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Rise in inflation ahead, expect gradual policy normalisation from Q4'21

S SUBRAMANIAN

The NDA has failed to do its job on the economy, we now need big job-creating schemes

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Will build a book of ₹2,000 cr via ECLGS, says SBI's Khara

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OPPOSITION HEAT

Netanyahu in last-minute bid to scupper 'deal' to unseat him

NEW DELHI, MONDAY, MAY 31, 2021

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FINANCIAL EXPRESS

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READ TO LEAD

IN THE NEWS

Monsoon delayed, likely to hit Kerala by June 3: IMD

THE ARRIVAL of southwest monsoon over Kerala is likely to be delayed by two days and it is now expected to make an onset over the state by June 3, the India Meteorological Department (IMD) said on Sunday, reports PTI. However, Skymet Weather, a private forecasting agency, said monsoon has already made an onset over Kerala.

Covid: Additional benefits under EPFO, ESIC

THE MINISTRY of labour and employment on Sunday announced additional benefits for workers through social securities schemes run by the EPFO and the ESIC amid the Covid-19 pandemic, reports PTI.

GST compensation amount should be higher: States

THE COMPENSATION amount promised by the Centre is estimated to be higher than the ₹1.58 lakh crore projected by the Centre, and a special session of the GST Council will be convened to discuss it, three Opposition-ruled states said on Sunday, reports PTI.

ECONOMIC TRAVAILS

Nascent recovery disrupted; consumption needs big push

Govt seen front-loading Budget spending and CPSE capex, but these steps may have only limited efficacy

FE BUREAU
New Delhi, May 30

TWO MONTHS INTO the fiscal FY22 and three months since the release of the second advance estimate of GDP for FY21, it is now apparent with the second Covid wave that the economy's nascent, pigeon-holed recovery from the trough seen in the first quarter of last fiscal has been disrupted again. The timing and extent of the pullback are still being unfolded — today's data for Q4FY21 will provide more hints on it.

With labour wage growth lagging return on capital, consumption recovery is impeded. The policymakers seem to have erred in anticipating a broad-based investment-led recovery.

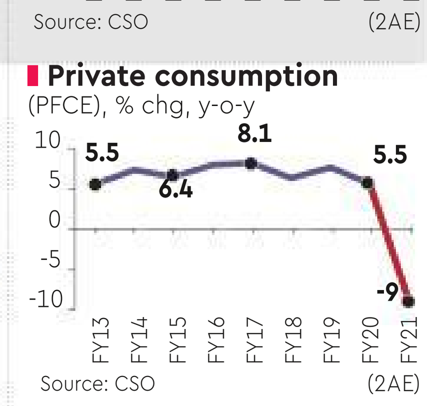
Weighed down by a heavy debt burden caused by several quarters of augmented spending unmatched by non-debt receipts, the general government has limited medium-term options. Other engines of the economy need to start firing sooner rather than later, but that has been wishful thinking for quite some time. A front-loading of budgetary expenditure and CPSE capex appears to be the government's short-term plan to salvage the situation.

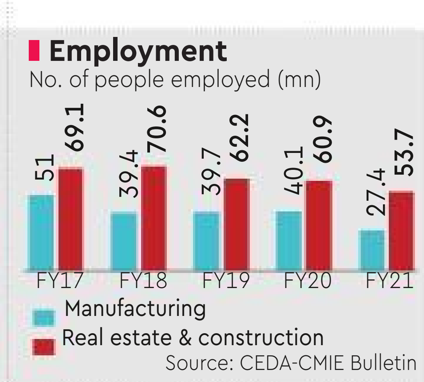
The March quarter may come on a par with or slightly better than the National Statistical Office's (NSO) latest estimate — it had predicted gross value added (GVA) expansion of 2.5% in Q4FY21, though the GDP was seen contracting by 1.1% due to back-ended release of subsidies. Icra and SBI Ecowrap recently predicted a slightly better Q4. The GVA and GDP had grown at 1% and 0.4%, respectively, in Q3FY21, regaining some lost steam after two straight quarters of deep contraction.

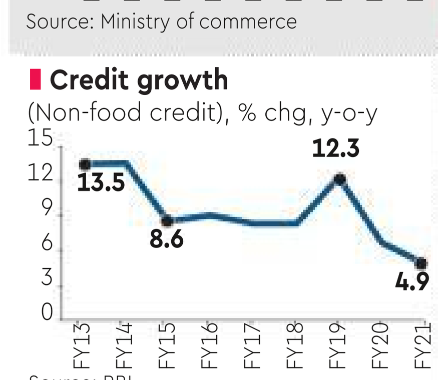
But, the current quarter, shattered by the savage second Covid wave, would have the benefit of just a very favourable base, not much else. And uncertainty looms large in the path ahead, with Covid spread not being contained expeditiously and the vaccination pace being disconcerting. Economy's long-term growth potential is significantly impaired.

As the charts show, the downward slide of the economy turned sharper since FY19.

Continued on Page 2







Nominal GDP as per 2nd advance estimates, gross tax as per FY21 (RE);
Source: CSO, Budget documents, CGA

REGULATING APPS

Messaging to be free, but calls may come under licensing

WhatsApp, other apps will have to provide legal interception of calls to security agencies

FE BUREAU
New Delhi, May 30

THE GOVERNMENT IS contemplating bringing under regulation the call services part of apps such as WhatsApp, Skype, Facetime and Viber, etc, while leaving the messaging part to be covered under the intermediary rules which came into force from May 26.

In essence, this means the messaging part of such apps will not be brought under any regulatory framework, but the companies will need to take licence from the government for providing local or national long distance (NLD) calls.

What needs to be seen is how such a segregation between calling and messaging services will be done.

Under the licensing framework, such firms need to provide legal interception of calls to security agencies, which currently applies to telecom operators.

Continued on Page 4

IN THE WORKS

- A DoT panel had recommended in 2015 for **bringing app calls under regulation**
- What needs to be worked out is how **segregation between calling and messaging services** would be done
- Under licensing framework, Apps would need to **provide legal interception of calls** to security agencies
- They would also **need to pay an annual licence fee** to the government
- Trai had in **2020 recommended against regulation** of OTTs
- The govt is likely to **reject its recommendations**

Doubling farmer income by FY23 tough as states delay reforms

Ramesh Chand, NITI Aayog

GROWTH IN agriculture GVA in FY22 will likely exceed the expansion seen last year on higher prices of crops and anticipated normal and well-distributed monsoon, according to NITI Aayog member **Ramesh Chand**. *In an interview with* **Prasanta Sahu** *and* **Prabhudatta Mishra**, *he said: "Except in a few, little or no progress is seen at state level to bring reforms in agri policies and system of marketing. This is a big setback to achieving the goal of doubling farmers' income by FY23." Chand, for the first time, also said due to public sensitivity towards GM food, domestic research should focus on matching the same productivity level through non-GM technologies.* Interview on Pg 3

EXIT MODE

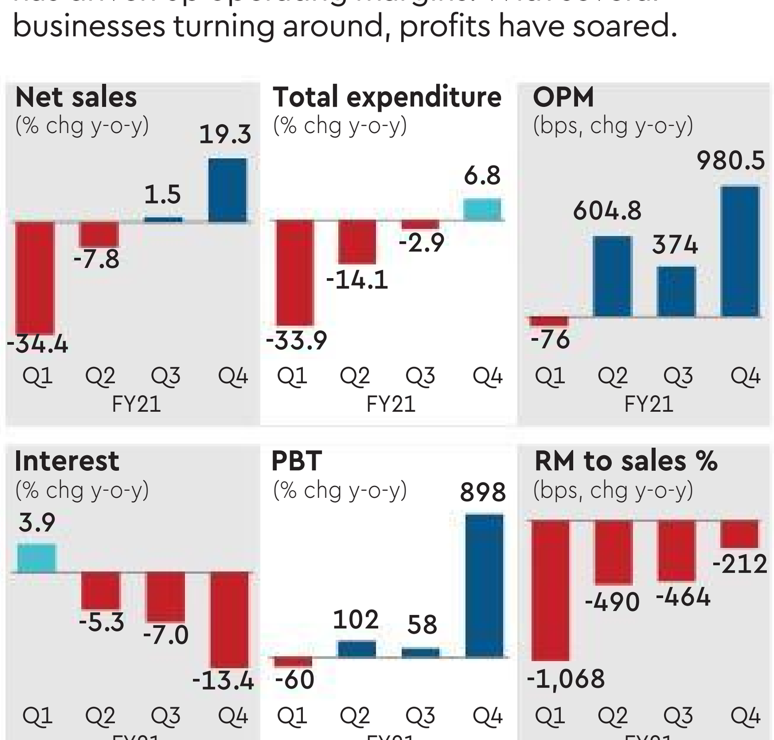
Migrant workers wait to board a train outside a railway station during a Covid-induced lockdown, in Hyderabad on Sunday

Earnings corner

FE BUREAU

Profits soar, more turnarounds

India Inc's performance has been characterised by strong sales and heavily curtailed expenditure that has driven up operating margins. With several businesses turning around, profits have soared.



Sample of 779 companies (excluding banks & financials) Source: Capitaline

INTEREST PAYMENTS

Centre's soaring debt may curb productive spending

BANIKINKAR PATTANAYAK
New Delhi, May 30

INDIA'S ELEVATED GENERAL government debt of about 90% of gross domestic product (GDP) in the wake of the Covid-19 outbreak can potentially inflate interest payments and impair the ability of the Centre as well as states to boost productive spending, economists and senior executives at global rating agencies told *FE*.

Given the damage caused by the second wave, some economists expect the FY22 fiscal deficit to exceed the 6.8% target by as much as one percentage point.

The need of the hour, therefore, is to rekindle growth impulses fast, which will bolster revenue mop-up and enable the country to pare down its debt, they stressed. This must also be followed up with a credible road map, which should be more sacrosanct than the oft-relaxed FRBM rules, to reduce debt.

Expeditious containment of the second wave and effective implementation of structural reforms, especially in factors of production, are key to the country's growth objectives, some of them said. Else, given the parlous state of finances, any threat to GDP growth outlook will only weigh down debt affordability.

According to the IMF data, from a peak of 84.2% of GDP in 2003 (since liberalisation), the general government debt ratio eased to 66% by 2010, before inching up again to reach 73.9% in 2019.

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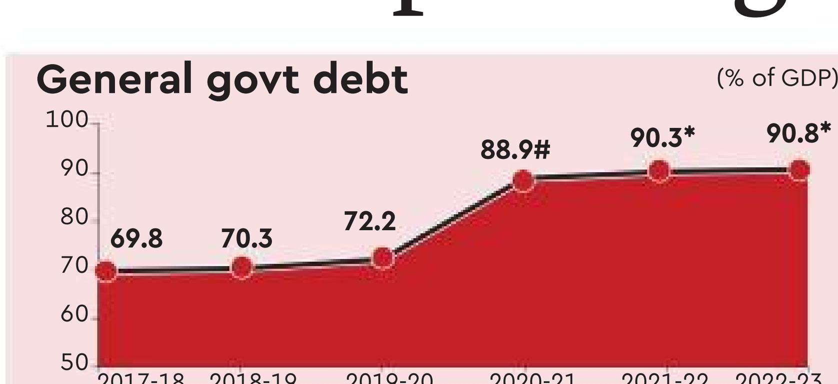
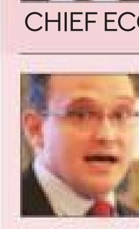
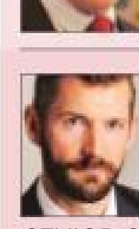


#Estimated; *Forecast Source: Moody's

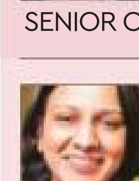
...the interest payment will remain at elevated levels and crowd out more productive spending. FY22 fiscal deficit may rise to 7.8% from the targeted 6.8%. **—M GOVINDA RAO,** CHIEF ECONOMIC ADVISER, BRICKWORK RATINGS



We do not foresee India's debt ratio declining to its pre-pandemic (FY20) level of 73.9% in the next 5 years. **—JEREMY ZOOK,** DIRECTOR (SOVEREIGN RATINGS), FITCH



Debt affordability will remain relatively weak with interest payments reaching 28% of general government revenue in 2021, the highest among Baa-rated peers. **—WILLIAM FOSTER,** V-P & SENIOR CREDIT OFFICER (SOVEREIGN RISK), MOODY'S



Revenues may take a hit in Q1 FY22...(but) we should see a bounce in tax mop-up thereafter. A key risk is any delay to disinvestment plans due to second wave. **—SONAL VARMA,** CHIEF ECONOMIST, INDIA AND ASIA (EX-JAPAN), NOMURA

QuickPicks

Banks move SC against RTI disclosure, seek direction to RBI

THE SUPREME Court will consider in July petitions filed by various banks, including SBI and HDFC Bank, seeking a direction to the Reserve Bank of India (RBI) to exempt information related to their customers, trade secrets, risk ratings, any unpublished price-sensitive information from the Right to Information Act, reports **Indu Bhan** in **New Delhi**. A Bench led by Justice L Nageswara Rao posted the matter for hearing in July first week. The SC had last month revived its 2015 judgment making it necessary for RBI to disclose financial information related to private and public banks under the RTI Act. PAGE 2

COVID-19

Will be able to make & supply 10 cr Covishield doses in June: SII to govt

PRESS TRUST OF INDIA
New Delhi, May 30

SERUM INSTITUTE OF India (SII) has informed the government that it will be able to manufacture and supply 9-10 crore doses of Covishield in June, official sources said on Sunday amid complaints by states about the shortage of anti-coronavirus jabs.

In a recent letter to Union home minister Amit Shah, SII said its employees have been working round the clock in spite of various challenges because of the pandemic.

"We are pleased to inform that in the month of June we will be able to manufacture and supply nine to 10 crore doses of our Covishield vaccine to the country as compared to our production capacity of 6.5 crore doses in May," Prakash Kumar Singh, the director of government and regulatory affairs at SII, said in the letter.

Singh also thanked Shah for his "valuable guidance and continuous support" at various stages of their endeavour to make India 'aatmanirbhar' (self-sufficient) in Covid-19 vaccines and making it available for the people of the country.

Continued on Page 2

- In early May, SII had said Covishield production will be ramped up to **6.5 crore** in June, **7 crore** in July, and **10 crore** each in Aug and Sept

- India is currently using **made-in-India vaccines** — Covishield manufactured by SII and Covaxin of Bharat Biotech — in its immunisation programme
- The Russian Sputnik V is the **third vaccine to get approval** and is currently being used in a few private hospitals

At 1.65 lakh cases, lowest daily spike in 46 days

PRESS TRUST OF INDIA
New Delhi, May 30

INDIA RECORDED A single-day rise of 1,65,553 new Covid-19 cases, lowest in 46 days, taking the country's infection tally to 2,78,94,800, according to Union health ministry data updated on Sunday.

The daily positivity fell to 8.02%, remaining below the 10%-mark for the sixth consecutive day, while the weekly positivity rate fell to 9.36%, it said.

The death toll climbed to 3,25,972 with 3,460 fatalities being recorded in a span of 24 hours, the data updated at 8 am showed. Also, 20,63,839 Covid-19 tests were conducted in the country on Saturday, taking the total number of such exams so far to 34,31,83,748, the ministry said.

HARD TIMES

Second Covid wave dents ad spend on out-of-home media

VENKATA SUSMITA BISWAS
Mumbai, May 30

THE OUTDOOR MEDIA industry has once again lost favour with marketers as various states in the country have imposed restrictions on the movement of public in view of the second wave of the Covid-19 pandemic.

Atul Shrivastava, CEO, Laqshya Media Group, says since April business has declined by 60-70%. This recent setback could shave off about 20% of the industry's revenue in 2021, he says.

The onset of the pandemic dealt a heavy blow to OOH (out-of-home) media in 2020, resulting in a 60% de-growth, according to the Ficci-EY Media & Entertainment Report 2021. The industry earned revenue of ₹1,560 crore in 2020 and the report estimated that the industry will not return to its pre-Covid levels before 2024. In 2021, marketers are expected to spend about ₹2,160 crore on OOH advertising. In 2019, the industry was worth as much as ₹3,910 crore.

Several brands in the automotive, real-estate and FMCG categories had begun to invest in OOH advertising earlier this year.

"There were encouraging signs of recovery in the last month of the previous year and the first two months of 2021, but with the situation worsening and almost the entire country going into lockdown mode, the sentiments are at an all-time low again," says Fabian Trevor Cowan, country head, Posterscope India. As the intensity of the second wave is much larger than the first, "brands have put most activities on hold or have postponed it till further clarity on the situation", says Cowan.

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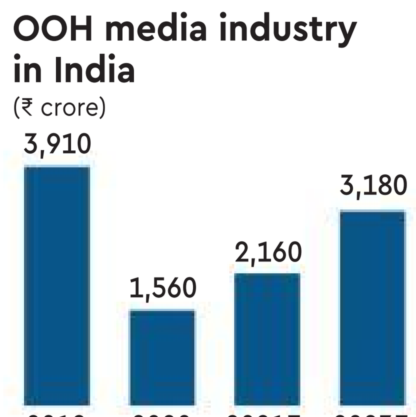

E: estimate; Source: Ficci-EY Media and Entertainment Report 2021, Pitch Madison Report 2021

₹3L-cr scheme: Now, guaranteed loans to set up O_2 plants

FE BUREAU
New Delhi, May 30

THE GOVERNMENT ON Sunday launched a new version of its ₹3-lakh-crore guaranteed loan programme, under which cheaper credit will be made available to hospitals for setting up on-site oxygen generation plants to fight the pandemic. It also allowed civil aviation companies, struggling to cope with the damage caused by the pandemic, to tap an earlier avatar of the Emergency Credit Line Guarantee Scheme (ECLGS) by expanding its scope.

The validity of the ECLGS has also been extended by three months through September 30 or until guarantees for the entire amount of ₹3 lakh crore are issued, the finance ministry said in a statement. Similarly, the last date of disbursement has been extended up to December 31. Detailed report on Page 2

Economy

MONDAY, MAY 31, 2021

EXPERT VIEW

Regulatory compliance is part of the business and good audit adds value to the business and the process is value accretive.

—Ved Jain, former president, ICAI

₹3-LAKH-CR SCHEME

Now, guaranteed loans to set up oxygen plants

FE BUREAU
New Delhi, May 30

THE GOVERNMENT ON Saturday launched a new version of its ₹three-lakh-crore guaranteed loan programme, under which cheaper credit will be made available to hospitals for setting up on-site oxygen generation plants to fight the pandemic.

It also allowed civil aviation companies, struggling to cope with the damage caused by the pandemic, to tap an earlier avatar of the Emergency Credit Line Guarantee Scheme (ECLGS) by expanding its scope.

The validity of the ECLGS has also been extended by three months through September 30 or until guarantees for the entire amount of ₹3 lakh crore are issued, the finance ministry said in a statement. Similarly, the last date of disbursement has been extended up to December 31.

By end-February, loans of ₹2.46 lakh crore were sanctioned under the scheme. The demand thereafter hasn't risen much, bankers say.

Under the ECLGS 4.0 announced on Saturday, the government will offer full guarantee on loans up to ₹2 crore to hospitals, nursing homes, clinics, medical colleges for setting up on-site oxygen generation plants. The interest rate on these loans has been capped at 7.5%.

The ministry also relaxed the tenure of the loan repayment and introduced more flexibilities. Borrowers who are eligible for restructuring as per the latest RBI guidelines and had availed of loans under ECLGS 1.0 can now repay in five years. They have to repay only interest in the first two years, which will be followed by the repayment of principal and residual interest in three years thereafter.

Prior to the move, the loan tenure was four years. Borrowers were supposed to pay only interest in the first year, followed by the repayment of principal and interest in three years after that.

Moreover, the new scheme has made a provision of extra ECLGS assistance of up to 10% of the outstanding as of February 29, 2020, to borrowers covered under ECLGS 1.0, in sync with restructuring under the RBI guidelines of May 5, 2021.

While allowing civil aviation companies to tap the ECLGS 3.0, the government also scrapped the extant ceiling of ₹500 crore of loan outstanding for eligibility under ECLGS 3.0. This is subject to a maximum additional ECLGS assistance of up to 40% or ₹200 crore, whichever is lower.

Earlier, the ECLGS 3.0 covered businesses in hospitality, travel and tourism, leisure and sporting sectors. Eligible companies must have had total credit outstanding not exceeding ₹500 crore as of February 29, 2020, and overdue, if any, was for 60 days or less, on that date.

"Modifications in ECLGS would enhance the utility and impact of ECLGS by providing additional support to MSMEs, safeguarding the livelihoods and helping in a seamless resumption of business activity. These changes will further facilitate the flow of institutional credit at reasonable terms," the finance ministry said.

Banks move SC against RTI disclosure, seek direction to RBI

INDU BHAN
New Delhi, May 30

THE SUPREME COURT will consider in July petitions filed by various banks, including SBI and HDFC Bank, seeking a direction to the Reserve Bank of India (RBI) to exempt information related to their customers, trade secrets, risk ratings, any unpublished price sensitive information from the Right to Information Act.

A Bench led by Justice L Nageswara Rao posted the matter for hearing in July first week.

The Supreme Court had last month revived its 2015 judgment making it necessary for RBI to disclose financial information related to private and public banks under the RTI Act.

It had dismissed a joint plea by the central government and 10 banks seeking a recall of the judgment in Jayantilal N Mistry (2015) that mandated RBI to disclose inspection reports of banks as well as details of willful defaulters on the grounds that the central bank had no fiduciary relationship with the banks.

In another attempt to wriggle out of the transparency law, the banks in their separate petition said that they being privy to sensitive information like personal details of its account holders, prospective loans and other financial transactions are required to keep such info confidential and maintain privacy as directed by the SC in the Justice KS Puttasamy vs UoI (Aadhar judgment), which recognises the fact that right to privacy is a sacrosanct facet of fundamental rights.

SBI should be able to build a book of ₹2k cr via expanded ECLGS, says Dinesh Khara

FE BUREAU
Mumbai, May 30

COUNTRY'S LARGEST LENDER State Bank of India's (SBI) chairman Dinesh Kumar Khara on Sunday said that as per preliminary assessment, the bank should be able to build a book of ₹2,000 crore through expanded emergency credit line guarantee scheme (ECLGS). Khara made this comment at a joint press conference of SBI and Indian Bank's Association (IBA) to launch standardised Covid loan products by public sector banks.

Earlier in the day, finance ministry had enlarged the scope of the ₹3 lakh crore ECLGS to cover loans up to ₹2 crore for setting up on-site oxygen generation plants at healthcare facilities and brought in the ailing civil aviation sector under its ambit.

Khara said that public sector banks have come up with three sets of products to build a 'Covid book' under Reserve Bank of India's (RBI) liquidity scheme and the ECLGS. The relief measures include a healthcare business loan for setting up oxygen plants, healthcare facilities and unsecured personal loans for Covid-19 treatment.

The rate of interest for business loans given for setting up oxygen plant under ECLGS will be capped at 7.5%, and the repayment can be done in five years. The banks have not specified rates for other healthcare facility loans. However, the rate of interest will stand at 8.5% at SBI, Khara said. Apart from it, borrowers can avail loans of ₹25,000 to ₹5 lakh for Covid-19 treatment with a tenure of five years.

IBA chairman Rajkiran Rai G said the products have been standardised with approvals from all public sector banks' boards last week.

He also said that customers opting for restructuring will have to apply for recast on the website or manually at a bank branch. RBI on May 5 had allowed lenders to carry out a fresh round of restructuring of retail and MSME accounts.

From the Front Page

Interest payments: Centre's soaring debt may curb productive spending

IN 2020, A deadly combination of a Covid-induced GDP contraction and massive borrowing to bolster spending inflated debt ratio to as high as 89.6%.

Jeremy Zook, director (sovereign ratings) at Fitch Ratings, told FE: "We do not foresee India's debt ratio declining to its pre-pandemic level of 73.9% in the next 5 years." Fitch had expected the FY22 debt ratio to decline by 2.5 percentage points from an estimated 90.6% in FY21. But this "will have to be reassessed" in the wake of the second wave, Zook said.

William Foster, vice-president & senior credit officer (sovereign risk) at Moody's, said: "(India's) Debt affordability will remain relatively weak with interest payments reaching about 28% of general government revenue in 2021, the highest among Baa-rated peers and more than three times the Baa median forecast of around 8%."

Foster expected debt to stabilise at around 92% of GDP by FY25, against 88.9% (Moody's estimate) in FY21. This is among the least optimistic projections of India's debt profile; some other agencies have forecast the burden to ease with a pick-up in economic growth.

Unsurprisingly, a sizeable chunk of resources goes towards interest payments, which shot up to 28.5% of general government revenue last fiscal from 22.9% in FY20. This is projected to drop to 27.5% in FY22 before rising again to 28.3% next fiscal, Moody's has said.

M Govinda Rao, a member of the 14th Finance Commission and current chief economic adviser at Brickwork Ratings, said: "Even if the 15th Finance Commission's consolidation path is strictly followed, the Centre's debt is expected to be reduced from 62.9% in FY21 to 56.6% in FY26. This implies that the interest payment will remain at elevated levels and continue to crowd out more productive expenditures."

The NK Singh-led FRBM panel had in 2017 suggested that the general government debt be capped at 60% of GDP by FY23. However, Singh, who also headed the 15th Finance Commission, recently said in interviews that given the unprecedented Covid crisis, the Centre and states can exceed their FRBM limits. But once the pandemic is dealt with, they must chart out a clear path to regain fiscal discipline, Singh said.

Any debt reduction road map, however, hinges on a spurt in economic growth. "Growth-enhancing structural reforms and addressing infrastructure gaps could boost the outlook if they are well-implemented in our view," Fitch's Zook said.

To be sure, debt ratios of economies around the world have surged in the aftermath of the pandemic. According to an IMF estimate, given the widening deficits and contraction in economic activity, debt worldwide surged to as much as 97% of GDP in 2020. It will rise to 99% in 2021 before stabilising below but close to 100% of GDP, he added. Importantly, the Economic Survey for FY20 pointed out that India's forex reserves of $584 billion as of January 15, 2021, were greater than its total external debt (even including that of the private sector) of $556 billion as of September 2020. Forex reserves have since swelled, hitting a record $593 billion as of May 21. "In corporate finance parlance, therefore, India resembles a firm that has negative debt, whose probability of default is zero by definition."

Moreover, with an eye on growth, the government has budgeted an impressive 26.2% hike in capital expenditure, which has high multiplier effect, for FY22. Of course, the Budget math may go haywire again due to the second pandemic wave.

The government has also firmed up a road map for capital investments of ₹111 lakh crore in infrastructure up to FY25. However, drawing large-scale patient capital into infrastructure is unlikely to be easy despite the setting up of a development finance institution. As for the current fiscal, Sonal Varma, chief economist, India and Asia (ex-Japan) at Nomura, said revenues will likely take a hit in the June quarter due to the second wave. "However, as we expect the economic recovery to resume after June, we should see a bounce in tax collections thereafter. A key risk is any delay to disinvestment plans due to second wave disruptions that put the ambitious target of ₹1.75 lakh crore (~0.8% of GDP) in jeopardy," Varma said. Several agencies, including Barclays, Nomura, S&P and Moody's, recently cut their India growth forecasts for FY22, with a few slashing their projections by as much as four percentage points to just over 9%, as the second Covid wave hit businesses. This has compounded the worries of policymakers who had earlier expected a V-shaped recovery after the first wave.

Economic travails: Nascent recovery disrupted; consumption needs big push

THE LAST TWO years were precipitous, with the pandemic accentuating the fall. As almost all pillars of the economy, with the exception of agriculture, have borne the brunt, a fiscally stressed government has stood guard with limited success.

To be candid, key sectors like construction, trade, transport, manufacturing and mining will likely remain the worst affected ones in FY22 too, as in FY21. The Centre's tax buoyancy will likely be much lower than 1.2 assumed in the Budget, and its non-tax revenue and non-debt capital receipts (privatisation and asset monetisation) could also need sharp downward revisions. DK Srivastava, chief policy adviser at EY, sees a total shortfall of ₹2.3 lakh crore in the Centre's total non-debt receipts from the budgeted level. Even this could turn out to be optimistic.

Moreover, despite the guaranteed growth in goods and services tax (GST) revenue, states governments may face acute revenue constraints; they will likely rein in capex in the current fiscal year as well, as they did in the last couple of years.

In its last policy meeting in early April, the Reserve Bank of India (RBI) said GDP growth could jump to 26.2% in the first quarter of FY22, driven primarily by a conducive base. However, this forecast for Q1FY22 was issued before the full fury of the second wave of the pandemic and may undergo substantial revision.

The key to regaining the growth momentum is to spur consumption growth. The government would do well to augment income transfers to the low-income population and take steps to increase the disposable income of the middle class. Available data, however, signal that consumption growth would pick up only modestly in the near term, as wary households choose to bolster savings buffers that have been drained over the past year. The worst affected, of course, are those employed in the informal manufacturing and services sectors besides the self-employed. The second Covid wave struck the economy when industrial output jumped 22.4% in March, reversing two months of contraction, but driven primarily by a favourable base (it had shrunk 18.7% in March 2020 due to a lockdown). Electricity demand also saw a sharp recovery in March-April partly because lockdown led to increased household consumption. But manufacturing PMI hit a seven-month low in March, while services PMI, too, lost momentum.

Non-food credit growth remained subdued, having fallen to 4.9% in March from 6.7% a year before. Though RBI was sanguine in its latest annual report about credit demand and supply and noted that "banks would have sufficient capital at the aggregate level even in a severe stress scenario", a prolongation of the Covid wave could be a spoiler. After a roller-coaster ride up to February last fiscal in the wake of the pandemic, merchandise exports surged a record 196% year-on-year in April, thanks to a conducive base.

Exports in April stood at $30.6 billion, up almost 18% from the same month in 2019 (before the pandemic struck), mainly on the back of improved order flow.

Industrial output and exports are expected to be aided by favourable base effect in June quarter as well. But as the RBI pointed out, "even though India's merchandise exports and imports show nascent signs of recovery, the worsening global trade environment due to resurgence in COVID-19 infections may impinge upon external demand". Production-linked incentive (PLI) schemes, aimed at incentivising domestic value addition and large capacity creations, may take time to yield results.

Second Covid wave dents ad spend on out-of-home media

MARKETERS ARE REORIENTING their spends towards digital and TV like they did last year, say industry analysts. In the meantime, media owners and marketers are negotiating discounts and value-adds as return on investment is on a decline. Shrivastava says discounts of 20-30% are being negotiated by advertisers during this period.

Brands that had already begun OOH campaigns are slowing down and reducing their footprint until the situation improves. Sarthak Seth, chief marketing officer, Tata Realty and Infrastructure, says the company is retaining its presence at marquee locations and cutting back on low-ROI locations. "Seeing that traffic has reduced, we have reduced our spends. However, we have taken strategic calls and negotiated lower prices for premium locations and are holding on to those to ensure we do not lose them to competitors," he says.

Sanjay Shukla, CEO, The Max, an outdoor agency, expects the OOH medium to return to normalcy about two-three months after all lockdowns are lifted. He says, "Brands that are looking at premium properties for long term display, would see it as an opportunity to get great yearlong deals. As the traffic movement gets near normal, we would see traction across various forms of OOH mediums."

Ambient media could be the last to recover as in the initial stages, brands may like to focus on bigger properties facing traffic and would expect great deals from media owners, say analysts. Shukla expects OOH spends to rebound around August 2021. When campaigns resume, Shrivastava is counting on sectors like automotive, BFSI and consumer durables to aggressively advertise on OOH.

Will be able to make & supply 10 cr Covishield doses in June: SII to govt

"SERUM INSTITUTE OF India has always been sincerely concerned about the protection of the citizens of our country and world at large from Covid-19. Under the leadership of our CEO, Adar C Poonawalla, our team have been working relentlessly shoulder to shoulder with our government to fight the Covid-19 pandemic," he said in the letter.

LETTERS TO THE EDITOR

Recall of WB chief secretary

No matter what the 'provocation' was, the central government overreacted in recalling Chief Secretary Alapan Bandyopadhyay in the middle of Covid-19 pandemic and the aftermath of Cyclone Yaas.
— G David Milton, Maruthancode

Saving the children

Prime Minister Narendra Modi has taken a commendable decision to secure the lives of children through PM CARES, who lost their parents to Covid.
— Ravi Teja Kathuripalli, Hyderabad

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FIGHTING CORONA

‘Nearly 12 crore doses of Covid vaccine to be available in June’

PRESS TRUST OF INDIA
New Delhi, May 30

NEARLY 12 CRORE doses of coronavirus vaccine will be available in June, the health ministry said on Sunday.

In May, 7.94 crore doses were available for vaccination.

In a statement, the ministry said the allocation of supplies to states and Union Territories is decided on the consumption pattern, population and vaccine wastage.

“Visibility for availability of vaccines for the entire month of June 2021 has been provided well in advance to states/UTs...,” it said.

“For the month of June, 6.09 crore (6,09,60,000) doses of Covid vaccines will be supplied to the states and UTs for vaccination of priority group of health care workers (HCWs), front-line workers (FLWs) and person aged 45 years + and above as free supply from Government of India,” the ministry said.

“In addition, more than 5.86 crore (5,86,10,000) doses will be available for direct procurement by the state/UTs and private hospitals. Therefore, in June 2021 close to 12 crore (11,95,70,000) doses will be available for the national Covid vaccination programme,” it said.

A health worker administers a dose of Covid-19 vaccine to a beneficiary at a drive-through vaccination camp at Saket in New Delhi on Sunday PTI

The ministry of health said the allocation of supplies to states and Union Territories is decided on the consumption pattern, population and vaccine wastage

The ministry said the delivery schedule for this allocation will be shared with states in advance.

“States have been requested to direct the concerned officials to ensure rational and judicious utilisation of allocated doses and minimise the vaccine wastage. The basic objective behind informing the states/UTs in advance of the quantum of free vaccine doses to be made available from Centre for 15/30 days and the total vaccine doses which are available for direct procurement by states/UTs is to ensure better planning and delivery of vaccine by states/UTs,” it said.

For the month of May, 4,03,49,830 vaccine doses have been made available by the Union government to states.

In addition, 3,90,55,370 doses were available for direct procurement by the states as well as private hospitals in May.

“Therefore, in May 2021 a total number of 7,94,05,200 doses were available for the national Covid vaccination programme,” the ministry said.

Govt may lift curbs on oxygen use for some priority industries in 2-3 days

PRESS TRUST OF INDIA
New Delhi, May 30

THE GOVERNMENT IS likely to lift restrictions on the use of liquid oxygen for some priority industries in the next 2-3 days as demand for medical oxygen has come down, a top government official said on Sunday.

To make oxygen available to more people during the peak of the second wave of COVID-19, the Centre on April 25 had 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.

"Demand for medical oxygen has come down. Some priority industries will get oxygen in the next 2-3 days," the official told PTI.

Exercising the powers conferred under the Disaster Management Act, Union Home Secretary Ajay Bhalla had directed the states 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...for medical purposes only".

Health workers admit a Covid-19 patient at a government hospital in Kolkata on Sunday PTI

Prime Minister Narendra Modi on Sunday also said that providing medical-grade oxygen to different states during the second wave of COVID-19 was a challenge.

In normal times, daily production of liquid medical oxygen was 900 million tonnes (MT), which has now risen over 10 times to nearly 9,500 MT, the prime minister said.

Liquid oxygen is used in steel making, chemical, pharmaceuticals, petroleum processing and paper manufacturing industries.

As per the Union health ministry's update on Sunday, India recorded a single-day rise of 1,65,553 in new COVID-19 cases, the lowest in 46 days, taking the country's infection tally to 2,78,94,800.

The daily positivity rate declined to 8.02%, remaining below the 10%-mark for five consecutive days, while the weekly positivity rate dropped to 9.36 per cent, it said.

FPIs net sellers for second month in a row

PRESS TRUST OF INDIA
New Delhi, May 30

FOREIGN PORTFOLIO INVESTORS (FPI) turned out to be net sellers for second month in a row by taking out nearly ₹1,730 crore from Indian markets in May as second wave of the coronavirus pandemic spooked investor sentiment.

In April, the total net outflow from the Indian capital markets (both equity and debt) stood at ₹9,435 crore.

According to depositories data, overseas investors withdrew ₹3,375.2 crore from equities but invested ₹1,645.8 crore in the debt segment between May 1 and May 28. This took the total net outflow to ₹1,729.4 crore.

However, Morningstar India associate director (Manager Research) Himanshu Srivastava said the FPI flows into the Indian equity markets have been showing signs of stabilisation over the past two weeks, after witnessing a significant net outflows for eight weeks in a row.

India fighting Covid-19 with all its might: Modi

PRESS TRUST OF INDIA
New Delhi, May 30

ASSERTING THAT INDIA is fighting Covid-19 with all its might, Prime Minister Narendra Modi on Sunday spoke to a number of people ranging from those engaged in transporting medical oxygen to lab technician, and said the country’s resolve to prevail over the virus is equal to the magnitude of the challenge it faces.

In his monthly Mann ki Baat broadcast, Modi noted that the country was also faced with several natural disasters, including cyclones, landslide and earthquakes, during the pandemic, and said more lives were saved than the past with the Centre, states and local administration coming together to carry out relief and rescue operations.

With the demand for medical oxygen rising exponentially during the recent surge in Covid-19 cases and many states and hospitals complaining of its shortage, the prime minister said the production of the liquid medical oxygen (LMO) has risen by over 10 times to nearly 9,500 MT daily from 900 MT earlier.

“The demand for oxygen surged all of a sudden. This was a very big challenge, and delivering medical oxygen to remote parts of the country was indeed a huge task,” he said, noting that many plants manufacturing industrial oxygen were located in the eastern parts of the country and lauded those, including cryogenic tanker drivers, the oxygen express (train) crew and Air Force pilots, involved in its transportation.

In his address, he also praised farmers for generating record produce, and said the agricultural sector protected itself from the adverse effects of the pandemic to a great extent.

The farmers produced record output and the government procured a record amount of crops as well, he said, adding that farmers at several places got more than the minimum support price (MSP) for mustard.

Speaking of the arrangements his government made to allow farmers to transport their produce to different markets, Modi said “Kisan Rail” has so far ferried nearly two lakh tonne of produce. Now the farmers are able to send fruits, vegetables, grains to other remote parts of the country at a very low cost, he added.

Some products are being sent abroad as well, he said and mentioned that jackfruits from Tripura are now being exported to London and so is Bihar’s Shahi Litchi.

In his conversation with people involved in transporting oxygen, Modi spoke to Dinesh Upadhyay, who drive oxygen tankers, Shirisha Gajni, a loco pilot of an all-woman crew oxygen express, and Group Captain Patnaik from the Air Force and lauded their service to the nation.

INTERVIEW: RAMESH CHAND, member, Niti Aayog

‘Doubling farmers’ income by FY23 difficult as states delay reforms’

Growth in agriculture gross value added (GVA) in FY22 will likely exceed the expansion seen last year on higher prices of crops and anticipated normal and well-distributed monsoon, according to Niti Aayog member **Ramesh Chand**. *In an interview to* **FE’s Prasanta Sahu** *and* **Prabhudatta Mishra**, *he said: “Except in the case of a few states, little or no progress is seen at state level to bring reforms in agriculture policies and system of marketing. This is a big setback to achieving the goal of doubling farmers’ income by FY23.” Also, Chand for the first time clarified that due to public sensitivity towards genetically modified (GM) food in the country, domestic research should focus on matching the same level of productivity through non-GM technologies as many other countries have done. Excerpts:*

Agriculture remains a silver lining even as the economy is battered by Covid-19. With a number of states imposing lockdowns in the wake of the second wave of the pandemic, how do you see performance of agriculture sector in FY22?

The lockdown in May will not have significant effect on agriculture because from the last week of April to middle of June, there is very little economic activity in the farm sector. On the positive side, the terms of trade for agriculture are expected to improve in FY22 as already seen from the sharp rise in domestic and international prices of many agriculture commodities. This will have a strong positive effect on acreage as well as productivity. Secondly, monsoon is predicted to be normal. Agriculture growth is likely to be better this year than in FY21 (3% as per second advance estimate).

Will there be a change in cropping pattern, particularly for crops the demand for which slowed because of the lockdown?

Crop pattern is expected to shift in favour of pulses and oilseeds in the kharif season as their prices relative to other crops are witnessing an increase.

With the second wave of Covid, rural India is reported to be affected more with infections and mortality. Will there be any impact of this on kharif sowing, particularly in terms of labour availability?

There are two types of situations in the country. One, states like Punjab and Haryana from where migrant labour working in agriculture has moved out. The second situation refers to the states in the eastern region, where migrant labourers have returned. In much of the country, there is some movement of labour from urban areas to rural areas. Lockdown has also affected non-farm rural activities rendering such unskilled workers available to work in agriculture. Overall, issue of labour availability is not going to hit the sector.

Given that agriculture sector has a relatively small share in GDP, if real estate workers affected by Covid also join farming, what impact will it have on livelihoods?

Agriculture sector is the largest sector of Indian economy both in terms of output as well as employment. In FY21, share of agriculture in GDP has risen to 20%; the increase was largely due to negative growth in other sectors and normal growth in agriculture. Agriculture and construction together provide employment to 61% of rural workforce and both these activities in rural India are by and large intact. We need to take concrete measures for livelihood of migrants who have returned to their native places in rural areas and the workforce engaged in informal employment.

Only one year left to achieve the target of doubling farmers’ income. Where do we stand now?

Better price realisation for farmers produces and diversification towards high value crops were among the seven sources identified in Niti Aayog’s policy paper to achieve the goal of doubling farmers’ income. These measures required policy and marketing reforms like direct marketing, contract farming, e-trading, special treatment to food and vegetables in APMC Law, private mandis, etc. Except in the case of a few states, little or no progress is seen at state level to bring reforms in agriculture policies and system of marketing. This is a big setback to achieving the goal of doubling farmers’ income by FY23.

There has not been any progress seen in allowing GM crops despite a favourable recommendations by Niti Aayog a few years back. Is there any hope?

While GM crops provide certain advantages, some countries are having much higher yields with non-GM varieties as compared to India. Given the public sensitivity towards GM food, our research and development should harness other technology to achieve the same goals as achieved through GM crops in some countries. This is possible.

With continuous surplus of rice and wheat production, what is the way out in food policy management as it turned out to be a huge and rising economic burden on the government to maintain and dispose of extra stocks?

At present, India produces more rice and wheat than what is domestic demand. If we are not able to export it, then certainly we should not waste resources in producing surplus. Policy support is gradually expanding towards pulses and oilseeds. We need to bring balance in support to rice and wheat vis-a-vis other crops to attract farmers shift some area away from these cereals either towards pulses and oil seeds or towards fruits and vegetables.

Why shifting from paddy and other water-guzzling crops, particularly in Punjab and Haryana, has not taken off?

There is a very large difference in profitability from rice and wheat as compared to the crops considered an alternative to them. Rice and wheat earned big advantage over other crops because of technological breakthrough as well as assured and committed price support and input subsidies. At present, no field crop comes near to wheat and rice in terms of net income to farmers, even if subsidies on inputs are taken away. Also, price risk in these two crops is nil and production risk in quite low. Thus, to find a viable option, we require upgradation in technology and productivity of alternative crops along with assured pricing environment.

Is it feasible to transfer cash subsidy on fertiliser directly to bank accounts of farmers instead of manufactures. How soon can we expect this to happen?

Of course, it is feasible. Some groundwork has already been done by Ministry of Fertilisers in this direction. The issue facing fertiliser use in Indian agriculture has more to do with the structure of subsidy (which is biased towards urea) rather than method of giving subsidy.

From the Front Page

Regulating apps: Messaging to be free, but calls may come under licensing

THEY WOULD ALSO need to pay an annual licence fee to the government. To work out such a regulatory framework, the department of telecommunications (DoT) has fallen back on a 2015 report by a panel appointed by it, which had suggested such a measure. The recommendation then was in the context of net neutrality to bring about a level play field between the telecom operators and over-the-top players. The telcos had then and even today bat for OTTs to be brought under regulation. Their stand has been that there should be one-service-one rule – they asked why should they be made to pay licence fee to the government and be saddled with a host of regulations while the apps are free to ride on their networks without paying any licence fee and be free from any kind of regulations?

The discussions regarding such a regulatory framework for apps come at a time when the government and a major messaging/calling app, WhatsApp, are at loggerheads over the issue of tracing the originator of what is deemed as mischievous messages by the government. As is known, the government brought in force the rule mandating traceability of such messages from May 26 and WhatsApp has challenged it in the Delhi High Court.

Official sources said only calling part may be brought under regulation as the messaging part has already been dealt with in the new intermediary guidelines, which require messaging platforms like WhatsApp to trace the first originator of mischievous messages.

The DoT has not yet decided whether recommendations of the Telecom Regulatory Authority of India (Trai) would be sought in the matter or not. The reason being that Trai in September 2020 had recommended to the government that OTT players like Facebook, WhatsApp, Google, Viber, and Telegram need not be brought under any form of regulatory framework and market developments should be monitored. If required, an intervention can be made at an appropriate time, it had said.

The DoT feels that it has the option to refer the matter once again to the Trai with some added references, or reject Trai's September 2020 recommendations and come out with a policy decision in favour of partial regulation. In matters of policy, Trai's role is recommendatory and government's view is final.

BHARTI AXA Life Insurance Company Ltd.

IRDAI Registration No.: 130 dated July 14, 2006 CIN : U66010MH2005PLC157108

Registered Office: Unit 1904, 19th Floor, Parinee Cresenzo, 'G' Block, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400 051

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021

FORM L-1A-A-RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021 - POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021							For the Year Ended March 31, 2020						
	Total	Non-linked			Linked			Total	Non-linked			Linked		
		Individual		Group	Individual		Group		Individual		Group	Individual		Group
		Life	Pension		Life	Pension			Life	Pension		Life	Pension	
PREMIUMS EARNED - Net														
(a) Premium	228,082	189,312	22	12,912	24,882	221	733	218,726	182,141	36	19,163	16,736	400	250
(b) Reinsurance ceded	(3,245)	(1,844)	-	(1,262)	(139)	-	-	(3,043)	(1,598)	-	(1,332)	(113)	-	-
(c) Reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB-TOTAL	**224,837**	**187,468**	**22**	**11,650**	**24,743**	**221**	**733**	**215,683**	**180,543**	**36**	**17,831**	**16,623**	**400**	**250**
INCOME FROM INVESTMENTS														
(a) Interest, Dividend & Rent - Net of Amortisation	50,788	43,843	50	3,964	2,668	122	141	41,553	34,511	50	4,113	2,589	181	109
(b) Profit on sale / redemption of investments	26,863	12,024	-	165	12,961	1,694	19	20,947	7,690	23	740	10,759	1,681	54
(c) (Loss on sale / redemption of investments)	(7,249)	(3,765)	-	(54)	(3,131)	(286)	(13)	(5,787)	(1,794)	-	(61)	(3,488)	(426)	(18)
(d) Transfer Gain on revaluation/ change in fair value	32,739	(197)	-	-	30,682	2,248	6	(23,330)	(464)	-	-	(20,327)	(2,567)	27
(e) Appropriation / Expropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME*	1,355	1,342	0	6	0	7	-	203	193	-	4	3	3	0
Contribution from the Shareholders' account towards Excess Expenses of Management	20,040	15,856	1	2,967	1,216	-	-	28,730	21,757	1	6,185	699	88	-
SUB-TOTAL	**124,536**	**69,103**	**51**	**7,048**	**44,396**	**3,785**	**153**	**62,315**	**61,893**	**74**	**10,981**	**(9,765)**	**(1,040)**	**172**
TOTAL (A)	**349,373**	**256,571**	**73**	**18,698**	**69,139**	**4,006**	**886**	**277,998**	**242,436**	**110**	**28,812**	**6,858**	**(640)**	**422**
Commission	15,627	15,249	-	52	326	-	-	18,961	18,656	0	17	288	(0)	-
Operating Expenses related to Insurance Business	69,936	59,150	2	4,215	6,537	27	5	75,736	62,849	2	8,071	4,781	33	0
GST on Ulip Charges	541	-	-	-	517	22	2	410	-	-	-	380	28	2
Provision for doubtful debts	84	125	-	(2)	(20)	(19)	-	135	61	-	(8)	15	67	-
Bad Debts written off	256	192	-	13	50	1	-	183	129	-	22	28	4	-
Provision for Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provisions (other than taxation)														
(a) For diminution in the value of investments (net)	-	-	-	-	-	-	-	7,000	7,000	-	-	-	-	-
(b) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	**86,444**	**74,715**	**2**	**4,278**	**7,410**	**31**	**7**	**102,425**	**88,695**	**2**	**8,102**	**5,492**	**132**	**2**
Benefits Paid (Net)	55,065	25,910	130	9,369	16,497	2,954	204	37,944	13,603	53	5,799	15,123	3,140	226
Interim Bonuses Paid	1,872	1,868	4	-	-	-	-	1,445	1,445	-	-	-	-	-
Change in valuation of liability in respect of life policies in force														
(a) Gross	204,972	153,694	(33)	1,420	48,233	945	713	125,973	137,313	92	3,691	(11,348)	(3,965)	190
(b) Fund Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Amount ceded in Re-insurance	(2,669)	(2,855)	-	186	-	-	-	76	(327)	-	403	-	-	-
(d) Amount accepted in Re-insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (C)	**259,241**	**178,617**	**101**	**10,975**	**64,730**	**3,899**	**918**	**165,438**	**152,034**	**145**	**9,893**	**3,775**	**(825)**	**416**
SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)	**3,689**	**3,239**	**(30)**	**3,445**	**(3,002)**	**76**	**(39)**	**10,135**	**1,707**	**(37)**	**10,817**	**(2,409)**	**53**	**4**
APPROPRIATIONS														
Balance of previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for lapsed unit linked policies unlikely to be revived	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Shareholders' account	2,138	1,656	2	3,445	(3,002)	76	(39)	8,706	235	6	10,817	(2,409)	53	4
Balance being funds for future appropriations	1,583	1,583	-	-	-	-	-	1,472	1,472	-	-	-	-	-
Transfer from Opening FFA	(32)	-	(32)					(43)	-	(43)	-	-	-	-
Non-participating policyholders' unallocated surplus	-	-		-	-	-	-	-	-	-	-	-	-	-

*Other Income includes reversal of provision for Diminution in value of investments in the year ended 31st March 2021, amounting to Rs. 1,050(Lakhs) in Non linked life.

FORM L-2A-A-P&L

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED March 31, 2021

Shareholders' Account (Non-technical Account)

(Rs. in Lacs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Amounts transferred from the Policyholders Account (Technical Account)	2,138	8,706
Income From Investments		
(a) Interest, Dividends & Rent – Gross	2,856	2,491
(b) Profit on sale/redemption of investments	1,450	1,106
(c) (Loss on sale/ redemption of investments)	(848)	(406)
Other Income	-	-
Provision for Diminution in value of investments written back	200	-
TOTAL (A)	**5,796**	**11,897**
Expense other than those directly related to the insurance business	650	781
Bad debts written off	-	-
Provisions (Other than taxation)	-	-
(a) For diminution in the value of investments (Net)	-	3,500
(b) Provision for doubtful debts	-	-
(c) Others	-	-
Contribution to Managerial Remuneration	511	366
Contribution to the Policyholders Account Towards Excess Expenses of Management	20,040	28,730
TOTAL (B)	**21,201**	**33,377**
Profit/ (Loss) before tax	(15,405)	(21,480)
Provision for Taxation	-	-
Profit / (Loss) after tax	(15,405)	(21,480)
APPROPRIATIONS		
(a) Balance at the beginning of the year	(270,755)	(249,282)
(b) Interim dividends paid during the year	-	-
(c) Proposed final dividend	-	-
(d) Dividend distribution on tax	-	-
(e) Transfer to reserves/ other accounts	10	7
Profit/Loss carried to the Balance Sheet	**(286,150)**	**(270,755)**

FORM L-3A-A-BS

BALANCE SHEET AS AT March 31, 2021

(Rs. in Lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
SOURCES OF FUNDS		
Shareholder's Funds:		
Share Capital	308,620	289,120
Share Application Money Pending Allotment	-	-
Reserves and Surplus	21,676	21,215
Credit/[Debit] Fair Value Change Account	269	(761)
SUB-TOTAL	**330,565**	**309,574**
Borrowings	6,000	6,000
Policyholders' Fund:	-	-
Credit/[Debit] Fair Value Change Account	5,622	(1,885)
Policy Liability	738,575	586,337
Insurance Reserves	-	-
Provision For Linked Liabilities	138,022	89,103
SUB-TOTAL	**888,219**	**679,555**
Funds For Future Appropriations	11,434	9,883
Discontinuance Fund on account of non payment of premium	2,012	866
Discontinuance Fund others	-	-
TOTAL	**1,232,230**	**999,878**
APPLICATION OF FUNDS		
INVESTMENTS		
Shareholders'	52,848	33,514
Policyholders'	744,497	566,713
Assets held to cover Linked liabilities*	140,034	89,968
Loans	2,601	1,805
Fixed Assets	2,079	2,267
Current Assets		
Cash and Bank Balances	9,287	22,559
Advances and Other Assets	45,932	47,651
SUB-TOTAL (A)	**55,219**	**70,210**
Current Liabilities	46,014	31,970
Provision	5,184	3,384
SUB-TOTAL (B)	**51,198**	**35,354**
NET CURRENT ASSETS (C) = (A – B)	**4,021**	**34,856**
Misc. Expenditure (to the extent not written off or adjusted)	-	-
Debit Balance in Profit & Loss Account	286,150	270,755
TOTAL	**1,232,230**	**999,878**

*Assets Held to Cover Linked Liabilities include assets held against provision for linked liabilities and discontinuance fund.

FORM L-22A

ANALYTICAL RATIOS

(Rs. in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	New business premium income growth rate - segment wise		
	Non - Participating Individual	-2%	6.3%
	Non - Participating Health	-114%	-97.9%
	Non - Participating Group	-33%	-27.4%
	Participating - Individual	-23%	-26.3%
	Participating Pension	NA	NA
	Linked Pension	NA	100.0%
	Linked Life	50%	7.4%
	Linked Group Gratuity	193%	3.1%
2	Net Retention Ratio	98.6%	98.6%
3	Expense of Management to Gross Direct Premium Ratio	37.7%	43.4%
4	Commission Ratio (Gross commission paid to Gross Premium)	6.9%	8.7%
5	Ratio of policyholder's liabilities to shareholder's funds	2059.8%	1784.5%
6	Growth rate of shareholders' fund	13.4%	59.6%
7	Ratio of surplus to policyholders' liability	0.4%	1.5%
8	Change in net worth (Rs in Lacs)	5,136	14,326
9	Profit after tax/Total Income	-4.6%	-7.1%
10	(Total real estate + loans)/(Cash & invested assets)	1.2%	1.4%
11	Total investments/(Capital + Surplus)	2155.7%	1799.8%
12	Total affiliated investments/(Capital+ Surplus)	21.3%	21.0%
13	Investment Yield (Gross and Net)		
	A. With Unrealised Gain		
	- Shareholders' Fund	11.1%	-1.2%
	- Policyholders' Fund		
	- Participating - Life	9.8%	11.6%
	- Participating - Pension	6.6%	12.2%
	- Non-Participating	11.6%	12.3%
	- Linked Life	47.2%	-12.9%
	- Linked Pension	64.7%	-13.5%
	B. With Realised Gain		
	- Shareholders' Fund	9.1%	-1.0%
	- Policyholders' Fund		
	- Participating - Life	9.2%	7.6%
	- Participating - Pension	7.1%	11.7%
	- Non-Participating	9.0%	8.7%
	- Linked Life	11.8%	10.7%
	- Linked Pension	24.0%	17.7%
14	Conservation Ratio	76.9%	78.0%
15	Persistency Ratio (By Annualised Premium)*		
	For 13th month	62.5%	59.7%
	For 25th month	52.6%	55.1%
	For 37th month	49.8%	48.1%
	For 49th month	46.1%	44.6%
	For 61st month	41.4%	37.8%
16	NPA Ratio		
	Gross NPA Ratio	1.2%	2.0%
	Net NPA Ratio	0.2%	0.4%

Calculations are in accordance with the IRDAI circular IRDA/ACT/CIR/MISC/035/01/2014 dated January 23, 2014:

a) Persistency ratios for year ending March 31, 2021 have been calculated on April 30, 2021 for the policies issued in April to March period of the relevant years. For example, the 13th month persistency for year ending March 31, 2021 is calculated for policies issued from April 1, 2019 to March 31, 2020.

b) Persistency ratios for year ending March 31, 2020 have been calculated on April 30, 2020 for the policies issued in April to March period of the relevant years. For example, the 13th month persistency for year ending March 31, 2020 is calculated for policies issued from April 1, 2018 to March 31, 2019.

c) Single premium and group one year renewable products are excluded.

Notes:

1) The audited financial statements for the year ended March 31, 2021 have been approved by the Board at its meeting held at Mumbai on 21st May, 2021

For and on behalf of the Board of Directors

Sd/-

Parag Raja

Chief Executive Officer & Managing Director

Opinion

MONDAY, MAY 31, 2021

STRENGTH OF THE NATION

US president Joe Biden

Our prosperity comes from the people who get up every day, work hard, raise their family, pay their taxes, serve their nation, and volunteer in their communities

SHOBHANA SUBRAMANIAN

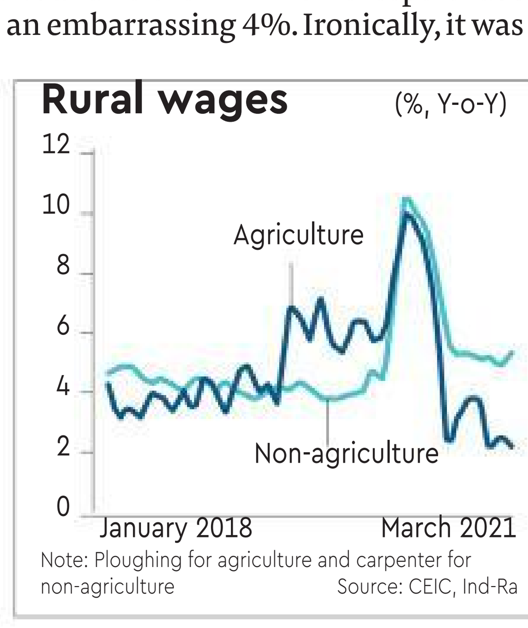
shobhana.subramanian @expressindia.com

NDA failed to do its job on the economy

We need big job-creating schemes to revive consumer demand and small businesses

SEVEN YEARS AFTER the BJP-led NDA government came to power, incomes and wealth in India are more unevenly distributed than they been in a long time. Last Friday, the ILO said the country's unemployment rate in 2020 was the highest since at least 1991. That is disturbing. And it cannot be blamed on the Covid-19 pandemic even though there is no doubt the many lockdowns and curfews have hit businesses across the country. The jobs data has been worsening for some time now—not surprising in a crawling economy—and it looks like demonetisation did a lot of the damage. Many felt the pain from DeMo would be transient but even though cash levels have gone up significantly, the informal sector simply hasn't got back its momentum. That's probably because the DeMo shock was so severe, it hurt business and consumer confidence to a point where job creation was postponed. Unfortunately, the economy never recovered meaningfully thereafter to be able to support job creation on a big scale.

There was no pandemic in FY18 when the economy grew at an unremarkable 6.8%, though the moderation in growth could have been exacerbated by the GST which was rolled out in July 2017. There was no pandemic in FY19 when our economy clocked in an unimpressive 6.5% and neither in FY20—except for about two weeks—when growth collapsed to an embarrassing 4%. Ironically, it was in May that year, after the NDA had been re-elected, that the government announced it would make India a $5 trillion economy by FY25. Given the economy is estimated to have contracted by about 8%, that goalpost will now need to be shifted.



Note: Ploughing for agriculture and carpenter for non-agriculture Source: CEIC, Ind-Ra

But there is little point in the economy climbing to new heights if employment is going to descend to new lows. Let's change the narrative, set a target for new jobs by FY25 and track if India is creating the largest number of jobs in the world each year; growing fast or even fastest is not good enough, nor is some grandiose GDP number. That the country's unemployment rate is at a three-decade high is a shame; joblessness rose to 7.11% in 2020, the ILO said based on the ILOSTAT database, from 5.27% in 2019.

But, this hasn't happened overnight. An analysis by the Centre for Economic Data and Analysis (CEDA), based on the CMIE monthly time-series of employment by industry, shows manufacturing employment in FY21 was nearly half of what it was five years ago. Not flattering especially since Make in India, launched with much fanfare, was supposed to have changed the face of manufacturing. Not only has the share of manufacturing fallen to sub-16%—the Narendra Modi government had said, it would take it up to 25% by 2022—employment in the sector has fallen too. From all appearances, FY22 could be worse than FY21 when the average unemployment rate hit 8.8%. First, the services sector—a large employer—has been slow to recover. Moreover, the informal sector, which is about 45% of GDP and accounts for 80% of employment and which depends mostly on cash transactions, is in a shambles. Another sector that provides jobs in big numbers, exports, has fared poorly during the Modi regime, having contracted in four of the seven years. With the informal sector languishing post the pandemic, and the organised sector shedding jobs, the unemployment rate shot up to 14.5% in the week to May 16 and further to 14.7 in the week to May 23, according to CMIE data. At the last count, the cumulative loss of salaried jobs, since the pandemic, was 12.6 million across urban and rural areas; as of April 2021, there were just 73.3 million of them.

It is critical to address unemployment since incomes and jobs drive consumer spends, which in turn drive businesses. So far in this fiscal, little direct expenditure has been targetted at the vulnerable sections, but if payroll support isn't possible, the ₹3-lakh-crore guaranteed loan scheme—ECLGS—for the MSMEs should be topped up. Moreover, allocations for MGNREGA can definitely be upped to meet the increasing demand.

While revenue receipts for FY22 would probably fall short of estimates, direct tax collections are likely to remain robust since the organised corporate sector is doing extremely well; within this, segments like financial services, IT and e-commerce that have large high-paid workforces as also the government sector will keep personal income tax collections strong.

While the government does need to be mindful of the fisc, overshooting the budget in times like these won't hurt the nation's credibility. As many economists have pointed out, if consumer confidence and demand aren't revived quickly, the economy runs the risk of falling deeper into the trough. And the focus must be on jobs, not the size of the economy.

RBI WATCH

AS LOCKDOWNS EASE, PRODUCERS COULD PASS ON MORE INPUT COST INCREASES TO CONSUMERS, PUTTING UPWARD PRESSURE ON INFLATION. EXPECT GRADUAL POLICY NORMALISATION FROM 4Q2021

India: Inflation undone?

PRANJUL BHANDARI, AAYUSHI CHAUDHARY & PRIYA MEHRISHI

Respectively, chief economist (India), economist, and associate, HSBC Securities and Capital Markets (India) Private Limited

THERE HAVE BEEN several global and domestic shifts in the inflation ecosystem we had gotten used to in the last several years. On the global front, there is a raging debate on whether current price pressures are temporary or permanent. There are many moving parts here. One, global commodity prices have risen by an average of 80% since the trough of April 2020, hurting corporate margins and threatening to spill over into consumer prices, though some believe that we may not witness a new super-cycle from here on. Two, the world has seen large, long-lasting and unconventional fiscal and monetary easing, the lasting impact of which remains unknown. Three, some advanced economies are facing a shortage of right-skilled labour and components, pushing up prices. Finally, the global economy is too dependent on complex supply chains, that have helped keep consumer prices low in the past, but are coming under pressure now.

Having said that, as discussed by Frederic Neumann, for most of Asia, inflation risks are on the 'costpush' side, with little evidence yet of 'demand pull' from accelerating consumption. As such, whether these price pressures are temporary or permanent, is up for debate.

On the domestic front, some inflation worries we highlighted last year have come to pass.

One, real rates, which have been a driver of inflation in the past (for instance, the FY09-FY11 period), have moved into negative terrain after six long years.

Two, there are risks that inflation expectations could get unanchored. Our inflation model suggests that inflation expectations ('backward' and 'forward' combined) are an important driver of inflation, explaining about 75% of the trends in inflation. With real rates falling, expectations will face their biggest test of the last few years. Were they subdued because other factors were supportive or had they truly become anchored at low levels? Recent data show that some inflation expectation series have ticked up slightly. What underlying message are the recent inflation prints giving? Inflationary pressures in India can be ascertained at three levels—at the wholesalers (WPI inflation), intermediate costs (logistics, transportation and profit margins), and price to consumers (CPI inflation).

During the first pandemic wave last year, WPI inflation was subdued on the back of falling global commodity prices. Inflationary pressures, instead, were rife at the intermediate cost and CPI inflation level, led by logistics and transportation bottlenecks (that were caused by the national lockdown).

This year is different. Inflationary pressures seem to have moved down the chain to WPI inflation. This is consistent across all the key categories—food, fuel and core components. And within WPI inflation, input prices are rising much faster than WPI output prices. Interestingly, the same trends are visible in the PMI indices: input prices are rising faster than output prices.

Producers do not seem to be passing much of the rise in raw material costs to output prices, perhaps worried that the already uncertain demand could weaken further. We had recently calculated that in periods of rising input costs, firms tend to pass on 60% of the price pressures to consumers. Trends from the last six months show that this time around they seem to have passed on only half of that to consumers, taking the rest as a hit on their profit margins.

What does this mean for future inflation prints? There are signs that the second pandemic wave has peaked. Some states are also considering steps on rolling back the local lockdowns that were implemented.

As demand for goods and services pick up gradually (though worth noting that we are not forecasting a rapid rise in demand like last year), producers may feel more confident about passing on raw material cost increases to output prices, pushing core inflation higher.

Furthermore, as the vaccination drive reaches critical mass, by end-2021, as per our current expectations, services inflation could start to rise too. As discussed before, supply of services takes time to augment, making high services inflation sticky. To summarise, as higher raw material costs are passed on to consumers, core inflation could rise, particularly in 2HFY22. With more pass-through of input cost pressures to output prices over time, CPI core inflation pressures could be higher in 2HFY22 (6% y-o-y) compared to 1H (4.7% y-o-y). For the year, we forecast core inflation at 5.4% y-o-y (above 4% for a second year in a row).

On the food front, price pressures for cereals and vegetables are contained. But that for oils, eggs, meat and fish are on the rise. We expect price pressures for manufactured food to be higher in 2H compared to 1H, though primary food products are likely to remain uniform through the year. For the year, we forecast food inflation at 4.2% y-o-y (versus 7.4% last year when supply disruptions had risen).

In view of rising oil prices, we forecast transportation inflation at 7.5% y-o-y and fuel and electricity inflation at 9.9% y-o-y. Putting it all together, we expect headline inflation at 5.2% y-o-y. Both headline and core average-of-the-year inflation is forecasted at above the 4% target, but lower than the 6% upper limit.

In FY21, RBI was faced with conflicting objectives on inflation, bond yields and the rupee (also known as the impossible trinity). It bought dollars to keep the rupee for strengthening too much in the midst of a large BoP surplus and an economic slowdown. It bought bonds to keep bond yields from rising too much at a time public sector borrowings had risen to record highs. But all of this infused excess rupee liquidity into the banking system, which over time can stoke inflation and other financial imbalances. These conflicting objectives are likely to be around this year (FY22) as well, and RBI will have to juggle carefully. Having said that, it could get some helping hand along the way, which we believe could help it to gradually shift focus to inflation, as the year progresses.

On the BoP front, as the current account moves from surplus to deficit, the overall BoP surplus is expected to fall in FY22 (even if capital inflows remain elevated). With that, RBI may not have to buy as many dollars as it did last year, to keep the rupee from appreciating sharply. This means, as the year progresses, RBI may find some space to shift focus more squarely on its inflation objective, by gradually lowering the surplus liquidity in the system. RBI would still need to buy government bonds to assist the government in its borrowing programme. There are risks that the second pandemic wave raises the fiscal deficit, leading to more demand for RBI bond purchases.

However, the Centre may find some buffer from large carry over cash balances at end-FY21 (March 2021). Cash balances at the end of FY21 were c₹2.5trn, almost double the recent years' norm. This means that some of the unbudgeted rise in fiscal deficit could be funded by these carry over cash balances, and may not necessarily translaate to higher-than-budgeted borrowings, one-for-one.

All told, if the need to buy dollars is lower than last year, RBI could use the space to gradually shift focus on inflation, and plan a gradual exit from loose monetary policy. But how would that unfold in the face of a delicate growth recovery?

The surest driver of cyclical recovery is vaccination, which we believe will reach critical mass by endCY2021. In fact, that may even give producers the confidence to pass on high raw material costs to consumers, thereby stoking inflation.

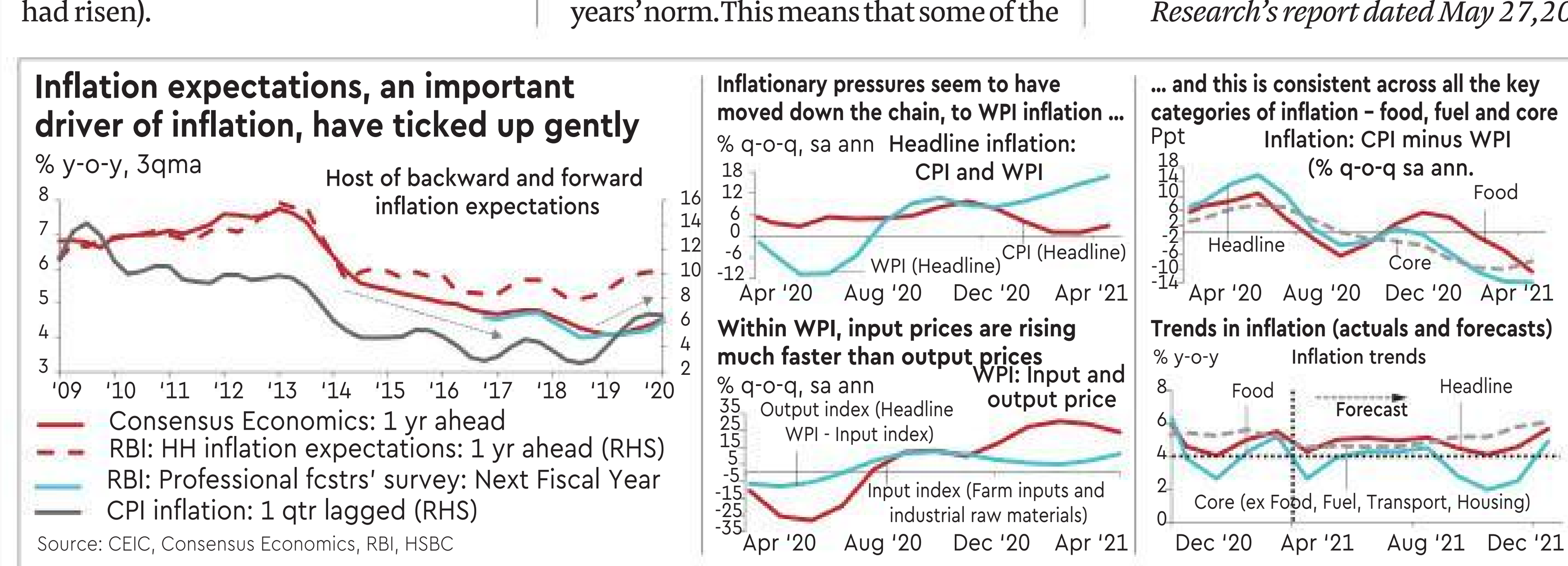
That means RBI may have to embark on policy normalisation this year itself. The monetary easing of FY21 had three components—liquidity infusion, accommodative stance, and rate cuts. We believe the policy normalisation of FY22 must also touch upon each of these three, in order to be effective.

For now, by October 2021, RBI could start to gradually lower the surplus liquidity, and raise the reverse repo rate (currently at 3.35%), followed by a change in stance to neutral. The aim of this, we think, should be to gradually push up short-end rates towards 4%, so that real rates don't remain hugely negative for long.

Having said that, we think that an increase in the benchmark repo rate, currently at 4%, can wait for longer, perhaps once there are surer signs that the private investment cycle is rising.

In the upcoming June 4 policy meeting, RBI may want to sit tight in view of the still high pandemic cases. This would entail keeping rates on hold, stance accommodative, and liquidity in surplus. The one change would likely be a markdown in GDP growth forecast (from 10.5% for FY22 to perhaps high single digits, accounting for the economic cost of the second pandemic wave). There are likely to be a few regulatory steps in the June mix. But several have already been announced recently, for example a restructuring 2.0 scheme and a Covid-19 loan book. And new steps from here may not have the same bang for the buck. Instead, we think government policy (both fiscal and reforms) should focus on the growth objective from here on.

Edited excerpts from HSBC Global Research's report dated May 27,2021



INFLEXION POINTS

Sustainable agriculture for the economy's sake

Need to reduce farm sector's vulnerability to critical resources, not be sanguine about its pandemic-year showing

ARUNABHA GHOSH

CEO, Council on Energy, Environment and Water

DURING THE ECONOMIC downturn of the past year, agriculture's performance was a saving grace. But continued growth cannot be taken for granted. Erratic monsoons, groundwater stress, soil degradation, and unmet nutrition demands exert stress. If the pandemic has taught us anything, we must use good times to prepare for the bad. The maxim is equally true for judicious use of resources in agriculture.

When the economy shrank by 24.4% by June 2020, agriculture grew 3.4%. By Q3, against barebones economic recovery (0.4%), agriculture grew 3.9%. The trend, however, is of slow agri-growth, at half (or less) than the economy's average. This year's foodgrains production target is 307 million tonnes (MT) compared to 301.92 MT last year. The spread of Covid to rural areas could further dampen prospects. The operative question is what drives farm growth. The answer—luck, water and fertiliser—doesn't inspire confidence.

Agriculture's fortunes periodically swing depending on monsoons. This year, the Met has forecast a normal monsoon (98%) (June-September). With 60% of net sown area being rainfed, good monsoons matter critically. When rains fail, pressures mount on small and marginal farmers.

Of 1,123 billion cubic metres (BCM) of usable water resources, 690 BCM is surface water. India's reservoir capacity for surface water resources is only 258 BCM. With limited access to surface irrigation for most farmers, the default is to pump groundwater, enabled by low/zero electricity costs. India has become a groundwater economy, using more than China and the US combined. Overexploitation of this critical resource gravely threatens agricultural output. Farming in India is notoriously water-inefficient. Consumption can range from 2,719 cubic metres per hectare (m3/ha) for oilseeds to 4,581 m3/ha for rice to 8,957 m3/ha for sugarcane. To reduce water footprint and improve nutritious diets, farmer incentives and dietary preferences must shift towards coarse cereals (*jowar, bajra, ragi*). Even for water guzzling crops, there is huge potential to improve water efficiency without compromising output or food security. A recent study of eight crops compared consumption of the most efficient and least efficient farmers. For paddy, for instance, shifting farming practices to the most efficient ones could reduce water use by 25% in Maharashtra and 73% in Andhra Pradesh. Overall, 20-47% of irrigation water could be saved between 2030 and 2050—and reallocated to other sectors— if farmers adopted water-saving irrigation practices.

As India grows, total water withdrawal will jump from 949 BCM in 2010 to 1,058 BCM in 2050. Agriculture's share will rise from 77% in 2010 to 81% in 2050. Savings of just 1 BCM in agriculture could provide water to 4.2 million urban households annually. The Har Ghar Jal and Make In India programmes would need additional 82 BCM and 117 BCM, respectively. Inefficient water use in agriculture will create tensions with other sectors. Economywide, there is a massive cost of not improving agricultural water efficiency and not reallocating the savings to more productive sectors. CEEW researchers estimate this at nearly ₹48 tn ($869 bn) in 2030 and ₹138 tn ($2.520 tn) in 2050.

Farming is not just about water but seeds and soil as well. Intensive fertiliser use has driven the Green Revolution. This kharif season fertiliser demand will rise to 35 MT. As with water, there are limits beyond which application of (chemical) inputs yields diminishing returns.

The good news is that there are substitutes for input-intensive farming. Another study has identified 16 most promising sustainable agriculture systems and practices around India. The bad news is that they remain marginal. Only five—crop rotation, agroforestry, rainwater harvesting, mulching, and precision agriculture—have scaled to more than 5% of the net sown area. Crop rotation covers 30 million hectares (Mha) and agroforestry about 25 Mha. Although India has the largest number of farmers practising natural farming (800,000), they account for only 0.7% of farmers. Organic farming covers just 2% of net sown area. What holds back sustainable agriculture? First, we do not know enough. We need more studies not only on yield and incomes but also potential benefits for biodiversity, public health (from reduced fertiliser use) and gender dynamics. Second, we do not spend enough. The National Mission for Sustainable Agriculture gets only 0.8% of the agriculture ministry's budget (even smaller if ₹ 71,309 crore for fertiliser subsidies were counted).

Third, we do not experiment enough with alternative water pricing strategies and restructured input subsidies to increase efficiency. We must test the macroeconomic benefits, at a basin or sub-basin level, of reallocating water to more productive sectors without dropping farm output. Fourth, we do not market enough. Sustainably-farmed produce could command a premium in markets. Government support should account for total farm productivity (including ecosystem services). Farmers need reliable insurance cover to de-risk their experiments with alternative cropping systems.

Fifthly, we do not disseminate enough. Information on better farm practices and their outcomes should be readily available on integrated data platforms. India has recently promoted 2022 as International Year of Millets at the UN. We must educate farmers and consumers about the nutritional and environmental value in sustainable agriculture.

Rather than be sanguine about agriculture's relatively better performance in a year of economic contraction, India must act to reduce its farm sector's vulnerabilities to critical resources. Luck, water and healthy soil will eventually run out.

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Education

OUR SCHOOL OF MANAGEMENT

Yajulu Medury, Vice Chancellor, Mahindra University

"Our association with the Cornell University will ensure that our programmes will be interdisciplinary as well as contemporary. These will focus as much on critical thinking and innovation and opening up of our students' horizons, as on building the students moral and ethical character."

TERRA.DO

Would you like to work for climate?

An edtech start-up has set for itself a very ambitious target: Getting 100 million people working by 2030 to mitigate climate change

VIKRAM CHAUDHARY

CLIMATE IS LITERALLY everything under the sun. In case you wish to start working for climate change, where and how do you start? This question bothered Anshuman Bapna ever since he went on a holiday to the Great Barrier Reef in Australia in 2016. A serial entrepreneur and having worked at large internet firms such as Google and MakeMyTrip, climate change was always on the back of his mind.

"That year (2016) was when mass bleaching of corals due to global warming was observed, and I realised by the time my son grows up most of the corals (from the Reef) would have disappeared," he says. "This wonder of the natural wonder might not be there for our children to see."

This realisation woke him up from his corporate stupor, and along with Kamal Kapadia (climate change educator and clean energy advocate) and Mayank Jain (ex-CTO and founder at Righthalf.com, Atishae) he started Terra.do last year, an edtech start-up that offers courses on climate change and how one can be part of the climate solution.

ILLUSTRATION: SHYAM KUMAR PRASAD

Bapna and his team have set a rather weighty task for themselves, i.e. getting 100 million people to work for solving climate change by 2030. However, he says the plan is ready.

"For our courses, we select a cohort of x100 'learners' with exceptional backgrounds in their field and a deep desire to be a part of the climate solution. They then undertake a 12-week online course taught by world-class climate experts. They gain a deep understanding of climate change and climate action, and learn how to leverage their own skills for maximal impact in the climate space," he says.

One of the aims is to get the learners at Terra.do inspire their contacts and others to work for mitigating climate change in various capacities—both personal and professional.

Terra.do also supports learners finding their way into climate jobs. "This includes everything from part-time project work and activism to full-time jobs and starting their own companies. The aim is to build a large global Terra community where learners who have been part of the journey help each other create real impact," Bapna says.

Current courses on Terra.do include Climate Change: Learning for Action, Climate Change for VCs, and Electric Vehicles & Fleets. "To minimise climate change, the humankind needs to work as a team. We need to rethink how we produce energy, how we do agriculture, manufacturing, transportation, construction, and so on," Bapna says.

As far as the profile of learners coming onto the Terra.do platform is concerned, Bapna says these include those who may want to change their job profile (like directly working with a climate organisation) to those who may want to start a climate organisation. "Even if someone may want to commit 20% of her time on climate solutions (maybe by volunteering for, say, a non-profit), without leaving her existing job, she would be part of the 100 million cohort we are planning to create by 2030," he says.

As of now, most people who are studying at Terra.do are individuals paying from their pocket and not corporate-sponsored employees. "Many of them are actually worried about how climate change is affecting the planet," Bapna says.

Some learners on Terra.do are from Indian PSU major ONGC. "Companies such as ONGC have started to think about renewables and CCS (carbon capture and storage) as a part of their portfolio. So their employees are our learners, as are those who have seen the writing on the wall and want to learn, say, how to reduce methane emissions from oil wells," he says. "One-third of our cohort is from India."

Courses offered by Terra.do are connected to jobs. "We have a career services team and also a mentor programme, in which we have 100-plus individuals with 10-plus years of experience in the area of climate. Then we conduct a job fair at the end of each cohort where we invite a bunch of companies," Bapna adds.

Climate change education must start early, and possibly that's one of the reasons Terra.do is experimenting with a programme for high school students. Bapna says: "We have a programme for high school students that we are experimenting this summer, and if it works out we will roll it out broadly and widely."

PROGRAMMING

Indian quiz turns the world's largest contest

How TCS CodeVita became the world's largest programming competition

Ananth Krishnan, CTO, TCS

VIKRAM CHAUDHARY

LAST WEEK Tata Consultancy Services (TCS) announced that the ninth season of TCS CodeVita—a student quiz competition—has won the Guinness World Records title as the world's largest computer programming competition, with 136,054 participants from 34 countries.

"The 2021 TCS CodeVita competition invited college students from around the world to pit their programming skills against each other. The winners walked away with cash prizes, and internship offers to work directly with technology leaders at TCS," the global software major said in a statement.

"Long before words like hackathon became common, TCS had seen the potential of programming as a sport and that had inspired TCS CodeVita," said Ananth Krishnan, CTO, TCS. "This competition is fuelling a passion for programming in brilliant young people."

TCS CodeVita has won the Guinness title as the world's largest computer programming competition, with 136,054 participants from 34 countries

TCS CodeVita—which is now into its second decade and has grown into a world-class quiz competition—had started way back in 2007 as an 'internal idea jam'.

"Once that idea jam became popular within our ecosystem, we thought how can we make TCS a more fun place to work? That led to a programming contest within TCS. That time, the company built the platform called the TCS Top-10 Coder. It saw a tremendous response and soon the CodeVita was born," said Krishnan.

"By 2010, there were already about a million college students who were on the TCS network (among other things, who wanted to join the company) and so we had all the ingredients and soon we launched the CodeVita as an external facing contest," added Krishnan. "For the first two years it was a team competition, and then I think it entered the Limca Book of Records in 2014 as India's biggest team programming competition."

Over the years, the CodeVita kept on getting increasing interest from students. There was no qualification to take part in CodeVita, as long as someone was a university student.

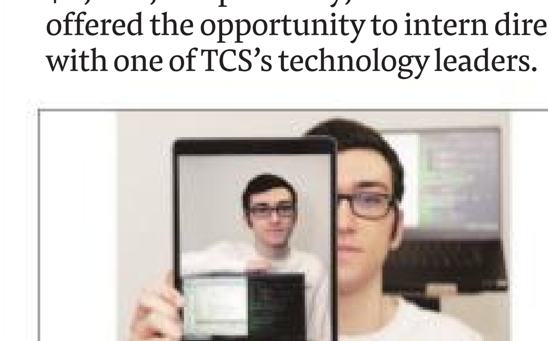
And then it turned global.

Recently, TCS contacted the Guinness World Records and they said they had been hearing about this quiz competition. "Post the audit process, the Guinness team accepted that TCS CodeVita is, indeed, the world's biggest programming quiz competition by quite a margin," said Krishnan.

This competition also feeds into the company's talent pipeline, although Krishnan said that winners may not get special preference.

This year's champion, Ben Alexander Mirtchouk of Stevens Institute of Technology, New Jersey, is the competition's first ever US winner. The 1st runner-up was Václav Volhejn, a student at ETH Zürich in Switzerland, and the 2nd runner-up was Ali Khosravi from the University of New South Wales in Sydney, Australia.

These three students have received cash prizes of $10,000, $7,000 and $3,000, respectively, and have been offered the opportunity to intern directly with one of TCS's technology leaders.



Ben Alexander Mirtchouk of Stevens Institute of Technology, New Jersey

ACCELERATOR

Creating new companies

India Accelerator funded 27 start-ups in 2020; to mentor 100 start-ups in 2021

Ashish Bhatia, founder, India Accelerator

VIKRAM CHAUDHARY

THE INDIA Accelerator (IA) is a seed accelerator started in March 2017, and it aims to be the spawning ground for emerging tech start-ups. "The selected start-ups receive not only seed funding, advice and mentoring, and connections, but also other critical inputs required to enable them to be launched successfully," said Ashish Bhatia, founder, IA, in a recent interaction with *FE*.

The IA is part of the Global Accelerator Network, a group of 100-odd top accelerators in the world. "The IA model closely follows that of TechStars and other internationally-known accelerators," he said.

Bhatia added that the IA is unique in terms of its intensive hands-on approach, 360-degree coverage, investor relationships, partner network and global focus.

The India Accelerator is part of the Global Accelerator Network, a group of 100-odd top accelerators in the world

"Our mentors are all successful people who have the passion to build the entrepreneurship community. We are the only GAN-backed accelerator in India; GAN opens up numerous opportunities for our portfolio start-ups to expand globally, and also brings global mentorship and investment into the picture," he said.

The pandemic year (2020), Bhatia said, has been tough on start-ups. "The funding funnel dried up, revenues declined, profits shrunk, and companies scaled down growth plans. Early-stage and mid-stage start-ups are the worst-hit, especially in travel and transportation space," he said.

At the same time, start-ups in the healthtech and edtech space witnessed a surge in revenues and attracted good funding. "The good thing is that none of the 'our start-ups' shut shop during these trying times. They pivoted, they reengineered, they scaled down in some cases, but they managed to stay alive and I'm sure they will strike back harder with things now looking up," Bhatia said.

In 2020, the IA funded 30 start-ups in its cohort, and it aims to fund 100 start-ups this year.

Going forward, the IA is planning a major global expansion.

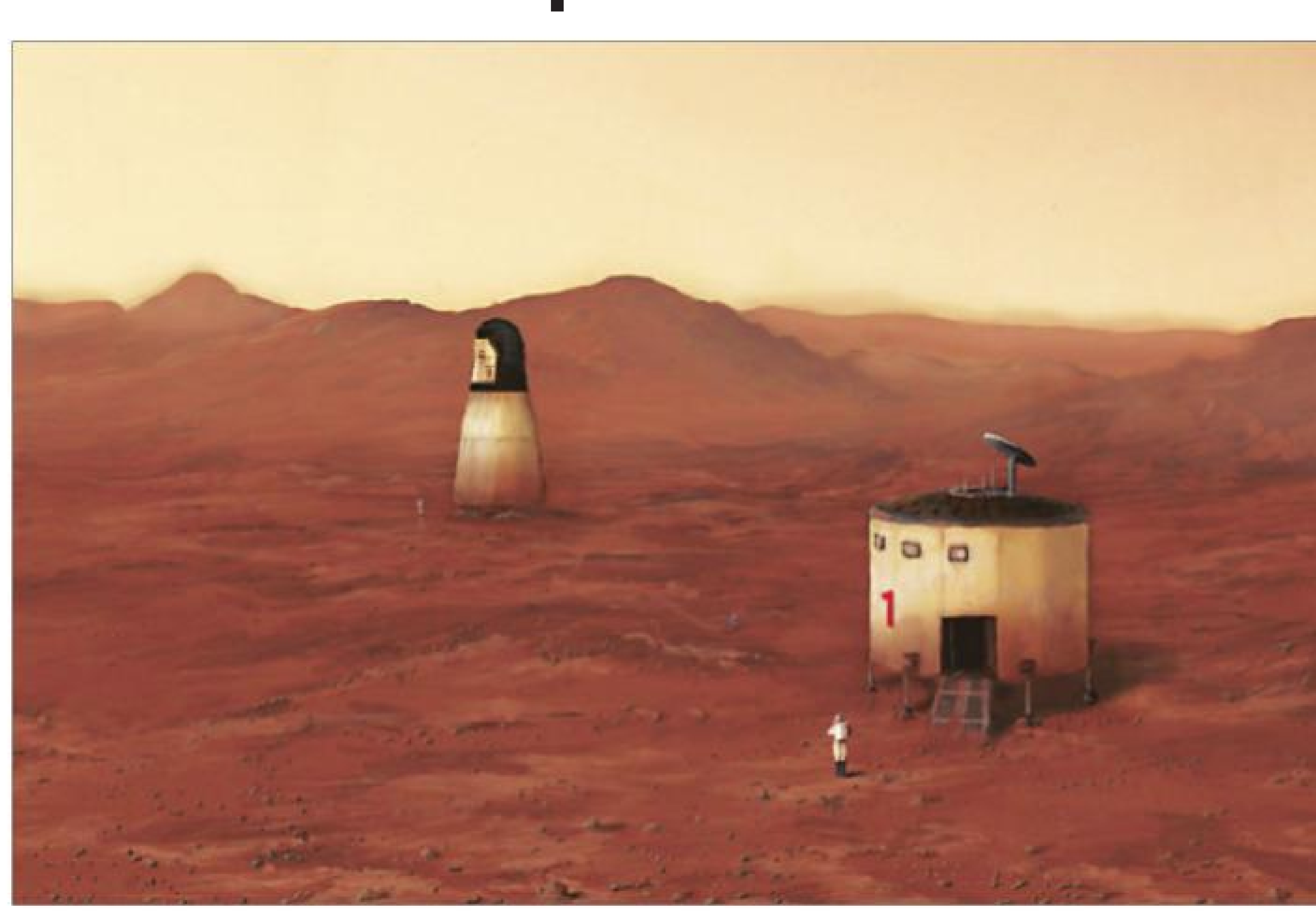
"We are on the drawing board for launching a programme in Singapore, as a base for covering the Southeast Asian geography. Another focus is to expand our footprint to Africa," Bhatia said.

Science & tech

Mankind's riskiest quest so far

From solar flares to dust storms, the threats to Musk's Mars dream are many

BRUCE EINHORN



More than half a century after Neil Armstrong took mankind's giant leap on the moon, another space race is heating up. This time, the promising new frontier for Earthlings is Mars, the planet next door.

A spate of robotic missions to the red planet, including NASA's Perseverance rover this year and China's Zhurong this month, have led to the inevitable question: When can humans follow? Unmanned missions over the decades have beamed a trove of information, including the presence of water ice on Mars, fueling expectations a human landing is possible. But how soon? And, are we ready?

NASA wants to send astronauts to Mars, perhaps at some point in the 2030s. The United Arab Emirates -- which now has a spacecraft orbiting the planet -- is promoting a 100-year plan to create a colony there. While China has said sending humans to Mars is its long-term goal, those eager for a taste of Martian life can visit a simulation site in the Gobi desert for now.

The most ambitious of them all is billionaire Elon Musk. The founder of Space Exploration Technologies Corp. wants to send humans to the planet, saying in an interview last year that he was confident a crewed mission could take place in 2026. Many scientists, however, warn of too many unanswered questions confronting deep-space travel. Musk has also acknowledged the risks, saying "it's tough sledding over there."

Becoming multiplanetary is one of the greatest filters. Only now, 4.5 billion years after Earth formed, is it possible. How long this window to reach Mars remains open is uncertain. Perhaps a long time, perhaps not. In case it is the latter, we should act now.

— Elon Musk (@elonmusk) May 22, 2021

"Honestly, a bunch of people probably will die at the beginning," the tycoon said in an interview with X Prize Foundation founder Peter Diamandis.

Here are some of the biggest challenges, from surviving cosmic radiation and dust storms to producing oxygen and water:

The Apollo astronauts could fly to the moon in just a few days, but a trip to Mars would take anywhere between six to nine months. With the distance between Mars and Earth varying between 35 million miles and 249 million miles due to their elliptical orbits, there's only a small window available when the two are ideally aligned for space travel. That makes logistics much trickier.

With lunar exploration, "there's always the prospect of rescue or provisioning or supply from Earth or from a midway space station," said Alice Gorman, an associate professor at Flinders University in Adelaide and a member of the advisory council of the Space Industry Association of Australia. "That's not going to be the case for Mars."

A long flight would expose humans to one of space travel's biggest terrors: solar flares. The most powerful type of explosion in the solar system, a flare is the equivalent of 100 million hydrogen bombs. The Earth's magnetic field can shield astronauts in orbit, but a deep-space traveler hit by such radiation would not be able to survive more than a few days.

"It's a very gruesome way to die," said Lewis Dartnell, a professor and specialist in astrobiology in the Department of Life Sciences at the University of Westminster in London. He does research linked to life on Mars.

The Apollo program didn't address this issue, choosing instead to take the chance that the few days of a lunar mission wouldn't coincide with a solar event. It would be a different story for multi-month trips to Mars.

Water tanks onboard the spacecraft could act as shields if positioned properly, said Dartnell, so in the event of a flare, travelers could retreat to the spacecraft's version of a panic room surrounded by water tanks. The problem is detecting activity on the Sun, especially on the side not facing the Earth. "How can we make our space weather prediction good enough that we can give the crew notice?" he said. "We don't have established capacity to observe the Sun from different angles for tracking solar storms."

Radiation isn't just a problem en route. Mars has a much thinner atmosphere than Earth and doesn't have a global magnetic shield, so humans on the planet's surface would be at risk of exposure to solar and cosmic radiation. Moreover, the surface itself is largely dust, and massive storms can create dust clouds that block out the Sun, said Nilton Renno, a professor at the University of Michigan whose research interests include astrobiology.

During such a storm, "it's almost like midnight on the surface of Mars for two months," Renno said. "If you are there with solar panels for power, you very likely don't survive. You don't have enough energy to keep things warm enough."

One solution would be for humans to use that dust to protect themselves, lining shelters with sandbags filled with Martian soil that could block out radiation, said Joseph Michalski, an associate professor who explores the habitability of Mars at the University of Hong Kong. Humans could also return to their cave-dwelling roots by finding temporary shelter in some of the planet's many lava tubes, large caverns from ancient times when Mars had volcanic activity.

In "The Martian" -- the 2015 Hollywood blockbuster -- Matt Damon's stranded astronaut grew potatoes by fertilizing the planet's soil with his own feces. Elisabeth Hausrath, an associate professor at the University of Nevada, Las Vegas, has more modest farming ambitions. For the past year and a half, NASA has been supporting her research into growing snow algae, a type that's common in the Nevada desert and other high-altitude, low-nutrient environments on Earth, in conditions mimicking those of Mars.

"They've been growing great," she said. The idea is that the algae could grow in greenhouses made of flexible material similar to that of a space suit. Growing algae in such conditions could not only create a source of food but also produce oxygen. The research is still in its early stages.

Scientists also still need to resolve how humans could get enough water to survive on Mars. The planet does have some sub-surface ice that could be water sources and a future Mars mission will still need to use radar to map its distribution, said Victoria Hamilton, a planetary geologist at the Southwest Research Institute in Boulder, Colorado. "Once you know where the ice is, those are locations where you might send humans," she said.

Unless everyone signs up for a one-way trip, humans traveling to Mars will need to take a rocket back to Earth. Figuring out how to get fuel to power that spacecraft back into space is the biggest technological hurdle would-be Mars explorers face, said Michalski.

"It's not the case that we would bring the rocket fuel with us," he said. "It's just too heavy."

One solution might be to use the resources on the planet to make fuel by first electrically separating water from sub-surface ice and hydrated rocks, then combining the hydrogen and oxygen to make rocket fuel, said Michalski.

Sooner or later, optimists believe, scientists will solve these problems.

"Today it's definitely a place where we can't live," said Adnan AlRais, Mars 2117 program manager for the UAE's Mohammed Bin Rashid Space Center. "But as we develop science and technologies, the answer might be different in 50 to 100 years from now."

—With assistance from Layan Odeh.
Bloomberg

eFE

MONDAY, MAY 31, 2021

PC SURGE CONTINUES

Michael Dell, Chairman & CEO, Dell Technologies

Since the post-PC era started, close to 6 billion PCs have been sold. PC demand is even stronger now in the do-it-from-anywhere world.

PEER MENTORING

Entrepreneurship in the new normal

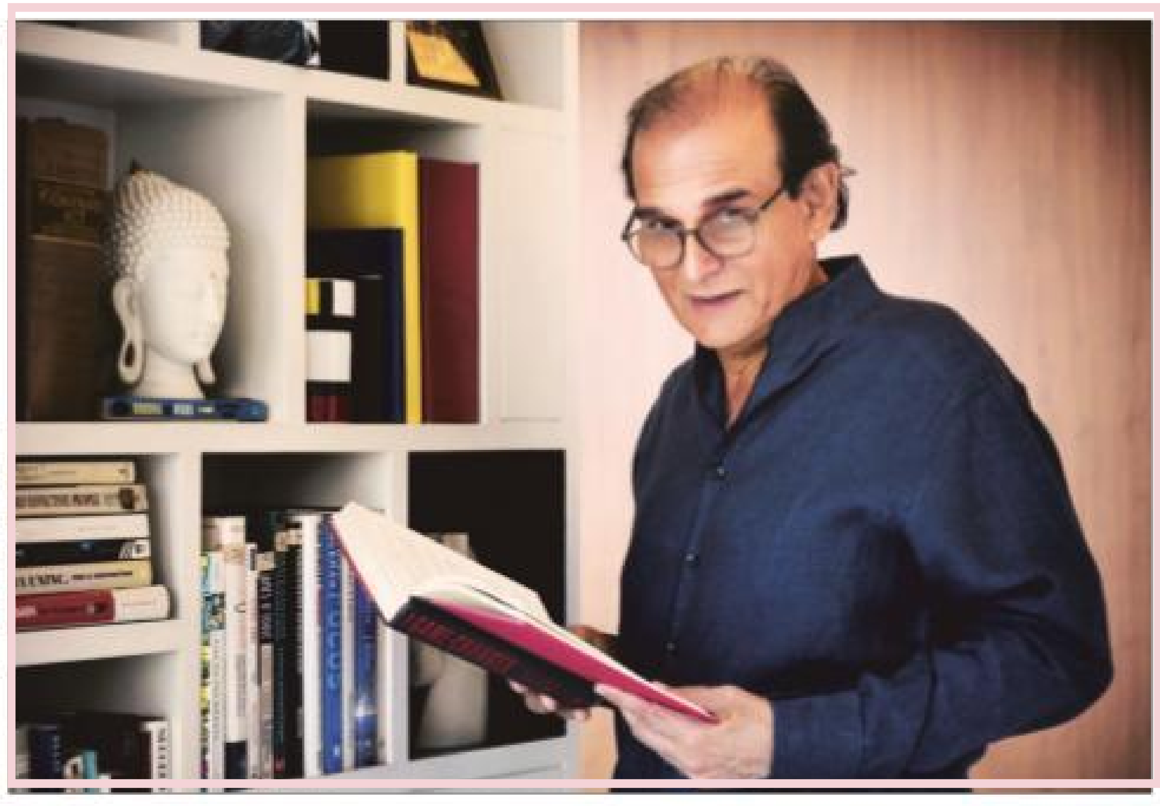
ASCENT Foundation enables growth-ready entrepreneurs across India to scale up and adapt to the new normal through self-facilitated trust groups

SUDHIR CHOWDHARY

AN ENTREPRENEUR'S JOURNEY is always interesting. However, it can also be a lonely, long road, especially during the current challenging time. The Covid-19 second wave has taken a heavy toll on human lives and businesses alike. Mindful of the fact that many businesses are in survival mode, ASCENT Foundation, a not-for-profit initiative of Harsh Mariwala (chairman of FMCG major Marico), is playing a key role in extending relevant support to its members and the larger entrepreneur ecosystem through the crisis, by means of peer learning and peer support, and strategies to fight the pandemic.

"ASCENT started as a Mumbai chapter in 2012 and expanded to Chennai in 2018. With a vision to impact in large numbers and enable ASCENT support to entrepreneurs across the country, I always wanted to go pan-India," says the Foundation's founder, Mariwala. "The pandemic introduced us to a new normal and having witnessed the ease with which members adapted to virtual meeting structure, ASCENT launched the all-India chapter in April 2020 with members from across the country being part of a trust group that meets virtually every month. Increase in the number of applications and interest shown from tier 2 and tier 3 cities validates the need of a platform such as ASCENT for entrepreneurs across India specially during times like these," he adds.

> Increase in the number of applications and interest shown from tier 2 and tier 3 cities validates the need of a platform such as ASCENT for entrepreneurs across India specially during challenging times like these.
>
> — HARSH MARIWALA, CHAIRMAN, MARICO, & FOUNDER, ASCENT FOUNDATION



"ASCENT is designed as a peer learning platform for growth stage entrepreneurs and leverages the power of collective and enables entrepreneurs to share experiences, ideas, insights through self-facilitated trust groups and an extended network of enablers," says Archanna Das, head, ASCENT Foundation. The trust groups have 10-12 non-competing entrepreneurs in a similar scale and stage of business who act as a sounding board for each other.

Now, a quick look at some of the success stories in recent times. A first-generation entrepreneur in the IT industry and a member of ASCENT for over eight years now had to face bankruptcy in the year 2018. With his entrepreneurial journey coming to a halt, he decided to step out of his trust group. However, members of his trust group requested him not to exit and be a sounding board for them. With support and motivation from the members, he restarted his business and is today running a profitable business.

Again, an entrepreneur running a brick-and-mortar company was very satisfied with a 20% growth in his business. However, his trust group helped identify his blind spot and see an opportunity to disrupt his own business and start a cloud enterprise. This pivot has proven to be fruitful for him.

In the last eight years, ASCENT has onboarded over 680 entrepreneurs as members (from more than 2000 applications received) who are part of 59 operational trust groups in Mumbai, Chennai and all-India chapters. The composition of these trust groups indicates a 46:54 split between manufacturing and services industries; 42% family businesses; 10% women entrepreneurs, with altogether 65-plus diverse industries represented. "The aggregate annual turnover of the ASCENT members is more than ₹27,000 crore with individual member turnover ranging from ₹1 crore to ₹2000-plus crore."

ASCENT has actually become stronger during the Covid crisis. "In an effort to extend relevant support to our members and the larger entrepreneur ecosystem through the crisis, a survey was conducted among the members of the cohort and an Entrepreneurial Toolkit was designed from the 144 (27%) responses received, with challenges and strategies to fight the Covid-19 pandemic with respect to employee salary, cash flow management and challenges in working from home, etc," says Das.

SPEED OF INNOVATION

On the front foot

Business and IT leaders need to have a proactive approach to digital transformation and technology performance

Abhilash Purushothaman

DURING THOSE INITIAL days and weeks of the pandemic, when technologists were working round the clock to ensure their organisations could continue to serve customers (and in many cases – stay in business), few would have imagined that they would still be working under such intense pressure more than a year later.

The result of such rapid digital transformation has been spiralling complexity in the IT department, with technologists having to monitor and manage an increasingly sprawling IT estate. A dramatic acceleration of cloud computing initiatives has left many technologists overseeing a patchwork of legacy, hybrid and cloud technologies, and attempting to make sense of soaring volumes of data from across the IT stack.

In research conducted by AppDynamics (Agents of Transformation 2021: The Rise of Full-Stack Observability), 84% of technologists in India claim their response to the pandemic has created more IT complexity than ever experienced, with increasing 'data noise' central to this added complexity. So technologists have found themselves on the back foot, in a cycle of constant firefighting to identify and fix issues before they impact the customer and the business. They simply can't see what is important and where they should be focusing their attention. And the impact of that has been long hours, extreme pressure and the constant worry that any mistake could be costly.

Getting back on the front foot

The fact that IT departments have been forced onto the back foot over the past year was to a large degree inevitable. However, we're now more than a year into the pandemic and organisations need to find a more sustainable approach to digital transformation. Business leaders should now understand the current pace of change and disruption won't reverse over the coming years, even after the pandemic has passed; if anything, the speed of innovation required to compete will accelerate further.

Organisations will have to find ways to establish a more proactive and positive approach to 'digital transformation as usual', and prepare for what Accenture describes as the decade of the 'Never Normal—a new era defined by fast changing shifts in cultural norms, societal values and behaviours.'

Critically, organisations need to ensure technologists have the tools and insights they need to manage and optimise technology performance in a proactive way. This means the full visibility of the entire IT estate and the ability to correlate technology performance with business outcomes in real-time.

A moment of reckoning in the IT department

Even after a year of unrelenting pressure in the IT department, technologists remain firmly committed to driving through digital transformation at speed and hugely excited about the future.

However, technologists are being held back from fulfilling their potential, without the ability to prioritise technology performance fixes based on potential business impact. This lack of visibility and insight will hinder them from performing as elite technologists and, ultimately, prevent them from delivering the innovation and faultless digital experiences their organisations desperately need.

Business and IT leaders should take note of this warning, otherwise they risk wasting all of the progress (and investment) they have made in transforming their business during the pandemic. It's time to end the firefighting and get on the front foot, with a proactive approach to digital transformation and technology performance.

The writer is MD (India & Saarc), Cisco AppDynamics

Tech Bytes

Leveraging AI & IoT to get that tech edge

ROBERT BOSCH ENGINEERING and Business Solutions (RBEI) has introduced a new Artificial Intelligence of Things (AIoT) platform, called Phantom Edge, which combines the power of AI and the IoT to provide real-time view of electrical energy consumption, operating usage, electrical parameters, and appliance-level information. "It is a powerful ecosystem designed to be leveraged for industries who are jump starting their digital journey," said Dattatri Salagame, president and managing director of RBEI. "Phantom Edge has potential applications in a number of industries like healthcare, retail, commercial spaces, agriculture, mobility, industrial manufacturing etc."

Phantom Edge uses non-intrusive sensors to collect power signatures and ML algorithms sitting on the edge, analyses these signatures to provide a real-time view of electrical energy consumption, operating usage, electrical parameters, and appliance-level information and thereby creates its digital twin. This information will help in improving sustainability and productivity metrics. It also provides input on critical safety, machine maintenance and early warnings on malfunction.

Happiest Minds, Yotta pact on cloud solutions

BENGALURU-BASED HAPPIEST Minds Technologies and Yotta Infrastructure have entered into a partnership to jointly offer colocation services and Yotta's cloud solutions on the 'anything-as-a-service' model as part of Happiest Minds portfolio. "With the growing demand of datacentre services and cloud adoption, this partnership is imperative to enhance our strong portfolio of cloud Infrastructure services further," said Girish Chandangoudar, VP, Head of Infrastructure, Happiest Minds Technologies. This partnership enables Happiest Minds Technologies to deliver scalable, flexible, and quality datacentre and cloud services. With this, Yotta's range of enterprise IT services and a full array of managed services for SAP, IT management, IT security, network and connectivity, high-performance computing as a service, cloud-hosted desktop-as-a-service, GPU powered workstations, and other disruptive solutions on the self-service pay-as-you-consume model will be made available by Happiest Minds.

Gadgets

iQOO 7 LEGEND

A must-have for serious mobile gamers

iQOO 7 Legend is a well-rounded phone with bright and colourful display, plenty of gaming-focused features and long-lasting battery life

SUDHIR CHOWDHARY

NOWADAYS, SMARTPHONES ARE the most popular gaming device, beating desktop, tablets and consoles. A good screen is a must-have or else it will ruin your gaming experience, so is a large battery for extended gaming sessions, and of course a fast processor for top-notch performance. I am not an intense mobile gamer, but I have tried out some of the latest devices – Asus ROG Phone 5, Samsung Galaxy Note 20 Ultra, iPhone 12, OnePlus 9 Pro – these are all very good performers and certainly won't let you down in the heat of battle.

Recently, we got an opportunity to try out our hands on the new iQOO 7 Legend device that has caught the gaming community's eye for its superior gaming capabilities and breezy overall performance. The iQOO 7 Legend is priced at ₹39,990 (8GB+128 GB variant) and ₹43,990 (12GB+256GB variant); the latter was our trial unit. Last year, we had reviewed the iQOO 3, a smart and sleek device packed with high-end specs. Let us find out what's new in the Legend 7, its stand-out features and overall performance.

With an eye-catching and bold new style, the iQOO 7 Legend comes across as a powerful and sturdy device, with a pure matte white surface that adds to its sleek and fashionable looks. The phone's Marine Aluminum middle frame is designed to prevents corrosion from oils and perspiration from users' hands, providing extra protection to the phone's rear cover and screen in case the device suffers from a heavy impact fall. It is outfitted with AG frosted glass to prevent any appearance of fingerprints and smudges on the glossy surface.

The phone has a 6.62-inch 120 Hz AMOLED display with a resolution of 2400 x 1080 FHD, peak brightness of 1300nits and contrast ratio of 6000000:1. Its new Super Touch Acceleration function allows users to experience an ultra-high refresh rate with advanced screen touch response, gaining a distinct edge with smooth game play. In competitive scenarios where every movement is crucial to coming out on top, this minimal touch latency can create a faster operational advantage for users to put their skills on display and out-manoeuvre opponents effortlessly.

The iQOO 7 Legend comes with the Qualcomm Snapdragon 888 5G mobile platform, combined with an enhanced LPDDR5 flash drive for faster sequential read and write speed, resulting in pretty fast app calling and caching capabilities for users along with more efficient power consumption. It features an enhanced V6 UFS 3.1 memory chip, which has been further enhanced for faster file downloads, copies and installations. iQOO has also incorporated the Extended RAM function within the iQOO 7 Legend, as 3GB of ROM have been re-allocated to be added upon 8GB of RAM, allowing apps to run simultaneously with minimal lag and sufficient storage space.

On the battery front, the iQOO 7 Legend is decked out with a 4000mAH Typ battery, supported by 66W FlashCharge technology. This allows for greatly reduced charging times to satisfy the fast-paced lifestyles of modern-day mobile phone users. The phone is equipped with a new Monster Beat Surround Sound Stereo system with dual speakers, complete with Hi-Res Audio certification. In addition to having fuller bass, higher fidelity, louder volume and a wider sound field, the speakers can provide 3D surround sound.

The iQOO 7 Legend contains Monster Touch, which has been refined so as to be implemented under the screen with dual-control and pressure-sensitive digital buttons. This custom setting enables faster and more ergonomic gaming, allowing two fingers to accomplish what four fingers previously could in games such as *Free Fire* and *Call of Duty*. For a more realistic feel, the Monster Engine Dual-Linear Motors are present on the left and right sides of the iQOO 7 Legend device body to achieve dynamic vibration.

Key takeaways: iQOO 7 Legend is a sturdy and well-rounded phone with bright and colourful display, plenty of gaming-focused features and long-lasting battery life. Certainly one of the finest gaming phones on the market.

SPECIFICATIONS

- Dimensions: 162.2 x 75.8 x 8.7mm
- Display: 6.62 inch, 120Hz AMOLED display
- Processor: Qualcomm Snapdragon 888 5G mobile platform
- Operating system: Android 11 (FunTouch OS 11.1)
- Memory & storage: 8/12GB RAM, 128/256GB internal storage
- Camera: 48MP OIS Main Camera + 13MP Wide Angle and Macro Camera + 13MP Pro Portrait Camera, 16MP Front Camera
- Battery: 4000mAh, 66W Flash Charge
- Estimated street price: ₹39,990 (8GB+128 GB), ₹43,990 (12GB+256GB)

BENQ GS2 PROJECTOR

Spice up family time with this projector

A smart wireless portable projector that is ideal for entertainment, work and learning

SUDHIR CHOWDHARY

AS CONSUMERS SPEND more time inside their homes, they are on the lookout for devices that can enhance and upgrade their home entertainment infrastructure. A projector can be a perfect partner to meet the consumer's diverse needs, be it for entertainment, work or learning. If it's wireless and portable, it is even better because of the flexibility it provides as it can be used anywhere in the house. Sensing a market opportunity, BenQ has debuted its GS2 smart wireless portable projector that is available on Amazon at a best buy price of ₹59,990.

Compact and lightweight, GS2 sets up anywhere without any connectivity concerns. The projector is splash-proof with IPX2 certification, drop-proof, and works with virtually any wireless or wired source device. It is equipped with streaming content that you can access with Smart control app that allows you quick and easy access of the projector with your own mobile without leaving the couch. GS2 delivers long-lasting high definition picture quality with precise colours and razor-sharp clarity coupled with a 20,000 hour maintenance-free Solid state LED light source.

Using Wi-Fi, HDMI, USB-C, or its built-in media reader, GS2 instantly casts and plays upto Full HD visual content whether indoors or out. It also doubles as a powerful Bluetooth speaker and comes with the Aptoide TV app market for limitless streaming potential. It features autofocus, auto vertical keystone, and an adjustable hinge for easy, instant operation in any setting.

The projector is designed with families' and children's safety and comfort in mind, utilising a truly colourful and vibrantly bright reflected LED light and BenQ-exclusive LumiExpert ambient-sensing automatic brightness technology to optimise the viewing experience while safeguarding viewer comfort and vision health. GS2 even includes an eye proximity sensor to temporarily blank the projector to prevent shining into children's eyes.

- Estimated street price: ₹59,990

Investor

MONDAY, MAY 31, 2021

EXPERT VIEW

We have cut BPCL's marketing volumes by 9%/8% for FY22/23E to factor in the Covid-related restrictions. We have cut FY22/23E EBITDA 8%/5% but EPS rises as firm shifts to a lower tax regime

—Jefferies

BHARAT PETROLEUM RATING: **BUY**

Q4FY21 results were well ahead of expectations

Inventory gains led to beat; debt fell sharply; dividend payout a surprise; FY22/23e Ebitda down 8/5%; 'Buy' retained with TP of ₹520

BPCL REPORTED IN-LINE core Ebitda, with inventory gains driving a large beat to JEFe. Marketing volume growth was faster than industry growth. Marketing profitability is likely to be restored as retail price hikes continue. Borrowings dropped sharply on proceeds from Numaligarh stake sale and treasury stock sale. Dividend of ₹58/share and low capex pleasantly surprised. We cut FY22/23e Ebitda 8/5%; privatisation is key to further upside.

Results well ahead of expectations: Reported Ebitda was 92% ahead driven by inventory gains. Reported PAT was significantly ahead of JEFe aided by (i) exceptional items – ₹94-bn gain on sale of stake in Numaligarh refinery offset by ₹20-bn impairment in upstream business and ₹4-bn ESOP related expense; and (ii) deferred tax write-back of ₹17 bn.

Core refining ahead: Core GRM of $2.5 was ahead of JEFe ($1.8). Inventory gain of $4.2 was much higher than JEFe ($2). Refinery throughput declined 17% y-o-y in FY21 but was flat y-o-y in Q4FY21.

Marketing aided by inventory gains: Marketing Ebitda was aided by inventory gains of ₹18.3 bn. Marketing volume was up +4.1% y-o-y against +2.5% for industry in Q4FY21. Gasoline and diesel market shares were -10bps and +30bps y-o-y.

SGP GRM outlook mixed: Trafigura, in its recent Jef U interaction, indicated it expects gasoline spreads to strengthen further on higher than normal demand during the US driving season in June-July. Naphtha should also remain strong on downstream demand. But the outlook on diesel is mixed with continued restrictions in India and weakness in global aviation fuel demand.

Retail price revisions have some way to go: Retail prices of gasoline and diesel have increased by ₹3-4/lt since the elections ended. At the current crude price, our calculations suggest further retail price hikes of ₹1-5/lt in diesel and gasoline are needed to restore normal margins.

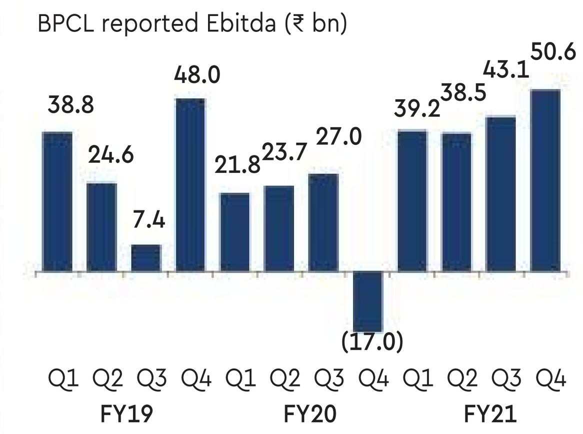
Borrowings sharply down y-o-y: Borrowings fell ₹155 bn y-o-y in FY21 on the back of (i) ₹57-bn reduction in government receivables; (ii) ₹80-bn net inflow from sale of stake in Numaligarh refinery; and (iii) ₹55 bn from sale of treasury stock. Borrowings will increase to pay dividend (₹121 bn) and purchase of Bina refinery stake (₹24 bn) in FY22e. Cash & equivalents at ₹80 bn and lower capex intensity in the run-up to privatisation should keep borrowings in check.

Treasury stock and Numaligarh proceeds paid as dividend; privatisation is key: We have cut marketing volumes 9%/8% for FY22/23e to factor in the Covid-related restrictions. We have cut FY22/23e Ebitda 8%/5% but EPS rises as the company shifts to a lower tax regime. It announced a dividend of ₹58/share. Lack of pricing freedom during the election clouds the outlook on BPCL's privatisation, in our view. We prefer HPCL over BPCL on favourable valuation but maintain **Buy** on BPCL with a slightly higher PT of ₹520 (from ₹500) helped by a roll-over to FY23e.

JEFFERIES

Ebitda came in 92% ahead of JEFe driven largely by inventory gains while core GRM too was ahead

BPCL reported Ebitda (₹ bn)



Source: Jefferies, Company data

HAVELLS INDIA RATING: **BUY**

Performance was robust in fourth quarter

Covid wave to hit near-term earnings but recovery is likely post lockdown; 'Buy' retained with TP of ₹1,198

THREE POINTERS FROM Q4FY21: (i) Strong consumer off-take, market share gains from smaller players, higher revenues from E-commerce and rural markets and price hikes were chief reasons for 50.6% revenue growth y-o-y; (ii) improvement in revenue mix as well as cost-saving initiatives resulted in 420bps higher Ebitda margin; and (iii) the localised lockdowns as well as 20-40% increase in commodity prices are expected to impact near-term earnings but we expect recovery post lifting of lockdown.

We model Havells to report an earnings CAGR of 17.4% over FY21-FY23e with: (i) strong volume growth; (ii) price hikes in high single digits; and (iii) improvement in profitability of Lloyd consumer. We remain structurally positive on the company due to its competitive advantages and growth opportunity in consumer durables. Maintain **Buy** with a DCF-based TP of ₹1,198 (implied P/E 52x FY23e).

Q4FY21 performance: Havells reported revenue, Ebitda and PAT growth of 50.6%, 107.9% and 71%, respectively, y-o-y. We believe (i) strong consumer off-take sustained from Q3FY21; (ii) market share gains from smaller/unorganised players; (iii) higher revenues from E-commerce and rural markets; (iv) mid-high single digit price hikes across products; and (v) favourable base helped to report strong revenue growth. Gross and Ebitda margins expanded 130bps and 420bps, respectively, due to better revenue mix and cost-saving initiatives.

All segments doing well: Segment-wise revenue growth rates were as follows: Switchgears 53.1%, Cables 50.8%, Lighting & fixtures 42.9%, Electrical consumer durables 70.6%, Lloyd Consumer 29% and Others 70.7%. While there is strong consumer off-take, revival in government and private capex is leading to strong growth of Industrial and Infrastructure portfolio.

Impact of Covid wave-2: The onset of Covid wave-2 and localised lockdowns impacted revenue growth from 15th Apr'21 and there is further deceleration in growth rates in May'21. While the lockdown is likely to impact near term earnings, we expect the consumer off-take to revive once the lockdown is over.

Inflation in input prices: Prices of key raw materials such as copper, aluminum, steel and HDPE have increased 20-40% y-o-y. While the company has raised prices in H2FY21 and also initiated cost saving measures, we believe it may need to raise prices again to maintain margins in FY22. Ad-spend is also likely to increase in FY22.

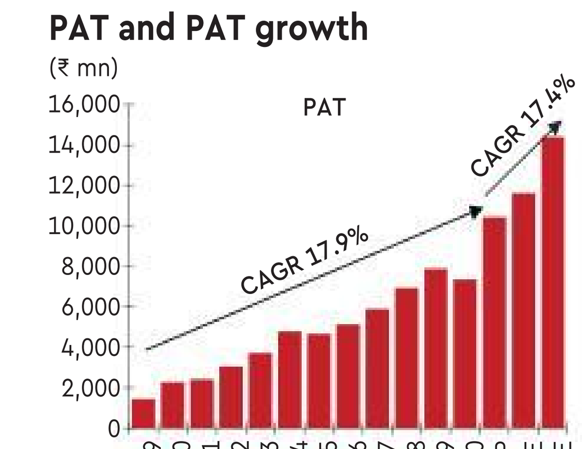
The onset of Covid wave has impacted revenue growth from 15th Apr'21. While this is likely to impact near term earnings, we expect consumer off-take to revive once the lockdown is over

Maintain BUY: We model Havells to report PAT CAGR of 17.4% over FY21-FY23E and RoE to be upwards of 20% over FY22-23. We remain positive on the company's business model due to strong moats and growth opportunities. We maintain **Buy** with a DCF-based target price of ₹1,198 (implied P/E 52x FY23e).

ICICI SECURITIES

PAT and PAT growth

(₹ mn)



Source: Company data, I-Sec research

EMAMI RATING: **BUY**

Growth was strong across categories

Outlook is positive, though Covid will affect Q1; 'Buy' retained with TP of ₹610

EMAMI'S CONSOLIDATED Q4FY21 revenue (up 37.2% y-o-y) and PAT (up 190.8% y-o-y) surpassed our estimates, while Ebitda (up 65.2% y-o-y) came below estimate. Bolstered by strong performance in the healthcare portfolio, domestic volumes grew 39% y-o-y on a soft base of -19%. While two-year revenue CAGR is 6.9%, volume CAGR is 6.1%. Although mentha prices are benign, spike in other raw materials led to gross margin compression of 249bps y-o-y.

Overall, we expect the robust revenue trajectory to sustain led by sustained focus on health & hygiene. However, the company's summer portfolio is likely to be impacted in Q1FY22 by Covid wave 2. Maintain **Buy** with revised TP of ₹610 as we roll over to Sept 2022E.

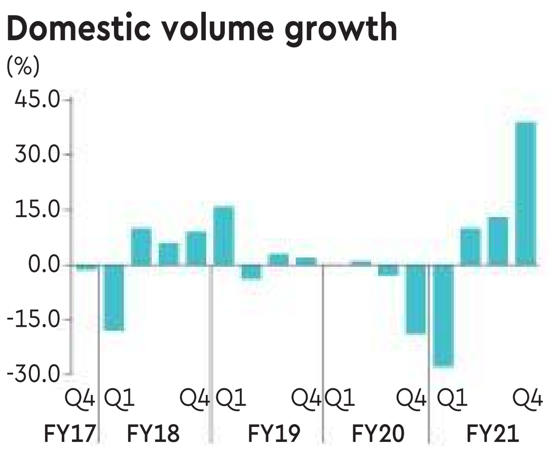
Strong growth across categories: Robust revenue and volume growth were positives, as also strong performance in healthcare and pain management range. However, 249bps y-o-y and 771bps q-o-q gross margin compression was disappointing. Q4FY21 witnessed an all-round strong performance across brands with healthcare range, Navratna, pain management and 7 oils in one posting 48%, 13%, 33% and 45% growth, respectively, on two-year basis (Q4FY21 versus Q4FY19). Kesh King and BoroPlus grew strongly in Q4, but rose mere 7% and 5%, respectively, over two years. International business grew 21% on two-year basis.

Outlook: Positive – We expect robust revenue growth to sustain riding higher rural contribution and focus on health & hygiene. Furthermore, alleviation of the promoter level pledging concern is an added positive. We retain 'BUY/SO' with revised TP of ₹610 (from ₹595) as we roll forward to Sept 2022e. The stock is trading at 30.1x FY23e EPS.

EDELWEISS

Domestic volume growth

(%)



Source: Company, Edelweiss Research

Personal Finance

RETIREMENT PLANNING

Low costs, tax sops make NPS attractive

With small savings interest rates declining, individuals should invest in NPS and gain from the compounding benefits

SAIKAT NEOGI

THE ASSET UNDER management (AUM) of the National Pension System (NPS) and Atal Pension Yojana (APY) touched ₹6-lakh-crore milestone on May 26 and the last ₹1 lakh crore came in seven months. Apart from the mandatory central and state government employee subcribers, many self-employed individuals and private sector employees are increasingly investing in NPS because of the low cost structure and the tax benefits which push up the returns significantly in the long run.

As on May 21, 2021, the total number of subscribers under NPS and APY was 4.28 crore. There are 74.10 lakh government employees in the scheme and 28.37 lakh in the non-government sector. A low cost pension scheme, NPS was introduced for all new central government employees from January 1, 2004 and was adopted by most state governments for their employees. In 2009, it was extended to all Indian citizens on a voluntary basis and to corporations for their employees.

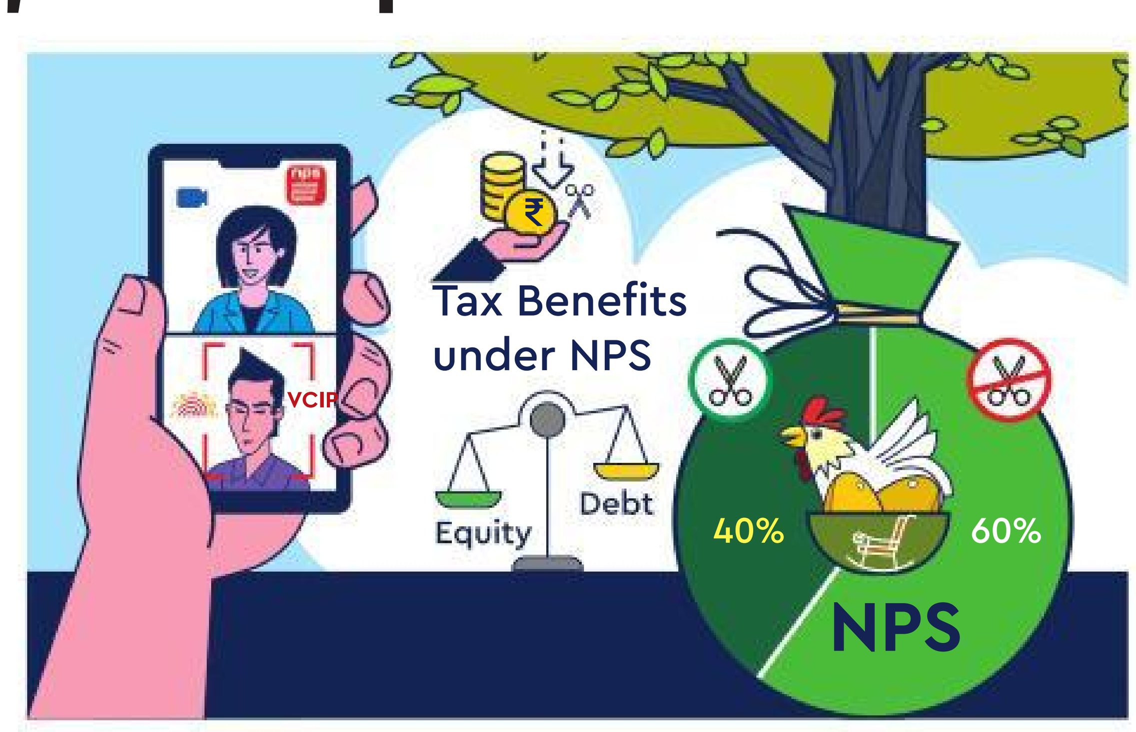


ILLUSTRATION: SHYAM KUMAR PRASAD

NPS returns: How pension funds stack up

(%)	Equity funds 3-year	Equity funds 5-year	Corp bond funds 3-year	Corp bond funds 5-year	Govt bond funds 3-year	Govt bond funds 5-year
Aditya Birla Sun Life Pension	12.63	NA	10.78	NA	11.73	NA
HDFC Pension	13.78	15.95	11.39	9.77	12.2	9.89
ICICI Pru. Pension	13.06	14.51	10.86	9.57	11.62	9.65
Kotak Mahindra Pension	12.67	14.44	9.63	8.82	11.84	9.71
LIC Pension	11.76	13.34	11.15	9.38	12.86	10.92
SBI Pension	12.16	14.21	11.05	9.55	11.74	9.77
UTI Retirement Solutions	12.47	14.52	10.41	9.1	11.39	9.23

Data as on May 21, 2021; Returns are for Tier I and for corporate sector and all citizen Source: NPS Trust

Returns from NPS

The returns vary due to the portfolio mix—equity funds, corporate bond funds and gilt funds—and the age factor of the subscriber in the auto choice option. However, for a five-year period, a conservative investor (20% in equity, 30% in corporate bonds and rest in gilt funds) would have earned around 10.5%; a balanced investor (33% in each funds) around 11% and an aggressive investor (50% equity, 30% in corporate bonds and rest in gilt funds) would have earned around 11.5%.

With small savings rates on the decline—interest rate for Public Provident Fund is 7.1% for the three months to June 2021—individuals should invest in NPS and gain from the compounding benefits. The lock-in till retirement, except for partial withdrawal for certain emergencies, and flexibility to change fund houses can help build the nest egg in a disciplined way.

Tax benefits

Individual subscribers get tax deduction of up to ₹1.5 lakh under Section 80C of Income Tax Act and an additional deduction of ₹50,000 under section 80CCD 1(B). Moreover, NPS contributions by employers (up to 10% of the salary) is allowed as a deductible perquisite for employees under Section 80CCD(2), subject to a ceiling of ₹7.5 lakh in a financial year. An employer can claim the NPS contributions to employees' NPS accounts (up to 10% of the salary) as an exempted business expense under Section 36(1)(iva).

At maturity, 60% of the lumpsum amount received by subscribers is tax-free and the balance invested for purchasing annuity is also exempt from tax. Any amount withdrawn from NPS for emergency purposes is tax-exempt under Section 12B. Moreover, Goods and Service Tax paid by an individual while purchasing an annuity product is not levied when annuity plan is purchased through NPS. However, monthly annuity income received by the investor is taxed as per marginal rate.

Pension Fund Regulatory and Development Authority has also taken a host of digital initiatives for on-boarding, contributions and servicing to make NPS attractive.

Could your bank be headed for bankruptcy?

If the Altman Z score is less than 1.10, the bank is a bankruptcy candidate

YOUR MONEY

N SIVASANKARAN

ALTMAN Z SCORE is used to identify bankruptcy potential of firms. However, the initial model developed by Altman does not help in predicting bankruptcy of banks. For that, we need to use Altman's customised model for banks.

Hypothetical illustration

Given, financial data (₹crore) of Pranaya Piyush Bank (PP): Earnings Before Interest & Tax (EBIT) 5,000; total assets 50,000; working capital (10,000); retained earnings 7,000; revenue 10,000; book value of debt 30,000; market capitalisation 90,000.

Altman Z Score for banks

Altman developed the Z score as a tool for predicting the bankruptcy of a bank. Z score is computed as the sum of 6.56 (working capital/total assets) +3.26 (retained earnings/total assets) +6.72 (EBIT/total assets) +1.05 (market value of equity/book value of debt) + 3.26. Higher the score of a bank in these variables, the better is its safety margin for investors. If the Z score is less than 1.10, the bank is a bankruptcy candidate; if Z score is above 2.60, the bank is out of the bankruptcy risk; if Z score is between 1.10 and 2.60, the bank is in the gray zone and it is difficult to predict its bankruptcy possibility. Sales to total asset ratio used in the model for manufacturing firms is not considered in the model for banks. Further, 3.26 is added to adjust for emerging market banks.

Working capital/total assets

For PP, it is (0.20 times) (negative working capital of ₹10,000 crore/total assets of ₹50,000 crore). If its previous period ratio is (0.30) times, then it has improved its performance in the current year. The weighted score is -1.31. For banks, normally current liabilities exceed current assets. So they have negative working capital.

ILLUSTRATION: SHYAM KUMAR PRASAD

Retained earnings/total assets

For PP, it is 0.14 times (= retained earnings of ₹7,000 crore/ total assets of ₹50,000 crore). If its previous period ratio is 0.10 times, then the bank has improved its performance in the current year. The weighted score is 0.46 (= 3.26*0.14).

EBIT/total assets

For PP, it is 0.10 times (₹5,000 crore/ ₹50,000 crore). If its previous period ratio is 0.20 times, then the bank has fallen in its performance in the current year. The weighted score is 0.67(= 6.72*0.10).

MV of equity/BV of debt

For PP, it is 3 times (market cap of ₹90,000 crore/ BV of debt of ₹30,000 crore). If its previous period ratio is 2.5 times, then the bank has improved its solvency position. The weighted score is 3.15.

The Z score of PP is 2.97 (without adding 3.26 for emerging markets) and 6.23 (with addition of 3.26) which indicates that it is a safer bank for investors. Though the coefficients may change if we run the model using current data, the inter and intra comparison of a bank in these four variables may offer more clarity on the financial performance of a bank.

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

BrandWagon

MONDAY, MAY 31, 2021

NUMEROLOGY

4.4% – annual growth in FMCG ad spends, reaching $30.3 bn in 2023

$14.9 bn – digital ad spends by the sector by 2023

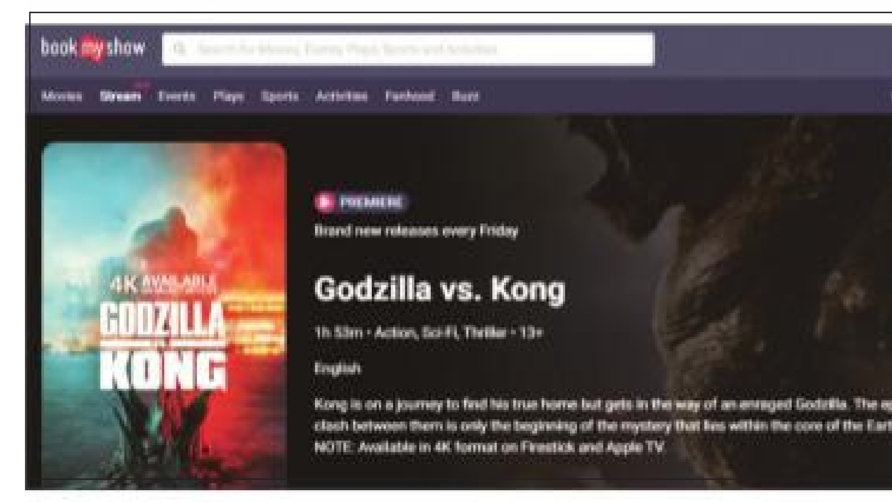
9% – expected yearly growth in FMCG OOH advertising till 2023

— Zenith report

DEBATE

Digital to the rescue

The Indian film industry, which was hoping for a more lucrative summer this year, has had to hold back new releases as the second wave of the pandemic rages on. Salman Khan-starrer *Radhe* became the first Indian big-budget movie to opt for a simultaneous digital and theatrical release. **Venkata Susmita Biswas** asks experts if other filmmakers are likely to follow suit



'Larger studios will wait for theatres to reopen'

THE DIGITAL REVENUE pool in India is still not large enough to justify the high acquisition cost for these big-budget films. In 2020, India's D2C SVoD market stood at $440 million, while DTH operators made $80 million from VAS services. In contrast, Indian gross box office earnings reached $1.5 billion in 2019. In a typical year, domestic theatricals contribute 60% to the movie industry revenue. The financial incentives are significant for the industry to align back to pre-pandemic windowing of movie releases on theatres (T), followed by digital (T+45 days) and satellite (T+90 days).

Mihir Shah
VP, Media Partners Asia

Pay-per-view or TVoD revenue streams aid to boost existing ARPUs and are more prevalent in matured subscription industries (DTH) and markets. With more than 60 online video services in India, the industry is in a land grab phase. In that regard, the TVoD model adopted for recently released *Radhe* is very premature. Going forward, as supply-side issues stabilise, several small-budget films or those which struggle to get a sizable share of screens for release, will go the digital way. Meanwhile, larger studios with financial capacity to service their interest payments will prefer to wait for theatres to reopen.

'Important that theatrical revenues regain lustre'

DESPERATE MALADIES CALL for desperate remedies. In view of the severe (and still ongoing) Covid crisis and the resultant theatre closures, producers have had to pivot to alternate platforms for exhibiting films. It is a very fluid and evolving situation, and it is hard to precisely predict the contours of the post-pandemic film ecosystem, but most experts believe that the theatrical window of exclusivity is unlikely to be of the same duration as it was earlier.

Nitin Tej Ahuja
CEO, Producers Guild of India

However, while the current crisis may have acted as an accelerator, these windows were anyway ripe for change, both globally and domestically, even before the pandemic.

With huge amounts of funds locked up in projects — both completed and those at a standstill — it is important not only for producers, but also the larger film economy to find some way to monetise these properties and inject some liquidity back into the system. So, whether it is SVoD or TVoD or any other model or platform, producers are trying out different options. That said, from a producer's perspective, it is critically important that theatrical revenues regain their lustre in the near future, as that is essential for a healthy and balanced film market.

'Newer hybrid models could be created'

THE INDIAN AUDIENCE is ever evolving and seeking new alternatives for entertainment. Direct-to-digital through a TVoD strategy, alongside a theatrical release, was a bold experiment for a movie like *Radhe*. For TVoD to be a success for any top-tier movie, at least three of the following four factors need to be in perfect alignment: timing, content, whether an alternative source of entertainment is available, and, finally, star cast. The star cast and the lack of other entertainment options worked in favour of *Radhe*; and points one and two did not, which led to a dip in the collections as the week passed.

Shrenik Gandhi
CEO, White Rivers Media

Once states start lifting lockdown restrictions, theatres open up and people return to their normal lives (with the necessary pandemic-appropriate behaviour), newer hybrid models could be created. There could be cases where TVoD could come into the picture a few days after the movie is released in theatres; or there could be select viewing of the movie at a premium, in advance, the way premieres used to happen in pre-Covid times. Movie marketers need to keep experimenting with various models and keep unlearning the old ways to conquer the new-age audience.

RETAIL

Back in the game

Armed with a phygital strategy, malls hope for an early rebound

SHEENA SACHDEVA

WITH THE PANDEMIC still ongoing and several restrictions in place, malls in India are once again grappling with low footfall. Despite the festive season rush, in FY21 they managed to rake in only 50-55% of the revenue earned in FY20, as per the Shopping Centres Association of India (SCAI). Besides, the lockdowns last year as well as in the current year have slowed down the construction of malls in tier II and metro cities. "Several launches planned last year have been postponed or delayed due to a cash crunch," informs Mukesh Kumar, chairman, SCAI, and CEO, Infiniti Malls.

Mall owners hope to regain consumer confidence, anticipating a better FY22, as and when the vaccination drive gathers momentum. The industry had been off to a good start until the second wave hit. Pushpa Bector, executive director, DLF Retail, shares that in 2020, segments like athleisure casual wear, international luxury and F&B did well, with revenues reaching upto 80-90% of pre-Covid levels. This year, in addition to these, segments like health and fitness in the later half of the year could help restore retail fortunes.

Digital ready

In FY21, the overall mall industry saw 70% footfall compared to FY20. From January to March 2021, several malls had witnessed a surge, clocking in 85-90% of pre-Covid level revenue. Mall owners and retailers seem better prepared this year, with many launching cloud kitchens and deliveries. DLF, for instance, is augmenting its Lukout app. "We plan to launch several new features this year, including Lukout Closet with refreshed content, and connect with brands directly for purchase fulfillment via the digital bridge provided by Lukout," says Bector.

Select Citywalk's personal shopping initiative seems to be taking off. "Last year, personal shopping through video calls did not garner much attention. During the second wave, however, we witnessed 80-100 orders a month through video calls," says Yogeshwar Sharma, CEO and executive director, Select Citywalk. He expects the beauty segment to be the fastest to rebound, along with leisure and casual fashion, once lockdowns are eased.

> **In FY21, malls recorded 70% footfall compared to FY20. From January to March 2021, several malls managed to clock in 85-90% of pre-Covid level revenue**

Gurvineet Singh, CEO, Viviana Mall, says it has been interacting with customers through its loyalty programmes and omnichannel connectivity in real time. "We have enabled cashless payments at our food court and restaurants. In collaboration with a few start-ups, we have created apps to enable paperless shopping and operations at the mall."

Malls have also discounted rents for retailers by 50%; some are veering towards replacing the fixed rental model with a business sharing model.

Future of malls

Following adequate precautions will be crucial as malls open up to the public again. Pinakiranjan Mishra, sector leader – consumer products and retail, EY India, adds, "It is a question of safety. While India lacks the culture of strict compliance, no more lip-service shall do. Malls will need to put in stringent protocols such as automatic infrared cameras with high-tech filtration systems."

Last year, malls had launched initiatives like click and collect and curb-side pick-ups to ensure safe shopping. "The phygital model is going to evolve. Retailers will have to transition to online because consumers will still shop online with virtual shopping assistance," says Rajat Wahi, partner, Deloitte India.

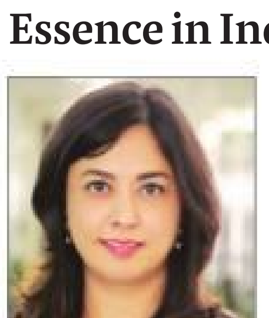
The general consensus is that although footfall is likely to remain low given the sluggish vaccination drive, physical malls will always find takers as long as they offer a compelling consumer experience. "As malls are all about the experience, the future lies in premium Grade A malls. In the coming years, Grade A malls will become more exclusive and experiential, while smaller malls might face a tough time," says Bector.

In The News

Amazon to acquire MGM Studios

AMAZON AND MGM have signed an agreement under which Amazon will acquire MGM for a price of $8.45 billion. Amazon will now have access to MGM's vast library of content that includes over 4,000 film titles and 17,000 TV shows such as *Fargo*, *The Handmaid's Tale*, and *Vikings*. "The real financial value behind this deal is the treasure trove of IP in the deep catalogue that we plan to reimagine and develop together with MGM's talented team," said Mike Hopkins, senior VP of Prime Video and Amazon Studios, in an official statement.

Sonali Malaviya to lead Essence in India



ESSENCE, GROUPM'S GLOBAL data and measurement-driven media agency, has appointed Sonali Malaviya as its managing director for India. She joined Essence in 2018, and was most recently senior vice president, client services, leading the agency's Google business in India and Southeast Asia. Malaviya will join Essence's APAC leadership team and GroupM India's executive committee as part of her role.

Wavemaker retains L'Oréal India biz

WAVEMAKER WILL CONTINUE to manage the media mandate of L'Oréal India. The agency has been the media AOR for the beauty company since 2010. Wavemaker will handle the entire gamut of media services across online and traditional media for L'Oréal brands in the hair, skin and make-up categories.

MediaCom bags a new account

BAYER'S NEW CONSUMER Health division in India has awarded its media mandate to MediaCom. The account will be handled by its Mumbai office. The media duties include planning and buying across all media platforms.

Payal Vaidya to lead VMLY&R's CX design vertical

VMLY&R HAS APPOINTED Payal Vaidya as the executive vice president, Experience Design. She will be responsible for evangelising design thinking and customer-first experiences at the agency.

Wondrlab strengthens creative team

WONDRLAB HAS BROUGHT in Kavita Kamath as group creative director. She will report to Amit Akali, co-founder and chief creative officer of Wondrlab.

Motobahn

SEMICONDUCTORS

Your car is a computer on wheels

A modern car is one of the most complex, software-driven gadgets in the world

VIKRAM CHAUDHARY

HAVE YOU EVER wondered how at the touch of a button the car window opens, how if another vehicle comes closer your car's sensors start beeping, how a slight push to the accelerator pedal enhances the engine power delivery in a fraction of a second? There is something working deep inside a car; some software codes that make these physical acts possible. That software runs on a microprocessor.

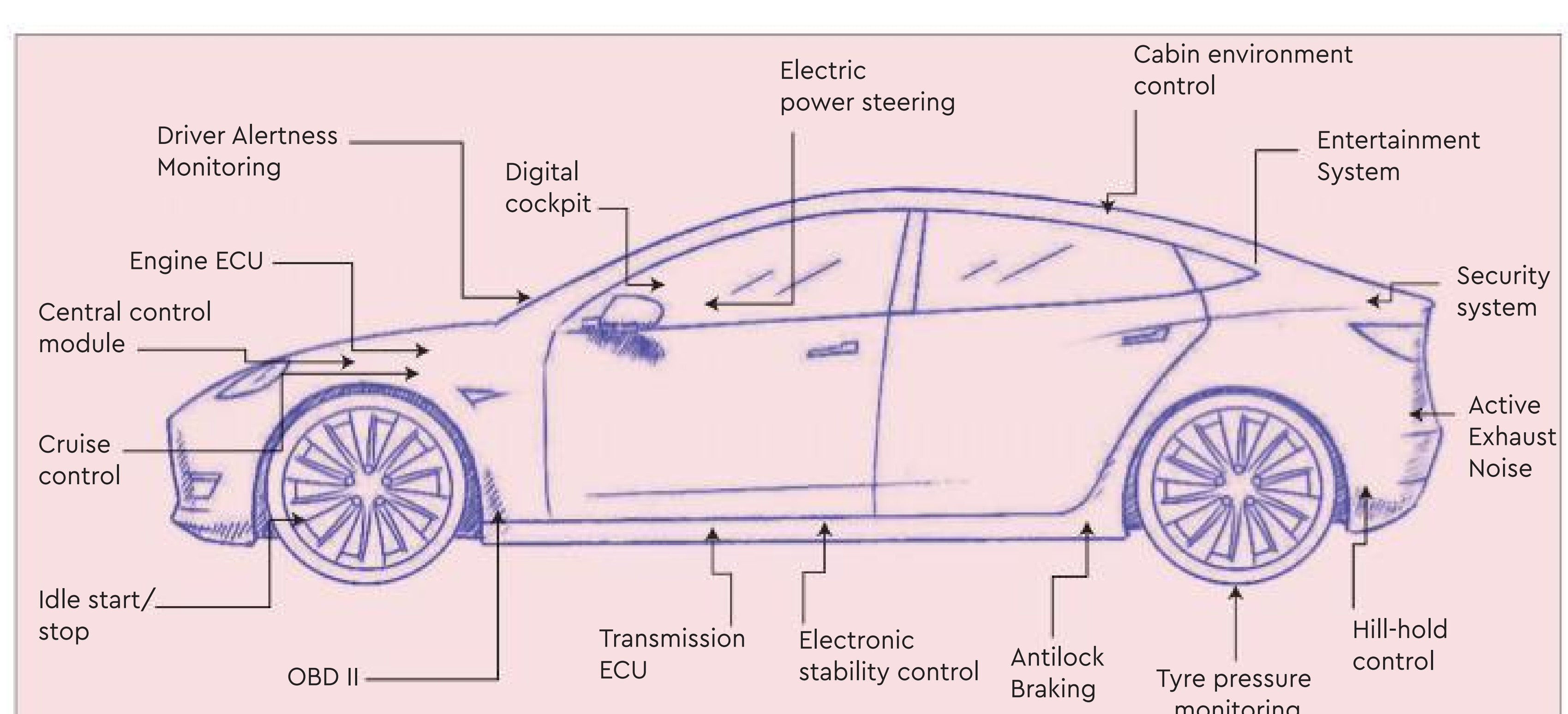
Then there is the microcontroller, which includes the microprocessor and peripherals. This microcontroller controls automatic functions needed to run a car—from sending the right amount of fuel to the engine to controlling brakes, and from controlling the human-machine interface display to operating automatic seats, mirrors, and so on.

"An entry-level car might have 15-20 such microcontrollers, and a high-end connected car could have over a 100," says Anup Sable, CTO, KPIT Technologies.

Essentially, software codes are written for operating a particular function of a car, and the microcontroller makes that code interact with the physical control.

And the usage of such devices in modern vehicles is increasing.

CV Raman, chief technical officer, Maruti Suzuki India Ltd, says the usage of electronics in vehicles has been rising. "Contemporary petrol/diesel cars use semiconductors in almost all functional areas, such as powertrain, body control, steering system, braking systems, airbag system, infotainment and vehicle telematics system, and so on."



Some features in a car powered by software and electronics

This usage, Raman adds, is only going to go up with the mass arrival of electric cars. "Electric cars, in addition to the above, use controllers for managing the electric powertrain. The key components of the e-powertrain—including the battery, motor, inverter and the charging system—require additional electronics and semiconductors. Further, some auxiliary systems, such as the compressor, vacuum pump and regenerative braking systems, need to be converted from mechanical to electric type to suit electric car requirements, leading to additional usage of semiconductors," he says.

Raman adds that in a typical contemporary car the share of electronic components by value may be 10-15%. "But in electric cars this may be 1.5 times of that in conventional petrol/diesel cars."

The usage of semiconductors is also increasing due to the rising popularity of connected cars in India. These cars have an inbuilt eSIM, and voice-based navigation, voice-assisted phone calls, in-car air quality monitoring, remote engine start, and are capable of over-the-air software updates. Many carmakers—from Kia to Hyundai and from MG to Tata, and others—today sell connected cars in India.

It's not just modern cars, even the seemingly 'simpler' vehicles like entry-level motorcycles or even tractors need semiconductors. "Almost all vehicles that have some or the other automatic function need these devices," Sable says.

So the next time you observe your car responding to your voice or the AC maintaining the cabin temperature or the anti-lock braking system helping avoid an accident, do remember that the software running on tiny chips the size of a thumb is helping the car to do that.

INTERVIEW: ANUP SABLE, CTO, KPIT Technologies

Semiconductors control all automatic functions of a car

KPIT Technologies is a global tech company with software solutions that are helping the automotive world race towards an autonomous, clean, smart and connected future. To understand the role semiconductors play in a modern-day car, FE's **Vikram Chaudhary** *talked to Anup Sable, CTO, KPIT Technologies. Excerpts:*

Where all are chips used on a car?

Almost all automatic functions of a modern-day car are controlled by microcontrollers (made up of microprocessors and some peripherals, essentially semiconductor devices). Microcontrollers are needed for sending the right amount of fuel to the engine, controlling brakes, controlling the human-machine interface (HMI) display, operating automatic seats, windows, mirrors, and so on. These are at the heart of a modern-day car. An entry-level car might have 15-20 such microcontrollers, and a high-end connected car could have more than 100 such microcontrollers.

Do electric cars require more semiconductors than petrol or diesel cars?

The electronic content inside an electric car is more than what you find in petrol or diesel cars, and that means more chips will be needed. At the same time, there is an attempt in the industry to change the architecture of the vehicle, so that instead of using more chips there could be fewer chips doing more work. In distributed architecture more chips are needed, and moving towards a central architecture could mean slightly lesser usage of chips and more work accomplished.

Do 'simpler' vehicles such as motorcycles or tractors need semiconductors?

Almost all vehicles that have some or the other automatic function need these devices.

Are these rugged devices?

Microcontrollers made for cars have to meet automotive-grade specifications, and so these can operate in a large temperature range—from freezing to very hot. Microcontrollers sit on a printed circuit board that undergoes immense testing, including vibration testing, and there are voltage-related tests as well to make sure high voltage surge from the battery doesn't blow up connections. Microcontrollers in a car don't usually fail.

Do carmakers directly source semiconductor devices from chipmakers?

It's usually done by the suppliers of carmakers; suppliers like Bosch or Continental etc source these.

Why, in your opinion, is there a semiconductor shortage?

There could be many reasons. It could be that during the pandemic a lot of people were at home and so the usage of personal consumer electronics devices rose, and the semiconductor supply chain got diverted towards these devices instead of cars, or it could be any other reason. My understanding is that June-end will be the peak of this shortage, and things will start getting better after June.

Do such global shortages impact companies such as KPIT Technologies?

These don't impact companies like ours; we work on engineering 3-4 years ahead of the production of a vehicle. For example, we are currently working on cars that would be launched in 2023-24 or 2025. The current semiconductor shortage has hit production vehicles.

PORTRAIT: SHYAM KUMAR PRASAD

Infrastructure

MONDAY, MAY 31, 2021

EXPERT VIEW

Railway EXIM container volumes rose at 4.7% CAGR in Apr'21 vs Apr'19. Domestic rail volumes rose at a robust 20% CAGR vs Apr'19, highlighting potential benefits from freight incentives offered by the railways

—Nomura

HIGHWAY SECTOR

InvIT option yet to be explored well

With InvITs garnering huge interest from investors and sponsors in the road sector, there is need to resolve the teething issues if the model is to be leveraged fully to bridge the capital deficit

ANURAG DWIVEDI

THE UNION GOVERNMENT, in its report on the National Infrastructure Pipeline, has projected a total capital expenditure of ₹20 lakh crore in the road sector during fiscal years 2020-2025. Since an investment of this scale cannot materialise through traditional methods of fund-raising alone, innovative structures like InvITs, Toll Operate Transfer (TOT), etc. have become vital to meeting capital needs. If we look at the current landscape, nine out of the 15 InvITs registered by SEBI to date are in the road sector, which highlights the model's adoptability for the sector. However, only one out of these 9 has gone for a public issue, indicating that largely private placement is being preferred by sponsors and investors so far – NHAI's upcoming InvIT too will be through private placement.

InvITs offer a solution to the problem of asset liability mismatch faced by banks and financial institutions by recycling invested capital in operational assets. In an InvIT, the developer is able to unlock capital to bid for new projects by monetising its invested capital in operational projects and prepaying the loans from the fresh issue. This also creates higher headroom for the lenders to lend to greenfield projects. Second, InvITs are mandated to invest at least 80% of their investment in the operational projects and also to ensure at least 90% of the free cash flows from such projects are distributed to the investors. This ensures minimum risk and steady returns for investors. Third, the clubbing of operational projects under an InvIT hedges the risk of low traffic for a single project. Fourth, amongst other tax concessions, dividend income from the underlying assets is exempted from tax at the hands of unitholders.

Although InvITs have been able to garner a lot of interest from institutional investors, they are still struggling with teething issues when it comes to funding of InvITs by banks and financial institutions. The lenders continue to grapple with issues such as consent of the authorities for security creations over cash flows of projects for InvIT lenders, insolvency remote nature of trust structure and change in ownership restrictions under InvIT regulations, etc. Resolving these issues requires deeper sensitisation of the regulators as well as the concessioning authorities, to help them address the issues at the policy and implementation level. Unless these issues are settled, InvITs will have limited access to outside sources to fully leverage funds.

In a TOT, which is also based on asset pooling, the identified operational projects are bundled and bidded out to a developer. The selected developer gets the right to collect toll, as well as operate and maintain the road assets for a long tenure against the payment of upfront fees to the authority. Having features similar to InvIT, TOT too attracts long-term investors. The NHAI has successfully awarded two TOT packages so far (Ashoka-Macquarie and Cube Highways), generating higher than expected returns and providing a good baseline for future TOT monetisation.

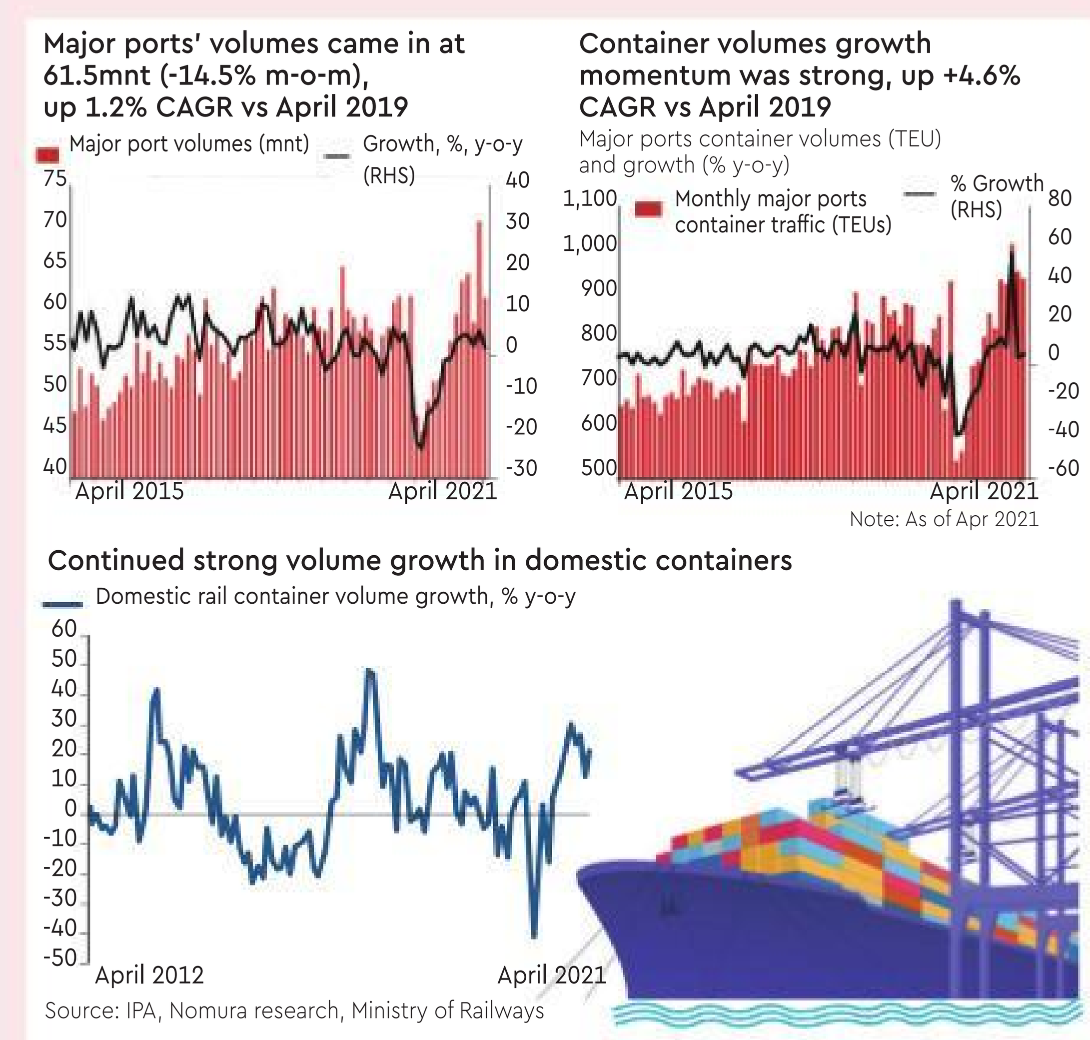
To sum up, while banks and financial institutions struggle with a liquidity crunch, a combination of structures like InvIT and TOT, etc. can be the key to recycling and unlocking capital and attracting large institutional investors, public sector institutions and enterprises to the road sector. Although the development of InvITs is still at a nascent stage in India as compared to global markets – which have over 400 listings of similar instruments accounting for ~$1.5 trillion of market capitalisation – with a strong thrust from the government and changes in the overall regulatory ecosystem, India can emerge as a mature market for InvIT-like structures in the near future.

The writer is Partner, Shardul Amarchand Mangaldas & Co. The views are personal

DATA MONITOR

Sequential fall in major ports traffic in April

Major ports' volumes moderated to ~61.5mnt in Apr 2021 (-14.5% m-m), at a 1.2% CAGR vs Apr'19 (vs.+5.1% CAGR in Mar'21 vs Mar'19). Volumes for POL and coal were weak, with POL volumes declining by 4.3% CAGR vs Apr'19 and coal volumes declining by 10.2% CAGR vs Apr'19. Container volumes at 942k TEUs were strong, registering 4.6% CAGR vs Apr'19. In tonnage terms, container volumes rose at 5.2% CAGR vs Apr'19.



Quick View

Discoms' outstanding dues to gencos fell by 3.4% y-o-y in March

THE TOTAL DUES owed by electricity distribution companies (discoms) to power producers (gencos) fell 3.4% y-o-y to ₹78,379 crore in March 2021. The outstanding dues of discoms to gencos had been increasing year-on-year as well as month-on-month for years, showing perennial stress in the power sector till February this year. Discoms owed a total of ₹81,116 crore to gencos in March 2020, according to portal PRAAPTI. The dues stood at ₹98,673 crore in February and ₹99,023 crore in January this year. In March 2021, the total overdue amount, which was not cleared even after 45 days of grace period offered by gencos, stood at ₹67,417 crore, as against ₹68,587 cr in the same month a year ago. The overdue amount stood at ₹84,478 crore in February and ₹85,490 crore in January this year.

IREDA invites bids for solar power PLI scheme

THE INDIAN RENEWABLE Energy Development Agency (IREDA) on Tuesday invited applications from solar module manufacturers to avail the Centre's ₹4,500-crore production-linked incentive (PLI) scheme. The beneficiaries of the PLI scheme will be selected through competitive bidding and the evaluation of the bids will be done on the basis of the manufacturing capacity proposed to be set up by companies and the extent of elementary products they promise to make in the country. The applicants are required to set up either brownfield or greenfield manufacturing facilities, but will not be eligible for PLI if they have imported the required capital goods to set up the plants.

NHAI issues norms to cut waiting time at toll plazas

THE NHAI ON Wednesday said it has issued guidelines to ensure not more than 10 seconds service time per vehicle even during the peak hours at toll plazas. The National Highways Authority of India (NHAI), in a statement, said the new set of guidelines will ensure seamless flow of traffic at the toll plazas by not allowing vehicles to queue up for more than 100 metres. "If there is a queue of waiting vehicles of more than 100 metres due to some reason, the vehicles will be allowed to pass without paying toll till the queue comes within 100 metres from the toll booth," it said.

Startups

ANS COMMERCE

Connecting brands and their consumers

ANS Commerce is a full-stack e-commerce enabler with over 100 brands on its platform

SUDHIR CHOWDHARY


(Clockwise from top left) ANS Commerce co-founders Amit Monga, Nakul Singh, Vibhore Sahare and Sushant Puri

WHILE THE INDIA e-commerce story is going strong, quite often brands face a lot of challenges; notably they see their connect with the consumers diluting and their role getting upended by marketplaces. It's simply infeasible for the brands with limited resources to engage on the technology, product and operations fronts.

ANS Commerce is trying to fill in the gap here. Started in 2017, ANS Commerce is a full-stack e-commerce enabler. It offers multiple tech-enabled offerings to brands including performance marketing, warehousing and fulfillment, marketplace management, and brand store technology

The startup works with over 100 brands and is adding to this number on a fortnightly basis. By the end of the year, the platform is looking to exit with 200-plus brand partners. Among ANS Commerce's key partner brands are Vero Moda, Jack & Jones, Bath & Body Works, ITC, Marico, Nivea, Bikanervala, and CEAT, amongst others. The company became profitable in June 2020 and has been growing 20% on a month-on-month basis since then. During the pandemic year, the brand has onboarded over 60 brands to give them e-commerce support.

"We urge and enable our partner brands to leave 'everything e-commerce' to us so that they can focus on their core business—bringing products to the market, and strengthening their brands," says Vibhor Sahare, co-founder and CEO, ANS Commerce.

How did the idea of ANS Commerce germinate? All the four co-founders—Vibhor Sahare, Amit Monga, Nakul Singh, and Sushant Puri—have rich experience in e-commerce, digital marketing, brand building, and operations. "We saw how brands are struggling with performance marketing to get traffic to their webstores and hence decided to focus on this domain," says Sahare. However, after initial success in improving brands' marketing ROI, the co-founders soon realised that brand store technology was becoming the bottleneck for ANS Commerce to achieve true scale and performance.

"Post this, we decided to create our own India-focussed brand store platform—Kartify to address this issue and found instant uptake for the technology + marketing combo. We then found that brands were also looking for assistance in warehouse management since managing turnaround time, customer expectations, and SLAs of the marketplace weren't their core areas of expertise. Understanding that this would create a wide range of solutions and offer enormous scope to leverage cutting-edge technology, we decided to become an e-commerce enablement platform for brands," says Sahare.

At present, ANS Commerce is clocking $3.5 million as annualised revenue on a base of $60 million annualised gross merchandise value (GMV). As for funding, it has raised $300,000 from angel investors and friends, says Sahare. "By 2026, we aspire to drive more than 1% of all e-commerce sales in India and become the preferred partner for every brand in the country for 'all things e-commerce'. In the short term, over the next 18 months, we will be working towards this goal, sign up more partner brands, enhance our product offerings and come up with new ones, and drive value to our clients while working together as one team," he informs.

AUTOVRSE

Solving real-world problems with modern tech

Bengaluru-based AutoVRse is a young team that is building niche VR/AR applications

SRINATH SRINIVASAN

BENGALURU-BASED AUTOVRSE has been developing virtual reality (VR), augmented reality (AR) solutions for industrial training, enhancing customer experience and, more recently, for VR games. "Three of us started exploring VR after leaving our jobs with a small investment and went without any salary for the first 7-8 months. We then got our first project and our journey started from there," says Ashwin Jaishanker, CEO and co-founder, AutoVRse.

The startup has since remained bootstrapped, going onto working with brands such as Shell, Volvo, IFB, Bosch, Gojek and TVS Motors. Its proprietary technology is used by enterprises for training purposes in assembly plants, training firefighters in liquified natural gas plants, for marketing purposes in showrooms and workshops where customers can get the feel of the products and see their working, for field service and inspection and for product explainers via games among other applications.

"There is a huge proposition for VR/AR solutions in terms of enabling tasks that will be costly to replicate in real life for multiple people. It is expensive and time consuming to let trainees practise over and over and make mistakes. In marketing, the technology helps capture customers from their first instance of contact with the brand, engage with them by giving an immersive experience and improves conversion rates," says Jaishanker.

Today, the company is part of the Facebook Oculus ecosystem but things were not easy in the early days. "Five years ago, I used to carry two heavy laptops, multiple cables and VR goggles to set up a demo at a client's. Today, I just carry two Oculus lenses. The system has evolved," says Jaishanker. At the same time, he points out that only HTC and Facebook are investing in this technology primarily, with Facebook enjoying a huge market share. "We do not have many alternatives. We import the lenses. It comes from Facebook invariably. South East Asia will be a huge market soon," he says. Currently, it is not focused on hardware as much due to the complexity and supply chain constraints. "We are planning to enter into consumer VR games," says Jaishanker.

> There is a huge proposition for VR/AR solutions in terms of enabling tasks that will be costly to replicate in real life for multiple people.
>
> — ASHWIN JAISHANKER, CEO & CO-FOUNDER, AUTOVRSE

For an upcoming technology like this, the startup is recruiting talent. "It is not enough to hire developers and content creators only. VR is not 360-degree videos that are shot and loaded onto a phone or a pair of goggles," says Jaishanker. "To create the best virtual world, one needs to understand both technology and spatial arrangement of the surroundings."

For this purpose, AutoVRse hires architects and trains them with necessary digital skills. "They have the necessary design creativity by virtue of their profession and pick up digital skills easily," shares Jaishanker. It is optimistic of the evolving digital trends in India and expects the use of the technology to grow faster here.

Quick View

States' capex down annually despite spike in last month of FY21

STATE GOVERNMENTS HAVE seen a curb in capital expenditure in the last couple of years. This bucked the trend of immediate past years, when states had maintained a public capex ratio of 5:3.6:3.4 (states, CPSEs and Centre in FY20). According to an *FE* analysis for eight major states in FY21, their combined capex of ₹1.44 lakh crore was down 0.4% on-year, compared with negative growth of 7% in FY20. Though the sample may not be representative enough, this seemed to indicate a sharp focus on capex by the states during March. An earlier study by *FE* of 16 states had shown that their combined capital expenditure stood at ₹2.16 lakh crore in April-February of FY21, down 18.5%. The decline in capex by all states could turn out to be sharper going by the trends in April-February of FY21.

Highway construction at decent 28 km/day in April

DESPITE COVID-INDUCED lockdowns, highway construction quadrupled in April this year to 853 km compared with the same month last year, which had seen a nation-wide lockdown. The pace of construction has been a decent 28km/day in April 2021, even as it declined by 61% month-on-month. According to data compiled by the ministry of road transport and highways (MoRTH), all the implementing agencies had constructed 210 km of national highways in April last year. In March 2021, a total 2,189 km of highways were built. Highway construction touched an all-time high of 13,298 km in 2020-21, at a record pace of 36.4 km/day.

₹1,605 cr released to 8 N-E states for water supply

THE CENTRE HAS released a grant of ₹1,605 crore to the north-eastern states under the Jal Jeevan Mission (JJM), to provide 11 lakh tap water connections in 2021-22, the jal shakti ministry said on Tuesday. This is the first tranche of the four to be released in the fiscal. During financial year 2021-22, ₹9,262 crore has been allocated as central grant for N-E states under the Jal Jeevan Mission. Out of the central fund, 93% is to be utilised on supply infrastructure, 5% on support activities and 2% on water quality monitoring and surveillance activities.

Monsoon onset over Kerala to be delayed; likely to hit by June 3: IMD

PRESS TRUST OF INDIA
New Delhi, May 30

THE ARRIVAL OF Southwest Monsoon over Kerala is likely to be delayed by two days and it is now expected to make an onset over the state by June 3, the India Meteorological Department (IMD) said on Sunday.

However, Skymet Weather, a private forecasting agency, said monsoon has already made an onset over Kerala.

G P Sharma, President (Meteorology) of Skymet Weather said it is a "very weak onset" this year. Skymet Weather had earlier predicted that monsoon will make an onset over Kerala on May 30.

IMD Director General M Mohapatra said there is cyclonic circulation along the Karnataka coast which is hindering the progress of the Southwest Monsoon. "The southwesterly winds could strengthen further gradually from June 1, resulting in likely enhancement in rainfall activity over Kerala. Hence the monsoon onset over Kerala is likely to take place around June 3," the IMD said.

Due to strengthening of lower-level southwesterly winds, fairly widespread rainfall activity with isolated heavy falls is very likely over northeastern states during the next five days.

The normal onset date for the monsoon over Kerala is June 1. This marks the start of the four-month rainfall season for the country. Earlier this month, the IMD had predicted the arrival of monsoon over Kerala by May 31 with an error margin of plus or minus four days.

On Sunday morning, the IMD, in its daily bulletin, said the onset of the monsoon over Kerala was expected to be around May 31. However, by afternoon it said the onset is expected to be by June 3.

"In the absence of any major monsoon trigger, the onset may be slightly mild. Conditions are favourable for its further advancement to more parts of the south peninsula and east-central Bay of Bengal. Timely progress is expected over northeast India," Sharma said.

Monsoon is expected to be normal this year.

Labour min announces additional benefits under EPFO, ESIC schemes

PRESS TRUST OF INDIA
New Delhi, May 30

THE MINISTRY OF Labour and Employment on Sunday announced additional benefits for workers through social securities schemes run by the EPFO and the ESIC amid the Covid-19 pandemic.

These benefits include pension for dependents of insured persons with Employees' State Insurance Corporation (ESIC) who died due to Covid-19 and hike in maximum sum assured under the group insurance scheme Employees' Deposit Linked Insurance Scheme (EDLI), run by Employees' Provident Fund Organisation (EPFO), to ₹7 lakh from ₹6 lakh.

Enhanced social security is sought to be provided to the workers without any additional cost to the employer, labour ministry said in a statement

"The Ministry of Labour and Employment has announced additional benefits for workers through ESIC and EPFO schemes to address the fear and anxiety of workers about wellbeing of their family members due to increase in incidences of death due to Covid-19 pandemic," a ministry statement said.

Enhanced social security is sought to be provided to the workers without any additional cost to the employer, it added.

Currently, for the insured persons (IPs) under the ESIC, after death or disablement of the IP due to employment injury, a pension equivalent to 90% of average daily wage drawn by the worker is available to the spouse and widowed mother for life long and for children till they attain the age of 25 years.

For the female child, the benefit is available till her marriage.

470 infra projects show cost overruns of ₹4.38L crore

PRESS TRUST OF INDIA
New Delhi, May 30

AS MANY AS 470 infrastructure projects, each worth ₹150 crore or more, have been hit by cost overruns totalling more than ₹4.38 lakh crore, according to a report.

The Ministry of Statistics and Programme Implementation monitors infrastructure projects worth ₹150 crore and above. Of the 1,737 such projects, 470 reported cost overruns and 525 were delayed.

"Total original cost of implementation of the 1,737 projects was ₹22,33,409.53 crore and their anticipated completion cost is likely to be ₹26,71,440.77 crore, which reflects overall cost overruns of ₹4,38,031.24 crore (19.61% of original cost)," the ministry's latest report for April 2021 said.

According to the report, the expenditure incurred on these projects till April 2021 is ₹13,16,032.62 crore, which is 49.26% of the anticipated cost of the projects.

However, the report said that the number of delayed projects decreases to 375 if the delay is calculated on the basis of the latest schedule of completion.

Further, for 988 projects neither the year of commissioning nor the tentative gestation period has been reported.

Out of 525 delayed projects, 106 projects have an overall delay in the range of 1-12 months, 123 projects (13-24 months), 179 projects (25-60 months) and 117 projects (61 months and above).

The average time overrun in these 525 delayed projects is 45.63 months. Reasons for time overruns as reported by various project implementing agencies include delay in land acquisition, delay in obtaining forest and environment clearances, and lack of infrastructure support and linkages.

Eight of top-10 most valued firms add over ₹1.39 lakh cr in mcap

EIGHT OF THE top-10 most valued companies together added ₹1,39,566.52 crore in market valuation last week, with Reliance Industries, TCS and Infosys emerging as top performers.

On a weekly basis, the BSE benchmark Sensex gained 882.40 points or 1.74%.

Only Hindustan Unilever and Bajaj Finance saw losses in their market capitalisation for the trading week closed on Friday.

Among the gainers, Reliance Industries saw its market valuation jump by ₹59,590.77 crore to ₹13,28,049.94 crore. TCS added ₹23,562.96 crore to take its valuation to ₹11,63,018.74 crore and Infosys gained ₹21,395.27 crore to ₹5,98,604.10 crore.

The market capitalisation of SBI rallied ₹18,697.06 crore to ₹3,76,663.23 crore and that of Kotak Mahindra Bank gained ₹8,435.06 crore to ₹3,56,849.67 crore.

HDFC's valuation rose by ₹4,555.41 crore to reach ₹4,58,418.62 crore and that of HDFC Bank jumped by ₹2,721.71 crore to ₹8,28,341.24 crore.

ICICI Bank added ₹608.28 crore to see its capitalisation reach ₹4,45,171.34 crore.

In contrast, the valuation of Hindustan Unilever diminished by ₹8,904.94 crore to ₹5,45,762.50 crore. **—PTI**

Mindshare wins agency of the year at FOMG

MINDSHARE INDIA WON the coveted Grand Prix: Agency of the year and many more metals at the Festival of Media Global (FOMG) awards 2021. In addition to the coveted Agency of the year award, Mindshare India also won two golds and three silvers.

Wheel Career from Home bagged gold for the best campaign for a local brand and two silvers in the impact and best use of digital categories. Boost stamina meter won gold for best use of data and insights and a silver for the best use of real-time marketing.

The Festival of Media Global Awards is the only awards to celebrate the best media campaigns from around the world. **—FE BUREAU**

NZ backs Australia in trade dispute with China

LIDIA KELLY
May 30

AUSTRALIA'S PRIME MINISTER Scott Morrison arrived in New Zealand on Sunday for high-level talks hours after the country chose to support Canberra in its dispute with China on barley tariffs, signalling good will to work on differences in how to approach Beijing.

Quarantine-free travel between Australia and New Zealand began last month after both nations controlled the spread of Covid-19, allowing Morrison and PM Jacinda Ardern to meet face to face for the first time in 15 months.

The talks were likely to be challenged by differences over China, the biggest trading partner of both countries, with Australia at loggerheads with Beijing and New Zealand taking an accommodating approach. China has in recent months moved to restrict imports of Australian products such as barley, wine and beef, with the World Trade Organisation saying on Friday it would establish a dispute settlement panel to resolve the barley row.

Ahead of Morrison's visit, New Zealand trade minister Damien O'Connor said his government was backing Canberra in the spat. "New Zealand is participating in this dispute as a third party because it raises systemic issues of importance to the effective functioning of the multilateral rules-based trading system," local media cited O'Connor as saying. "New Zealand was not asked to join as a third party, however we have been a third party in over 60 WTO cases since 1995 and it's not unusual for us to join actions disputes when we see challenges to international trade rules."

Australia's ties with China have sunk to their lowest point in decades in the past 18 months after Morrison led calls for a global enquiry into the origins of Covid-19 and Australia barred tech giant Huawei Technologies from its 5G network.

New Zealand's economic ties with China have been strengthening, with the two countries this year upgrading their free trade agreement.

Formal talks between Ardern and Morrison are to take place on Monday. — REUTERS

China reaches out to Poland, Serbia for support after frozen EU deal

BLOOMBERG
May 30

CHINA AND THE European Union are partners, not competitors, and cooperation will help both sides, Chinese foreign minister Wang Yi told his Polish counterpart as China seeks support after an investment deal with the EU was put on hold.

Poland's foreign minister Zbigniew Rau said his country believes a China-EU investment deal is beneficial for both sides, and the two should deal with disagreements properly, according to a Chinese government statement on Saturday.

Rau and foreign ministers from Serbia, Hungary and Ireland are visiting China from May 29 to May 31 after an invitation from Wang. Rau and Serbia's Nikola Selakovic met him on Saturday separately.

European lawmakers overwhelmingly approved a resolution this month to withhold ratification of an investment deal with China in response to sanctions against members. China retaliated against the US, UK and EU over sanctions related to allegations of human rights abuses in Xinjiang.

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Demand Notice under Section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act , 2002 (54of 2002) (The Act) May 31, 2021

Sr No.	Name and Addresse(s) of Borrower(s) (A)	Description of Property (B)	Loan amount (Rs) (C)	Loan account No. (D)	Outstanding amount (Rs.) (E)	Date of Notice (F)	NPA Date (G)
1.	**1. Neha Saxena,** B-3, 3rd Floor, A-216, Chattarpur Enclave, Phase-1, Maidan Garhi Road, Nr Post Office, South Delhi, New Delhi-110074. Also At:- Tata Consultancy Services, Gwala Pahadi Gurgaon Haryana-122001. **2. Abhishek Saxena,** B-3, 3rd Floor, A-216, Chattarpur Enclave, Phase-1, Maidan Garhi Road, Nr Post Office, South Delhi, New Delhi-110074. Also At:- The Associated Chambers Of Commerce & Industry of India, 5 Sardar Patel Marg Chanakya Puri New Delhi-110021.	All the piece and parcel of the property bearing Security: Flat No. 0703, Tower E-2, Floor 7th, Project Eco Village-3, Plot No. GH-06, Sector 16B, Greater Noida U.P-201307.	Rs. 64,98,659/-	LNDELHL_-07180036867 & LNDELHL_-07180046212	Rs. 73,41,042/- (Rupees Seventy Three Lakhs Fourty One Thousand Fourty Two Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	13.05.2021	31-03-2021
2.	**1. Jatin Kathpal,** R/o D-09-101Sare Homes Royal,Green Crescent Parc Sec-92 Gurgaon- 122505. Also At:- M/s ANJ TURNKEY PROJECT LTD, 3rd Floor B-17TH Sector-6 Noida-201301. **2. Neeru,** R/o D-09-101Sare Homes Royal, Green Crescent Parc Sec-92 Gurgaon.	All the piece and parcel of the property bearing Residential apartment number bearing No-D090101 Type 3 BHK+Servent Room on First Floor in Building D09 having super area of 147.98 Sq. Mtrs (1592.84 Sq. Ft) and Built up Area of 104.21 Sq. Mtrs (1121.72Sq. Ft) consisting of one drawing cum dining room, three bed rooms +one servant room, four toilet one kitchen with utility and two balconies with one designated parking space along with undivided and impartible proportionate share in the land underneath the said building and undivided proportionate share in common area of the said building including all easmentary rights attached thereto along with right of use to general commonly used area and facilities earmarked for common use of all occupants within the said building together with the right of one designated covered parking space No-279 in the limited common areas and facilities in the said project situated Sector-92 villages wazirpur and mewka district Gurgaon Haryana.	Rs. 57,20,000/-	LNDELHL_-11170030488 & LNDELHL_-11170041289	Rs. 62,47,060.96/- (Rupees Sixty Two Lakhs Fourty Seven Thousand Sixty and Ninety Six Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	19.05.2021	31-03-2021
3.	**1. Mrs Garima Singh,** 132, Gali No. 1, 3rd Floor, Pratap Nagar, Mayur Vihar 1, New Delhi-110091. AlsoAt:-Make My Trip(India) Pvt Ltd. Building No S 19TH Floor DLF Cyber City, Gurugram Haryana-122002. 2. Mrs. Mahima Singh, 132, Gali No. 1, 3rd Floor, Pratap Nagar, Mayur Vihar 1, New Delhi-110091	All the piece and parcel of the property bearing Security: Flat No. 1203a, Floor 13th, Tower Cb4, Capetown, GH-01/A, Sector 74, Noida U.P-201301.	Rs. 45,23,000/-	LNDELHL_-04180036769 & LNDELHL_-04180037341	Rs. 51,72,549.79/- (Rupees Fifty One Lakhs Seventy Two Thousand Five Hundred Fourty Nine and Seventy Nine Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	13.05.2021	31-03-2021
4.	**1. Anil Kumar,** 4/3-4, Block - 4, Ramesh Nagar, H. O. West Delhi, New Delhi – 110015. **2. Anita Sabharwal,** 4/3-4, Block - 4, Ramesh Nagar, H. O. West Delhi, New Delhi - 110015	All the piece and parcel of the property bearing Flat No. 605, 6th Floor, Tower - Jolly, Sikka Kaamna Greens, Plot No. Gh-03(B), Sector No. 143, FNG & Expressway Noida (U.P) – 201301.	Rs. 50,42,000/-	LNDELHL_-08170033233	Rs. 46,46,936.93/- (Rupees Fourty Six Lakhs Fourty Six Thousand Nine Hundred Thirty Six and Ninety Three Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	13.05.2021	31-03-2021
5.	**1. Rahul Santosh Kumar,** C-46 B, Rajat Vihar, Sector – 62, Noida (U.P) – 201301. Also At:- A SYSTEM Pvt Ltd. F-7 Sec-3 Noida UP 201301. **2. Smith Santosh Kumar,** C-46 B, Rajat Vihar, Sector – 62, Noida (U.P) – 201301	All the piece and parcel of the property bearing Unit No. 2103, 19th Floor, Tower O2, Eco Village-3, Gh, 16B, Greater Noida (U.P) – 201303.	Rs. 43,56,000/-	LNDELHL_-03180040432	48,99,381.82/- (Rupees Fourty Eight Lakhs Ninety Nine Thousand Three Hundred Eighty One and Eighty Two Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	13.05.2021	31-03-2021
6.	**1. Ravi Pratap Singh,** 29A/1, Gali No. 1, 3rd Floor, Near Aacharya Narendra College, Opposite Jim, Govindpuri, New Delhi – 110019 Also At:- A-61 Okhla Industrial Area Phase-II, New Delhi-110020. **2. Vineeta Singh,** 29A/1, Gali No. 1, 3rd Floor, Near Aacharya Narendra College, Opposite Jim, Govindpuri, New Delhi – 110019 **3. V.R. Technology,** 29A/1, Gali No. 1, 3rd Floor, Near Aacharya Narendra College, Opposite Jim, Govindpuri, New Delhi - 110019	All the piece and parcel of the property bearing Unit No. 1008, Tower CV-9, 10th Floor, Project Supertech Cape Town, Plot No. GH-01/A, Sector – 74, Noida (U.P) – 201301.	Rs. 41,31,327/-	LNDELHL_-04180038434 & LNDELHL_-04180038548	Rs. 47,19,434.5/- (Rupees Fourty Seven Lakhs Nineteen Thousand Four Hundred Thirty Four and Five Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	13.05.2021	31-03-2021
7.	**1. Mrs.Sakshi Sodhi,** Flat No.805, Mahadev Towers, Upperpally, Near Pillar No.202, Rajendra Nagar, Hyderguda, KV Rangareddy, Hyderabad, Telangana – 500048 Also At:- Mrs.Sakshi Sodhi, Cabin Crew Incharge, Spice Jet Limited, 319, Udyog Vihar, Phase – IV, Gurgaon, Haryana - 122016 **2. Mr.Tinku Kumar Singh,** Flat No.805, Mahadev Towers, Upperpally, Near Pillar No.202, Rajendra Nagar, Hyderguda, KV Rangareddy, Hyderabad, Telangana – 500048	Flat No.2104, measuring Super Area 930 sq.ft., in the 21st Floor, Tower – CV9, Supertech Capetown situated at GH – 01/A, Sector 74, Noida Dist, Gautam Budh Nagar, U.P – 201301.	Rs.38,45,013/-	LNDELHL_-05180038765 & LNDELHL_-05180039260	Rs 43,47,407.41 (Rupees Fourty Three Lakhs Fourty Seven Thousand Four Hundred Seven and Fourty One Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
8.	**1. Srinivas Kondagurla ,** R/o W-757 Jalvayu Vihar, 2nd Floor Pocket -4 Greater Noida, UP-201308. Also At:- I-35 Muraliguda Adilabad, Andhra Pradesh- 504299. Also At:- NIIT Technologoies Ltd., Sr Software Engineer, SEZ-1 Plot no-TZ -2 82A Sector Tech Zone, Greater Noida-201308. **2. Mudimadugula Mounika,** R/o W-757 Jalvayu Vihar, 2nd Floor Pocket -4 Greater Noida, UP-201308.	Flat No-1004 10th Floor Tower Trance, Project Rhythm County GH-16 E Sector-1 Greator Noida (West) Noida Uttar Pradesh-201308.	Rs 36,43,590/-	LNDELHL_-06180037180 & LNDELHL_-06180039439	Rs 41,27,775/- (Rupees Fourty One Lakhs Twenty Seven Thousand Seven Hundred Seventy Five Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	21.05.2021	31-03-2021
9.	**1. Mrs.Renuka Sharma,** A-5/36, Sector 16, Rohini, Delhi - 110085 **2. Mr.Ajay Sharma,** A-5/36, Sector 16, Rohini, Delhi - 110085	Flat bearing Unit No.B-1908, Block-B, admeasuring 1290 sq.ft., 19th Floor, Oasis Venetia Heights, Plot No.HRA12A, Surajpur, Site-C, Housing Complex, Greater Noida, UP – 201308.	Rs.33,00,000/-	LNDELHL_-12170032869	Rs 36,46,292.38/- (Rupees Thirty Six Lakhs Fourty Six Thousand Two Hundred Ninety Two and Thirty Eight Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
10.	**1. Mr.Rakesh Roshan,** Flat No.115, Vartalok Apartment, Sector-4C, Vasundhra, Ghaziabad, UP - 201012 Also At:- Mr.Rakesh Roshan, Senior Manager – Sales, SUN Tv Network Limited, 5th Floor, No.506-A, 506-B, Tower-A, Millennium Plaza, Sector – 27, Gurgaon - 122001 **2. Mrs.Sangita Singh,** Flat No.115, Vartalok Apartment,Sector-4C, Vasundhra, Ghaziabad, UP - 201012	Apartment No.T7-1112 in Tower T7 on the 11th Floor, with super area measuring 1425 sq.ft., Organic Homes, situated at GH-01, H-Block, Jaipuria Sunrise Greens, Opp.Columbia Asia Hospital, NH-24, Ghaziabad, U.P.	Rs.31,80,000/-	LNDELHL_-02180030413 & LNDELHL_-02180042792	Rs 33,57,684.31 (Rupees Thirty Three Lakhs Fifty Seven Thousand Six Hundred Eighty Four and Thirty One Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
11.	**1. Mr.Ankit Gupta,** RZ-41, Ground Floor, Hari Vihar, Kakrola Mandir Road, NSIT Dwarka, South West Delhi, New Delhi – 110078 Also At:- Mr.Ankit Sharma, Senior Accountant, Shalini Tradewell India, 2894/44, First Floor, Arya Samaj Road, Karol Bagh, New Delhi - 110005 **2.Mrs.Lakshmi Devi,** RZ-41, Ground Floor, Hari Vihar, Kakrola Mandir Road, NSIT Dwarka, South West Delhi, New Delhi – 110078 Also At:- 18/42 Block -18 Trilok Puri Preet Vihar, East Delhi-110091.	Flat No.1605, 16th Floor, Tower-Trance, Rhythm Ccounty, Plot No.Gh 16E, Sec.1, Greater Noida (West) Noida, UP – 201308	Rs.30,00,000/-	LNDELHL_-04180039120	Rs 34,28,437.30/- (Rupees Thirty Four Lakhs Twenty Eight Thousand Four Hundred Thirty Seven and Thirty Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
12.	**1. Mr.Dhananjay Bhatt,** 528/24, Concane Enclave, Sector – 4, Gurugram, Haryana – 122001 ALSO AT:-Mr.Dhananjay Bhatt, Assistant Manager – Exports, Getwell, 964, Ground Floor, UDYOG Vihar Phase-V, Gurgaon, Haryana – 122016 **2. Mr.Anant Dev Bhatt,** Bld-B, Flat No.504, Botanica Apartment, IVY Estate, Near JSPM College, Wagholi, Pune – 412207 Also At:- Mr.Anant Dev Bhatt, CITI Corp, 2nd Floor, Custer-B, EOM IT Park, Kharadi, Pune - 411014	F Flat No.2207/T2, 22nd Floor, measuring 600 sq.ft.(Super Area), Supertech Azalia, Sector-68, Golf Course Extension Road, Gurgaon – 122101	Rs.35,98,000/-	LNDELHL_-10170031000 & LNDELHL_-10170031772	Rs 23,69,751.51/- (Rupees Twenty Three Lakhs Sixty Nine Thousand Seven Hundred Fifty One and Fifty One Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
13..	**1. Mr.Atul Gupta,** Flat No.122, Rajdhani Nikunj, 94, I.P.Extension, Patparganj, East Delhi - 110092 **2. Mrs.Preeti Gupta,** Flat No.122, Rajdhani Nikunj, 94, I.P.Extension, Patparganj, East Delhi – 110092 Also At:- Mrs.Preeti Gupta, Deputy Manager, The Oriental Insurance Company Limited, Scope Minar, 1st Floor, Core-1, Laxmi Nagar, Dist Centre, Delhi - 110092 **03. Indo Tech Solutions,** Through its Proprietor Mr.Atul Gupta, 104, Bhonot House, 17 Community Centre, Gulmohar Enclave, Ext Delhi – 110042	Flat No.1006, 10th Floor, measuring 600 sq.ft., Tower – T3 (Scarlet Corporate Suites)/T3, Supertech Azalia, at Sector-68, Golf Course Extension Road, Gurgaon – 122101.	Rs.31,42,000/-	LNDELHL_-01180039849	Rs 23,31,682/- (Rupees Twenty Three Lakhs Thirty One Thousand Six Hundred Eighty Two Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021
14.	**1. Mrs.Prabha Amarpal,** C-46, 1st Floor, DDA Flats, Kalkaji, Aaali Kalkaji South Delhi, New Delhi - 110019 Also At:- Mrs.Prabha Amarpal, Relationship Manager, Star Union Dai Lche Life, 39, Samyak Tower, 2nd Floor, Pusa Road, Karol Bagh, New Delhi - 110005 **2. Mr.Munish Kumar,** C-46, 1st Floor, DDA Flats, Kalkaji, Aaali Kalkaji South Delhi, New Delhi - 110019	Flat No.1905 measuring 1080 sq.ft., super area, on the 19th Floor, in the Tower TRANCE, at RHYTHM COUNTY, GH-16E, SEC-1, Greater Noida (West) – 201308 UP.	Rs.28,00,000/-	LNDELHL_-06180038979	Rs 24,26,604.74/- (Rupees Twenty Four Lakhs Twenty Six Thousand Six Hundred Four and Seventy Four Paise Only) by way of outstanding principal, arrears (including accrued late charges) and interest till 10-May-21	15.05.2021	31-03-2021

Whereas Aditya Birla Housing Finance Limited, having its above mentioned branch office (hereinafter referred as "ABHFL") had extended to the above named borrower(s) written in column A separate credit facilities written in Column C vide Loan account no mentioned in Column D against the name of each set of borrowers vide serial no. 1 to serial no. 14 respectively.

The said credit facilities are secured inter alia by way of mortgage over the immovable property as described in column "B" (hereafter referred to as the "Secured Asset").

That the above named borrower(s) have failed to maintain financial discipline in the loan account and as per the books of accounts maintained in the ordinary course of business by ABHFL there exists an outstanding amount indicated in column E as indicated against the name of each of the borrower(s) .

Due to persistent default in repayment of the loan amount on the part of the above named borrower(s) the loan account of the above named borrower(s) have been classified by ABHFL as non performing asset/s on indicated in the column G respectively within the norms stipulated by the Reserve Bank of India/ National Housing Board. Consequently, notices under Sec 13(2) of the Sarfaesi Act, 2002 were also issued to each of the borrower(s) notice dated mentioned in column F, which have Undelivered / Delivered.

In view of the above default ABHFL hereby calls upon the above named borrower(s) to discharge in full their liabilities towards ABHFL by making payment of the entire outstanding dues indicated in Column E as indicated above including up to date interest, costs, and charges within 60 days from the date of publication of this notice, failing which, ABHFL shall be entitled to take possession of the Secured Asset and shall also take other actions as is available to ABHFL in law.

That please be informed that you, the above named borrower(s) are hereby restrained from alienating (including by way of transfer, sale, lease or otherwise) or creating third party interest or dealing with the secured Asset in any manner except with specific prior written permission from ABHFL. Be informed that any contravention thereof shall be punishable with imprisonment up to a period of one year or with fine or with both.

That please note that this is a final notice under Section 13(2) of The Securitization And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Needless to say, that ABHFL shall be within its right to exercise any or all of the rights referred to above against you the Addressee entirely at your risk, responsibility and costs.

Place: Delhi / NCR Date: 31/05/2021

Signed by Authorized Officer, **Aditya Birla Housing Finance Limited**

POWER GAME

Netanyahu in last-minute bid to scupper deal to unseat him

JEFFREY HELLER
Jerusalem, May 30

PRIME MINISTER BENJAMIN Netanyahu manoeuvred on Sunday to try to dissuade opponents from forming a "government of change", with media reports saying a deal to unseat Israel's longest-serving leader could be imminent.

Opposition chief Yair Lapid, who has until Wednesday to put together a coalition after the fourth inconclusive election in two years, was closing in on an alliance of right-wing, centrist and leftist parties, Israeli media reported.

The new coalition's parties would have little in common apart from a plan to end the 12-year-run of Netanyahu, a right-wing leader on trial over corruption charges he denies. Lapid's chances of success rest with far-right politician Naftali Bennett, whose Yamina party's six seats in the 120-member parliament are enough to give him the status of kingmaker.

Bennett, 49, was widely expected to announce, possibly as early as Sunday, whether he would team up with Lapid, whose centrist Yesh Atid party placed second to Netanyahu's right-wing Likud in the latest election two months ago.

Bennett convened Yamina's legislators on Sunday to discuss his next steps. Most Israeli media predicted Bennett would agree to a deal under which he would replace Netanyahu as prime minister and later give way to Lapid in a rotation agreement.

Such a deal had already been reported as close when violence broke out between Israel and Gaza militants on May 10, which prompted Bennett to suspend discussions.

To form a government with Lapid, Bennett would first have to rally his own party's legislators, despite a closer political affinity to Netanyahu's Likud. Meeting the lawmakers on Sunday, Bennett "received their unanimous support for his efforts to form a government and prevent a fifth election", a Yamina statement said, after reports he could face party opposition to a deal with Lapid. The statement did not disclose whether any agreement had been reached, but the YNet website said Bennett told the legislators he was "marching towards a government of change". Yamina said a further announcement might be made later in the day.

Netanyahu, 71, made a three-way counter-offer on Sunday to stand aside in favour of another right-wing politician, Gideon Saar. Under Netanyahu's blueprint, Saar would serve as prime minister for 15 months, Netanyahu would return for two years, and Bennett would then take over for the rest of the government's term. "We are at a fateful moment for Israel's security, character and future, when you put aside any personal considerations and take far-reaching and even unprecedented steps," Netanyahu said in a video statement.

However, Saar swiftly rejected the offer, writing on Twitter. — REUTERS