to be spent on incremental capital expenditure. Additional borrowing ceiling of 0.5% of GSDP will also be provided subject to conditions. States will be expected to reach a fiscal deficit of 3% of GSDP by 2023-24, as recommended by the 15th Finance Commission," finance minister Nirmala Sitharaman said in her Budget speech on February 1.

Last year, many fiscally weak states were forced to borrow from the market, at exorbitant rates.

According to the calender announced on March 31, the Centre will borrow ₹7.24 lakh crore from the market in the first half of FY22, or just over 60% of the budgeted full-year target. The planned borrowing is higher than 56% in the first half of FY21, when a Covid-induced lockdown prompted the government to expand borrowing substantially in the second half as well.

Given the expected large supply of dated G-sec and state development loans in the coming months, as well as the likelihood of firming of global interest rates, yields are likely to rise in the absence of sizeable and frequent open market operations by the RBI.

Aditi Nayar, principal economist at Icra, had said yields were likely to rise in the absence of sizeable and frequent open market operations. "In our view, the benchmark 10-year G-sec yield may harden to as much as 6.35% by the end of Q1 FY2022," she said. "The 10-year G-sec yield is likely to be in 6.15%-6.30% range (from present level of 6.03%) in the next six to nine months and the spread on SDLs may widen a bit from the present level (6.8%)," said DK Pant of India Ratings.

While the first G-SAP (Government Securities Acquisition Programme) wasn't very successful, the RBI is likely to continue to use all instruments under its control including open market operations (OMO to keep the liquidity in surplus mode. "RBI will continue to sue these instruments frequently to manage yield; however, based on present situation and recent trends, it is unlikely that it will be very successful," Pant added.

On April 15, the Reserve Bank of India purchased ₹25,000 crore worth of bonds under G-SAP, under which it has committed to buy ₹1 lakh crore of G-secs between April and June to help absorption of the Centre's massive ₹12.06 lakh crore borrowing plan for FY22. However, bond yields shot up more than 10 basis points after the first auction, casting doubts about its effectiveness in reining in yields.

In FY21, the central government raised ₹13.7 lakh crore from the market, 93% more than previous fiscal's ₹7.1 lakh crore, primarily on account of lower revenues and higher expenditure.

As their market borrowing limit was enhanced to 5% of GSDP (to about ₹10.7 lakh crore) from 3% set initially last fiscal, state governments borrowed an aggregate of ₹7.98 lakh crore, 26% more than the borrowings of ₹6.3 lakh crore in FY20, according to Care Ratings. Tamil Nadu, Uttar Pradesh, Maharashtra, Karnataka, West Bengal, and Rajasthan have been the top seven borrowing states, accounting for 52% of the total borrowings in FY21, it said.

Speaking at the first of a series of online, agenda-setting debates organised by The Indian Express and Financial Times, Sitharaman said on last Thursday that front-loading of borrowings by the Centre and states in the current fiscal year would help harness the resources needed to keep momentum of public expenditure, including capex.

With the Covid-19 pandemic still prevalent, the existing interim ways and means advance (WMA) limit of ₹51,560 crore (as against ₹47,010 crore arrived at by a RBI committee)for all states/UTs shall continue for six months or up to September 30, 2021, the RBI said on Friday.

ONGC asked to sell stake in oilfields

The plan, reviewed by PTI, calls on ONGC to consider sale of stake in maturing fields such as Panna-Mukta and Ratna and R-Series in western offshore and onshore fields like Gandhar in Gujarat to private firms while divesting/privatising 'non-performing' marginal fields.

The ministry also wants the company to explore creating separate entities for drilling, well services, logging, workover services and data processing entities.

This is the third attempt by the oil ministry to get ONGC to privatise its oil and gas fields under the Modi government.

In October 2017, the Directorate General of Hydrocarbons, the ministry's technical arm, had identified 15 producing fields with a collective reserve of 791.2 million tonnes of crude oil and 333.46 billion cubic metres of gas, for handing over to private firms in the hope that they would improve upon the baseline estimate and its extraction.

A year later, as many as 149 small and marginal fields of ONGC were identified for private and foreign companies on the grounds that the state-owned firm should focus only on big ones.

The first plan couldn't go through because of strong opposition from ONGC, sources aware of the matter said.

The second plan went up to the Cabinet, which on February 19, 2019, decided to bid out 64 marginal fields of ONGC. But, that tender got a tepid response, they said adding that ONGC was allowed to retain 49 fields on condition that their performance will be strictly monitored for three years.

The ministry note of April 1, 2021, said two years have elapsed since the Cabinet decision and non-performing fields need to be identified for divestment and privatisation.

It suggested market-friendly bid terms such as lower royalty rates and complete marketing and pricing freedom. —*PTI*

Solar imports from China seen surging in FY22

The industry will, however, pencil in the potential cost benefit offered by imported products as currently prices are on the rise in China. "There has been a situation of panic buying in the Indian market due to which Chinese companies are increasing prices," Naveen Arora, assistant vice president of procurement at Petrnonas-backed Amplus Solar, said.

Thanks to cheaper rates of imported modules, especially from China, solar capacity addition in the country is mostly done through imports. Module costs comprise about 60% of the total project expenditure for solar plants. "Currently, even with the safeguard duty, domestic module costs are higher than the delivered price of comparable imported modules," Pinaki Bhattacharyya, CEO of Amp Energy India, told *FE*, adding

that "With the expiry of the safeguard duty, if the base prices of cells remains the same in India and overseas, we expect imported modules to cost around 5-6% lower than Indian modules".

The pace of solar capacity addition slowed 45% annually to 4.8 GW in April-January FY21. "The domestic modules are currently priced between 29-30 cents per watt-peak (c/wp) right now whereas rates for imported modules currently range between 23-24 c/wp and will likely see a 1 c/wp increase in Q3 and Q4 FY22, bringing the price to 24-25 c/wp," Azure Power said in an emailed response to *FE*.

Apart from price volatility, there are certain other which also make it difficult for Indian developers to place concrete orders with Chinese suppliers to take advantage of duty-free imports. The industry is keeping a close watch on how the second Covid wave is panning out and its potential implications on supply chain and project implementation timelines.

Also, no foreign module manufacturers are currently in the approved list of models and manufacturers (ALMM) which was recently published by the government. All projects bid out after April 10 under central government schemes will have to use solar equipment from ALMM listed entities. Lack of clarity on the possible extension of the safeguard duty period is also adding to uncertainties.

PMO gives nod to set up 551 oxygen generation units via PM Cares Fund

He said these plants will serve as a major boost to oxygen availability at the district level.

These dedicated plants will be established in identified government hospitals in district headquarters in various states and union territories, and their procurement will be done through the Health and Family Welfare ministry.

The PM Cares Fund had earlier this year allocated ₹201.58 crores for installation of additional 162 dedicated PSA medical oxygen generation plants inside public health facilities in the country, the PMO noted.

It said the basic aim behind establishing PSA oxygen plants at government hospitals in the district headquarters is to further strengthen the public health system and ensure that each of these hospitals has a captive oxygen generation facility.

Such an in-house captive oxygen generation facility would address the day-to-day medical oxygen needs of these hospitals and the district. In addition, the liquid medical oxygen (LMO) would serve as a top up to the captive oxygen generation, it said.

Such a system will go a long way in ensuring that government hospitals in districts do not face sudden disruption of oxygen supplies and have uninterrupted access to it to manage Covid-19 patients and other sick persons needing such support.

India is struggling with a second wave of the pandemic with more than 3,00,000 daily new coronavirus cases being reported in the past few days, and hospitals in several states are reeling under a shortage of medical oxygen and beds.

Several hospitals in the national capital are grappling with severe shortage of medical oxygen. While some hospitals have managed to make short-term arrangements, there is no immediate end to the crisis in sight.

New-age tech skills see rise in demand

As data on Naukri.com reveals, the wave of digital transformation resulted in the demand for IT-Software professionals jumping 53% in the year to March.

Vijay Sivaram, CEO, Quess IT Staffing told FE that with stay-at-home restrictions and social distancing catalysing collaboration and commerce online, over 80% of companies are convinced digital transformation is a strategic necessity. "With this rise in demand for technology, the new must-have skill sets have changed," Sivaram said.

Quess data shows a big spike in demand for new–age skills between October and March; in the IT security segment, demand was up 166%, for full stack 110% and for android developers by 80%. In the data analytics segment demand shot up by 44.7%. Accenture India confirmed it would be in the market for in-demand skills in areas such as digital, cloud, security, data and AI as well as platform and other core skills although it refused to divulge numbers. The company added it is hiring experts across verticals including financial services, consumer goods and services, life sciences and functional experts in the areas of finance & accounting, marketing, procurement and supply chain management.

Sivaram from Quess said that while in the pre-Covid era these skills were considered to be niche and were primarily in demand amongst product companies and captives, now even services businesses are hiring digitally-proficient talent to build and adopt digital systems. The demand for skilled professionals grew 22.5%, led by BFSI, technology services and consulting and auto & engineering.

Balakrishnan explained the gaps in infrastructure are showing and need to be plugged. "It is no longer a list item on the roadmap. It has to be firmly in place in today's scenario," Balakrishnan said, adding that the second wave has highlighted the urgency of doing this. Ravish Agrawal, co-founder and CEO, Able Jobs, observed that while engineers are being hired to build the infrastructure, sales and support roles are also important given there are several first-time users of the platform who need assistance during and post the transaction.

Agrawal observed that while bigger companies continue to hire permanent employees start-ups have majorly switched to temporary positions since the environment is uncertain. "Startups are hiring on contract, freelance or giving out internships rather than hiring for full-time positions. We have seen an increase in requests for people for 3-6 months with an assurance they would be made full-time employees based on the performance," he said. IT giants, of course, continue to add to their workforces. TCS has said it will hire 40,000 people in FY22 while Infosys has expressed its intention to recruit 26,000 or even more. Analysts estimate the top five IT companies — TCS, Infosys, Wipro, HCL Technologies and Tech Mahindra — could snap up more than one lakh people this year.

Survival at stake: Radio needs to re-invent itself

Even otherwise, digital is turning out to be cheaper medium, and, increasingly smaller advertisers — who contribute about half of radio advertising — are beginning to experiment with it especially on Facebook. "Youngsters running small shops or businesses are advertising on Google," Pherwani points out, adding that it makes sense for anyone offering a localised service to advertise on Google.

In fact, local advertising is slowly but surely going digital, primarily because it offers the benefit of targeted local advertising. If a group of people want to set up a coaching centre in their locality, they would today rather opt for an advertisement on Google than radio. Visibility on digital mediums like Google is way higher and it allows users to narrow down their search to the community level. "Advertising services are becoming hyper-local," says Pherwani.

Jehil Thakkar, partner Deloitte, believes radio operators will need to pivot into more streaming and online products. "They should create live feeds and market them more aggressively," Thakkar suggested "besides diversifying formats and experimenting more with podcasts on radio and varied entertainment products". As he points out, streaming is going to impact listening habits given the same music is playing everywhere. Experts believe that star radio jockeys with a fan following can persuade audiences to listen to the radio on their phones. Entertainment Network India (ENIL) is focusing on live events — as many as 500 in a normal year — and also on content production creating original short video series for OTT (over-the-top) players. Besides, ENIL is also helping brands to market their products by creating specific audio/video content for them. "We have found that clients love solutions. For us, solutions are a third of our total revenues while FM is two-thirds. We see this becoming a 50:50 share in the coming two to three years," says Prashant Panday, MD & CEO at ENIL.

Meanwhile, Reliance Broadcast that owns Big FM says it is strategically exploring various digital audio opportunities such as online concerts, influencer marketing, brand advocacy, podcasts and audio solutions in smart speakers.

Analysts estimate non-advertising businesses could make up 40% of company revenues by 2023-24. Given that ad rates continue to be weak, around 20-40% lower than pre-Covid levels, this is a fair assumption. Some advertisers are still negotiating hard on prices, says Nisha Narayanan, COO at Red FM and Magic FM. In Q4FY21, Red FM booked 5%-15% higher revenues in some cities.

Abraham Thomas, CEO at Reliance Broadcast says advertising revenues grew by over 21% year-on-year in March. "The second wave is starting to hurt. We lost some business since Mumbai went under night curfew and weekend-lockdown. With Delhi also going under night curfew and other cities like those in Gujarat there is a worry that business might be hit," says Panday. Business models of most radio operators remain viable as of now, thanks to some massive cost cuts; and stations are unlikely to shut down in the near future. Players like ENIL undertook cuts in payroll (headcount and pay cuts), infrastructure (reduced office space, lower electricity usage), overheads (travel, all other expenses). But the sector must re-invent itself quickly.

Twitter, FB and others remove posts

They added that the order was issued in view of the misuse of social media platforms by certain users to spread fake or misleading information and create panic about the pandemic in the society "by using unrelated, old and out of the context images or visuals, communally sensitive posts and misinformation about Covid-19 protocols".

Although reports suggested that the posts critical of government handling of the medical crisis were asked to be removed, sources said the government is open to criticism and suggestions in the collective fight against Covid-19. However, they said it is necessary to take action against those users who are "misusing" social media during this grave humanitarian crisis for unethical purposes.

Twitter removed or restricted access to more than 50 posts in the past one month at the behest of the government, including tweets that criticised its handling of the coronavirus pandemic. Other posts removed showed pictures and videos of a recent Maoist attack in Chhattisgarh. Earlier this year, more than 500 accounts were suspended and access to hundreds of others in India blocked after the government ordered the microblogging platform to restrain the spread of misinformation and inflammatory content related to farmers' protests.

India is registering a record number of Covid cases daily. The number of new Covid infections touched 3,49,691 cases and 2,767 fatalities, according to the Union health ministry data updated on Sunday at 8 am. A Twitter spokesperson said when it receives a valid legal request, it reviews it under both Twitter Rules and local law. "If the content violates Twitter's Rules, the content will be removed from the service. If it is determined to be illegal in a particular jurisdiction, but not in violation of the Twitter Rules, we may withhold access to the content in India only. The legal requests that we receive are detailed in the biannual Twitter Transparency Report, and requests to withhold content are published on Lumen," the spokesperson said.

Reports citing Lumen database (an independent research project studying cease and desist letters concerning online content) suggested that more than 50 posts - including those by a Member of Parliament, MLA and filmmakers - were removed by Twitter on government request. The microblogging platform emphasised that it is committed to the principles of openness and transparency, and that it tackles misinformation based on the highest potential for harm. It noted that it is tackling Covid misinformation using a combination of product, technology, and human review.

AMID PANDEMIC

81% wheat area harvested; pulses, oilseeds harvest done

PRESS TRUST OF INDIA
New Delhi, April 25

THE GOVERNMENT ON Sunday said over 81% of wheat sown area has been harvested so far, while harvest of pulses and oilseeds has been completed amidst the Covid-19 pandemic situation.

Farmers are harvesting rabi (winter) crops sown in the 2020-21 crop year (July-June). Wheat is the main rabi crop.

Releasing the latest data, the agriculture ministry said: "As a result of the proactive steps taken, harvesting of rabi crops is on schedule and timely procurement is also being ensured for the benefit of the farmers."

Amidst the current pandemic situation, farmers and agriculture labourers are sweating and toiling against all adversities to make sure that food reaches our homes, it said.

"Their silent efforts, coupled with timely intervention by the central and state governments, have ensured that there is minimal or no disruption to harvesting activities," it added.

In case of wheat, the ministry said about 81.55% of the total sown area of 315.80 lakh hectare has been harvested in the country.

About 99% wheat harvesting completed in Rajasthan, 96% in Madhya Pradesh, 80% in Uttar Pradesh, 65% in Haryana and 60% in Punjab, it said. "Harvesting is at its peak in Haryana, Punjab and UP (Uttar Pradesh) and is likely to be completed by the end of April 2021," it added.

In case of pulses which were sown in 158.10 lakh hectare, harvesting has been completed for gram, lentil, urad, moong and field peas.

For sugarcane, of the total sown area of 48.52 lakh hectare, harvesting has been completed in Chhattisgarh, Karnataka, and Telangana.

Up to 98% harvesting has been completed in Bihar, Andhra Pradesh, Maharashtra, Gujarat, Haryana, Madhya Pradesh, Uttarakhand and West Bengal. Whereas in Uttar Pradesh, 84% has been completed and this will continue till mid-May 2021.

In case of rice sown in 45.32 lakh hectare in the rabi season, harvesting has been completed in 18.73 lakh hectare so far. Rabi

About 99% wheat harvesting completed in Rajasthan, 96% in Madhya Pradesh, 80% in Uttar Pradesh, 65% in Haryana and 60% in Punjab, the ministry said

rice harvesting is almost complete in Andhra Pradesh, Karnataka and Tamil Nadu.

Amongst the oilseed crops, harvesting of rapeseed mustard has been completed 100% in Rajasthan, Uttar Pradesh, Madhya Pradesh, West Bengal, Jharkhand, Gujarat, Chhattisgarh, Odisha and Assam.

It is almost complete in Haryana (99.95%) and for Punjab, around 77% has been harvested. Over 62% groundnut grown in 7.34 lakh hectare has been harvested so far.

"Thus, the harvesting of crops is on schedule and the efforts of the farmers need to be lauded and recognised," the ministry said in a statement.

Arun Raste named new MD & CEO of NCDEX

PRESS TRUST OF INDIA
Mumbai, April 25

THE NATIONAL COMMODITY and Derivatives Exchange (NCDEX) on Sunday said Arun Raste will be its next managing director and chief executive officer for a period of five years.

Market regulator Securities and Exchange Board of India (Sebi) has given approval to the appointment of Arun Raste as MD and CEO of NCDEX for a period of five years, the agri commodity exchange said in a statement. Raste will join NCDEX in due course of time, the NCDEX added.

Raste is currently associated with the National Dairy Development Board (NDDB) as an executive director and prior to NDDB, he has worked with organisations like IDFC First Bank, Kotak Mahindra Bank, NABARD, ACC Cement, and a non-profit NGO IRFT. He had also served as a Director on the Board of Indian Immunological and Mother Dairy Fruit and Vegetable. Earlier this month, NCDEX in a statement had said that Vijay Kumar had bid adieu to the exchange following completion of his extended term as the MD and CEO.

After his completion of the stipulated three years tenure, SEBI had given Kumar an extension of three months in January this year, it added.

NCDEX had also stated that the appointment of the new MD and CEO was underway as per the regulatory guidelines.

Lockdown in Delhi extended by another week as Covid cases surge

PRESS TRUST OF INDIA
New Delhi, April 25

A relative of a patient rests his head on a cylinder as he waits in a queue to refill it with medical oxygen at Badarpur in New Delhi on Sunday PTI

CHIEF MINISTER ARVIND Kejriwal on Sunday announced extension of the ongoing lockdown in Delhi for another week, saying the severity of Covid-19 is unabated and positivity rate has been as high as 36% in the past few days.

The lockdown imposed on April 19 night will now continue till 5am on May 3, he said. Before extension, it was scheduled to end at 5am on April 26.

"We will have to watch the situation for a few more days whether the cases decrease or increase," he said.

The Delhi Disaster Management Authority (DDMA) in an order for extension of the lockdown allowed services of courier outlets, electricians and plumbers, repair of water purifiers, and shops selling books and electric fans.

The chief minister said the onslaught of the coronavirus has not subsided even as the government had imposed six-day lockdown as a last weapon in its arsenal.

"The public opinion is for extension of lockdown. The positivity rate reached up to 36-37% in past few days although it has slightly dipped now. It is around 29% today," he said.

To keep a watch on oxygen availability, the Delhi government has decided that the manufacturers, suppliers and hospitals will update supply and consumption data every two hours on a portal set up by it.

"This is to ensure that the Delhi government knows where shortage might be felt and is able to divert resources in that direction in time."

He said the Centre has further increased Delhi's oxygen quota by 10 MT per day and hoped the chaotic situation due to oxygen crisis in Delhi will end in a few days.

"The Centre has increased Delhi's quota from 480 MT to 490 MT per day. But, we are yet to receive full quota. Currently only 330-335 tonnes per day supply is being received by us," he said.

The chief minister said his government is receiving much support from the Centre and both are properly coordinating to solve the oxygen supply problem. Kejriwal who had wrote letters to chief ministers of states for helping Delhi with spare oxygen and tankers, said, "Negotiations have begun with some states and I will update you about any positive results as and when they come."

Noting that ministers and officers of his government were working overnight to ensure steady oxygen supplies to the hospitals, he said, "I do not claim that all our efforts have reaped successful results. In some cases, we have failed, and in some others we have managed to ensure oxygen supply to its destination."

Delhi recorded the highest single-day rise in its Covid-19 deaths with 357 more people succumbing to the viral disease on Saturday as well as over 24,000 fresh cases.

The city has reported nearly 2,500 deaths due to the deadly virus in a 12-day period.

Several hospitals in the national capital are grappling with severe shortage of medical oxygen. The DDMA in its order on Sunday stated that the Delhi has again been reviewed and it is observed that positive cases as well as positivity rate is still very high.

Muthoot Microfin to raise ₹350 cr via share sale

PRESS TRUST OF INDIA
New Delhi, April 25

MUTHOOT MICROFIN IS planning to raise ₹350 crore by selling shares during the current year, to fund business growth.

Besides, the microfinance arm of Muthoot Pappachan Group is also looking to raise ₹100 crore from Tier-II bonds.

"We are looking to garner $50 million or about ₹350-crore equity capital to grow and build balancesheet of the company," Muthoot Microfin chief executive officer Sadaf Sayeed told *PTI*.

The fundraising would be through private placement to one or two investors towards December, he said.

Currently, the US-based investor Creation Investments holds 11.4% stake in the company with one board position.

He further said the capital infusion will help the company not only bolster its balance sheet but also expand its reach.

The company is also looking to enter Uttarakhand, he said, adding that the company has presence in 17 states and Union Territories at present.

During the pandemic-hit period, the company hired over 2,300 employees as it opened as many as 64 new offices across different parts of the country.

The company is expecting its asset under management (AUM) to increase to ₹6,500 crore by March 2022 and further rise to ₹8,000 crore in the next financial year.

The company's AUM rose 6% to ₹5,227 crore from ₹4,932 crore at the end of March 2020.

On the delinquency, he said the present wave and the consequent lockdown will have an impact on collection and there may be rise in non-performing assets (NPAs) on a temporary basis.

"Once the situation improves, the business and collection should be back to normal as we had experienced last year," he said.

Capital adequacy ratio of the microfinance institution stood at 26.75% at the end of March 2021.

The company with a predominant South India presence said it is currently the sixth-largest NBFC-MFI in the country and has over 19 lakh woman entrepreneurs as active customers.

Govt to meet bidders today for second tranche of commercial coal mine auction

PRESS TRUST OF INDIA
Kolkata, April 25

THE CENTRE WILL meet prospective bidders on Monday for 67 mines offered for sale in the second tranche of the commercial coal mining auction, industry sources said.

This is the highest number of mines on offer in a particular tranche after the commencement of the auction regime in 2014.

"The government has called for a pre-bid interaction on April 26 after it postponed the April 15 meeting. SBI Caps will give a presentation on the tender process while Central Mine Planning and Design Institute (CMPDI) and the nominated authority will also be present there.

"As the country is grappling with a raging second wave of COVID-19 cases, a final call on the number of coal blocks that may go under the hammer may be taken during the meeting," the sources told *PTI*.

Nineteen mines were auctioned in the first-ever tranche of commercial coal mining auction held last year with the premium quoted by the successful bidders in the range of 9.5-66.75%.

The agreements between the Ministry of Coal and the successful bidders were signed in January this year.

Of the 67 mines offered by the ministry, 23 are under Coal Mines (Special Provisions) Act and 44 under Mines and Minerals (Development and Regulation) Act.

The blocks on offer are a mix of mines with small and large reserves, coking and non-coking mines spread across six states — Chhattisgarh, Jharkhand, Odisha, Madhya Pradesh, Maharashtra and Andhra Pradesh.

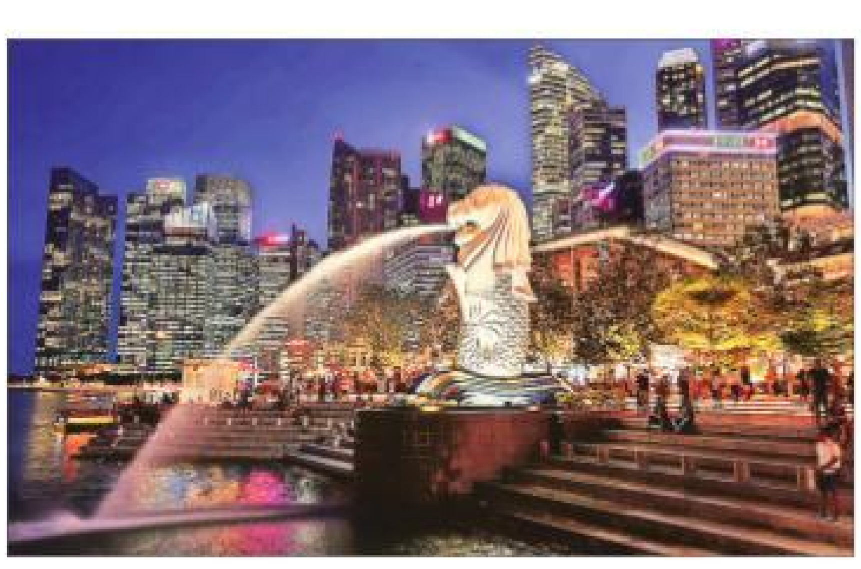
The coal ministry had said the government was moving towards adopting a "rolling auction" mechanism.

Coal is the first mineral resource, where this mechanism is being implemented in which a pool of blocks will always remain available for auctions.

The government expects that commercial coal mining will bring in new investments, create huge employment opportunities and boost socio-economic development in coal-bearing states, and a market-based coal economy will help the nation become Aatmanirbhar in the availability of the resource.

Report: Richer nations in APAC may recover faster than poorer counterparts post pandemic

PRESS TRUST OF INDIA
New Delhi, April 25



THE RICHER COUNTRIES in the Asia-Pacific region are likely to recover quickly from the impact of the coronavirus pandemic than their poorer counterparts because of variation in degree of immunity, health care system and vaccine roll-out, according to a report.

Referring to the much-talked-about K-shaped recovery, which means some groups or countries recover much faster than others, the report said most countries will take years to attain pre-pandemic income levels.

"A K-shaped global economic recovery...appears plausible. Most countries will take years to attain pre-pandemic income levels," said a joint report 'Responding to the Covid-19 Pandemic: Leaving no Country Behind' by the ADB, UNDP and the UNESCAP.

Reflecting back to the economic recovery process after the 1997-98 financial crisis, the report said the effects of the Covid-19 pandemic are likely to be "worse".

Advocating that there should not be premature withdrawal of fiscal support by the governments across the globe, it said more action is needed including income support through well-targeted cash transfers, wage subsidies, unemployment insurance tax deferrals, moratoria on debt services as well as equity-like injections into viable firms.

The report said that while income equality fell in most of the regions globally during 1995-2015, it rose over 5 percentage points in Asia and Pacific.

"In some 40% of countries in the region, income inequality increased. Worryingly, the market income Gini coefficient soared in China, Indonesia, Bangladesh and India, which are among the five most populous countries in the region and account for over 70% of its population," the report said.

According to the report, the differences in infections and immunity, financial positions, quality and coverage of health care systems and Covid-19

The report said while income equality fell in most of the regions globally during 1995-2015, it rose over 5 percentage points in Asia and Pacific

vaccine rollout are likely to lead to an uneven recovery across countries in Asia-Pacific.

The region's most-affluent countries are likely to recover more quickly than the poorer countries, said the report.

"There is a fear of multi-speed access to vaccines. Developed countries, together with Singapore, the Republic of Korea, China, India, Russian Federation and Turkey, may achieve herd immunity within 2021; while for other developing Asia-Pacific countries, inoculations are likely to have a significant impact on immunity only in 2022," as per the report.

The pandemic has impacted the economic sectors and households unevenly, like the digital and technology divide.

Gaps in economic capability may lead to substantial cross-country divergence in adapting transformative change brought about by tele-working, digitalisation and automation, in the post-pandemic economy.

"The pandemic may drive greater inequality and social instability, especially in some of the poorest and most fragile parts of the region. A K-shaped recovery and a widening chasm between developing and developed countries remains a major risk," it added.

However, the report underlined the immense promise digitisation holds in unlocking new paths to sustainable development.

Digitisation needs to be complemented with necessary transformations of economics, public institutions and behavioural norms.

Even as digital tools were employed to monitor, coordinate and manage the public health crisis amid the pandemic, the report said, "Digitisation is not a panacea."

If used wisely, the report said, digitisation will be critical in making countries more resilient to counter economic, social and environmental consequences of the pandemic.

It suggested that innovations in digital technologies can address the pre-existing vulnerabilities, especially filling the gaps in health and social protection systems and promoting good governance. It can also counteract the impacts of K-shaped recovery, growing divergence between and within countries and an increase in poverty and polarisation, the report added.

Explosion of e-commerce platforms and digital payments solutions during the pandemic has enabled many businesses not only to survive but also pivot their operations to online platforms to thrive.

Online learning also allowed students to continue their studies during lockdown.

"The use of digital technologies cushioned some of the impact of the pandemic lockdowns. However, the full potential of cooperation on digitisation is yet to be realised.

Price difference between completed, under-construction flats narrows to 3-5%: Report

PRESS TRUST OF INDIA
New Delhi, April 25

THE PRICE DIFFERENCE between completed apartments and under-construction flats has narrowed down to 3-5% as against 9-12% in the calendar year 2017, as prospective homebuyers' preference is shifting towards ready-to-move-in units due to risk factor, according to Anarock.

According to a report by Anarock, one of the leading property consultant in India, the average price of ready-to-move-in units is higher by 3-5% across seven major cities in comparison with the under-construction residential properties.

In the National Capital Region (NCR), the average price of completed units is ₹4,650 per sq ft, while under-construction flats cost Rs 4,500 per sq ft.

The average price of ready flats in Kolkata is ₹4,465 per sq ft, up 4% from ₹4,300 per sq ft for under-construction units.

In the Mumbai Metropolitan Region (MMR), the average prices of completed and under-construction flats are ₹10,700 and ₹10,350 per sq ft, respectively.

The average rate of ready apartments in Pune is ₹5,650 per sq ft, up 5% from ₹5,360 per sq ft for units under construction.

In Hyderabad also, the price difference is 5%. The average rates of completed and under-construction apartments are ₹4,290 and ₹4,075 per sq ft, respectively.

The average rate of ready-to-move-in flats in Chennai is ₹5,000, while under-construction units cost ₹4,775 per sq ft.

In Bengaluru, the average prices of finished and under-construction inventories are ₹5,130 and ₹4,910 per sq ft.

Customs clearance for imported Covid-related items gets easier

PRESS TRUST OF INDIA
New Delhi, April 25

TO FAST-TRACK PASSAGE of imported oxygen and coronavirus-related medicines, the Central Board of Indirect Taxes and Customs (CBIC) has asked such importers to fill up a single-page online form giving description of the goods and its end use, in case of difficulty faced by them in getting prompt customs clearance.

The CBIC, the apex body related to customs duty and clearances, has already made public the names and contact details of nodal officers for facilitating Covid customs assistance to trade and has asked all customs zones to clear such items in the shortest possible time.

The CBIC in a tweet said, "Attention Importers! In case of any difficulty faced regarding imports of Covid-19 related equipment or medicaments, please provide details on the link https://forms.gle/T4ZreUcoeAB vmjQs6 for expediting customs clearances." Importers will be required to fill up the 'pre-intimation for prompt clearance of Covid related items' form giving details of the bill of entry number, airport/port of import, and description of goods and end-use in Covid treatment/relief operations, among others.

Separately, Delhi customs (air cargo complex import commissionerate) in a public notice said a nodal officer will facilitate faster customs clearance of active pharmaceutical ingredients (API), key starting material, drug intermediaries of medicine/vaccine/various testing and lab equipment/oxygen-related equipment.

The government on Saturday waived customs duty on import of Covid-19 vaccines as well as medical grade oxygen and related equipment as the nation battled its worst health crisis with a "tsunami" of infections setting a new world record for cases. It also directed customs officers to clear all import consignments, including life-saving drugs and oxygen equipment, used in Covid-19 treatment on the highest priority.

In a review meeting, PM Narendra Modi also directed the revenue department to ensure seamless and quick custom clearance of such equipment.

INTERVIEW: THRIVIKRAM NIKAM, joint MD, Amrut Distilleries

'We've seen a growth of approximately 20% across the luxury malts division for last 3 years'

India is emerging as the fastest-growing market for whisky with world-class brands. Amrut Distilleries (ADPL) created history in 2010 when their single malt whisky won global recognition in Jim Murray's 'Whisky Bible'. ***Thrivikram Nikam****, joint managing director Amrut Distilleries, talks to FE's* ***Rajesh Ravi*** *about their single malt whiskies and plans of the company. Excerpts:*

It was reported that premium liquor, especially whiskies, did well during the pandemic. How were ADPL's experience and your take on the near future?

Comparatively, we saw better sales during the pandemic. When liquor shops re-opened following the lockdown, there was a heightened state of mixed purchase. Gradually, premium products started doing better than expected our premium products did quite well too. Since takeaways were encouraged by the government and Amrut is a consumer favourite, people started collecting a broad range of our brands, given future uncertainty. Even in the international market, we achieved a 30% increase in sales, above and beyond our forecast for FY 2020-2021, which is something we are very happy about.

How come you thought about an Indian-made single malt and the urge to compete with the best?

The prospect of Amrut Indian single malt was serendipitous. Having said that, we were already making quality blended whisky since the late 1980s but at the time the market preferred lighter whiskies and we were therefore forced to cut down the malt whisky content from our premium blended whiskies. Eventually, we ended up with a significant quantity of quality malt whisky. It was around the turn of the century, at a time when western countries, particularly Europe were seeing a single malt trend. It was then that our late CMD Neelakanta Rao Jagdale and current MD, Rakshit Jagdale envisaged the inception of an Indian single malt. The urge was always to showcase what India can.

What is your take on Indian-made whisky and how well are the connoisseurs appreciating it?

India is a massive market and accordingly, the consumption across categories is also huge. Whisky is the most consumed category in the alcohol segment and that chiefly, because of economy segment whiskies. However, it is very heartening to see so many liquor companies aspiring to enter the premium segment. It's a great time to be a connoisseur.

Do you think our policies augur well for the development of Indian-made premium liquor that we can export and others will cherish?

As a distillery from Karnataka, we are very proud and fortunate to have a very knowledgeable and industry-friendly excise department. It has helped the industry grow with its regulations and also has adopted policies that encourage good manufacturing practices. Amrut's global reputation as an innovative distillery would not have been possible if policies were rigid. A lot of credit goes to the Karnataka excise department.

What about domestic sales in the last fiscal and total exports?

Our luxury malts and spirit divisions are growing exponentially. As of now, the demand for our products exceeds supply. However, in terms of quantity, we have seen a growth of approximately 20% across the luxury malts division year on year for the last 3 years.

What is your take on the Indian consumers and brand and preference? Do you think IMFL is taxed more and not good for the industry?

Indian consumers are still very brand. However, there has been a recent trend observed in people making purchases based on the content of the label and showing an inclination towards trying newer brands.

Different states are adopting different tax rates for Indian-made foreign liquor (IMFL). However, we as a company would be glad to see that the variations in prices are not too high. Having said that, each state has its priorities and we will abide by their respective policies.

What next for ADPL? Focusing more on whiskies or can we see other products too?

Of course, there are some very exciting and innovative brands lined up to be launched shortly. Not limited to the only whisky: We are also working on rum and gin and other experimental products.

Covid-19 impact: FPIs pull out ₹7,622 cr so far in April

OVERSEAS INVESTORS WITHDREW a net ₹7,622 crore from Indian markets in April so far as a surge in Covid-19 cases and the consequent restrictions imposed by various states dent investors' sentiment.

According to the depositories data, overseas investors pulled out ₹8,674 crore from equities, but invested ₹1,052 crore in the debt segment.

The total net withdrawal between April 1-23 stood at ₹7,622 crore.

Previously, FPIs invested ₹17,304 crore in March, ₹23,663 crore in February and ₹14,649 crore in January.

FPIs have been "net sellers in the equity markets for five weeks in a row now", noted Himanshu Srivastava, associate director — manager research, Morningstar India.

Srivastava said the recent spate of net outflows could be largely attributed to the enormous surge in the Covid-19 pandemic in India, which has led several states to impose restrictions to bring the situation under control. **—PTI**

Market valuation of nine of top-10 firms tanks ₹1.33 lakh cr

PRESS TRUST OF INDIA
New Delhi, April 25

NINE OF THE 10 most valued companies witnessed a combined erosion of ₹1,33,433.64 crore from market valuation in tandem with a weak broader market trend last week.

Hindustan Unilever was the biggest loser with its market cap plunging by ₹34,914.58 crore to reach ₹5,42,292 crore at close on Friday. Tata Consultancy Services lost ₹30,887.07 crore in valuation to ₹11,50,331 crore.

During the last week which was holiday-truncated, the 30-share BSE Sensex declined by 953.58 points or 1.95%.

Among other losers, the valuation of Reliance Industries diminished by ₹18,764.75 crore to ₹12,07,283.32 crore and that of HDFC tumbled ₹13,755.09 crore to ₹4,50,499.54 crore.

Bharti Airtel's valuation declined by ₹10,270.09 crore to ₹2,86,601.44 crore.

The market capitalisation of Infosys dropped by ₹7,967.43 crore to take its valuation to ₹5,68,308.25 crore and that of HDFC Bank dipped by ₹7,800.58 crore to ₹7,79,671.98 crore.

Kotak Mahindra Bank's valuation declined by ₹5,995.06 crore to ₹3,43,907.94 crore and that of State Bank of India dipped by ₹3,078.99 crore to ₹3,00,268.56 crore. In contrast, ICICI Bank added ₹2,412.18 crore to take its valuation to ₹3,94,315.01 crore.

Major ports told to waive charges for ships carrying oxygen

PRESS TRUST OF INDIA
New Delhi, April 25

THE GOVERNMENT ON Sunday said it has directed major ports to waive all charges for ships carrying oxygen and related equipment amid a massive surge in coronavirus infections across the country.

In a statement, the Ministry of Ports, Shipping and Waterways said it has directed all major ports to accord the highest priority in the berthing sequence to the vessels carrying consignments of medical grade oxygen, oxygen tanks, oxygen bottles, portable oxygen generators and oxygen concentrators.

"In view of the excessive requirement of oxygen and related equipment in the country, the Government of India has directed all major ports, including the Kamarajar Port, to waive off all charges levied by major port trusts (including vessel-related charges and storage charges)," the statement said.

Port chairpersons have been asked to supervise logistics operations to ensure unhindered movement of such consignments to berthing such vessels on top priority, unloading of oxygen-related cargo, coordination with customs and other authorities for speedy clearance/ documentation and expeditious evacuation, it said.

"We are facing an emergency situation due to the second wave of Covid-19. The major ports will start implementing the direction from today," a government official said.

Meanwhile, Minister of State for Ports, Shipping and Waterway Mansukh Mandaviya said in a tweet, "Ship 'MV Hai Nam 86' reaches @Deendayal_Port, carrying steel cylinder tubes used for making #Oxygen cylinders. Vessel was given the highest priority for berthing on arrival at Cargo Jetty, owing to oxygen shortage in the country."

In case the vessel is carrying other cargo or containers in addition to the above said oxygen-related cargo, waiver of charges on a pro-rata basis, considering the overall cargo or containers handled at the port, should be provided for oxygen-related cargo to such vessels, the statement said. The ministry will monitor the details of such vessels, cargo and time taken in the port from the time vessel entered the port limits to exit of cargo from port gate, it said.

The government on Saturday waived customs duty on the import of Covid-19 vaccines, medical grade oxygen and related equipment.

'All-party meet' in TN on oxygen production by Vedanta unit

PRESS TRUST OF INDIA
Chennai, April 25

AN ALL-PARTY MEET here on Monday will deliberate on the stand to be taken by Tamil Nadu on Vedanta's plea in the Supreme Court to open its Sterlite copper unit in Tuticorin to produce oxygen to treat Covid-19 patients.

Though there was no official word from either the state government or the ruling AIADMK on the meeting, opposition party DMK said its representatives would take part in it at the Secretariat.

Sterlite's plant at Tuticorin has remained closed since May 2018 over pollution concerns.

Asked about the DMK's stand on allowing Sterlite to produce oxygen, party general secretary Duraimurugan said organisational secretary RS Bharathi and Tuticorin Lok Sabha MP Kanimozhi would articulate the party position in the meeting. The office of Kanimozhi, who is also the women's wing secretary of the party, said in a brief statement that she would take part in the meeting.

The Supreme Court had said on April 23 that people are dying due to lack of oxygen, and asking why the Tamil Nadu government cannot take over the Sterlite copper unit to produce oxygen.

"We are not interested that Vedanta or A, B or C runs it. We are interested that oxygen should be produced," a bench headed by Chief Justice S A Bobde had said. "Somebody should say something concrete because people are dying due to lack of oxygen," said the bench, also comprising Justices L N Rao and S R Bhat.

The court was hearing Vedanta's plea seeking opening of its unit at Tuticorin on the ground that it would produce thousand tonne of oxygen and give it free of cost.

Opinion

MONDAY, APRIL 26, 2021

AIDING THE STATES' EFFORTS

PM Narendra Modi

The government of India is dedicated to taking forward the efforts of the state governments to tackle the current Covid-19 situation

States must not protest Covishield pricing

Price-capping will affect vaccine production, innovation; central procurement at lower price helps them in any case

AS PER A REPORT by *The Indian Express,* states are seeing red over Serum Institute of India's (SII's) decision to price its Covishield vaccine at ₹400 per dose for procurement by them while it is currently selling to the Centre at ₹150 per dose. Last week, the Centre moved to partially free up vaccine distribution; it will procure 50% of the vaccines approved while the remaining 50% will be available to the state governments and private players to procure. It also said vaccine makers must "pre-declare" the prices if they wish to sell in the open market, effectively nixing dynamic pricing. Soon thereafter SII, which has repeatedly clarified the ₹150 price tag is simply "not viable", published the new prices.

States should not really be crying foul over SII's prices. The unfortunate truth is that, by capping prices right from the beginning of India's vaccination drive, the Centre effectively discouraged private sector players like SII and Bharat Biotech from beefing up vaccine production. Instead, the Centre should have procured some quanta for the economically weaker sections, leaving the rest to be sold in the open market. Now, we are facing critical shortages; the number of vaccination centres has fallen from close to one lakh in the early stages of the vaccination drive to just under 70,000 on April 23.

Worse, with unofficial export curbs, the government has also put SII at risk of facing corporate litigation; AstraZeneca, from which SII had licensed Covishield, sent a legal notice to the Pune-based company over delays in contracted supply—nearly half of what SII produces will have to be exported—which, in turn, caused the European pharma giant to default on supplies to many nations. With EU contemplating action against AstraZeneca over this, chances are, SII will get scorched too. As such extending suppliers' credit to both SII and Bharat Biotech is a good decision. States must appreciate that the price SII has set is meant to help it ramp up vaccine production and innovation—this is critical especially if existing vaccines prove ineffective against emerging strains of the virus..

While state finances have undoubtedly suffered, the Centre has footed the bill for extra allocation of grains to NFSA beneficiaries and has also provided a bailout for state-owned discoms. Indeed, the Centre has just announced another two months of expanded allocation of grains for NFSA beneficiaries to address the economic pain from the second surge and related restrictions. Most important, the vaccines procured by the Centre will ultimately be passed on to the states. That means the states may have to bear less than half the burden, what with open-market availability of vaccines likely to serve a significant, if not large, chunk of the population. With the GST transfer to the states for the last fiscal complete, they should focus on using their resources carefully to strengthen health infrastructure and vaccinate people. The Centre, for its part, also needs to course correct; the messaging from its April 19 announcement is that the vaccination it will undertake will be reserved only for the 45-years-plus, apart from healthcare workers and frontline workers. It should also ensure vaccinations for the economically vulnerable irrespective of age. This is a national healthcare crisis and vaccination reach must be a top priority for the Centre.

No currency manipulator

India's central bank intervened only to smoothen out volatilities

THE US TREASURY department's decision to retain India on its watchlist of currency manipulators is unfair. The Biden administration has said that over the four quarters through December 2020, five major US trading partners—Vietnam, Switzerland, Taiwan, India and Singapore—intervened in the foreign exchange market in a "sustained, asymmetric manner with the effect of weakening their currencies". In reality, India's central bank follows a non-interventionist policy, stepping into the currency market only to smoothen out volatilities; the intention is never to peg the value of the local currency at any specific level.

In fact, the US Fed's extra accommodative monetary policies, aimed at keeping interest rates low, and boosting the US economy, have prompted investors to move money into emerging markets in search of better returns. The deluge of dollars—as foreign portfolio investors were investing large amounts in the equities markets—ensured the rupee remained strong for close to a year; it wasn't export earnings that were bringing in the dollars. The strength of the currency was, in effect, hurting our exporters making them uncompetitive. That trend has since reversed, and the inflows into the equity markets in April so far have been negative, with the second wave of the pandemic proving to be a severe one. The rupee has dropped to below-75 levels now against the dollar.

A currency manipulator is judged on three criteria: the country must have a significant bilateral surplus, with the US, of over $ 20 billion over a 12-month period, a current account surplus of at least 3% of GDP and should have made net purchases of foreign currency of 2% of GDP over a 12-month period. India's current account surplus is well below 3% of GDP; the surplus is a small one and temporary at best. India has almost always run a current account deficit, at times a large one. The bilateral surplus too was slightly bigger than $20 billion in 2020.

The treasury department said Reserve Bank of India (RBI) purchased foreign exchange on net in 11 of the 12 months of 2020, with net intervention reaching $131 billion, or 5% of the GDP. RBI has, of course, been buying up dollars to bolster the foreign exchange reserves; it bought some $100 billion last year. It should not be criticised for this. A war-chest is necessary for a country like India, not simply to be able to fund imports but also to protect itself from a large and sudden outflow of dollars. After all, portfolio flows can be volatile. Although the US has labelled India a currency manipulator on more than one occasion—in December, 2018 and then again in December 2020 after being struck off the list in May 2019—no serious action has been taken. Hopefully, this time too, the US's approach will remain the same.

Believing BOLSONARO

Brazilian president commits to action on climate even as his record on the Amazon rainforests belies his talk

WHAT TO MAKE of Brazilian president Jair Bolsonaro's pledge to make efforts to save the Amazon rainforests? Since it came to power, the Bolsonaro regime has put environmental interests on the backburner; Bolsonaro would have probably put it even farther beyond if that were possible. His track-record on the Amazon rainforests, let alone other environmental concerns, inspires very little faith over his pledge. The Bolsonaro administration has waylaid environmental law enforcement agencies, has blamed environmental activists for environmental crimes, including man-made fires that consumed large tracts of the Amazon. He has even undermined the indigenous populations that have lived in the rainforests for centuries and have contributed greatly to its conservation. What's more, his rhetoric has emboldened the forest timber and land mafia, while his administration has directly or indirectly aided businesses that have been tied to destruction of the Amazonian rainforests.

Now, at the US president Joe Biden's summit meeting, Bolsonaro seemed to change colours, and committed to working towards addressing climate change and the destruction of the rainforests, and sought US funding for the purpose. Bolsonaro's gambit is clever; while US senators pressed upon the Biden administration to make any financial assistance to Brazil related to the Amazon conditional on the Bolsonaro government making "significant and sustained progress" on "reducing deforestation and ending impunity for environmental crimes", etc, Bolsonaro knows the world can't afford to let him play havoc with the rainforests, which are an important carbon-sink for the entire planet. Preservation of the forests will need intervention from the developed world. This will have global-environmental-negotiation leaders grappling with the question: Can Bolsonaro be trusted to do the right thing?

CARBON TRADING

AS INDIA CONTEMPLATES THE CREATION OF A DOMESTIC EMISSIONS TRADING SCHEME, A NUMBER OF THINGS SHOULD BE KEPT IN MIND

New emission-markets for a new decade

MAHUA ACHARYA

MD & CEO, Convergence Energy Services Limited

Views are personal

AS THE WORLD gets closer to the upcoming climate conference in Glasgow later this year, pressure is mounting on countries to restate their climate goals. Many want that countries revise their earlier commitments made at the time of the Paris Agreement, in December 2015, and do more to cut emissions.

India is likely going to be long on its climate commitment. Discussions at home have moved from how much renewable energy to inject into the grid to how big a limiting factor the grid is for injecting more. Discussions are also underway around the creation of new markets, premised on the assumption that nudging companies would inspire them to voluntarily seek to enhance their energy efficiency or GHG reduction targets and hence create demand for a market for energy efficiency certificates. If successful, this could become an important impetus to trigger the development of a domestic market for GHG reductions. Trading in energy certificates is, after all, not new. The Perform, Achieve, Trade scheme of the Bureau for Energy Efficiency provided enough experience and confidence during its time for policy makers, scheme operators, auditors and the companies themselves on whom the targets were applied.

Albeit preliminary, there are considerations around a domestic emissions trading scheme. As India contemplates the creation of a domestic emissions trading scheme, a number of things should be kept in mind—given the enormous precedence and experience there is to borrow from.

The first emissions trading scheme was in 1995. It addressed acid rain in California and reduced air pollution significantly. Compliance costs were less than half of those predicted by the US Environmental Protection Agency, and many times lower than those predicted by industry. Emissions trading for climate change has been going on since 2005, and today, there are at least 45 schemes across the world that put a price on carbon. The current carbon market is valued at USD 277 Bn and the average price of allowances in the European Union is Euro 35/ton. The design of trading programmes is critical to their success, as they will end up determining the transaction costs as well as the uncertainty and risk inherent in the trading system. There are plenty of learnings to use—from regulators, scheme operators, participants, auditors and financiers

> **Schemes that have allowed both credit-trading and allowance-trading have been the most successful, though care ought to be taken to reduce the regulatory barriers to credit trading**

So, here are five design principles worth considering:

One, design for maximum reach. This means having to decide if the scheme is an allowance trading or a credit trading scheme, or both. Credit trading allows emissions reductions above and beyond business-as-usual to be certified as tradable. Allowance trading works by defining an aggregate emissions cap and authorizes tradable quantities of emissions under the cap. Generally speaking, schemes that have allowed both have been the most successful, though care ought to be taken to reduce the regulatory barriers to credit trading. Allowing opt-ins would be a good idea. This is a provision that allows otherwise uncovered sources to enter the program once their uncertainties have been resolved with the regulator. When the time is right, allow for international linkages. Permitting linkages with other international schemes will allow for the discovery of the lowest transaction costs, increase liquidity and options for participation. All this will eventually maximise the scope of scheme coverage, and provide other benefits—such as international markets, access to other forms of capital and so on. All these mechanisms will ultimately result in maximizing the total quantity of greenhouse gas emissions capped and reduced.

Two, design for flexibility. Since the carbon price can vary, costs to participants can be unknown. Allowing mechanisms such as banking of emissions reductions, or the use of offsets gives participants flexibility to decide which option to use. Banking of credits over a (regulated) period of time allows industries the flexibility to decide things like the price of acquisitions, timing of major investments, or their (degree of) competitiveness in the marketplace. Depending on the scheme, fungibility with other environmental commodities, such as energy efficiency certificates, can be used to meet compliance needs, at least to the extent it is not detrimental to environmental performance, i.e., it does not dilute the cap.

Three, keep it dynamic and in sync with the economy. Carbon credit prices in the EU emissions trading scheme fell from Euro 30 each to an all-time low of Euro 3 in 2013. Chief amongst the reasons that led to this drop was the economic recession that preceded it, and the subsequent drop in emissions—and hence a (reduced) need for allowances. It was not until 2015 that the EU introduced a corrective measure, and not until 2018 where appropriate revisions were made that allowed prices to come back up again. (This was done by adjusting the supply of allowances to be auctioned). Prices have since been on the rise—deliveries on March 29, 2021, closed at 42 euros.

Four, think long, think stable. One of the shortcomings of the Kyoto regime is that the commitment period was not long enough. By the time companies started to integrate the notion of a carbon price to their decision-making and discussions reached boardrooms, there were only a few years of the market left. For clean energy projects where gestation periods were long, the lack of a long enough runway triggered discussions around market continuity barely a few years after the scheme started. In contrast, the EU emissions trading scheme had/has compliance periods that progressively increased—giving companies enough certainty to plan, integrate and make investment decisions knowing regulators treated the carbon price seriously and the market was there to stay. Businesses need long time horizons to plan, make investments and decide corporate strategy. Institutions and policy makers need to design accordingly; the climate problem is long term issue, anyway.

And five, keep it simple and transparent. Historic evidence is clearly in favor of simple. The transaction costs associated with implementing and managing an emissions trading scheme rise with the number of rules, exceptions to rules and constraints. As transaction costs rise, the number of trades fall—and as the number of trades fall, the cost savings achieved by the program also decline. Deviations from simplicity should only be allowed when such deviations further climate goals.

Xi, Biden must demand the impossible

A management theory from a half-century ago is how Biden and Xi can overcome the limits of their climate leadership

DAVID FICKLING

Bloomberg

What will come of the array of ambitious (and not-so-ambitious) targets announced by world leaders at US president Joe Biden's climate summit? It is tempting to think, "Not enough." Talk is cheap; actions are expensive. About a third of all the greenhouse emissions from human activities in history have happened since 1997, when world leaders adopted the Kyoto Protocol with an ambition of limiting such pollution. In the words of activist Greta Thunberg to a US congressional committee Thursday, "We are not so naive that we believe that things will be solved by countries and companies making vague, distant insufficient targets."

Vague, distant and insufficient isn't the only way of setting targets, though. Indeed, there's ample evidence that the opposite type of goal-setting—specific, time-constrained and challenging—is remarkably effective. The bigger risk isn't that world leaders fall short of the objectives they have set. Instead, it is that they limit the scope of their ambitions out of a misplaced sense of self-doubt.

One way of expressing that idea is the slogan that leftist students scrawled on a Parisian wall during protests in May 1968: *"Soyez realistes, demandez l'impossible,"* or "Be realistic, demand the impossible." The more influential version was laid out at almost exactly the same time in a psychological paper by an American devotee of Ayn Rand, Edwin A. Locke, under the dry title, "Toward a theory of task motivation and incentives."

Locke's key insight was that difficult targets don't make achievement less likely. Indeed, in contrast to earlier theorists who had concluded that achievement drops off when people are over-ambitious, Locke argued that "the harder the goal, the higher the performance." Except in rare cases where an aim is physically impossible or motivation is weak, people are more likely to hit their goals when they push them to the limits than when they rein in for fear of failure.

That theory has spawned an entire literature in the field of management—but it has less-discussed relevance to public policy, too. After all, setting goals that are specific, time-constrained and challenging is precisely what world leaders have been doing in relation to climate.

It is not always easy for politicians to make these sorts of credible commitments. Despite Biden's promise to cut emissions in 2030 to half of 2005's levels, the US executive branch is notoriously constrained in its ability to bring about change, as my colleague Liam Denning has written.

Under the Obama administration, a bill to set up an emissions trading system similar to the one currently generating record carbon prices in Europe was passed by the House of Representatives but never brought to the Senate. The Clean Power Plan—an attempt to regulate carbon pollution from electricity generation without going through Congress—was blocked in a 5-4 Supreme Court vote.

There are similar institutional blocks in China, which overtook the US as the world's biggest emitter in 2005. For all the clarity of president Xi Jinping's promise to peak emissions this decade and reduce them to net zero by 2060, it's not hard to discern the muffled sound of a struggle with lower-level provincial officials who remain addicted to a carbon-intensive development model.

In January, an audit body took the country's National Energy Administration to task for failing to restrain planet-breaking coal power development plans. The crabwise progress of Xi's own commitments—finally agreeing to a formal reduction in coal consumption last week after months of soft-pedaling the renewables build-out needed to make it happen—is another clue to the surprising limits on his personal power in this arena.

Still, the history of climate agreements suggests the world is ultimately more amenable to human goal-setting than we like to think. If the Kyoto Protocol was a failure, it wasn't because the 37 nations involved ignored their promises en masse. Indeed, they far outstripped their commitment to a modest 5% reduction in emissions from 1990 levels, reaching a 22.6% drop by 2012. The bigger problem was that numerous countries—including many of the world's biggest emitters—didn't sign up in the first place.

The broader range of targets now being set suggests a more promising future. They have intrinsic value, too, because a declared ambition by its nature increases the scope of what's possible.

Were it not for the first wave of feed-in tariffs and renewable portfolio standards in the early 2000s encouraging more wind and solar generation—policies that seemed unlikely to achieve much at the time—it's probable we'd never have seen the headlong drops in prices that are now causing renewables to drive fossil fuels from the power sector. If a kooky tech investor in 2006 hadn't cast his small-volume electric sportscar as the first step in destroying the "mine-and-burn hydrocarbon economy," would Volkswagen AG now be planning to stop developing petrol and diesel cars 20 years later?

The boldest ambitions aren't always achieved, and the future of decarbonisation may be as littered with broken promises and missed commitments as the past has been. Still, the only goal you are certain to miss is the one you never shoot for.

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LETTERS TO THE EDITOR

Covid crisis reflects governance ineptitude

The deaths due to shortage of life-saving medical oxygen and other essentials like medications, hospital beds, ventilators and ambulances underline how grim and gloomy the Covid-19 situation has become and how unprepared the government has been to provide medical care to seriously ill Covid-19 patients. There are sad realities we cannot detach ourselves from, but have to face squarely. There are hospitals that have run out of medical oxygen and hospitals that are operating with oxygen stock which will last only for hours and not for days or weeks. It means hospitals are either unable to save the lives of those critically ill in intensive care or in a precarious position to continue treatment of such patients. The state of affairs is so worrying that patients are turned away and discharged due to the lack of medical oxygen supplies. An anguished and angry Delhi High Court asked the government 'to beg, borrow or steal oxygen' to save lives and warned that it would 'hang' anyone found obstructing oxygen supplies to hospitals. No amount of rationalization can condone the failure to ensure uninterrupted supply of oxygen. The government became smug about its response to the pandemic during the trough period and let things slide.

— G David Milton, Maruthancode

Corona crisis blame

If one man takes credit for all the good that is happening in the nation, he should also take the blame for the current Covid crisis where a number of people have lost their lives due to the non availability of oxygen. In trying to project himself as the saviour of the world, the PM forgot that his first duty was towards the people who elected him.

— Anthony Henriques, Mumbai

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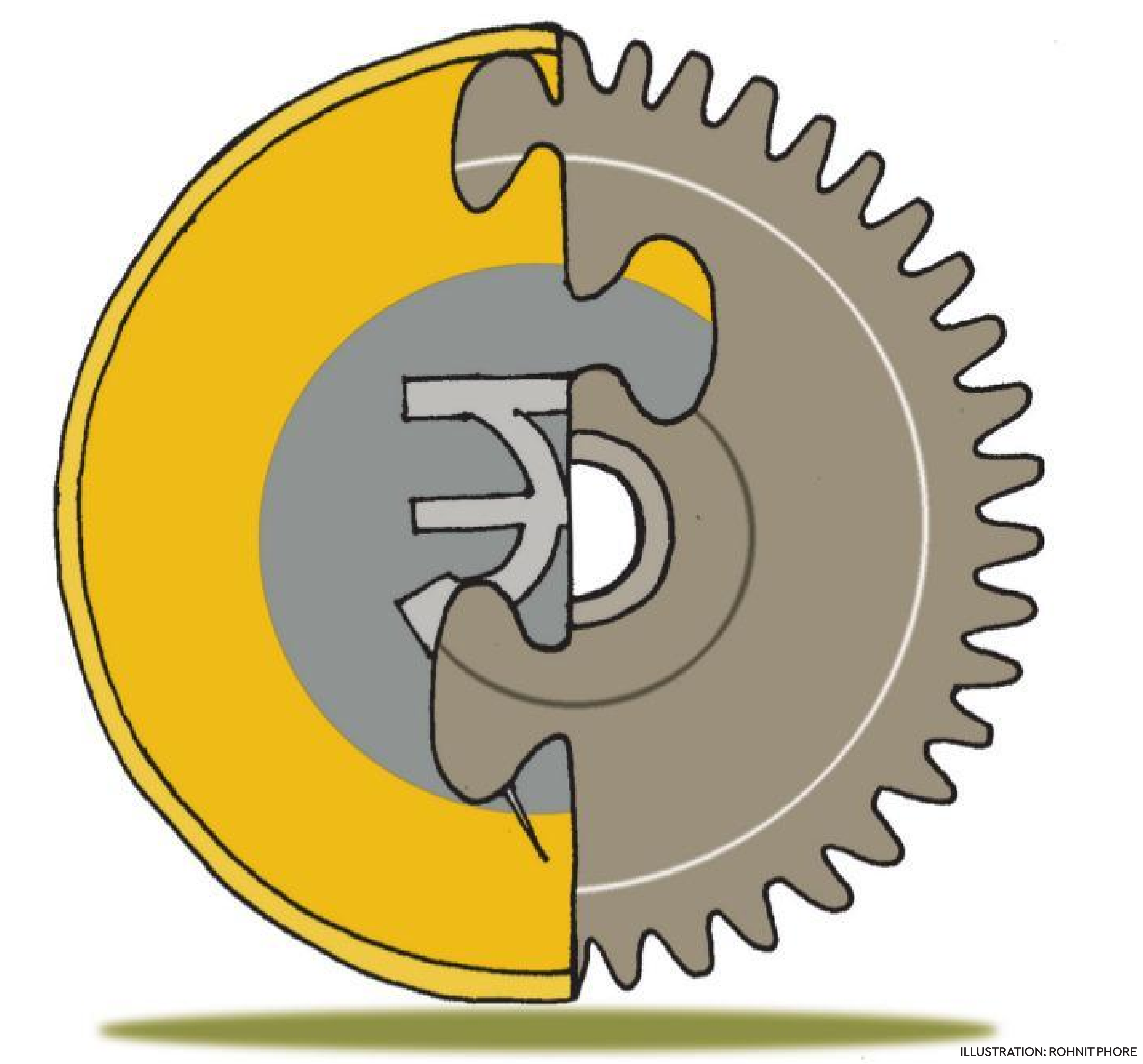

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Can capital expenditure boost the economy?

With the current impetus rightly given to capital expenditure, emphasis must also be provided on timely implementation of projects within the earmarked outlay by strengthening monitoring, redressal mechanisms and processes for controlling project delays

THE DEBATE AROUND the ability of capital expenditure to boost long-term growth within the Indian economy, given both the pre- and the post-pandemic weak economic environment, has seen a wide range of varying opinions being presented by economists and policymakers.

The Union Budget and the argument for capex: The recent budgetary allocation towards capital expenditure at ₹5,54,236 crore in FY2021-22(BE) is a rise of 34.5% over FY2020-21. This is significant if we compare 21.71% rise in FY2020-21(BE) over FY2019-20(BE). This move is significant against the backdrop of the economic slowdown caused due to the Covid-19 pandemic, coupled with a decline in employment ratio.

A lack of capital expenditure has often been criticised as neglecting long-term targets of economic growth and employment. While creating direct consumer demand is an important lever for immediate boost to the economy, it may not sustain a high growth trajectory in the longer term. The creation of capital assets generates future cash flows for the economy and adds to value creation.

Capital expenditure is expected to achieve this through a multiplier effect (a change in rupee value of output with respect to a change in rupee value of expenditure). In India, the multiplier effect of capital expenditure made by the central government is estimated at 2.45, whereas for state governments it is around 2 (according to the RBI Bulletin, December 2020). A ₹1 crore increase in capital expenditure leads to more than ₹1 crore increase in GDP. This multiplier effect works through expansion of ancillary industries and services and job creation. On the supply side also, it can facilitate labour productivity. Thus, capital expenditure is an effective tool for countercyclical fiscal policy and acts as a macroeconomic stabiliser.

Concerns

However, this multiplier effect will not take into account the time-lag to kick in, capacity availability in the industry, and undisposed inventory and work in progress before the pandemic-induced lockdowns. Most importantly, given the pandemic, the multiplier effect loses value if people hold idle cash out of fear of unforeseen expenses and survival paramountcy during possible future lockdowns. This appears a distinct possibility in the raging second wave of the pandemic. Inflation-induced price rise, particularly in food and health, could also affect the multiplier impact as households would tend to give them priority over other consumption items. This was indeed the case until the last quarter.

Also, capital expenditure funded by the government through heavy domestic borrowing (of the order of ₹18 lakh crore by the Centre plus ₹78,000 crore by 21 states towards loss in GST compensation due to the lockdown effect) has the potential of crowding out capital expenditure by the private sector, thus severely weakening the multiplier effect.

Besides, for viability of a particular capital project, the Internal Rate of Return (IRR) should be more than the Hurdle Rate (HR)/Cost of Funding (CoF). The IRR depends on net cash flow generation from a capital project during its life time. The HR/CoF is decided by the cost of raising capital for the implementation of a project. The IRR should be more than the HR/CoF in order to make the project both economically and financially viable, and contribute to actual value creation in the economy.

The IRR has been benchmarked for capital projects funded by the private sector. For example, the IRR on infrastructural projects on a global scale ranges between 8% and 12%. However, trends in India reveal that the range is 6-8% only, which can be a deterrent to private sector funding of infrastructural projects. Low IRR in the Indian context has traditionally been a result of cost and time overruns. According to the Ministry of Statistics and Programme Implementation (MoSPI) project database as of January 2018, 345 projects have incurred a cost overrun of ₹2.19 lakh crore and 354 projects have time overrun of 45 months. The reasons behind these overruns are lack of forward-planning, identification of risk factors and poor collaboration amongst stakeholders. Besides, the regulatory uncertainty arising out of sudden legal, legislative changes or change in government policies like the imposition of the retrospective tax (like Vodafone and Cairn India cases) adversely impacts IRR margins. The Asian Development Bank also noted that the project implementation costs in India's transport industry were substantially higher than in Sri Lanka and China.

Also, an aspect that goes under the radar is the defective and often-manipulated Detailed Project Reports (DPRs) that exaggerate output and outcome forecasts; for example, in an ayacut area (area served by an irrigation project such as a canal, dam or a tank) that would be irrigated once a mega or medium irrigation project is being evaluated for implementation, just to show economic viability for the project knowing fully well that, eventually, the IRR would be far less than the HR/CoF.

What is also equally important is the long-term quality of capital creation, as poor quality necessitates recurring maintenance costs attached to a project after its completion.

The way forward

With the current impetus rightly given to capital expenditure, emphasis must also be provided on timely implementation of projects within the earmarked outlay by strengthening monitoring, redressal mechanisms and processes for controlling project delays. The solution lies in optimising project management processes of all the key stakeholders, including implementation agencies, state governments, vendors and others. This would also help in ensuring quality control, which, in turn, will result in capital assets providing benefits over a longer term following the multiplier effect. The maintenance, repair and operation (MRO) expenditure, which is part of revenue expenditure, will have to be monitored during project implementation to see to it that it goes on to increase the ability of the capital asset to deliver the projected benefits during the lifetime of the asset.

The government should also aim to cut down on inefficient revenue expenditure and focus on creating a balanced and stable virtuous cycle, which can have positive knock-on effects over the long term. This will help set the foundation for stimulating growth and future investments, while eventually leading the economy to overcome the recessionary pressures it might once again confront if the second wave prolongs.

The government should also aim to cut down on inefficient revenue expenditure and focus on creating a balanced, stable virtuous cycle

Make smart cities sustainable, too

NIRANJAN HIRANANDANI

National president, NAREDCO

As cities become smart, there is a demand to focus on the 'green' aspects

AS THE WORLD evolved, there has been a lot of thrust on rapid urbanisation and development. Growing awareness and alarming concerns over global warming have emphasised on the need for more sustainable urbanisation. There is a dire need to bring in 'conscious consumerism' decisions to have a positive economic, social, and environmental impact to build a successful economy. To create this, the government of India had announced the 'National Smart Cities Mission' to develop 100 smart cities across the country, making them citizen-friendly, tech-savvy and sustainable. The tech-advances deployed, it was hoped at the time, would bring the best global practices to Indian cities and orient these towards sustainability.

Integrated, tech-first urban development is fast becoming a reality for India. Having achieved that, we must focus on ecological sustainability, which is of equal importance. Countries now expect to achieve a wholesome future. The marriage of technology with ecological sustainability helps develop a nation that is not only smart, efficient, sustainable but also successful. UNECE and ITU jointly put forward a definition of a smart, sustainable city: an innovative city that uses ICT and other means to improve quality of life, efficiency of urban operation and services, and competitiveness, while ensuring that it meets the needs of present and future generation consumers with respect to economic, social and environmental goals as well as cultural aspects. In India, particularly, the government and the real estate industry are collectively working towards creating this "wholesome future" envisaged.

Today, the demand for emerging technologies is on the rise. Ensuring ways to use these technologies in bettering urban management goes a long way in creating a system that is efficient and reliable. ICT has opened up many possibilities for the smart, sustainable cities vision. With various advancements in IoT, AI, etc, tasks like e-governance, healthcare, waste management, finances, traffic, education, security and protection, among others, have become more streamlined. Smart cities are built of smart homes. Therefore, today, as the world progresses, new-age homebuyers have expressed the need to have technology and sustainability integrated to their day-to-day lives through a central system (often automated) monitoring power, water, etc, consumption for sustainable usage.

The aspect of sustainability, in reference to smart cities, is ideally about projects and the overall blueprint of the infrastructure planned. Apart from integrating sustainable and eco-friendly practices in the construction phase of a building, being an eco-friendly and sustainable township is also about using methods that help in overall energy efficiency and waste management. Efforts such as recycling of garbage, bio-composting, within housing societies help further sustainability. The other focus is on harnessing wind and solar power to provide a part of power requirements.

Other systems such as recharging the water table through rain water harvesting, and sewage treatment which provides treated sewage in form of water for gardens and construction/cleaning purposes are increasingly sought to be integrated with the smart, sustainable city vision. Sustainability within a smart city requires smart architecture which ensures aligning construction with the wind directions and natural light resources, so that load on HVAC and luminaries is reduced. It is also important to focus on areas like air and water pollution control, sewage disposal, connectivity that ensures low pollution emission on the roads and during activities including construction.

The Covid- 19 pandemic has underlined the need for technology in daily living. Technology came in handy for sustaining communications and connections while maintaining the norms of social distancing, while our home is what allowed us to return and protect ourselves in a safe and secure environment. The need to blend the two together to create a holistic and self-sustaining ecosystem has been the aim for economies across the world. With each integrated eco-township or smart city that is planned and executed, India gets a step closer to its Sustainable Development Goals (SDGs).

Bumping leads to ethical dilemma

A business can have an established bumping system that is defined in the company policy

VIDYA HATTANGADI

The author is a management thinker and blogger

BUMPING IS A practice employed by many companies to reserve talent pool during downsizing, wherein a senior-level employee—whose position has been selected for removal—is offered the option of accepting an alternative position of lesser seniority within the organisation. It essentially means the organisation replaces senior-level employees, who have become redundant in their profile, in alternate positions which are occupied by other employees. Redundancy can set in due to various reasons, such as commercial, employee morale, HR policy, etc. The questions to be answered are: Whether bumping is the only option available to employers? Can the organisation consider saving the jobs of a sluggish senior employee at the cost of younger, efficient junior employee?

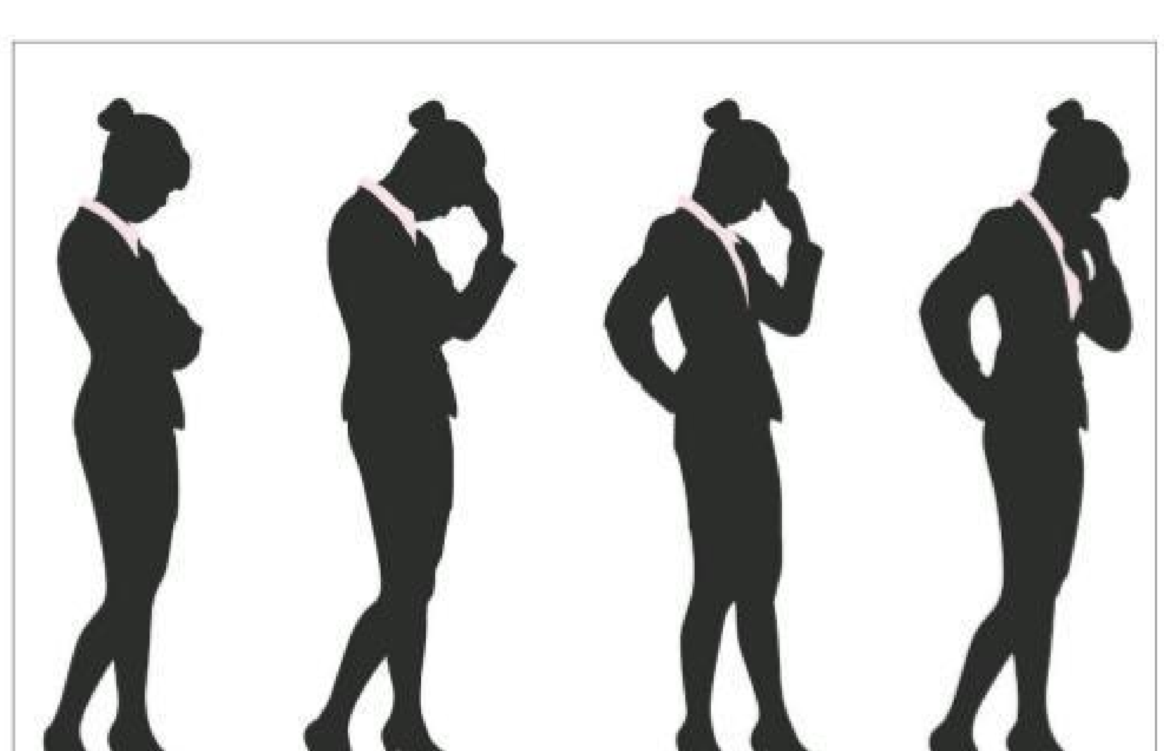
Bumping is a process used by many organisations during downsizing to keep the valued staff by giving employees with seniority the option of taking other positions within the company that they are qualified for and that are currently held by employees with less seniority.

Thus, employees get a chance to 'bump' other employees out of their position, so it is the second employee that actually is made redundant. It is a useful tool for employers who want to hold on to the skills and experience of employees who would otherwise be downsized.

An employer can avoid bumping if it has good reason to do so. On the other hand, bumping can be used if the employer is able to show that the true reason for the dismissal of bumped employee is redundancy and not any other (such as performance), which would take the dismissal outside the scope of redundancy and make it potentially unfair. Bumping is a point to be considered under corporate governance of what principles should employers follow while identifying the selection pool for redundant employees.

On the flipside, many companies make the mistake of thinking that younger, less experienced employees will cost less than older employees who make more money. One fact cannot be overlooked that long-time employees are more knowledgeable, have built a wealth of knowledge about how to work most efficiently and know the customers. They have the past history of customers; what's worked in the past, what hasn't, and why. A younger, less experienced employee, eager to make his mark, may implement policies and procedures that have failed numerous times before, alienating customers and costing the company money. Thus, it is better to avoid signalling to senior employees wrongly.

Even though organisations have considerable flexibility in determining the pool from which employees will be selected for redundancy, they must still consider being reasonable or running the risk that sacking will be deemed unfair. Companies often warp their own ethical climate by pushing too much change from the top, too quickly and too frequently.



Bumping results in a hurried process to implement staff reduction targets, dispose of big businesses in major markets, and lead mergers & acquisitions. Such actions create inherent conflicts of interest.

When assessing if an organisation is being fair or reasonable in deciding on a selection pool of redundant employees, it is worth fixing a panel to decide parameters to term employees 'redundant' and to check whether other groups of employees are doing a similar work. And whether employees' jobs are exchangeable and whether such transfers/exchanges are there in HR policies or not, and, whether employees are informed about such policies from time to time.

Common provisions in bumping rights

1. The provisions of bumping rights often include a clause requiring that a senior employee must have the minimum qualifications required to fill the position of the junior employee who will be laid off as a result of the bumping system.

2. The provisions may limit the type of positions that can be considered for bumping, such as only positions with the same job classification or title or only jobs with a lower job classification or title.

3. Some contracts include a provision regarding the refusal to exercise bumping rights. For example, there may be a clause that limits the number of job offers an employee can refuse before he is struck off the company's re-employment register.

What is 'subject to bumping'?

It means the employee holding the job in question is expatriated by another employee in terms of applicable bumping rights. A business can have an established bumping system defined in company policy, stated in a binding agreement between employer/employee, or in a union contract or collective bargaining agreement; rules that afford an employee bumping rights may vary with each agreement.

Although corporates keep talking about ethical values on various platforms, corporate ethical failures have become painfully common. The world over, billions of dollars have been paid in fines by corporates charged with ethical breaches. The *National Business Ethics Survey*, conducted by the non-profit Ethics & Compliance Initiative, found that the pressure employees may experience to compromise their organisation's ethics standards, policies or the law is linked with an increased likelihood to observe misconduct. In brief, pressure goes hand-in-hand with high prevalence rates of misconduct. Every employee in an organisation is exposed to the risk of facing an ethical dilemma at some point in time, and some ethical decisions can be more challenging than others.

Bumping can be a result of excessive pressure to reach unrealistic performance targets from the superiors. When imaginative goals are set, employees make compromising choices in order to reach targets, and this leads to poor appraisals, resulting in redundancy.

eFE

MONDAY, APRIL 26, 2021

PANDEMIC TIMES

UB Pravin Rao, COO, Infosys & former chairman, Nasscom

Much is needed to be done in the days ahead as the new wave of the virus threatens to disrupt operations. The industry needs to remain agile and resilient as we navigate this crisis.

INTERVIEW: AMIT MIDHA, President, Asia Pacific & Japan / Global Digital Cities, Dell Technologies

The digital future companies imagined three to five years from now is here

With the digital acceleration brought in by the pandemic, customers are not only focused on modernising their devices but also their entire infrastructure, which presents us with a whole new array of opportunities," says **Amit Midha**, *president, Asia Pacific & Japan, Global Digital Cities, Dell Technologies. "Dell Technologies' capabilities, leadership and innovation in technology has made us essential to customer's digitisation journey," he tells* **Sudhir Chowdhary** *in a recent interview. Excerpts:*

Give us an update on Dell's Q4 performance and how is India as a market contributing towards your company goals?

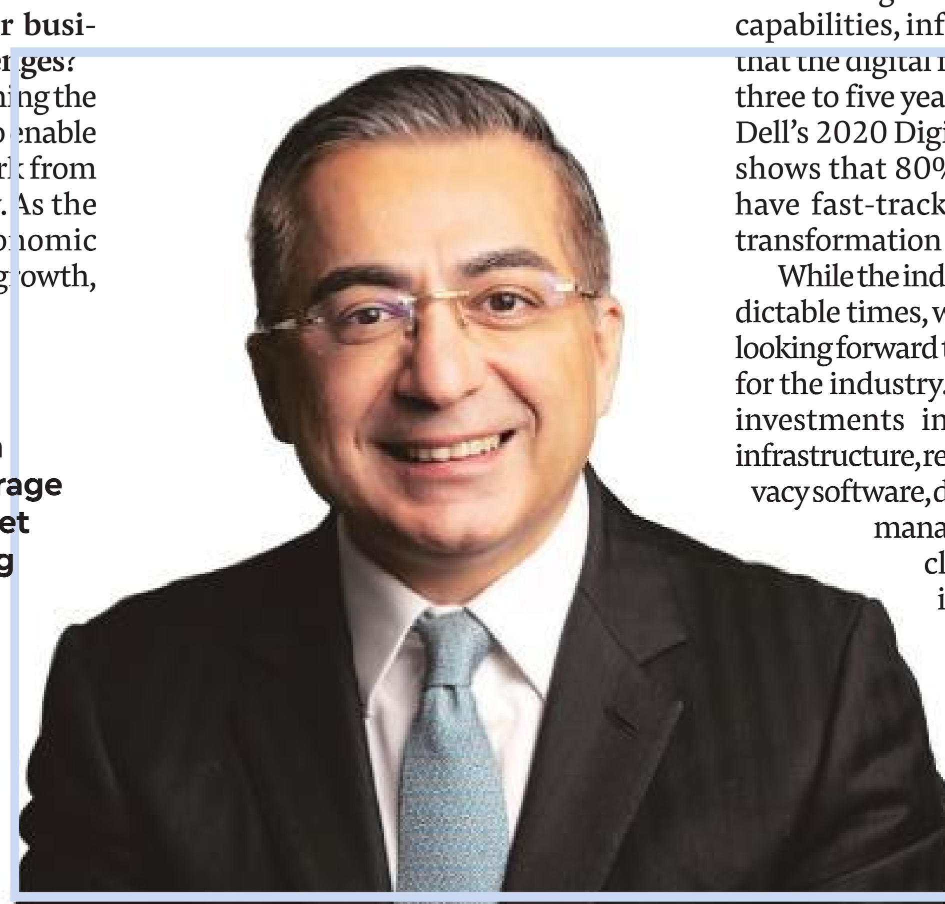
Dell Technologies had a strong Q4 and FY21. Our operating model was not only resilient but also flexible, agile, and we were able to support our customers with their business needs. We recently launched Project APEX, PowerEdge and PowerStore to serve our customers and partners with best-in-class products and solutions. Dell continued to deliver in extraordinary ways even during the uncertainty, meeting unprecedented demand for future of work, while increasing revenue to $94.2 billion.

In India, we are number one in client, mainstream server, storage and VMware. In terms of market share, Dell became the leading PC brand in India as our sales surged 57.1% from a year earlier to achieve a 27.5% market share in Q4. We led the commercial segment with a share of 32.7% resulting in 15.2% y-o-y growth. Dell's consumer shipments registered 159.1% y-o-y growth and maintained the lead for the second position in the category.

In what ways has Dell helped customers and partners to transform their businesses and grow despite the challenges?

Year 2020 was all about establishing the right infrastructure with security to enable remote workforce and support work from anywhere for better productivity. As the industry progresses towards economic recovery with tremendous digital growth, customers will expect more business capacity to manage their multi-cloud journey on a shorter lead time. Dell's product portfolio offers a flexible and modern architecture that gives customers tremendous agility and scale to manage their business from anywhere, with proper security and cost effectiveness.

> **In India, we are number one in client, mainstream server, storage and VMware. In terms of market share, Dell became the leading PC brand in India as our sales surged 57.1% from a year earlier to achieve 27.5% market share in Q4**



Considering the current situation, what are the growth opportunities for the businesses in APJ and India region?

We are no longer perceived as a product provider, instead we are called upon as a partner that helps customers navigate through the opportunities. The industry has recently experienced a lot of acceleration and organisations are looking at their capabilities, infrastructure and realising that the digital future they have imagined three to five years from now is here today. Dell's 2020 Digital Transformation Index shows that 80% of organisations in APJ have fast-tracked some of their digital transformation programmes.

While the industry is dealing with unpredictable times, we are staying positive and looking forward to trends and opportunities for the industry. Areas which will see large investments include cybersecurity, 5G infrastructure, remote work capabilities, privacy software, digital experiences and data management tools. Migration to cloud, hybrid cloud and infrastructure consolidation is happening more than ever before. So is automation, to reduce dependency and manage such issues in future. So, partners should enhance their skills in these areas to build their capabilities on AI / ML ready platforms, or on all-cloud-certified platforms.

Tell us about Dell's partnership with the government on education and skilling.

Dell has collaborated with government and NITI Aayog to foster and nurture innovative mind-sets amongst the youth and teachers of India. Our continued association with government has impacted more than 11.4 million students and 1.1 million teachers enabling them to utilise technologies and democratise education. Our Progress Made Real 2030 goals are focused on advancing sustainability, cultivating inclusion by appointing 50% women team members globally and 40% leaders as women, transforming lives and upholding ethics and privacy. We have till date achieved 30% women team members globally and 23% women leaders.

What are Dell's priorities for this financial year and how does India fit in this plan?

India is an important region for Dell Technologies. The India team continues to provide global support services, innovation, R&D and global manufacturing capabilities, the only region outside of the US to provide support in all the functions.

Dell Technologies in India is supporting a number of companies like Blue Dart, Hexagon Life Sciences, State Bank of India and SBI Life, TNQ Technologies, Bikanerwala, Technicolor, Evalueserve and many others by deploying best-in-class storage and server solutions to increase their business efficiency and optimise their infrastructure. We will continue to focus more and more on India in terms of technological innovations and social impact and increasingly bring India towards a leadership role, globally.

MAKING DATA COUNT

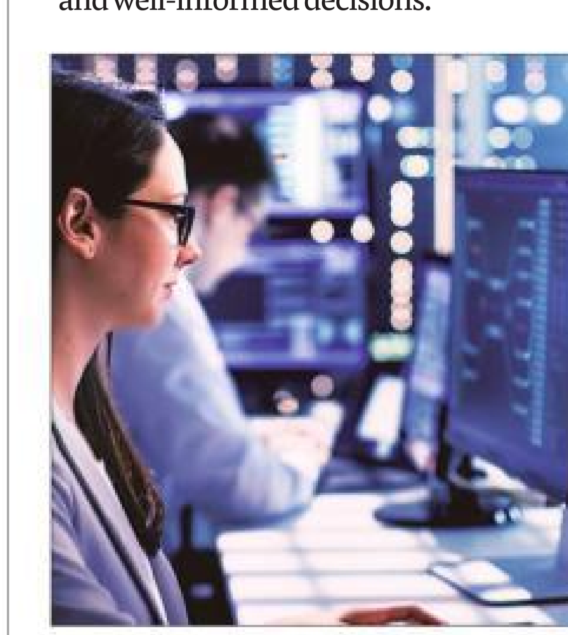
The essentials for building data culture in organisations

It is extremely important to help business stakeholders identify and articulate their business problems in terms of targeted outcomes and measurable metrics

Uma Ganesh

MOST ORGANISATIONS HAVE started accepting the new reality of data being the new 'oil' and therefore they are keen to exploit the advantages from their data and build a successful business strategy around it. Towards this goal they are hiring top talent and also building new capabilities within the organisation for data interpretation, building suitable data models, developing critical thinking and data analysis.

However the key to success with the investment in building data centric business is to create data culture in the organisation. As per Mckinsey Report, data culture is decision culture and it helps in tightening up the nuts and bolts of the business. In other words data culture is not an end goal but is an ongoing journey—one in which organisations manage to create the discipline of making effective decisions based on data, develop the mindset to make it a regular practice. Unlike the traditional method of making decisions based on hunch or consensus or reliance on the seniority of managers in the organisation, insights and evidence enable data driven organisations to make timely and well-informed decisions.



Data culture is not about being sensitive about the importance of data and investing in technology alone. It starts with the commitment at the top with the shared vision to make data the DNA of the organisation. Leaders need to exhibit confidence and clarity on how data would become integral in every action of their business thus motivating the employees to develop a similar approach in their work.

Data skills would have to be embedded in every role and while hiring new staff there should be a conscious attempt to look out for those with such skills. Further the KRAs of employees should include weightages for data related deliverables for every role and rewards and recognition should be linked to their achievement.

Since data is a valuable asset for the business specially when it is cleaned up, is accurate and is categorised well, it should also be accessible by all concerned as required. This involves putting in place a good data governance and security system with trust factor being central to it. Data being generated using different systems will require a good method to collate and integrate so that users spend minimum time in organising their requirements for deriving insights.

Evangelising the change to embrace data centric operations is the other essential prerequisite for the transition to data culture. The business values that can be derived from the use of data needs to be stressed and demonstrated from time to time to get the buy-in of all concerned. Organisations should also establish a code of conduct and call out ethical and privacy risks in order to set clear expectations with all stakeholders on the possibilities with data engagements. Often those who are tasked with the responsibility of data management are focused only on the the processes around data related problems and not work closely with the people who use and manage the data.

To build a successful data culture it is important to help business stakeholders articulate their business problems in terms of targeted outcomes, measurable metrics, expected financial benefits and other quantifiable deliverables. Hence it is not the data managers alone who can usher in the data culture—it is the partnership with business teams that will lead to an impactful change.

The writer is chairperson, Global Talent Track, a corporate training solutions company

Tech Bytes

V Rajanna, Global Head, Technology Business Unit, TCS

TCS, Ericsson join hands for cloud-based digital R&D workplace

IT SERVICES MAJOR Tata Consultancy Services (TCS) has joined forces with Ericsson to help the latter build and operate its cloud-based R&D digital workplace. TCS will leverage its contextual knowledge of Ericsson's R&D and IT environments coupled with expertise in automation and cloud technologies to support globally distributed teams with on-demand, zero-touch and remote provisioning.

"Engineering environments are very complex with heterogenous infrastructure, specialised tools and demand for customised engineering services, making it challenging to digitally transform such environments. TCS will leverage its contextual knowledge and deep industry expertise in digital transformations to help Ericsson in this journey," said V Rajanna, Global Head, Technology Business Unit, TCS.

Further, TCS is launching a 24 x 7 Command Centre at Hyderabad, India. This new command centre, powered by the TCS' Business 4.0 thought leadership framework and its unique Machine First Delivery Model (MFDM) based automation, will help accelerate Ericsson's R&D and product development environment. The autonomous provisioning, configuration and plans for self-healing of the development environment aligns with Ericsson's ambition to create a world-class R&D environment for its engineers.

Nutanix partner support centre in Bengaluru

CLOUD COMPUTING SOFTWARE firm Nutanix has announced the opening of a new Partner Support Centre (PSC) in Bangalore. The PSC will provide support to Nutanix partners across India, Australia and New Zealand, and will work in collaboration with the recently announced PSC in Kuala Lumpur to help ensure partner success across the entire APJ region. The centre will also help enable Nutanix channel partners to accelerate their adoption of an 'Everything-as-a-Service' (EaaS) model, leveraging the full portfolio of Nutanix products. "Customer needs are shifting, with demand for subscription-based models rising rapidly. To keep pace with these changes, the channel community needs to accelerate its move to an EaaS model," said Jacob Pereira, senior director of Channel, APJ, Nutanix.

Gadgets

SAMSUNG GALAXY A52 & GALAXY A72

Cool devices for the cool consumer

Two new Galaxy A Series mobile phones that run smoothly and respond quickly, take beautiful photos and videos, have large battery life and good overall running

SUDHIR CHOWDHARY

THERE ARE DOZENS of prominent Android phone makers out there in the market. However, across categories—higher-end, mid-range or the affordable sub-₹15,000 segment—Samsung commands a fierce loyalty among consumers. Strategically placed between Samsung's flagship Galaxy S series and the more affordable, mid-range M series are the Galaxy A series devices; the A series phones are pretty fast and can handle most demanding tasks, have a clear and sharp display, very good cameras and excellent battery life. They are somewhat pricier, but are solid devices in the mid-range and upper mid-range segments.

Sometime back, we had reviewed the Galaxy A51 device that went on to become the best-selling Android smartphone in the first quarter of 2020, according to Strategy Analytics. Cut to present. The company has brought out its latest creations, Galaxy A52 and Galaxy A72. We got our hands on both the devices and were quite impressed by their overall running. In specific terms, both the Galaxy A Series phones bring popular innovations to the mid-tier range including 64MP Quad Camera with OIS, Space Zoom, Single Take and 4K Video Snap, water and dust resistance (IP67 rating) for worry free usage, 90Hz refresh rate for super smooth scrolling and long lasting battery life.

Both the devices feature a refreshed design that is simple yet purposeful with a soft-edge design, minimal camera housing and unified colour for camera and body. They are available in four different colours—Awesome Violet, Awesome Black, Awesome White and Awesome Blue—with a soft haze finish. Galaxy A52 and Galaxy A72 are water and dust resistant with IP67 rating for carefree usage of the device.

Switched on, you get rich and vibrant visuals on the the Super AMOLED Infinity-O display screen. For real smooth scrolling, the devices sport 90Hz refresh rate. Thanks to the 800nits luminance, you can scroll social media posts even when outdoors. For comfortable viewing, Galaxy A52 and Galaxy A72 automatically adjust the display colour temperature based on device usage patterns to reduce eye fatigue with Eye Comfort Shield.

Galaxy A52 and Galaxy A72 have also set the bar high for camera quality. Both come with camera innovations that will help users click more versatile and fun photos and videos. The Galaxy A Series devices sport 64MP quad rear camera set-up with ultra-wide lens and macro lens to shoot vivid and crisp photos and videos. You can turn your favourite moments from 4K videos into 8MP high-resolution images with 4K Video Snap.

These A Series devices use advanced AI to automatically enhance colour, brightness and sharpness with Scene Optimiser. Optical Image Stabilisation reduces accidental blurs and shakes by ensuring photos and videos are sharp and steady. Night mode enables uses multi-frame processing, resulting in bright and crisp images. Galaxy A72 camera system goes one step further by including a telephoto lens enabling 3 times Optical Zoom.

With efficient AI battery management, Galaxy A52 (4500mAh) and Galaxy A72 (5000mAh) deliver upto two-days' battery life. For advanced gaming performance, there is Game Booster.

SPECIFICATIONS

GALAXY A52

- Display: 6.5-inch FHD+ sAMOLED, 90Hz
- Processor: 2.2GHz octa-core Qualcomm Snapdragon 720G 8nm
- Memory & storage: 6/8GB RAM, 128GB storage
- Main camera: 64MP (OIS) + 12MP UW + 5MP Bokeh + 5MP Macro, 32MP front camera
- Battery: 4500mAh, 25W Fast Charging (15W In Box)
- Estimated street price: ₹26,499 (6GB+128GB), ₹27,999 (8GB+128GB)

GALAXY A72

- Display: 6.7-inch FHD+ sAMOLED, 90Hz
- Processor: 2.2GHz octa-core Qualcomm Snapdragon 720G 8nm
- Memory & storage: 8GB RAM, 128/256GB storage
- Main camera: Quad cam (64MP OIS + 12MP UW+8MP Tele 3X + 5MP Macro), 32MP front camera
- Battery: 5000mAh, 25W Fast Charging
- Estimated street price: ₹34,999 (8GB+128GB), ₹37,999 (8GB+256GB)

Overall, we were quite impressed with the overall performance of these two Galaxy A Series devices. They run smoothly and respond quickly, take beautiful photos and videos, have large battery life and good overall running. Like I said, they are great for everyday use.

PORTRONICS HARMONICS 230 HEADSET

Your workout buddy on budget

At ₹1,999, Harmonics 230 is a decent sounding wireless sports neckband with rapid charging capability

SUDHIR CHOWDHARY

THESE DAYS WIRELESS headphones have emerged as a must-have accessory for fitness freaks, who are sweating it out in the colony parks, either jogging, running or brisk walking. If it's a neckband, even better as it is unlikely to pop out from the ears.

Homegrown Portronics is a well-known name in the accessories segment; early on, we had reviewed their Harmonics Twins Mini earbuds that are extremely lightweight with a comfortable fit design. Recently, the company introduced Harmonics 230, a wireless sports neckband with active CVC 8.0 noise reduction technology. The product is the newest addition to their series of wireless headsets.

The newly launched wireless neckband delivers crystal clear voice quality regardless of any external noise, and without burning a hole in your pocket. It is available in stylish Black and Blue colours for just ₹1,999. The wireless earphones also come in three different bud sizes, allowing one to choose the best fit.

With a mere two-hour full charging time, Harmonics 230 lasts upto a staggering seven hours. Even a five-minute rapid charge lets the headset play for upto a whopping two hours at a time and in 20 minutes, it can gear up further for four hours of playtime. With its smart, in-line controls, the wireless headset is designed to become the best workout buddy. Liquid silicone so lightweight, one can simply hang the wireless earphones around the neck and prevent them from slipping off or getting tangled. Furthermore, powerful magnets on the back of the earbuds let you attach both earbuds together while not in use, so one can conveniently keep it around their neck without any hassle.

In short, power up your entire day with the Harmonics 230's 10mm drivers (20% larger than ordinary earphones), that produce high-detail treble with good clarity.

- Estimated street price: ₹1,999

Investor

MONDAY, APRIL 26, 2021

EXPERT VIEW

The potential IPO proceeds from GLS could help Glenmark (GNP) in debt reduction (GNP remains one of the most leveraged names in our coverage and it has seen very slow progress in debt reduction)

—HSBC

GLENMARK PHARMA RATING: HOLD

Subsidiary's IPO could unlock value for company

However, many unknowns remain for API biz; IPO proceeds could help cut debt; 'Hold' retained given need for better execution

GLENMARK LIFE SCIENCES (GLS; Glenmark Pharma's 100% subsidiary for API or active pharmaceuticals ingredients) filed a draft red herring prospectus (DRHP) on 16 April 2021 with SEBI for an IPO, comprising a fresh issue of up to ₹11.6 bn and an offer for sale of up to 7.31m shares (potential total proceeds of c$210 m). The IPO will be subject to market conditions, requisite approvals and other considerations, per the company. The bulk of IPO proceeds will be used for payment of outstanding purchase consideration to the promoters for the spin-off of the API business, and capex funding.

Potential value-unlocking event but many unknowns: GLS reported sales of ₹10.2 bn in FY20 (9.6% of GNP's total revenues, FY17-20 CAGR of 8.2%), though 9MFY21 sales at ₹8.8 bn have grown 14.9% yoy, primarily on strong customer demand. A successful IPO by GLS would help GNP in value unlocking for the API business where the demand outlook remains robust. However, many unknowns remain for the API business given the recent strong performance was driven by COVID-19-led higher demand and customer stocking to a large extent, in our view.

Moreover, Chinese manufacturers have maintained their dominance in the global API market and any potential market shift to other regions may happen very gradually. While market growth opportunities remain, company-specific (e.g. GLS) benefits would be determined by scale, product portfolio, cost competitiveness, customer relationships, GMP compliance records, etc. Valuation-wise, we note that similar-sized API companies – such as Solara Active, Aarti Drugs, etc – are valued at 18-20x FY22e consensus PE.

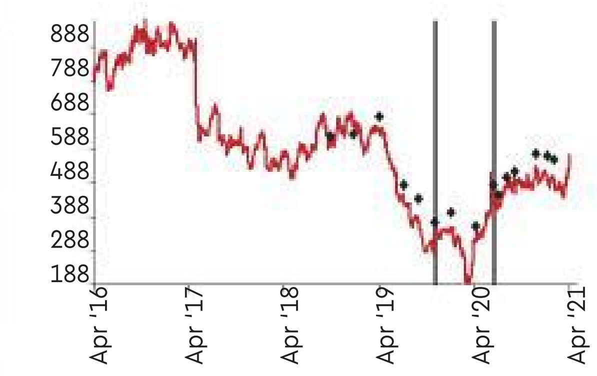
Retain Hold with unchanged TP of ₹550: The potential IPO proceeds from GLS could help GNP in debt reduction (with net debt of ₹36.4 bn and net debt/Ebitda of 1.75x, GNP remains one of the most leveraged names in our coverage and it has seen very slow progress in debt reduction). It is currently trading at 15.3x/13.6x FY22e/23e our EPS estimates, vs a three-year average PE of 16.1x.

While we see ample headroom for a potential valuation re-rating, we think it needs to be backed by improved execution on US sales and debt reduction to improve investor sentiment and management's execution record. We retain our fair value TP of ₹550 and **Hold** rating for GNP as we look for visible improvement in execution.

HSBC

Share price performance ₹ vs HSBC rating history

Share price and rating changes for long-term investment opportunities
Glenmark Pharmaceuticals (GLEN.BO)



Source: HSBC

While we see ample headroom for a potential valuation re-rating, we think it needs to be backed by improved execution on US sales and debt reduction to improve investor sentiment and management's execution record

INSURANCE

Life volumes were strong in March

March/Q4FY21 growth was 7%/9% for pvt insurers on 2-yr CAGR basis; momentum revival for SBI Life and IPRU

INDIA'S LIFE INSURANCE industry registered strong volumes in Mar-21, largely aided by a favourable base (-40% y-o-y in Mar-20) with 56-120% y-o-y growth for top private insurers (private insurers +89% y-o-y). Flows were strong in March across insurers and AMCs reported positive net flows as well. On a 2-yr CAGR basis, Mar-21/Q4FY21 growth was 7%/9% for private insurers with: (i) momentum picking up for SBI Life following a weak H1FY21, (+12.6%/13%) and (ii) HDFC Life continued to deliver well with 13%/16% growth while Max Life delivered 0/8% growth with some moderation seen in Mar-21. IPRU also saw a pick-up in growth off a weak base, but remained lower than FY19 levels, a -3% CAGR over Q4FY19.

For FY21, the industry saw a 5% CAGR, with private players delivering 6% CAGR (10% excluding IPRU). On a 2-yr CAGR basis, HDFC Life delivered strong 18% growth; Max Life also performed well, delivering 12% growth; SBI Life delivered a relatively muted 7% CAGR while IPRU saw a 12% CAGR decline over two years. With this, HDFC Life and Max Life gained 130-110bp market share in FY21, while SBI Life and IPRU lost 60bp/ 370bp market share.

Our view: With a lower base effect playing out now (from March) over H1FY22, growth will optically look better; thus we find the 2-yr CAGRs to be a more appropriate metric to gauge the industry's performance. Life insurers delivered relatively robust growth in a pandemic year (10% 2-yr CAGR ex IPRU for the private players). Margins trends have also been strong for companies under our coverage. We continue to monitor the impact of a second COVID-19 wave on growth.

Player-wise performance

SBI Life (SBILIFE IN, Buy) – strong momentum: SBI Life delivered individual APE of +119% y-o-y in Mar-21. On a 2-yr CAGR basis, Q4FY21 APE was 13.1%. We remain positive given the stock's reasonable valuation for a strong distribution, solid pick-up in growth, improvement in margins and low-cost franchise.

With a lower base effect playing out now (from March) over H1FY22, we find 2-yr CAGRs to be a more appropriate metric to gauge industry's performance

HDFC Life (HDFCLIFE IN, Neutral) – strong performance: HDFC Life saw +75% y-o-y in individual APE in Mar-21. This implies a 13%/16% 2-yr CAGR for Mar'21/Q4FY21 (strongest amongst peers).

Max Life (MAXF IN, Buy) – relatively soft: Max Life's Individual new business APE was +56% y-o-y. This implies a flattish 2-yr CAGR for Mar-21 and 7.5% 2-yr CAGR for Q4FY21. We remain positive on Max, given its steady growth, healthy structural margins and consistent RoEVs.

IPRU Life (IPRU IN, Buy) getting back on its feet: IPRU delivered 98% y-y growth on a weak 50% y-o-y decline base. On a 2-yr CAGR basis – Mar'21/Q4FY21 volumes were flat/down 3%. Mar'21 volume performance gives us confidence that growth has bottomed out. We turn incrementally positive on stock given cheap valuations and growth showing initial signs of recovery.

NOMURA

Trailing 3 month volumes – 2 year CAGR

Source: Life Insurance Council, Nomura research

BAJAJ CONSUMER CARE
RATING: HOLD

Results show recovery is underway

Dividend payout normalised; TP up to ₹350 from ₹260; 'Hold' rating maintained

BAJAJ CONSUMER CARE (Bajaj) posted higher-than-expected revenue (up 40.3% y-o-y) and Ebitda (up 157.4% y-o-y) while PAT (up 119.8% y-o-y) came in line. ADHO grew 40% y-o-y each in value and volume terms with larger packs continuing to do well. On a two-year CAGR basis, revenue growth is about 1%. Rural markets continue to do well with van operations helping the company scale up rural business by 61% y-o-y in Q4FY21. Urban markets are showing signs of recovery with 23% y-o-y growth compared with a 7% y-o-y uptick in Q3FY21. Dividend payout normalised; the company announced ₹4 as final dividend, taking the full-year dividend payout to ₹10. Maintain 'HOLD' with a revised TP of ₹350.

Hair oil category continues to recover; costs inflationary: The hair oil market has continued to recover, growing 3% y-o-y in January and February compared with 1.5% y-o-y in Q3FY21 led by strong rural growth. The company's overall value market share in the hair oil category reached an all-time high of 11.1% for Jan-Feb-21 (~10.3% in Q3FY21). The Amla category in hair oil has rebounded the fastest. It has outgrown total hair oil market (THO) in Q4FY21 (6% y-o-y growth for Amla versus 1% y-o-y for THO in Q4FY21).

E-commerce business grew by ~4x for the quarter and now contributes about 3% to revenue. Inflationary raw material prices dragged gross margin by 700bps y-o-y. Cost optimisation and a favourable base, however, drove Ebitda margin expansion of 1,125bps y-o-y.

Outlook: Gradual recovery– After a few years of low hair oil category growth, growth rates have started to pick up. Baking in the sector revival and Bajaj's steady improvement, we are raising the target valuation to 20x (from 15x), which yields a revised TP of ₹350 (earlier ₹260). Maintain 'HOLD/SN'. The stock is trading at 16.7x FY23e EPS.

EDELWEISS

Financials

March end (₹ m)	Q4FY21	Q4FY20	% change
Net revenue	2,460	1,754	40.3
Ebitda	608	236	157.4
Adjusted profit	539	245	119.8
Diluted EPS (₹)	0	0	0

Source: Company

Personal Finance

EQUITY INVESTING

Safeguard your portfolio against a downturn

In volatile times, do not sell equity investments. Stick to your asset allocation plan and use the correction to buy quality stocks for long-term

SAIKAT NEOGI

ILLUSTRATION: ROHNIT PHORE

AS THE 30-SHARE BSE Sensex has dropped over 4,000 points from the February 15 peak of 52,154, many equity investors would be reminded of March last year when the index fell 23% in the month due to the outbreak of Covid-19 pandemic and the nation-wide lockdown. As the second wave of the pandemic has hit the country, investors should look at ways to safeguard their portfolio against a downturn.

Most individual investors sell in panic when the markets are volatile. While it is quite natural for investors to sell in times of uncertainty to avoid the risk of further loss, it is often counter-productive when the markets sees a sharp rally as was seen last year. Experts suggest that investors stick to their asset allocation plan, remain focused on the long-term goals, diversify their portfolio, and stay away from panic in the markets.

Hold on to your stocks

By selling stocks when the markets are falling an individual will not only upset his asset allocation by selling, but will lose out on benefiting from a market upturn. A sharp rebound in the market post-redemption will lead to unnecessarily booking notional losses and severely impacting your financial goals. Experts suggest that market downturns almost always open up new opportunities in areas of the market that were overlooked or overvalued before the downturn. So, instead of complete exit, one can look at selling those stocks which are fundamentally weak and investing in those stocks that have the potential to rebound fast.

In a note to clients, Jitendra Gohil, head, India Equity Research, Credit Suisse Wealth Management, India, says the equity market could see some further profit booking in coming weeks. "We expect this correction to be very sharp and to not last long. Hence, we recommend investors use this correction as a buying opportunity from a six to nine-month perspective. We continue to prefer cyclicals and mid-caps," he says.

Similarly, Vinod Nair, head of Research at Geojit Financial Services says the market has been going through a correction phase following increasing Covid cases, in spite of the optimism due to vaccination drives. "Though earnings outcome is expected to have stock-specific movements in the coming days, broader movement in the market will depend on fall in Covid cases," he says.

Rebalance your portfolio

As different asset classes move in different directions, it is always advisable to review your asset allocation at regular intervals. So, if equity allocation rises due to an increase in stock prices, it should be brought down to its original levels by booking partial profits. Experts suggest booking profits when equity valuations are rising will help an investor to invest again at lower levels. For instance, one can redeem equity units accumulated over four years which have yielded returns of 15% per annum and park the redeemed amount in shorter duration funds. This approach will help to reduce risk in the portfolio.

Stick to your SIPs

Investors must continue their systematic investment plans (SIP) unless there is a crash crunch. In fact, SIPs allow an investor to buy units on a given date each month and he does not have to time the market. While SIP collections have increased over the years, they declined to ₹96,080 crore in FY21 as compared to ₹1,00,084 crore in FY20 because of income uncertainty. From an all-time inflow of ₹8641 crore in March last year, SIP inflows dropped every month till February this year, and touched a record high of ₹9,182 crore in March. While many investors stopped or paused their SIP because of income uncertainty and cash crush, a lot of investors booked profits because of the sharp rally in the markets.

Investors must understand that more units are purchased when a scheme's net asset value (NAV) is low and fewer units when the NAV is high. As a result, the cost is averaged out and, and the longer the time-frame of the investment, the larger will be the benefits of averaging. In volatile market conditions, individual investors can stagger investments through STPs by investing a lump sum in debt, which could be a liquid or ultra short term fund, and then transfer a fixed amount either monthly or quarterly into an equity fund.

Relation between return on capital and return on equity

A firm should earn an ROE which is higher than its ROC to make its stock worth buying

YOUR MONEY

N SIVASANKARAN

RETURN ON EQUITY is one of the important measures of the financial performance of a firm for its equity shareholders. Let us look at the relationship between Return on Equity (ROE) and Return on Capital (ROC).

Let us look at Dipankar Ltd's (DL) financials for its latest financial year: Earnings before interest and tax (EBIT) ₹1,200 crore; net income ₹600 crore; shareholders fund ₹2,500 crore; total assets ₹6,000 crore; current liabilities ₹1,500 crore. The firm does not have interest bearing short term debt and the long term debt outstanding is ₹2,000 crore (to be repaid after five years in full) with an interest rate of 10% and applicable tax rate for the firm is 40%.

Return on Capital (ROC)

The ROC is computed by dividing the after-tax EBIT by the invested capital figure. After-tax EBIT for DL is ₹720 crore. Invested Capital is ₹4,500 crore (i.e total asset minus total current liabilities, so ₹6,000 crore minus ₹1,500 crore). Invested capital could also be computed as the sum of shareholders' funds and long-term debt (for DL it is ₹2500 crore plus ₹2,000 crore). Hence, ROC for DL is 16% (₹720 crore / ₹4,500 crore *100). This indicates that DL earns ₹16 as ROC for every ₹100 as invested capital.

Deriving ROE from ROC

In fact, ROE could be computed as the sum of ROC and the excess of ROC over debt-equity times after-tax interest. For DL, ROC is 16%. Interest rate is 10%. After-tax interest rate is 6% i.e 10 (1-0.40). Debt equity ratio of DL is 0.80 times i.e., debt/ equity (2,000/2,500 crore). Hence ROE for DL is = ROC + [(ROC- After tax interest rate) * D/E] = 24% (16 %+ [(16%-6%)*0.80]. if we compute ROE for DL directly by dividing net income by its shareholders' funds, we get the same 24% (Net income / shareholders' funds*100 = (1200-200)(1-0.40) / 2500*100).

ILLUSTRATION: ROHNIT PHORE

Takeaway for young equity investors

While assessing the economic attractiveness of a target stock, young equity investors must ensure that the target firm earns an ROE which is higher than that of its ROC. If the target firm's ROE is less than its ROC, then it indicates that the firm is unable to earn sufficient return on its invested capital to pay its after-tax interest costs on borrowing. Therefore, one of the ways to find out the quality of investments made by a firm is to put it to the ROE minus ROC test. Dl passes this test as its ROC (16%) is higher than its after-tax interest rate of 6%.

The writer is associate professor of Finance at XLRI - Xavier School of Management, Jamshedpur

BrandWagon

MONDAY, APRIL 26, 2021

NUMEROLOGY

70% respondents unaware of car subscription service offered by auto brands
61% prefer a mix of car finance and down payment when buying a car
57% said zero down payment would be a key reason to choose car subscription service

— CarDekho survey

EVENTS

Resetting the stage

In this new normal, a hybrid model holds significant promise for the events and experiential industry

Swaroop Banerjee

AT LEAST ONCE in our lives, we have encountered events that made us think: "I wish, I was there". Whether it was Chris Martin's impromptu Delhi performance or your favourite band's concert in a different country, we have all had moments where we wished to witness something we thought was impossible to miss.

The year 2020 changed everything. With a global lockdown, the normal was disrupted and reimagined. Physical isolation buoyed by digital solutions led to the rise of virtual and hybrid events. According to a 2020 EY report on live events, the sector saw a 67% increase in digital events, a significant rise from 27% in 2019.

As we adjust to the new normal, technologies like big data, artificial intelligence (AI), machine learning (ML), virtual reality (VR), and innovative platforms such as ARHT Media Inc, Platoo, and ViewStub are enhancing ways of connecting with audiences, giving rise to a promising hybrid model.

Show must go on

Necessity is the mother of invention, and that is what the hybrid model brings to the table — it is strategic, creative and built on the possibility to curate experiences that reach audiences directly. It brings forth the hub-and-spoke model in which a person enjoys a live event at a venue, while it gets streamed worldwide, improving participation and engagement from those who are sitting at home.

There is something to learn from the K-Pop industry. Be it BTS redefining fandom or BLACKPINK collaborating with Lady Gaga and Selena Gomez, these bands have become trendsetters in exploring limits and leveraging new media. Closer home, virtual shows such as *Arth – A Culture Fest*, *It's A Girl Thing* and *Supermoon House Party* have ramped up live entertainment games. Using easily accessible platforms like Zoom, Skype, StreamYard and vMix, these events set up virtual stages, reaching out to the global Indian diaspora. Comic-Con India is celebrating a decade of its existence virtually. What started at Dilli Haat back in 2011, and is today the biggest pop-culture experience, is holding a week-long digital celebration.

Being future-ready

Big Hit Entertainment found a digital solution to spread a sense of togetherness during the pandemic. For the BTS concert, it employed 4k technologies, programmed the system to link the show with light sticks at home to give a concert-like feel. Augmented reality and VR are here to stay: creators are leveraging technology to curate evolved experiences; viewers get front row tickets to events from the comfort of their homes. AI can power customer engagement via bots, delivering personalised experiences, driving demand generation during events, virtual or hybrid. Machine learning can learn different patterns of customer behaviour and act as personal chaperones for all attendees of the event.

Some companies are also experimenting with interactive holographic tele-presence which creates a virtual presence of the speaker on stage, emulating their live presence. Sound will be the next gamechanger: Belgian techno music festival Tomorrowland proved it with its in-house team of 200 people, while VR specialists stYpe created a modern technological marvel. Each studio incredibly large in size to fit in the festival's stage effects as well as crowd cheers were added. Writing history in a two-day festival, the event drew over one million participants with eight virtual stages, 60 artistes, laser shows, interactive chat platforms, and more.

With ease of connectivity and accessibility, hybrid events and chatbots are changing the event industry dynamics. It has led brands to vie for eyeballs, making it imperative to break clutter. From identifying to sustaining, personalisation, inclusivity, and user generated content are quintessential. Fans are more connected to artistes, and IP creators are bridging this gap. The EY report states that if recovery continues, the category could nearly double in 2021, and digital events will drive future growth. Events that are springing up are futuristic and exciting. You may call it recovery, revolution or reimagination — but marrying digital and real is the future. And rest assured, all of us can surely say in tune, "I am here".

The author is COO & business head, Zee Live

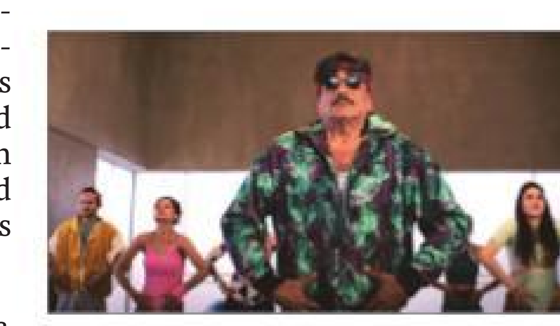
Review Corner

Venkata Susmita Biswas reviews five ads from the ongoing IPL season

Ecolink Fans — *No hawa-baazi, just awesome hawa*

Lighting brand Signify uses humour to communicate that consumers should not believe over-the-top advertising claims. Switching on an Ecolink fan, the ad says, cannot help anyone win a lottery or land a job, but can definitely deliver 'awesome hawa'. The idea by Publicis Communications is wacky and sure to catch consumers' attention.

RATING: **8/10**



Cred — *Great for the good*

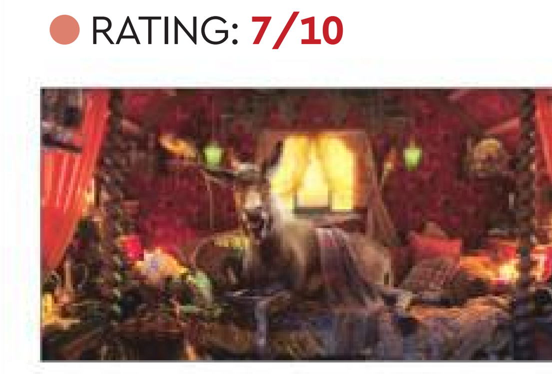
The fintech brand continues to rope in stars who are way past their prime. While the ad starring Rahul Dravid as 'Indira Nagar ka Gunda' went viral, the one featuring Jackie Shroff — which reveals that the actor loves Zumba — does not match the surprise element of an angry Dravid breaking car rear view mirrors with his bat. The ads conceptualised by comedian Tanmay Bhat and team aim to grab the viewers' attention by astounding them, but do not spend enough time highlighting the benefits of the app.

RATING: **6/10**

MPL — *Hai Akal, Khelo MPL*

Every film in this MPL campaign twists Hindi proverbs about *akal* to imply that anyone with a brain can play fantasy cricket. The campaign urges viewers to put their brains to use, unlike the protagonists in the ads, and play on MPL. In one such film, the brain, manifested as a person, walks in on a player making a fantasy team with his buffalo — a take on the proverb *akal badi ya bhains*. In 20 seconds, the creative delivers its message and stands out for its absurdity quotient. But it is unclear if these ads based on Hindi proverbs will resonate with non-Hindi speaking viewers.

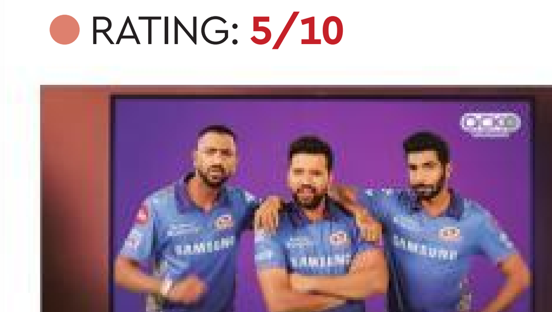
RATING: **7/10**



Upgrad — *Specialisation hai right, toh future hoga bright*

The Upgrad donkey from last year is back, this time as a fortune teller. A young professional seeks to know the future of his career from the donkey. Upon hearing that the person is upskilling himself on Upgrad, the donkey declares that the right specialisations can help secure a bright future. The whimsical concept grabs attention, but the second half of the ad is unable to sustain the bizarre idea of a donkey telling fortunes.

RATING: **5/10**



Acko — *Acko app check kar lo*

In this film by Leo Burnett Orchard, actor Arshad Warsi does not believe the tall claims that cricketers Rohit Sharma, Jasprit Bumrah and Krunal Pandya make about the Acko app in an ad he sees on TV. He checks out the app and finds that the claim is indeed true, changing his mind about the brand. The ad is not very imaginative in how it tackles consumer disbelief. Most brands take the celebrity route to convince people that their product is genuine; this one does the same, with four stars, no less.

RATING: **4/10**

In The News

PHD Media named media AOR of Sanofi India

PHARMACEUTICAL COMPANY SANOFI India has appointed PHD Media India as its media agency of record. PHD will handle Sanofi's consumer healthcare and prescription drugs line of businesses. The agency has been tasked with executing and supervising the company's end-to-end media mandate on a global scale.

Mullen Lintas bags creative duties of MFine

MFINE, AN AI-DRIVEN on-demand healthcare service, has appointed Mullen Lintas as its creative agency. MFine provides users access to virtual consultations, at-home lab tests, and connected care programmes from hospitals and labs across the country. The agency's mandate is to create differentiation for MFine as a specialist healthcare platform.

AU Bank partners with OMD India

OMD, AN OMNICOM Media Group agency, has won the marketing and media duties of AU Small Finance Bank. The agency's Mumbai office will handle 360-degree marketing communication for the bank using data-driven insights, as well as ensure delivery of faster business outcomes, as part of the mandate.

New developments at Madison Media

MADISON MEDIA OMEGA, a unit of Madison World, has been appointed as the media AOR for The Landmark Group's Lifestyle and Spar brands. Also, Madison Media has promoted Vishal Chinchankar, its chief digital officer, to the position of CEO, Madison Digital and Madison Media Ultra.

Carat India ropes in Dipika Bhasin as EVP

CARAT INDIA HAS appointed Dipika Bhasin as its executive vice president. She will lead the agency's North and East operations, and report to Anita Kotwani, CEO, Carat India. She was formerly with PHD Worldwide.

Power Gummies, a dietary supplement brand, has brought actor Shraddha Kapoor on board as brand ambassador

Motobahn

MANUFACTURING EXCELLENCE?

An EV start-up, backed by UPS, does away with the assembly line

Arrival, a developer of electric vans and buses, says it has come up with a cheaper way to build EVs in small factories. But can it deliver on that promise?

NEAL E BOUDETTE

Arrival, a London developer of electric vans and buses, is creating what it calls highly automated microfactories

A SMALL ELECTRIC vehicle (EV) company backed by UPS wants to replace the assembly lines automakers have used for more than a century with something radically different—small factories employing a few hundred workers.

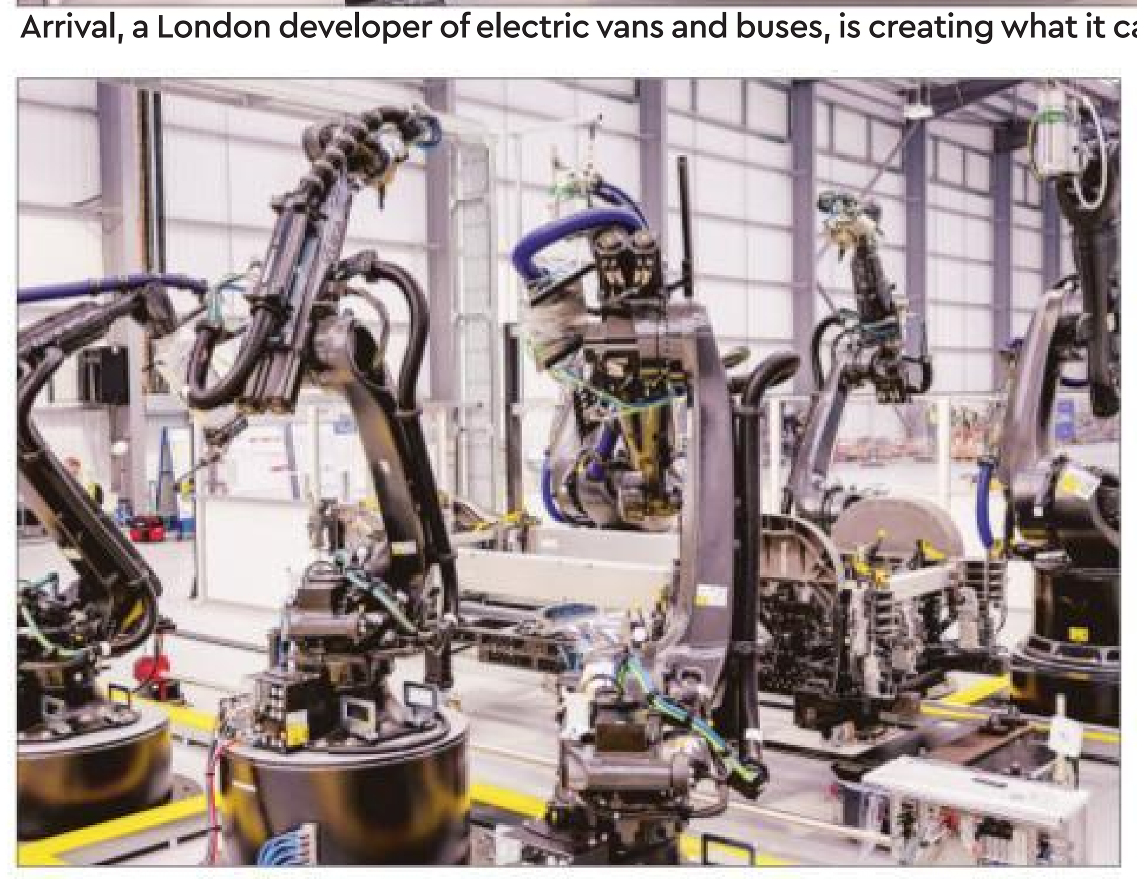
The company, Arrival, is creating highly automated 'microfactories' where its delivery vans and buses will be assembled by multitasking robots, breaking from the approach pioneered by Henry Ford and used by most of the world's automakers. The plants would produce tens of thousands of vehicles a year. That's far fewer than traditional auto plants, which require 2,000 or more workers and typically produce hundreds of thousands of vehicles a year.

The advantage, according to Arrival, is that its microfactories will cost about $50 million rather than the $1 billion or more required to build a traditional factory. The company, which is based in London and is setting up factories in England and the US, says this method should yield vans that cost a lot less than other electric models and even today's standard, diesel-powered vehicles.

"The assembly line approach is very capital-intensive, and you have to get to very high production levels to make any margin," said Avinash Rugoobur, Arrival's president and a former GM executive. "The microfactory allows us to build vehicles profitably at really any volume."

The company hopes its EVs will disrupt the normally sleepy market for delivery vans. Such vehicles are well suited to electrification because they travel a set number of miles a day and can be charged overnight. Arrival has already won over UPS, which has a less than 1% stake in the company and plans to buy 10,000 Arrival vans over the next several years.

In Arrival's factories, a motorised platform will carry unfinished vehicles among six different robot clusters, with different components added at each stop. The company is also replacing most steel parts used in vehicles with components made from advanced composites, a mix of polypropylene, a polymer used to make plastics, and fibreglass. These parts are to be held together by structural adhesives instead of metal welds.



The use of composites, which can be produced in any colour, would eliminate three of the most expensive parts of an auto plant—the paint shop, the giant presses that stamp out fenders and other parts, and the robots that weld metal parts into larger underbody components. Each typically costs several hundred million dollars.

Arrival hopes to start producing buses by the end of this year, but its ideas remain unproven. Automating auto plants is notoriously tricky. Tesla blamed overreliance on robots for the troubled start of its Model 3 production line in 2018.

Manufacturing robots are usually programmed to do one or two tasks. Arrival is counting on its robots to handle a variety of jobs. "For high-volume applications, this doesn't seem workable," said Kristin Dziczek, senior vice-president of research at the Center for Automotive Research in Ann Arbor, Michigan. "Automation is great for things that are repetitious and precise. But if they are talking about very low volume, it could be viable."

UPS has been working with Arrival almost since the start-up's founding, said Luke Wake, vice-president of maintenance and engineering in the UPS corporate automotive group. The shipping giant has helped design a delivery van that affords greater visibility for drivers than a traditional truck and is easy to load and unload. Mr Wake said he had monitored Arrival's progress closely, visiting the company two or three times a month on average.

While he acknowledged that Arrival's untried approach to producing trucks posed a risk, he said it could accelerate the use of EVs in package delivery. "Things can change rapidly when all the foundations are in place," he said. "We have invested in Arrival and have worked hand in hand to develop the vehicle."

At the same time, UPS is hedging its bets. It also works with and plans to buy vehicles from other electric automakers, including the Workhorse Group, a small Ohio manufacturer. "This is about getting the best, optimal delivery vehicle for us," Mr Wake said.

Globally, UPS operates a fleet of about 120,000 vehicles, and around 13,000 of them use alternatives to diesel engines such as batteries.

In addition to UPS, BlackRock and the South Korean automakers Hyundai and Kia have invested in Arrival.

Arrival was founded in 2015 by Denis Sverdlov, a Russian telecom tycoon who briefly served as a deputy minister for Russian media and had little auto experience. Mr Sverdlov is listed as the company's chief executive, and he controls 76% of the company's stock through an investment fund based in Luxembourg.

NYT

Infrastructure

MONDAY, APRIL 26, 2021

EXPERT VIEW

Steel prices may increase further as China HRC prices continue to rise. Export realisations for Indian firms also continue to increase. Furthermore, based on HRC prices in China and Japan, domestic steel prices are still at a discount to global prices

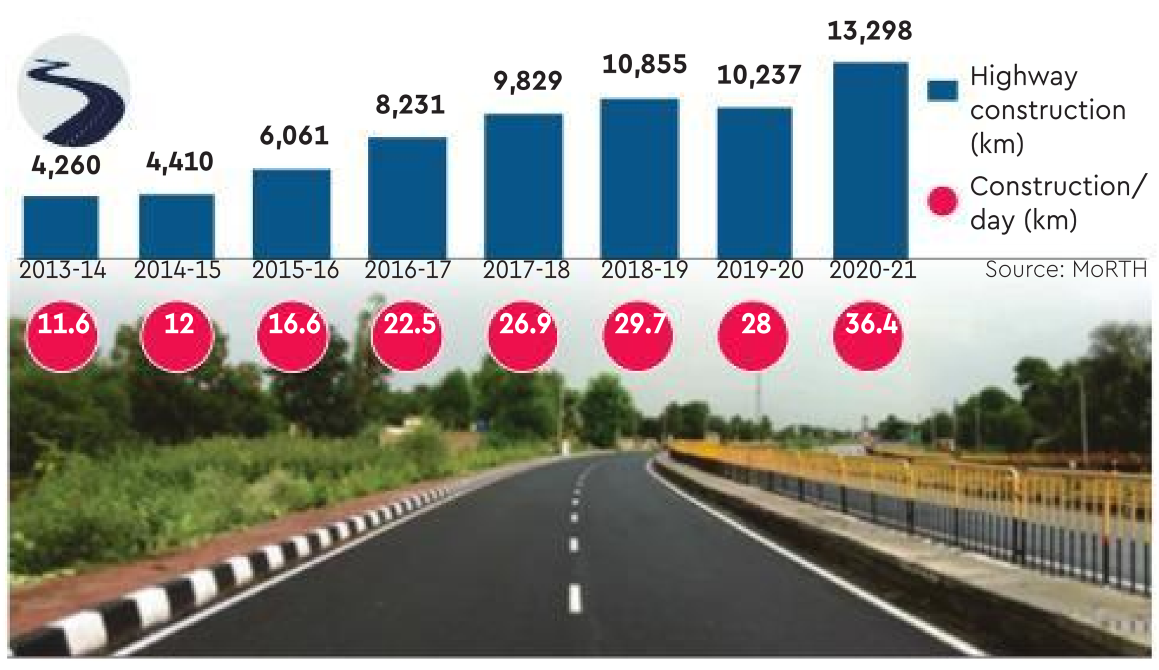
—Nomura

HIGHWAYS

Covid-19 no roadblock for sector

A host of govt measures saw construction touch a record level in FY21, with the numbers expected to improve further in the ongoing financial year

SURYA SARATHI RAY



BUCKING THE TREND in other infrastructure sectors which suffered on account of the pandemic, 2020-21 turned out to be a stellar year for the highway sector. A record 13,298 km of highways were constructed in the financial year, as against around 10,240 km in FY20, which made for ~30% y-o-y growth and a pace of 36.4 km/day. On the award front, 10,467 km of projects were awarded, up ~17% over 8,948 km in the preceding year. A host of industry-friendly measures taken by the government are said to be behind this performance, with analysts holding that continuation of measures to boost liquidity and relaxation in norms for bidders could see construction pace crossing the 40 km/day mark in the new fiscal.

The performance of the Nitin Gadkari-led highway ministry is specially commendable given that no construction activity was allowed in the first 20 days of April 2020, owing to the Covid-induced lockdown. To boost cash flows for contractors in the pandemic-hit months, the ministry reduced the quantum of the performance guarantee and released the excess money. It also released all pending payments and nudged companies to achieve mandated milestones and receive payments speedily. These measures boosted the confidence of sector players, leading to brisk activity, said Jagannarayan Padmanabhan, director, CRISIL Infrastructure Advisory.

ICRA's Rajeshwar Burla says relief measures like a shift from milestone-based billing (typically ranging between 45 and 75 days) to monthly billing and release of retention money or performance security in proportion to the work already executed, among others, helped contractors immensely by reducing the cash conversion cycle. "Due to the improved cash conversion cycle for Ministry of Road Transport and Highways (MoRTH)/National Highways Authority of India (NHAI) projects, many road contractors made special arrangements to facilitate the return of labour, notwithstanding the high costs involved. As a result, execution witnessed a sharp improvement, with liquidity-boosting measures aiding it further," Burla says.

Besides these initiatives, the robust project monitoring system the ministry has evolved over recent years and its proactive approach to resolving issues contributed to last year's performance. Availability of land and less traffic on highways because of the pandemic also helped speed up construction levels.

Over the last seven years, the total length of India's National Highways has gone up from 91,287 km (April 2014) to 1,37,625 km, (20 March, 2021), an increase of 50%, the road ministry has said. Average annual project awards in the FY15-21 period witnessed growth of 85% over the FY10-14 period.

While MoRTH has not set any target so far for construction and award of highway projects in the current fiscal, the speed of construction is widely expected to exceed 40 km/day. Making the highest-ever capital outlay of ₹1.18 trn in the 2021-22 Budget, Finance Minister Nirmala Sitharaman had said more than 13,000 km of roads, costing ₹3.3 trn, had already been awarded under the ₹5.35-trn Bharatmala Pariyojana project, with 3,800 km of highways having been constructed. By March 2022, another 8,500 km of projects would be awarded and an additional 11,000 km of highways be completed, she had pointed out.

Speaking to *FE* recently, NHAI Chairman S S Sandhu said the agency planned to award projects worth around ₹2.25 lakh crore in the current fiscal, as against projects worth ₹1.71 lakh crore in 2020-21. Exceeding the 4,500-km target, the NHAI awarded 141 projects totaling 4,788 km in length in 2020-21.

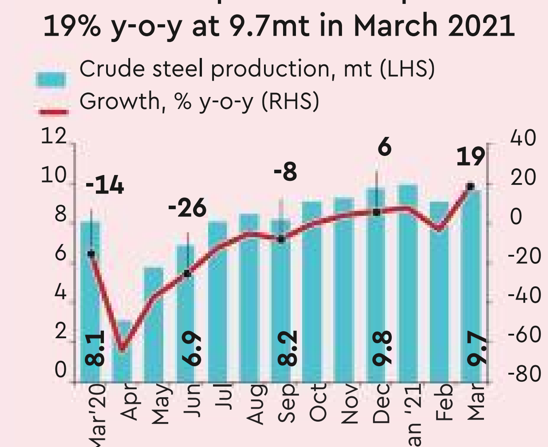
DATA MONITOR

Steel prices continue upward trajectory

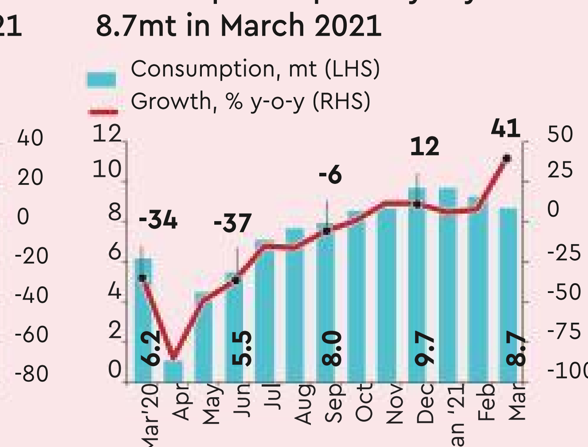
Steel prices rose to historical highs in the week ended 16 April, 2021, in response to the global rise in steel prices. Prices have gone up by ~59% y-o-y in the month (until April 16). Crude steel production rose 19% y-o-y (7% m-o-m) to 9.7 mt in March. Steel consumption grew 41% y-o-y to 8.74 mt. However, it declined 6% m-o-m in the month as companies looked to exports to benefit from strong global steel prices.

India HRC prices rise further (₹/t)

Crude steel production up 19% y-o-y at 9.7mt in March 2021



Consumption up 41% y-o-y at 8.7mt in March 2021



Sources: Nomura research, Motilal Oswal, Steelmint

Quick View

Crude output fell by 5%, gas production down 8% in FY21

INDIA'S CRUDE OIL production fell by 5% and natural gas output slumped by 8% in the fiscal year to March 2021, government data showed last Tuesday. Crude oil production fell to 30.5 million tonne in 2020-21 from 32.17 million tonne a year back. At 20.2 million tonne, Oil and Natural Gas Corporation (ONGC) produced over 2% less oil than in the previous year on account of the nationwide lockdown in the first two months of the fiscal. Oil India Ltd (OIL) produced 5.4% less oil while fields operated by private firms such as Vedanta's Cairn saw 12.6% less output. Natural gas production of 28.67 billion cubic metres was over 8% less than the output of 31.18 bcm in 2019-20. However, gas output in March was 11% higher as Reliance Industries-BP started production from their KG basin fields.

Centre removes monthly caps to spur capex

TO MAINTAIN THE momentum of economic activity amid the spike in Covid infections, the Centre on Thursday announced removal of quarterly and monthly expenditure ceilings for various departments with regard to capital expenditure. The objective of the latest directive is to facilitate allocation of additional funds from the department of economic affairs' discretionary corpus of ₹44,000 crore to those departments which show good progress on capex. The latest move is in contrast to the announcement of curbs on expenditure imposed in April last year after the pandemic broke out.

Torrent to set up 300-MW solar plant in Gujarat

TORRENT POWER LTD on Thursday said it would set up a 300-MW capacity solar power plant in Gujarat at an estimated cost of ₹1,250 crore. In a statement, the firm said it had signed an agreement to sell power generated from the project at ₹2.22 per unit for a period of 25 years. "Torrent Power Limited has been awarded a long-term Power Purchase Arrangement (PPA) for 300 MW capacity of solar power generation to be set up in Gujarat, from a licensed distribution business unit," it said. The project would be commissioned within 18 months of the execution of the PPA.

Startups

CHARZER

Charge your EV anytime, anywhere

This startup is building a network of low-cost and smart EV charging stations through *kirana* stores, cafes, tea shops and more

SUDHIR CHOWDHARY

(L-R) Charzer co-founders Yugraj Shukla, Sameer Ranjan Jaiswal and Dheeraj Reddy

WITH GROWING ENVIRONMENTAL concerns, electric vehicles (EV) are now in focus more than ever before. Industry estimates peg the current number of EVs at approximately one million, out of which around 99.5% of EVs are two-wheelers and three-wheelers. Though clean mobility is slowly gaining momentum, there are a number of hurdles in the way of faster adoption. Range anxiety is one of them. "EVs cannot become a mainstream transportation option until we have an extensive public charging infrastructure," says Sameer Ranjan Jaiswal, co-founder and CTO at Bengaluru-based Charzer, an enterprising venture in this niche sector.

"Charzer was started with an aim to address this problem. We want to convert the neighbourhood *kiranas*, cafes, restaurants, malls and even tea shops into EV charging stations, thereby creating a vast EV charging station network for the consumer," he says. According to global standards, there should be a public charging station for every 10 electric vehicles. As per conservative growth estimates (CAGR of 43.13%), by end of 2022, there will be at least 5.3 million EVs which will need 5,30,000 public charging stations in which more than 95% will be Type 2 AC charging stations (Kirana Charzers).

"We have been in the EV domain with our previous startup FAE Bikes since 2016 even when EV wasn't a buzzword," says Jaiswal. Talking about the present scenario, he says that the only way to solve the charging infrastructure problem is through a massive and distributed network and this cannot be achieved without public participation. "This was the genesis for Charzer," says Jaiswal, the other two co-founders being Yugraj Shukla and Dheeraj Reddy.

The company has developed its product—Kirana Charzer—keeping India's conditions and infrastructure in mind. "Kirana Charzer is a compact, zero-maintenance and IoT enabled charging station that can be installed by small shops and individuals enabling them to earn an additional source of income. It is a compact solution so that it can be installed anywhere with a basic electricity connection, plus the hosts need not make any infrastructural changes to set it up," explains Jaiswal.

Charzer has removed a lot of fluff which is present in the usual charging stations without compromising on functionalities or safety to bring down the cost to ₹15,000," says Jaiswal. "We moved a lot of smartness from the operating system to our proprietary communication algorithm. Due to this, we have been able to remove all fixed monthly costs and our hosts don't incur any expense when the charging station is not being utilised. Hosts have the flexibility to set their own availability and pricing," he adds.

A host has to purchase the Kirana Charzer from the company and it will be made visible on the Charzer app. "We take a 20% margin on the transactions that happen through our platform. Our host can be anyone on the road including *kirana* stores, grocery stores, food joints, restaurants, malls, and any other retail establishment," he adds. An EV owner can download the Charzer app on his phone. The app is a single-stop solution for his charging requirements. Using the app, he can locate the nearby charging stations, reserve a slot in advance, navigate, pay-for, and operate the charging stations.

Kirana Charzer was launched in February 2020 at MOVE 2020, London. Since then, it has received over 2000 pre-orders from over 60 cities and towns from across India. Kirana Charzer is already installed in all varieties of locations. The locations include battery shop, xerox shop, sticker printing shop, mechanics, vehicle dealerships, bakeries, gyms, cafés, pizzerias, malls, resorts, he says. "We have started getting excellent early usage from 2-wheelers, 3-wheelers. Even car owners are using our platform although the numbers are relatively lesser. Our current monthly subscriber base is more than 350 customers and growing 40% MoM," he says.

Charzer has raised seed investments from marquee angel investors across India and Europe. "We are looking to raise $3 million soon. With this, we plan to scale up to 10,000 charging stations and increase our presence to 20 major cities," he says.

PARK+

Discover and book parking with this app

A smart parking solutions firm that connects commuters with safe, secure, and digitised parking spaces

SRINATH SRINIVASAN

WITH EVER INCREASING traffic comes the problem of parking. In metros, this has kept many owners from taking their vehicles out or suffer every day during rush hours. In other words, this becomes a business opportunity that can be done at scale using technology.

Delhi-based Park + aims to use deep tech to ease parking. "Today, there are many parking spots across several cities. These places are hard to find. We partner with the owners of the space and enable our users to discover and book them in advance," says Amit Lakhotia, founder and CEO, Park+. "The spots have human supervision and the owners can safely use the spots for the duration they have booked. These spots are usually 10 minutes away from where they want to go," he adds.

Park + has been aggressively aggregating parking spaces in Delhi, Mumbai and Bangalore and has around 75,000 spots for cars and two wheelers. "Another use case we have is access control. We have Park+ tags for our customers. If they wish to utilise parking spots in corporate buildings or residential societies, they can simply scan the tags and go to their designated spot," shares Lakhotia. The proprietary algorithm manages parking spots across different areas and also helps in managing user bookings, challan generation and access control. "We have raised $11 million so far to build this in house," says Lakhotia. In some spots, there are ground sensors that give real time parking status.

Amit Lakhotia, CEO & founder, Park+

"Most of our aggregation has human supervision. It will take some more time to make ground sensors common," adds Lakhotia, talking about the increasing role of technology in urban traffic and parking management. The company makes 10-15% margin from every booking and charges ₹60-₹100 on an average per hour depending on the location. Gradually, the startup plans to introduce varied pricing depending on parking spot availability across various locations.

"So far we have not partnered with corporations or smart cities or governments. The challenge is in educating the public before doing that. There are several options to commute and whichever it is, parking is going to be a challenge for them," opines Lakhotia, talking about challenges in the business. Park+ has been in operation since last October. "Coincidentally for us, traffic and demand for parking started surging since October last year. Starting operations during lockdown otherwise would have been difficult. It was also the right time to introduce contactless online booking, with digital payments for parking. We also reduced the time spent in searching for parking in crowded areas," adds Lakhotia.

Quick View

Liquidity release sees discom overdues fall by ₹15,118 cr in March

THE OUTSTANDING OVERDUES of power distribution utilities fell by over ₹15,118 crore on a m-o-m basis to ₹74,510 crore in March this year, mainly due to the release of the second tranche of the liquidity infusion package, according to PFC Consulting Ltd data. Power producers allow power distribution utilities (discoms) 45 days to pay bills for electricity supply, after which the outstanding dues become overdue. In May 2020, the government had announced ₹90,000-crore liquidity infusion for discoms under which these utilities would get loans at economical rates from the Power Finance Corporation (PFC) and REC Ltd. Later, the liquidity infusion package was increased to ₹1.2 lakh crore and further to ₹1.35 lakh crore. Under the liquidity package, the PFC and REC together have disbursed ₹78,855 crore so far.

Cabinet clears 58-km Metro project for Bengaluru

THE CABINET APPROVED last Tuesday the Bangalore Metro's Phase 2A and Phase 2B projects, Union Minister Piyush Goyal said. While the Phase 2A project would build a Metro link between Central Silk Board Junction and K R Puram, Phase 2B would connect K R Puram to the airport via Hebbal Junction. The total length of the project is 58.19 km and it is estimated to cost ₹14,788.10 crore. It would take almost five years to build the Metro lines. In a statement, the central government said the implementation of the project would provide much-needed boost to public transport infrastructure in Bengaluru.

JIL lenders ask NBCC, Suraksha to improve bid

JAYPEE INFRATECH'S (JIL'S) lenders have asked state-owned NBCC Ltd and the Suraksha group to improve their bids and offer more land parcels under an insolvency process to acquire the debt-ridden realty firm. Earlier this month, NBCC and the Mumbai-based Suraksha group submitted revised bids to acquire Jaypee Infratech, as per the directive of the Supreme Court of India. Under the revised bids, NBCC has offered 1,526 acre of land and the Suraksha group around 2,040 acre to the company's lenders.

Education

MONDAY, APRIL 26, 2021

EXPERT VIEW

Confluence Ideathon 2021 brought together unique ideas, some of which will go into developing Arts & Culture Centre in Delhi. This centre will foster diverse cultural expressions; it will also reflect the aspirations, creativity and heritage of the people.

—Sunil K Munjal, Founding Patron, Serendipity Arts Trust

INTERVIEW: DIWAKAR CHITTORA, CEO, IntelliPaat

Our aim is helping build careers

IntelliPaat provides online instructor-led training, self-paced e-learning training and corporate training, and offers 150-odd courses for professionals. It has over 6 lakh professionals learning from about 55 countries and about 200 corporates use its courses for upskilling their employees, says Diwakar Chittora, CEO, IntelliPaat. In an interview with FE's **Vikram Chaudhary,** *he adds that from the start of the lockdown last year till now, the demand has been rising for courses on data science, artificial intelligence (AI), cloud computing, digital marketing and cybersecurity. Excerpts:*

During the lockdown, did you see learners taking new kinds of courses?

The demand has been rising for courses on data science, AI, cloud computing, digital marketing and cybersecurity. Due to the rise in digitalisation, these skill sets have gained in popularity, while the demand for manual testing as well as automation testing has seen a drop.

Over the next 10 years, AI and machine learning are expected to make waves across industries, such as healthcare, education, banking and so on. It will become the responsibility of organisations to make provisions for upskilling their workforce and reinvent learning in a manner that integrates it into the flow of work and life.

Did IntelliPaat add any new courses during the lockdown?

We have launched courses pertaining to project management, which includes business analyst training in collaboration with the IIBA, digital marketing certification in partnership with SPJIMR, Mumbai. We designed courses on cloud computing, such as Azure (in collaboration with Microsoft), as also courses on cybersecurity in partnership with the EC-Council.

It is argued that online training gives Indian training providers a global reach. What kind of foreign student/learner participation has IntelliPaat seen?

We have learners from over 55 countries (55-60% of learners from abroad). We are witnessing a rise yet again from both Indian and foreign learners, rising by 50-65% as compared to March 2020.

As far as foreign learners are concerned, are these more in the B2C space?

Yes, but we are seeing an increase in enquiries from B2B as well.

The founder of edX recently told me that 'modular learning' and 'stackable learning' are the future of education. Do learners at IntelliPaat also take short courses and 'stack' these up over time?

Our courses focus not just on vocational training, but rather help a person in career transition. Our courses are designed keeping in mind they will make the learner employable in a specific area she is being trained in. Most of our courses are 4-6 month long, while some are 6-9 month long, all aimed at increasing employability. Courses on the EdX platform are more inclined towards imparting knowledge, but they may lack the career transition element. At IntelliPaat, we primarily focus on building careers of our learners and setting them up for professional success.

Do you think training providers such as IntelliPaat are pulling students/learners away from business schools (those who would have otherwise pursued, let's say, a one-year MBA for career progression)?

Yes! At IntelliPaat, our students are finishing school. Those who don't come from a programming background, we make them skilled in such a manner that they become adept at programming and coding, as against regular PG diploma or degree courses like MTech, MS, etc.

About 60% of our students achieve their upskilling objective within three months of course completion, and most of them see a switch in their role.

Who train, and who create courses?

Our trainers are subject matter experts. Earlier they were associated with us on a contractual basis, but now we have an evaluation team that assesses potential trainers for technical knowledge and teaching pedagogy before we hire them full time. Courses are designed by in-house subject matter experts in tandem with trainers.

A year of Covid—India upskills, education goes online: PayU

VIKRAM CHAUDHARY

THE IMPACT of the Covid-19 pandemic-induced lockdown on the edtech sector has been fairly positive, according to the online payments solution provider PayU's digital expenditure survey.

PayU has mapped the impact of Covid-19 and the lockdown as seen through a year-on-year change in digital payments, and said that the education technology (edtech) sector has emerged as a winner, with a 78% increase in the number of transactions and a 44% increase in expenditure, within this period.

The most likely explanations, PayU said, are an increasing number of professionals upskilling themselves as they worked from home, and students and learners shifting to online education.

"The number of transactions for edtech increased by an incredible 69% immediately after the lockdown (April-May 2020 versus January-March 2020). Although the edtech segment witnessed growth, the average ticket size reduced by 19%, possibly as course prices dropped in response to a surge in demand," PayU noted in its survey (PayU Insights Report).

Indian school students and *atmanirbharta*

Senior school students with a passion to solve problems in villages can apply to The Purpose Academy: Manav Subodh, co-founder, 1M1B

VIKRAM CHAUDHARY

THE SUTARDJA CENTER for Entrepreneurship & Technology (SCET) at the University of California, Berkeley, has partnered with The Purpose Academy, a programme by the 1M1B (One Million for One Billion) and the Silicon Valley's Innovation Acceleration Group (IAG). Manav Subodh, the co-founder of the 1M1B Foundation, said The Purpose Academy aims to engage the brightest young minds to solve the world's most complex problems. The SCET, Subodh added, will help support the initiative by connecting students with the UC Berkeley campus and faculty, and by providing mentorship from UC Berkeley students.

"The Purpose Academy provides a real-life impact lab environment in which students discover not just what makes impact initiatives successful and scalable, but also what makes them fail. Students are then paired with a grassroots organisation from the villages of India and are given real challenges to solve," Subodh said.

The programme will start in June and end in August. It is 150-hours-long, and will be delivered in two stages. "High school and senior school students with a passion to solve problems in villages are encouraged to apply. The batch size is limited to 25 students and selections are based on interviews," Subodh added.

Participating students are expected to benefit from the guidance they receive from global leaders, faculty and mentors. For example, Ralph Guggenheim, the American graphics designer and the co-producer of Toy Story, will teach students how to create campaigns and tell stories. "Top students will be given an opportunity to showcase their work at the SCET and other global platforms. Students in the previous batches of 1M1B programmes have used these opportunities to create an authentic personal profile to stand out, like presenting at TEDx, United Nations, World Bank, getting covered by the media, launching apps, making chatbots and even publishing research papers," Subodh said.

He added that this might also help India become more atmanirbhar (self-sustaining). "The Purpose Academy is mobilising bright young minds of India to solve one of the hardest challenges of rural areas, i.e. jobs and entrepreneurship. Students work to get aspirational jobs for youth in villages, support cottages industries, artisans, farmers and women entrepreneurs. The past cohort worked with a few industrial training institutes (ITIs) near villages and improved the placement rate from 10% to 50%," he said. "People secured jobs close to their villages and home towns, eliminating the need to migrate to big cities. Some students utilised their technical talent and AI skills to create a chatbot for career counselling, another one creating an AI loan guru, matching profiles and credit scores to various government schemes and bank loans. The vision of Atmanirbhar Bharat cannot be realised unless we bring in inclusive development and reduce social inequity involving villages. The Purpose Academy is a step in this direction."

1M1B mobilises young people to create impact at the grassroots and villages of India. Since 2015, 1M1B has been working in over 152 villages in Karnataka, Tamil Nadu and Andhra Pradesh. Programmes range from skill development, entrepreneurship and enabling finance for rural entrepreneurs. Over the last few years, 1M1B has trained over 10,000 young innovators on AI and mentored them to create innovative solutions for grassroots challenges.

NEWS BRIEF

LSAT will be held May 29 onwards

With the CBSE Class 12 exams postponed, LSAC Global has said 2021 LSAT-India will be held over multiple days starting May 29.

Saras-3D launches Genius 3D Learning

Saras-3D has launched Genius 3D Learning (India's first stereoscopic 3D tech-based learning solution that uses interactive visualisation to help students understand science and maths concepts).

Atria now a state private university

Atria University gets recognition from the Legislature of Karnataka to expand the campus and launch new courses. Kaushik Raju of Atria said the goal is to steer away from a 'theory first' approach and move towards inquiry-based learning.

Countingwell starts Ramanujan grant

Countingwell, the maths learning app, has started Ramanujan Maths Scholarship for students of classes 6 to 8. The test will be held on May 9 (Mother's Day) to commemorate immense contribution of a mother in a child's early education.

Masters' Union places all students

In its first year, Gurgaon's Masters' Union B-School's inaugural cohort of 65 students has found placements in over 40 top firms.

TargetRBI merges with ixamBee

TargetRBI has merged with ixamBee, which will now position itself as a top platform providing government services exams.

SVKM's NMIMS opens admissions

SVKM's NMIMS has opened admissions for MSc Finance at the Anil Surendra Modi School of Commerce in Mumbai.

ISACA's new CET

ISACA has launched Certified in Emerging Technology (CET); it will enable IT professionals to boost their skillset in emerging tech.

Hex N Bit starts free course on Python

Hex N Bit has started a free entry-level online course on Python. Its duration is 150 minutes.

FE BUREAU

Science & tech

This is where the market is moving

DAVID WESTIN AND WILL WADE

BRINGING 40 HEADS *of state together for two days of virtual climate talks created the most visible role yet for John Kerry, the White House's special envoy for climate. With Friday's end of a summit that focused on what nations need to do to curb planet-warming emissions, the top U.S. climate diplomat moved to reframe the moment as a historic economic opportunity.*

"I think the reason the banks and asset managers are pledging net zero is because they know this is an area where the demand is going to be," Kerry said in an interview on Friday. "And they believe they're going to be able to invest and make money.

That message fits with one of President Joe Biden's consistent climate themes. The green transition will generate millions of jobs and trillions in investment opportunities, all of which can be shared around the world. The second day of the summit brought together executives, labor leaders, bankers and technology developers. There was consensus that fighting climate change can bring about an economic boon, marking a big shift from the recent past in which shifting to clean energy has been dismissed by many as simply too expensive.

In fact, Kerry stressed in the interview, the cost of ignoring the climate crisis is now higher than the cost of fighting it. And the benefits are increasingly obvious. As he told participants at the summit on Friday: "The world's largest market in history is opening before our eyes."

Kerry sat down Friday afternoon with Bloomberg to discuss the climate summit and assess the ways nations are starting to embrace the idea that climate action is an advantage rather than an expense. He made headlines by emphasizing President Biden's interest in adopting a border adjustment tax, something the European Union plans to use to impose tariffs on imports from places weak climate policies.

The following interview has been edited and condensed.

Thank you for joining us at the end of two long days. What do you think was accomplished?

The world came together in a rather extraordinary fashion. About 55% of global GDP committed to try to hold the Earth's temperature increase to 1.5 degrees, which is critical because that's what the scientists say we have to do to avoid the worst consequences of climate.

We also had an upping of ambitions among many nations. Japan stood up and said, "We're going to reduce our emissions by 45% to 50%." You had a host of countries say they're going to try to do more, they're going to put out plans over the course of the next few months before the November Glasgow negotiation [at the COP26 climate conference].

I think it's very significant that everyone talked about the crisis of climate. There's no avoiding it. It's a global challenge.

You got some remarkable financial commitments from some of the big banks and other financial institutions.

Financial institutions are going to increasingly be called upon to be accountable for their long-term vision for the investments that they're making and the risks that are involved. Banks and financial institutions are allocating a certain amount of investment over the next years to climate investment. You have Bank of America and Citi and others saying they're going to put about $1 trillion over the course of the next 10 years, minimum. That's a floor. And the reason they're doing it is because it's profitable. This is where the market is moving. There's an enormous interest in hydrogen fuel, in battery storage, in carbon capture.

These are the technologies that are going to have go into place to avoid the worst consequences of the climate crisis. And I think the marketplace is already moving there. You've seen it move on coal, which is now more expensive than alternatives and renewables. There's $4.16 trillion from major banking institutions that's going to be invested in this sector, and I think it's going to create even more investment in that sector and in others.

President Biden said we're going to halve U.S. greenhouse gas emissions by 2030. That helps reestablish the U.S. as a climate leader. But we're not going to be able to get done what we need without China and without India. What do you say about the fairness argument? They say industrialized nations had the benefit of all those years, and now they're trying to impose limitations.

What one has to point out is that planet Earth and the atmosphere doesn't measure who began when. It doesn't measure who is doing it now. It measures the total amount of CO2. China has as much interest in reducing these emissions as we do.

China is 30% of the world's emissions. We're 15%. And if you add Europe, we've got more than 55% of the world's emissions right there. Twenty countries equal 81% of the world's emissions. Those 20 countries are going to need to step up and cut emissions at the rate that's commensurate with what the scientists are telling us we need to do. This is not politics. It's not ideology. It's two and two is four. The scientists are telling us this is exactly what's happening and this is why it's happening, and if you don't reduce by more you're going to be paying a hell of a lot more money to clean up after this.

A few years ago we had three major hurricanes—Irma, Maria and Harvey. They ended up doing something like $260 billion of damage that we paid out just to clean up after the storms. The economists will tell you we've reached a point in the climate crisis where it's more expensive not to do something than it is to do something.

We need to be responsible. We need to get this done. Most people will tell you it's existential. If you don't do it there are going to be profound impacts on our planet, beyond what we've already seen in terms of fires, mudslides, floods, drought, melting of the icecaps, rising of the sea level. We're inviting disaster if we don't respond.

And in the response there's a remarkable amount of energy in economic terms. There's a huge, exciting economic future on the other side of this transition. That's from building out transmission lines, the grid, deploying renewables, chasing hydrogen fuel, or any of these other things. New products are going to come online and some of them are going to make an enormous difference.

What can the government do to encourage the private sector? A carbon price or a carbon tax? Or a border-adjustment tax?

There are a lot of advocates in Congress for pricing carbon. There are different thought about how to do it.

Biden is particularly interested in evaluating the border-adjustment mechanism. He wants to see if that's something we need to deploy. Europe is already looking at that, and they may end up deploying it if they don't get satisfaction from China and other countries with respect to the transition off of coal and their efforts to do their part in reducing emissions.

There's also a concept called "common but differentiated responsibilities." Because the more developed nations were ahead of everyone else and the developing nations needed a certain amount of room to be able to move, there was this notion that there was a common responsibility to deal with climate but a differentiated response.

That's increasingly disappearing, in the sense that those other countries can leapfrog and go immediately to deploying these new technologies, but they need finance and help to be able to do that. One of the things that banking institutions can do is help leverage different behavior from some of these countries by saying we have money ready to invest but you've got to do the following things in order for us to be able to do it.

You have either blended finance or other mechanisms to lower the risk, and make it more attractive to private capital to be able to cut a commercial deal. This is where government can be helpful. There are other incentives that can be put in place. Even with President Trump and a Republican Senate, they did extend the tax credit for solar and that's had a profound impact on helping to deploy much more solar in America. Even after Trump pulled out of the Paris Agreement, you saw emissions reduced in America. You saw 37 governors continue to live by the Paris Agreement, Republican and Democrat alike. And you also saw more than 1,000 mayors of both parties who drove their cities to try to live up to the Paris Agreement.

I think this is here to stay. The economic power of the capital investments that are going to take place is something that no politician could reverse. It's not ideological. It's not a party label. It's happening because of supply and demand in the market. I think it's inevitable.

What's next?

Now we have to take the words that were spoken at the summit and go sit down with those countries.

—Bloomberg

SHAH FAMILY TRUST

Plot no. 615/2, Nr. B.D. Patel Farm, Mahammadpura Village, Karnavati Club, S.G. Highway, Ahmedabad-380051

Not for Release, Publication or Distribution in and into the United States or Other Jurisdictions (as defined below). See "Important Information" below.

Re: Offer for Sale of Equity Shares of face value of ₹10 each ("Equity Shares") of Shalby Limited (the "Company"), by its Promoter, Shah Family Trust (the "Seller"), through the stock exchange mechanism.

I am directed to refer to Clause 5(b) of the circular number CIR/MRD/DP/18/2012 dated July 18, 2012 notified by the Securities and Exchange Board of India (**"SEBI"** and such circular **"SEBI OFS Circular"**) pertaining to comprehensive guidelines on offer for sale of shares by promoters through the stock exchange mechanism, as amended by circular number CIR/MRD/DP/04/2013 dated January 25, 2013, circular number CIR/MRD/DP/17/2013 dated May 30, 2013, circular number CIR/MRD/DP/24/2014 dated August 8, 2014, circular number CIR/MRD/DP/32/2014 dated December 1, 2014, circular number CIR/MRD/DP/12/2015 dated June 26, 2015, circular number CIR/MRD/DP/36/2016 dated February 15, 2016, circular number CIR/MRD/DP/65/2017 dated June 27, 2017 and circular number SEBI/HO/MRD/DOP1/CIR/P/2018/159 dated December 28, 2018read with Section 21 of Chapter 1of the Master Circular for Stock Exchange and Clearing Corporation – circular no. SEBI/HO/MRD/DP/CIR/P/117dated October 25,2019issued by SEBI, (together with SEBI OFS Circular, the **"SEBI OFS Circulars"**), read with (a) "Revised Operational Guidelines for Offer for Sale (OFS) Segment" issued by BSE by way of its notice bearing no. 20200701-27 and dated July 01, 2020 and, to the extent applicable, the previous notices issued by BSE in this regard; and (b) "Offer for Sale- Introduction of Interoperability" issued by NSE by way of its circular bearing no. 51/2020 and dated June 30, 2020 and, to the extent applicable, the previous circulars issued by NSE in this regard.

This advertisement is being issued by the Seller in pursuance of Clause 4 of the SEBI OFS Circular. The Seller is one of the promoters of the Company(the **"Promoter"**). The Promoter (the **"Seller"**) proposes to sell up to58,10,000Equity Shares of the Company (representing 5.38% of the total issued and paid-up Equity Share capital of the Company) ("Offer Shares"), having a face value of ₹10/- each, onApril 26, 2021 (**"T day"**) (for non-Retail Investors only) and on April 27, 2021 (**"T+1 day"**) (for Retail Investors and for non-Retail Investors who choose to carry forward their un-allotted bids)through a separate, designated window of BSE Limited (the **"BSE"**) and National Stock Exchange of India Limited (**"NSE"**, and together with the BSE, the **"Stock Exchanges"**), in accordance with the SEBI OFS Circulars and the notices and circulars issued by the BSE and NSE, from time to time, in this regard (such offer for sale hereinafter referred to as the **"Offer"**).

The Offer shall be undertaken exclusively through Seller's Broker named below on a separate window provided by the Stock Exchanges for this purpose.

The Offer is being undertaken by the Seller, inter alia, for achieving the minimum public shareholding of the Company as prescribed under Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, and Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and in one of the permissible methods prescribed by SEBI by way of its circular bearing no. CIR/CFD/CMD/14/2015 and dated November 30, 2015, as amended ("MPS Circular"). The Offer shall be undertaken exclusively through the Seller's Broker (defined below).

The details of the Offer, in accordance with the requirements of Clause 5(b) of the SEBI OFS Circular, are set forth below.Other important information in relation to the Offer is set out below under the heading **"Important Information"**, and the information included therein constitutes an integral part of the terms and conditions of the Offer. The brokers and prospective buyers are required to read the information included in this advertisement in its entirety along with the notice dated April 23, 2021, issued by the Seller to the Stock Exchanges as required by the SEBI OFS Circulars (the **"Notice"**).

Sr. No.	Details required to be mentioned in the Notice	Particulars of the Offer
1.	Name of the Seller (Promoter / Promoter Group)	Shah Family Trust (**"Promoter"**).
2.	Name of the company whose shares are proposed to be sold and ISIN	Name: Shalby Limited ISIN: INE597J01018
3.	Name of the stock exchange where orders shall be placed	BSE and NSE
4.	Name of the designated stock exchange	BSE
5.	Name of the designated clearing corporation	NSE Clearing Limited
6.	Dates and time of the opening and closing of the Offer	The Offer shall take place over two trading days, as provided below: **For non-Retail Investors:April 26, 2021 ("T day")** Only non-Retail Investors shall be allowed to place their bids on T day, i.e., April 26, 2021. The Offer shall take place during trading hours on a separate window of the Stock Exchanges on T day, i.e., April 26, 2021 commencing at 9:15 a.m. and shall close on the same date at 3:30 p.m.Indian Standard Time. Those non-Retail Investors who have placed their bids on T day and have chosen to carry forward their bids to T+1 day, shall be allowed to carry forward and also revise their bids on T+1 day as per the SEBI OFS Circulars. **For Retail Investorsand un-allotted non-Retail Investors who choose to carry forward their bids: April 27, 2021 ("T+1 day")** The Offer shall continue to take place during trading hours on a separate window of the Stock Exchanges on T+1 day, i.e., April 27, 2021, commencing at 9:15 a.m. and shall close on the same date at 3:30 p.m. Indian Standard Time on the same date. Only Retail Investors (defined below) shall be allowed to place their bids on T+1 day, i.e., April 27, 2021. Further, those non-Retail Investors who have placed their bids on T day and have chosen to carry forward their un-allotted bids to T+1 day, shall be allowed to carry forward and also revise their bids on T+1 day as per the SEBI OFS Circulars. (T day and T+1 day, collectively referred to as **"Offer Dates"**)
7.	Allocation methodology	The allocation shall be on the proportionate method basis at a single clearing price basis in accordance with the SEBI OFS Circulars. No single bidder other than mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended (**"Mutual Funds"**) and insurance companies registered with the Insurance Regulatory and Development Authority under the Insurance Regulatory and Development Authority Act, 1999 as amended (**"Insurance Companies"**) shall be allocated more than 25% of the Offer Shares. **Non-Retail Category Allocation Methodology** The non-Retail Investors shall have an option to carry forward their un-allotted bids from T day to T+1 day provided they indicate their willingness to carry forward their bids. Further, such Investors can also revise their bids on T+1 day in accordance with the SEBI OFS Circulars. A minimum of 25% of the Offer Shares shall be reserved for Mutual Funds and Insurance Companies, subject to receipt of valid bids at or above the Floor Price (defined below). In the event of any under subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to other biddersin the non-Retail Category. **Retail Category Allocation Methodology** For the purpose of this Notice, Retail Investor shall mean an individual investor who places bids for Offer Shares of total value of not more than₹2,00,000/- (Rupees Two Lakhs) aggregated across Stock Exchanges **("Retail Investor").** 10%of the Offer Shares shall be reserved for allocation to Retail Investors **("Retail Portion")**. The Stock Exchanges will decide the quantity of Offer Shares eligible to be considered in the Retail Portion, based on the Floor Price (defined below) declared by the Seller. Retail Investors may enter a price bid or opt for bidding at the Cut-Off Price. **"Cut-Off Price"** means the lowest price, as shall be determined, at which the Offer Shares are sold in the non-Retail Category, based on all valid bids received on T day. Any unsubscribed portion of the Retail Category, after allotment to Retail Investors, shall be eligible for allocation to non-Retail Investors who have not been allotted Offer Shares on T day and have chosen to carry forward their bids to T+1 day. The non-Retail Investors are required to indicate their willingness to carry forward their bid on T day.
8.	Total number of Equity Shares being offered in the Offer	Up to 58,10,000 Equity Shares of the Company of face value of ₹10/- each, representing 5.38% of the total paid up equity share capital of the Companyas on March 31, 2021 (the **"Offer Size"**).
9.	Name of the broker on behalf of the Seller (the **"Seller's Broker"**)	Elara Securities (India) Private Limited (BSE:3241and NSE: 12898) will be acting as the Settlement Broker on behalf of the Seller's Broker.
10.	Floor Price	The floor price of the Offer shall be ₹111.00(Rupees One Hundred and Eleven only) per Equity Share of the Company. The Stock Exchanges are required to ensure that the Floor Price is immediately informed to the market.
11.	Conditions for withdrawal of the Offer	The Seller reserves the right to not proceed with the Offer at any time prior to the time of opening of the Offer onT day. In such a case, there shall be a cooling off period of 10 trading days from the date of withdrawal before another offer for sale through Stock Exchange mechanism is made. The Stock Exchanges shall suitably disseminate details of such withdrawal.
12.	Conditions for cancellation of the Offer	In the event (i) the aggregate number of orders received from non-Retail Investors in the Offer at or above the Floor Price on T day is not sufficient, the Seller reserves the right to cancel the Offer, post bidding, in full (both non-retail and retail categories) and not proceed with the Offer on T+1 day (for Retail Investors); or (ii) of any default in settlement obligations, the Seller reserves the right to either conclude the Offer to the extent of valid bids or cancel the Offer in full. In such cases, the decision to either conclude or cancel the Offer shall be at the sole discretion of the Seller. Cancellation request for bidding from Seller will be accepted up to 5:00 p.m. on T day by the Stock Exchanges. In the event that valid orders are not placed for the entire number of Offer Shares at or above the Floor Price or in case of defaults in settlement obligation, the Seller reserves the right to either conclude the Offer to the extent of orders placed or cancel the Offer in full. The decision to either accept or reject the Offer shall be at the sole discretion of the Seller.
13.	Conditions for participating in the Offer	1. Non-institutional investors (including retail category) shall deposit 100% of the bid value in cash up-front with the clearing corporation at the time of placing bids for the Offer. 2. Institutional investors have an option of placing bids without any upfront payment. In case of institutional investors who place bids with 100% of the bid value deposited upfront, custodian confirmation shall be provided within trading hours. In case of institutional investors who place bids without depositing 100% of the bid value upfront, custodian confirmation shall be as per the existing rules for secondary market transactions and SEBI OFS Circulars. 3. In respect of bids in the Retail Category,margin for bids placed at the Cut-Off Price, shall be at the Floor Price and for price bids at the value of the bid. Clearing corporation shall collect margin to the extent of 100% of order value in cash or cash equivalents at the time of placing bids. Pay-in and pay-out for bids by Retail Investors shall take place as per normal secondary market transactions. 4. Retail Investors may enter a price bid or opt for bidding at the Cut-Off Price. 5. The funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments. 6. Individual Investors shall have the option to bid in the Retail Category and/ or the non-Retail Category. However, if the cumulative bid value by retail individual investor across both categories exceeds ₹2,00,000/- (Rupees Two Lakhs), the bids in the Retail Category will become ineligible. Further, if the cumulative bid value by an individual investor in the Retail Category across BSE and NSE exceeds ₹ 2,00,000/- (Rupees Two Lakh only), such bids shall be rejected. 7. Modification or cancellation of orders (a) Orders placed by Retail Investors ((with 100% of the bid value deposited upfront) can be modified or cancelled any time during the trading hours on T+1 day. (b) Orders placed by institutional investors and by non-institutional investors, with 100% of the bid value deposited upfront: Such orders can be modified or cancelled any time during the trading hours on T day, and in respect of any un-allotted bids which they have indicated to be carried forward to T+1 day, orders can be modified on T+1 day in accordance with the SEBI OFS Circulars (c) Orders placed by institutional investors without depositing 100% of the bid value upfront: Such orders cannot be modified or cancelled by the investors or stock-brokers, except for making upward revision in the price or quantity. (d) Bids carried forward by non-Retail Investors to T+1 day may be revised in accordance with the SEBI OFS Circulars. In case of any permitted modification or cancellation of the bid, the funds shall be released / collected on a real-time basis by the clearing corporation. 8. Bidder shall also be liable to pay any other fees, as may be levied by the Stock Exchanges, including securities transaction tax. 9. Multiple orders from a single bidder shall be permitted. 10. In case of default in pay-in by any bidder, an amount aggregating to 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the Stock Exchange. 11. The Equity Shares of the Company other than the Offer Shares shall continue trading in the normal market. However, in case of market closure due to incidence of breach of "Market wide index-based circuit filter", the Offer shall also be halted.
14.	Settlement	Settlement shall take place on a trade for trade basis. For bids received from non-Retail Category on T day, being non-institutional investors and institutional investors who place orders with 100% of the order value deposited upfront, settlement shall take place on T+1 day, in accordance with the SEBI OFS Circulars. In the case of institutional investors who place bids without depositing 100% of the order value upfront, settlement shall be as per the existing rules for secondary market transactions (i.e., on T+2 day). For the bids received on T+1 day, from the Retail Category and from the un-allotted institutional Investors who choose to carry forward their bid on T+1 day without depositing 100% of the order value upfront, the settlement shall take place on T+3 day. In case of non-institutional investors and institutional investors bidding with 100% margin upfront who chose to carry forward their un-allotted bids to T+1 day, the settlement shall take place on T+2 day.

IMPORTANT INFORMATION

The Offer is personal to each prospective bidder (including individuals, funds or otherwise) registered with the broker of the Stock Exchanges who makes a bid (each a **"Bidder"**) and neither the Offer nor this advertisement constitutes an offer to sell or invitation or solicitation of an offer to buy, to the public, or to any other person or class of persons requiring any prospectus or offer document to be issued, submitted to or filed with any regulatory authority or to any other person or class of persons within or outside India.

The Offer is being made in reliance on the SEBI OFS Circulars, read with Section 21 of Chapter 1of the Master Circular for Stock Exchange and Clearing Corporation – circular no. SEBI/HO/MRD/DP/CIR/P/117dated October 25,2019 issued by SEBI and subject to the guidelines, circulars, rules and regulations of the Stock Exchanges. There will be no "public offer" of the Offer Shares in India under the applicable laws in India including the Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to notification of its various sections by the Ministry of Corporate Affairs, Government of India, and Companies Act, 1956, and the rules and clarifications issued thereunder, without reference to its provisions that have ceased to have effect, (the **"Companies Act"**) or in any other jurisdiction. Accordingly, no documents have been or will be prepared, registered or submitted for approval as "prospectus" or an offer document with the Registrar of Companies in India and/or SEBI and/or the Stock Exchanges or any other statutory/regulatory/listing authority in India or abroad under the applicable laws in India including the Companies Act, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and no such document will be circulated or distributed to any person in any jurisdiction, including in India.

Each Bidder shall be deemed to acknowledge and agree that any buy order or bid shall be made solely on the basis of publicly available information and any information available with SEBI or the Stock Exchanges, on the Company's website or otherwise in the public domain, together with the information contained in this advertisement.

The Offer is subject to further terms set forth in the contract note to be provided to the successful Bidders.

This advertisement is for information purposes only and is neither an offer nor invitation to buy or sell nor a solicitation of an offer to buy or sell any securities, nor shall there be any sale securities, in in any jurisdiction (collectively, **"Other Jurisdictions"**) in which such offer, solicitation or sale is or may be unlawful whether prior to registration or qualification under the securities laws of any such jurisdiction or otherwise. This advertisement and the information contained herein are not for publication or distribution, directly or indirectly, in or to persons in any Other Jurisdictions unless permitted pursuant to an exemption under the relevant local law/s or regulation/s in any such jurisdiction. Prospective purchasers should seek appropriate legal advice prior to participating in the Offer.The Offer Shares have not been and will not be registered underany securities law of any Other Jurisdictions.

This advertisement and the Notice are not for release, publication or distribution, in whole or in part, in the United States of America, its territories and possessions, any state of the United States of America, or the District of Columbia (together, the **"United States"**), and is neither an offer to sell nor a solicitation of an offer to buy within the United States any securities of the Company. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act"**), or under the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable state securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the company and management, as well as financial statements. The Offer Shares are being offered and sold (a) within the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) (**"QIBs"** and each a **"QIB"**) in reliance on the exemption from registration provided by Rule 144A under the Securities Act, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act,and (b) outside the United States in offshore transactions in reliance upon Regulation S under the Securities Act (**"Regulation S"**). Prospective purchasers in the United States are hereby notified that the Seller may be relying on the exemption from the provisions of Section 5 of the Securities Act.The purchasers of Offer Shares are hereby advised that any resale of Offer Shares must be made in accordance with the registration requirements of the Securities Act or otherwise pursuant to an available exemption from such registration requirements.

No determination has been made as to whether the Company has been, is, or will become a passive foreign investment company (**"PFIC"**) within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended, for U.S. federal income tax purposes. No analysis has been undertaken to determine if the Company is a PFIC, and if the Company has been, is, or will be treated as a PFIC in any taxable year U.S. taxpayers that hold the Offer Shares (directly and, in certain cases, indirectly) may be subject to significant adverse tax consequences. *The PFIC rules are complex. Prospective purchasers should consult their own tax advisors regarding the U.S. federal, state and local tax implications to them of acquiring the Offer Shares.*

By submitting a bid in connection with the Offer, each broker will also be deemed to have read and understood the Notice in its entirety and accepted and complied with the terms and conditions set out in the Notice. In addition, each broker, except for the Seller's Broker, will be deemed to have represented that it is located outside the United States and that none of it, its affiliates (as defined in Rule 405 under the Securities Act) or any person acting on its or their behalf has (a) engaged or will engage in any "directed selling efforts" (as defined in Regulation S) in connection with the offer or sale of the Offer Shares, (b) engaged or will engage in any form of "general solicitation" or "general advertising" (each, within the meaning of Regulation D under the Securities Act) or (c) offered or will offer and sell the Offer Shares except outside the United States in reliance upon Regulation S or within the United States to persons reasonably believed to be QIBs in transactions exempt from the registration requirements of the Securities Act.

Except for the Seller's Broker, no broker may solicit bids for the Offer Shares or accept orders for bids for the Offer Shares from persons in the United States.

By submitting a bid in connection with the Offer or receiving any Offer Shares, each Bidder will be deemed to have (a) read and understood the Notice in its entirety, (b) accepted and complied with the terms and conditions set out in the Notice, and (c) made the representations, warranties, agreements and acknowledgements set out in (i) or (ii) immediately below, as appropriate:

(i) Persons Outside the United States

- It understands that the Offer Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and are being offered and sold to it in a transaction that does not require registration under the Securities Act;
- (i) It was outside the United States (within the meaning of Regulation S) at the time the offer of the Offer Shares was made to it and it was outside the United States when its purchase order for the Offer Shares was originated and (ii) If it is a broker-dealer outside the United States acting on behalf of its customers, each of its customers has confirmed to it that such customer was outside the United States at the time the offer of the Offer Shares was made to it and such customer was outside the United States when such customer's buy order for the Offer Shares was originated;
- It did not submit a bid for and will not be acquiring the Offer Shares as a result of any "directed selling efforts" (as defined in Regulation S);
- It is buying the Offer Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Offer Shares, it agrees that it will not offer, sell, pledge or otherwise transfer the Offer Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to another available exemption from the registration requirements under the Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India;
- It is not an affiliate (as defined in Rule 405 under the Securities Act) of the Company or a person acting on behalf of an affiliate of the Company;
- Where it is submitting a bid as fiduciary or agent for one or more investor or managed accounts, it represents and warrants that it was authorized in writing by each such managed account to purchase the Offer Shares for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgments herein for and on behalf of each such account, reading the reference to 'it' to include such accounts;
- The placing of orders for the purchase of the Offer Shares and resultant purchase on successful allocation is and will be lawful under the laws of the jurisdictions in which it places such orders to purchase Offer Shares, in which it is resident, and in which the sale and purchase of the Offer Shares is consummated, including under all applicable Indian laws, regulations and guidelines, including the OFS Guidelines;
- It will not hold or seek to hold the Seller or the Seller's Broker or any of their respective affiliates responsible or liable for any misstatements in or omissions from any publicly available information concerning the Company or the Offer or otherwise responsible or liable in any manner whatsoever in respect of any losses incurred in connection with transactions entered into by the brokers acting on its behalf in connection with the purchase of the Offer Shares;
- It agrees to indemnify and hold the Seller and the Seller's Broker harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Offer Shares; and
- It acknowledges that the Seller and the Seller's Broker and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements and agrees that if any of such representations, warranties, agreements and acknowledgements is no longer accurate it will promptly notify the Seller.

Any resale or other transfer, or attempted resale or other transfer, of the Offer Shares made other than in compliance with the above-mentioned restrictions shall not be recognized by the Company.

(ii) Persons in the United States

- It understands that the Offer Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and that the offer and sale of the Offer Shares to it is being made in reliance on Rule 144A or another available exemption from the registration requirements of the Securities Act and in accordance with any applicable state securities laws;
- (i) It is a QIB and is purchasing Offer Shares for its own account or for the account of another QIB and (ii) is aware that the Offer Shares are being sold to it in reliance on the exemption from registration provided by Rule 144A under the Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- It did not submit a bid for and will not be acquiring the Offer Shares as a result of any general solicitation or general advertising (within the meaning of Rule 502(c) under the Securities Act);
- It represents and warrants that it is buying the Offer Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, sell, pledge or otherwise transfer any of the Offer Shares, it agrees that it will only offer, sell, pledge or otherwise transfer such Offer Shares (a) in the United States (i) to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iii) pursuant to another available exemption from the registration requirements of the Securities Act, or (iv) pursuant to an effective registration statement under the Securities Act, or (b) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, in each case in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India. Except for sales made in accordance with Rule 903 or 904 of Regulation S, it will, and each subsequent purchaser is required to, notify any subsequent purchaser from it of the resale restrictions referred to in (a) above;
- It is not an affiliate (as defined in Rule 405 under the Securities Act) of the Company or a person acting on behalf of an affiliate of the Company;
- It represents that prior to acquiring the Offer Shares, it has all the information relating to the Company and the Offer Shares which it believes is necessary for the purpose of making its investment decision;
- It understands that Offer Shares purchased pursuant to Rule 144A or another available exemption under the Securities Act will be "restricted securities" within the meaning of Rule 144 under the Securities Act and it agrees that for so long as they remain restricted securities, it shall not deposit such Offer Shares into any unrestricted depository facility established or maintained by any depository bank;
- The placing of orders for the purchase of the Offer Shares and resultant purchase on successful allocation is and will be lawful under the laws of the jurisdictions in which it places such orders to purchase Offer Shares, in which it is resident, and in which the sale and purchase of the Offer Shares is consummated, including under all applicable Indian laws, regulations and guidelines, including the OFS Guidelines;
- Where it is submitting a bid as fiduciary or agent for one or more investor or managed accounts, it represents and warrants that it was authorised in writing by each such managed account to purchase the Offer Shares for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgments herein for and on behalf of each such account, reading the reference to 'it' to include such accounts;
- It will not hold or seek to hold the Seller or the Seller's Broker or any of their respective affiliates responsible or liable for any misstatements in or omissions from any publicly available information concerning the Company or the Offer or otherwise responsible or liable in any manner whatsoever in respect of any losses incurred in connection with transactions entered into by the brokers acting on its behalf in connection with the purchase of the Offer Shares;
- It agrees to indemnify and hold the Seller and the Seller's Broker harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Offer Shares;
- Where it is submitting a bid as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein;
- It acknowledges that the Seller and the Seller's Broker and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements and agrees that if any of such representations, warranties, agreements and acknowledgements is no longer accurate it will promptly notify the Seller.

Any resale or other transfer, or attempted resale or other transfer, of the Offer Shares made other than in compliance with the above-mentioned restrictions shall not be recognized by the Company.

This advertisement and the Notice are not for publication or distribution, in whole or in part, in the United States, except that the Seller's Broker may send copies of this Notice to persons in the United States who they reasonably believe to be QIBs.

Thanking You,
Yours faithfully,
On behalf of Shah Family Trust
Sd/-
Dr. Vikram Shah
Trustee of Shah Family Trust

Date : April 23, 2021
Place : Ahmedabad

Quick View

Armenian PM quits to enable snap election

ARMENIA'S PRIME MINISTER has resigned, a step necessary to hold snap parliamentary elections. Prime Minister Nikol Pashinyan announced the June 20 elections last month to try to resolve tensions after last year's defeat in a war with Azerbaijan.

8 cops injured in London protest

EIGHT POLICE OFFICERS were injured and five people were arrested during an anti-lockdown protest that involved clashes in central London, the Metropolitan Police said. Protesters marched along Oxford Street and other areas before gathering at Hyde Park.

5 held in police station attack

FRENCH AUTHORITIES DETAINED a fifth person on Sunday in an anti-terrorism investigation to identify accomplices and motives after a police official was fatally stabbed at a police station outside Paris. Police had killed the Tunisian attacker.

WEEKEND TRAGEDY

82 killed in fire at Baghdad hospital

SAMYA KULLAB
Baghdad, April 25

The fire at the Ibn al-Khatib hospital in Baghdad was caused by an oxygen tank explosion. REUTERS

IRAQ'S INTERIOR MINISTRY said on Sunday that 82 people died and 110 were injured in a catastrophic fire that broke out in the intensive care unit of a Baghdad hospital tending to severe coronavirus patients.

Negligence on the part of hospital authorities has been blamed for the Saturday night fire, which initial reports suggest was caused when an oxygen cylinder exploded in the ward of Ibn al-Khatib hospital. Iraq's prime minister fired key hospital officials, hours after the catastrophic incident.

Among the dead were at least 28 patients on ventilators battling severe symptoms of the virus, tweeted Ali al-Bayati, a spokesman for the country's independent Human Rights Commission. The commission is a semi-official body.

Firefighters rushed to battle the flames that raged across the second floor of the hospital. Civil defense teams put out flames until the early hours of the morning. Ambulances transported dozens of wounded. The health ministry said at least 200 people were rescued from the scene.

Doctors at the scene were frazzled by the chaos unfolding around them. They said numerous burned bodies were carried out by paramedics from the hospital floor.

The fire came as Iraq grapples with a severe second wave of the coronavirus pandemic. Daily virus cases now average around 8,000, the highest since Iraq began recording infection rates early last year. In response to the fire, Prime Minister Mustafa al-Kadhimi fired the director-general of the Baghdad health department in the al-Rusafa area, where the hospital is located. He also fired the director of Ibn al-Khatib Hospital and its director of engineering and maintenance, according to a statement from the health ministry and his office.

After the fire first broke out, Al-Khadhimi held an emergency meeting at the headquarters of the Baghdad Operations Command, which coordinates Iraqi security forces, according to a statement on his Twitter account.

In the meeting he said the incident amounted to negligence. "Negligence in such matters is not a mistake, but a crime for which all negligent parties must bear responsibility," he said. He gave Iraqi authorities 24 hours to present the results of an investigation.

UN envoy to Iraq Jeannine Hennis-Plasschaert expressed "shock and pain" over the incident in a statement and called for stronger protection measures in hospitals.

— ASSOCIATED PRESS

Germany faces lockdown until June as curbs fail to bring down cases

REUTERS
Berlin, April 25

GERMANY'S CORONAVIRUS INFECTION rate rose at the weekend despite stricter restrictions and finance minister Olaf Scholz said he did not expect moves to ease curbs before the end of May.

"We need a timetable how to get back to normal life, but it must be a plan that won't have to be revoked after just a few days," Scholz told Bild am Sonntag.

The federal government should be able to outline "clear and courageous opening steps" for the summer by the end of May, allowing restaurants to adjust reopening plans and citizens to plan holidays, he said.

Scholz said the steps would also clarify when visits to concerts, theatres and soccer stadiums would be possible.

A police car drives along Warschauer Street in Berlin as a night-time curfew continues on Sunday REUTERS

Chancellor Angela Merkel on Saturday urged Germans to stick to tougher rules imposed in areas with high infection rates, saying measures imposed at the weekend were needed to break a third wave of infections.

Germany is struggling to contain infections, complicated by the more contagious B117 variant that first emerged in Britain. It also follows a relatively slow start to Germany's vaccination campaign. Germany's seven-day average of cases per 100,000 people rose to 166 at the weekend, the Robert Koch Institute said on Sunday.

Parliament approved amendments to the Infection Protection Act last week to give the federal government more powers in the pandemic. Merkel drew up the changes after some of the 16 federal states refused to implement tougher measures.

The new law enables the government to impose curfews between 10 pm and 5 am in districts where cases exceed 100 per 100,000 residents on three consecutive days.

The rules also include stricter limits to private gatherings and shopping. Schools will have to close and return to online lessons if cases reach 165 per 100,000 residents on three consecutive days.

Half of British population has had first jab

REUTERS
London, April 25

The United Kingdom has reached another Covid-19 vaccination milestone with over half of the population having had at least one injection, health secretary Matt Hancock said on Saturday.

Official data showed a total of 33.51 million people in the UK have received the first dose, with more than 12 million people having been given both.

"It's a brilliant milestone," Hancock said in a clip on Twitter.

The UK's official population is 66.8 million, the department of health and social Care said. Britain's vaccine rollout, which has raced ahead of countries in the European Union, means it is on track to ease lockdown measures and re-open the economy in line with its plan.

"This vaccination programme is our way out of this pandemic," Hancock said.

Officials also reported on Saturday a further 2,061 coronavirus cases and 32 deaths within 28 days of a positive test.

Biden calls 1915 massacres of Armenians 'genocide'

HUMEYRA PAMUK
Washington, April 25

US PRESIDENT JOE Biden said on Saturday that the 1915 massacres of Armenians in the Ottoman Empire constituted genocide, a historic declaration that infuriated Turkey and further strained frayed ties between the two NATO allies.

The largely symbolic move, breaking away from decades of carefully calibrated language from the White House, was welcomed by the Armenian diaspora in the United States, but comes at a time when Ankara and Washington grapple with deep policy disagreements over a host of issues.

Turkey's government and most of the opposition showed rare unity in their rejection of Biden's statement. Foreign minister Mevlut Cavusoglu said Turkey "entirely rejects" the US decision, which he said was based "solely on populism," while the opposition denounced it as a "major mistake".

Biden's message was met with "great enthusiasm" by the people of Armenia and Armenians worldwide, Armenian Prime Minister Nikol Pashinyan wrote in a letter to the US president.

In his statement, Biden said the American people honour "all those Armenians who perished in the genocide that began 106 years ago today".

"Over the decades Armenian immigrants have enriched the United States in countless ways, but they have never forgotten the tragic history," Biden said. "We honour their story. We see that pain. We affirm the history. We do this not to cast blame but to ensure that what happened is never repeated."

In comments that sought to soften the blow, a senior administration official said Washington continued to see Turkey as a critical NATO ally and was encouraging Armenia and Turkey to pursue reconciliation.

For decades, measures recognising the Armenian genocide stalled in the US Congress and most US presidents have refrained from calling it that, stymied by concerns about relations with Turkey and intense lobbying by Ankara. Ronald Reagan, the former US president from California, a hub for the Armenian diaspora in the United States, had been the only US president to publicly call the killings genocide.

Turkey accepts that many Armenians living in the Ottoman Empire were killed in clashes with Ottoman forces during World War I, but contests the figures and denies the killings were systematically orchestrated and constitute a genocide.

Ties between Ankara and Washington have been strained over issues ranging from Turkey's purchase of Russian S-400 air defense systems, over which it was the target of US sanctions, to policy differences in Syria, human rights and a court case targeting Turkey's state-owned Halkbank.

Turkey's President Tayyip Erdogan had established a close bond with former US President Donald Trump, but since Biden took over, Washington has grown vocal about Turkey's human rights track record.

Biden had also delayed having a telephone conversation with Erdogan until Friday — seen largely as a cold shoulder to the Turkish president — when he informed him of his decision to recognise the massacres as genocide. — REUTERS

Turkey summons American ambassador over remarks

TURKEY'S FOREIGN MINISTRY has summoned the US Ambassador in Ankara to protest the US decision to mark the deportation and killing of Armenians during the Ottoman Empire as genocide. Deputy foreign minister Sedat Onal met with David Satterfield late on Saturday to express Ankara's strong condemnation. "The statement does not have legal ground in terms of international law and has hurt the Turkish people, opening a wound that's hard to fix in our relations," the ministry said.

Turkish President Recep Tayyip Erdogan and Biden spoke on the phone on Friday for the first time since the US elections. Ibrahim Kalin, the spokesman to the president, tweeted on Sunday: "President Erdogan opened Turkey's national archives & called for a joint historical committee to investigate the events of 1915, to which Armenia never responded. It is a pity @POTUS has ignored, among others, this simple fact and taken an irresponsible and unprincipled position." — AP

Myanmar activists slam ASEAN-junta consensus, vow to continue protests

REUTERS
April 25

MYANMAR'S PRO-DEMOCRACY ACTIVISTS sharply criticised an agreement between the country's junta chief and Southeast Asian leaders to end the nation's violent post-coup crisis and vowed on Sunday to continue their protest campaign.

Scattered peaceful protests took place in Myanmar's big cities on Sunday, a day after the meeting of the Association of Southeast Asian Nations (ASEAN) with Senior General Min Aung Hlaing in Jakarta, Indonesia, reached a consensus to end the turmoil in the country, but gave no timeline.

"Whether it is ASEAN or the UN, they will only speak from outside saying don't fight but negotiate and solve the issues. But that doesn't reflect Myanmar's ground situation," said Khin Sandar from a protest group called the General Strikes Collaboration Committee. "We will continue the protests. We have plans to do so," she told Reuters by phone.

Anti-coup protesters march with a banner that reads 'ASEAN respect our vote' in Yangon on Saturday AP

According to a statement from ASEAN chair Brunei, a consensus was reached in Jakarta on five points: ending violence, a constructive dialogue among all parties, a special ASEAN envoy to facilitate the dialogue, acceptance of aid, and a visit by the envoy to Myanmar. The five-point consensus did not mention political prisoners, although the chairman's statement said the meeting "heard calls" for their release.

ASEAN leaders had wanted a commitment from Min Aung Hlaing to restrain his security forces, which the Assistance Association for Political Prisoners (AAPP) says have killed 748 people since a mass civil disobedience movement erupted to challenge his February 1 coup against the elected government of Aung San Suu Kyi. AAPP, a Myanmar activist group, says over 3,300 are in detention.

"We realised that whatever the outcome from the ASEAN meeting, it will not reflect what people want," said Wai Aung a protest organiser in Yangon. "We will keep up protests and strikes till the military regime completely fails."

Several people took to social media to criticise the deal. "ASEAN's statement is a slap on the face of the people who have been abused, killed and terrorised by the military," said a Facebook user called Mawchi Tun. "We do not need your help with that mindset and approach."

Aaron Htwe, another Facebook user, wrote: "Who will pay the price for the over 700 innocent lives."

EU says China endangering South China Sea peace

YEW LUN TIAN
Beijing, April 25

THE EUROPEAN UNION called out China on Saturday for endangering peace in the South China Sea and urged all parties to abide by a 2016 tribunal ruling which rejected most of China's claim to sovereignty in the sea, but which Beijing has rejected.

The EU last week released a new policy aimed at stepping up its influence in the Indo-Pacific region to counter China's rising power. The Philippines on Friday protested to China over its failure to withdraw what it called as "threatening" boats believed to be manned by maritime militia around the disputed Whitsun Reef, which Manila calls the Julian Felipe Reef.

"Tensions in the South China Sea, including the recent presence of large Chinese vessels at Whitsun Reef, endanger peace and stability in the region," an EU spokesperson said on Saturday.

China rejected the EU's accusation that its ships at Whitsun Reef, which China calls Niu'E Jiao, had endangered peace and security. The Chinese Mission to the EU in a statement on Saturday reiterated that the reef is part of China's Nansha Islands, or Spratly Islands.

The Chinese statement also insisted that China's sovereignty, rights and interests in the South China Sea were formed in the "long course of history and consistent with international law" and rejected the 2016 tribunal ruling as "null and void". — REUTERS

53 crew of lost Indonesia submarine dead

ASSOCIATED PRESS
Banyuwangi, April 25

INDONESIA'S MILITARY ON Sunday officially said all 53 crew members from a submarine that sank and broke apart last week are dead, and that the search teams had located the wreckage on the ocean floor.

The grim announcement comes a day after Indonesia said the submarine was considered sunk, not merely missing, but did not explicitly say whether the crew was dead. Officials had also said the KRI Nanggala 402's oxygen supply would have run out early on Saturday, three days after the vessel went missing off the resort island of Bali.

An underwater robot equipped with cameras found the lost submarine was lying in at least three pieces on the ocean floor at a depth of 838 metre

"We received underwater pictures that are confirmed as the parts of the submarine, including its rear vertical rudder, anchors, outer pressure body, embossed dive rudder and other ship parts," military chief Hadi Tjahjanto told reporters in Bali on Sunday. "With this authentic evidence, we can declare that KRI Nanggala 402 has sunk and all the crew members are dead," Tjahjanto said.

An underwater robot equipped with cameras found the lost submarine was lying in at least three pieces on the ocean floor at a depth of 838 metres, said Adm. Yudo Margono, the navy's chief of staff.

That's much deeper than the KRI Nanggala 402's collapse depth of 200 metres, at which point water pressure would be greater than the hull could withstand, according to earlier navy statements. The wreckage is located 1,500 metres to the south of the site where the submarine last dove on Wednesday, off Bali's northern coast, Margono said.

The underwater robot was deployed by Singaporean vessel MV Swift Rescue provided the images, while the Indonesian vessel KRI Rigel had scanned the area where the submarine was believed to have sunk, using multibeam sonar and a magnetometer, Tjahjanto said.

The cause of the disappearance was still uncertain.

Johnson defended over 'sleaze' amid row with Cummings

EMILY ASHTON
April 25

A UK GOVERNMENT minister defended Prime Minister Boris Johnson over mounting allegations of sleaze, as the premier's team prepares for a fresh round of potentially damaging claims from his former top aide.

International trade secretary Liz Truss dismissed claims from Dominic Cummings as a "complete load of Westminster tittle-tattle" and said the premier had always "acted in the interests of this country".

She was speaking to broadcasters on Sunday after Cummings published an explosive blog accusing Johnson of seeking to halt a leak inquiry into who disclosed plans for November's national lockdown because he feared it would implicate a close friend of his fiancée.

He also alleged Johnson planned to have secret donors pay for a renovation to his official Downing Street apartment, which Cummings said would have been "unethical" and "foolish".

His allegations come at a highly sensitive time for the government amid ongoing rows involving lobbying by former prime minister David Cameron on behalf of Greensill Capital, private text messages between Johnson and business leaders, and claims that contracts were awarded to firms during the pandemic without proper scrutiny.

Johnson's office is now readying itself for more criticism from Cummings when he appears at a parliamentary committee on May 26 about the government's handling of Covid-19.

Boris Johnson and Dominic Cummings (right)

Any accusations from Cummings are highly significant; he was at the heart of government following his key strategic role in Britain's exit from the European Union, which ultimately led to Johnson winning a landslide general election victory in December 2019.

Cummings was the premier's chief adviser when the pandemic hit last year, but resigned in November after a tumultuous period in which he clashed with other officials, ripped up conventions of government, and sparked a national outcry with a 400-km road trip at the height of the first lockdown.

The sleaze row threatens to dominate the final week of campaigning ahead of key local and mayoral elections on May 6, and comes as the Conservative government seeks to capitalise on giving a first coronavirus vaccine dose to over half the population.

Truss defended Johnson following Cummings' claims, telling Times Radio that the leak inquiry into revelations over the November lockdown was "ongoing" and no conclusions had yet been reached.

She said Johnson had "personally" met the cost of the refurbishment to his apartment. "Everything has been done under the rules," she told Sky News. But she failed to answer questions on whether Johnson had asked Conservative Party donors to pay the cost.

The main opposition Labour party is seeking to force a senior minister to the House of Commons on Monday to answer questions on the issue. "The stench of sleaze coming from the Conservatives is overwhelming," deputy leader Angela Rayner said in an emailed statement.

— BLOOMBERG

Hong Kong-Singapore air travel bubble from May 26

BLOOMBERG
April 25

HONG KONG AND Singapore will announce a start to their highly anticipated two-way air travel bubble as soon as Monday, according to people familiar with the matter, after multiple delays.

Flights under the agreement — which allows people to travel quarantine free between the financial hubs — will begin from May 26, said the people, who asked not to be identified as they're not authorised to speak publicly. The number of flights will be increased by June 26 if there aren't further outbreaks in either city, one of the people said.

Hong Kong and Singapore have been working on the creation of a travel corridor for months after plans for a November start were shelved due to a virus flareup in the Chinese territory.

A plan to announce its revival last week was also cancelled at the last minute by the Singapore side, people familiar with the matter said at the time.

The Hong Kong government said a discussion with Singapore on the re-launch "is at an advanced stage and the government will make announcement as soon as practicable." Singapore's transport ministry referred Bloomberg News to its most recent press release on the matter.