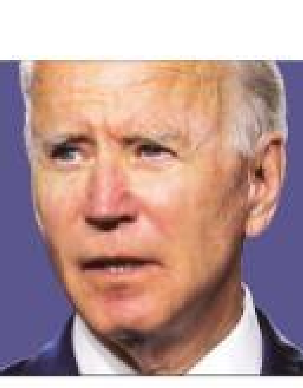

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DIVESTMENT PLAN

Privatisation of banks: Govt to work with RBI, says FM


Nirmala Sitharaman

PRESS TRUST OF INDIA
Mumbai, February 7

FINANCE MINISTER Nirmala Sitharaman on Sunday said the government will work with the Reserve Bank of India (RBI) for execution of the bank privatisation plan announced in the Budget. Speaking to reporters in Mumbai, she also said the government has no plan to form any bank investment company to house the government stakes in banks.

In the Union Budget presented last week, the FM had announced the privatisation of two banks as part of its disinvestment plan. Bank unions have opposed the move. "The details are being worked out. I have made the announcement but we are working together with RBI," she said, when asked about the proposal.

Continued on Page 2

MONETISATION

Mega plans to leverage assets

NHAI, DFCCIL, IOC, HPCL, PowerGrid look to tap into brownfield projects

NIVEDITA MUKHERJEE, SURYA SARATHI RAY & ANUPAM CHATTERJEE
New Delhi, February 7

SEVERAL GOVERNMENT-SECTOR entities, including large companies, are set to chart out detailed plans for monetisation of their brownfield assets to raise tens of thousands of crores of rupees each. If all the plans materialise, these entities among themselves could mobilise lakhs of crores of rupees over the next 5-10 years as non-debt capital, reducing the pressure on taxpayers to find budgetary resources for investments in capital-intensive infrastructure projects.

The move follows the recent Union Budget seeking to bolster the capital available for financing of infrastructure projects through this not-yet-widely-used route.

The National Highways Authority of India (NHAI), one of the pioneers in asset monetisation ventures having already raised about ₹14,700 crore through this route, has drawn up a list of 100 more operational highway stretches with a total length of 7,000 km to be monetised through the toll-operate-transfer (TOT) mechanism by 2024-25. The target is to raise ₹65,000 crore.

NHAI is yet to exercise InvIT and toll securitisation routes for asset monetisation.

Continued on Page 2

~₹1,00,000 cr
Monetisation plans over 10 years drawn up for dedicated freight corridors

~₹65,000 cr
Potential value of 7,000 km of operational highway stretches to be transferred to private parties by TOT model by FY25

~₹95,000 cr
Value to be realised by leveraging IOCL's crude, product and gas pipelines

TRAGEDY IN THE HILLS

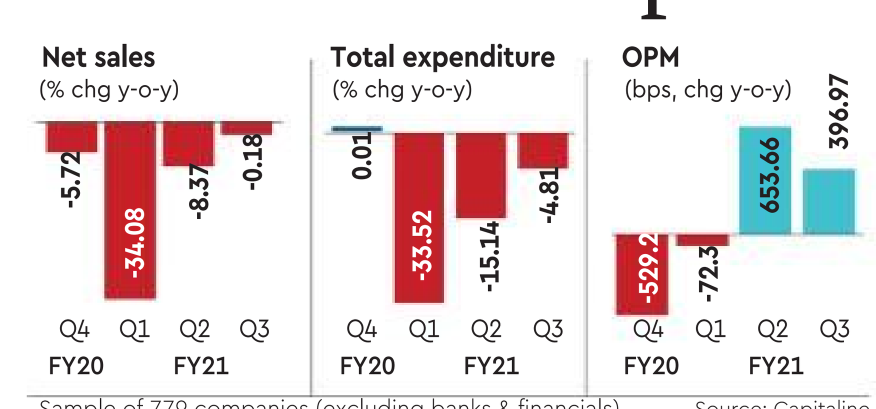
A massive flood hits a dam near Tapovan in Chamoli, Uttarakhand, after a glacier broke off on Sunday. Several labourers working at the project site are feared dead

Q3FY21

Few disappointments; FMCG players, upstream firms impress

Most companies report robust top-line growth

FE BUREAU
New Delhi, February 7



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

INDIA INC CONTINUES to turn out encouraging numbers for the Q3FY21 earnings season with very few disappointments. The good news is that most companies have managed to notch up a very good top-line growth whether through better volumes or price increases or, in some cases, both. Even manufacturers of capital goods that were expected to see a fall in revenues have surprised the Street.

With companies continuing to cut costs, margins have expanded — up by 400 bps y-o-y — even where sales may not have grown so impressively.

Continued on Page 2

AFTER BREXIT

India restarts trade talks with EU & UK

BANIKINKAR PATTANAYAK
New Delhi, February 7

WEEKS AFTER THE formal Brexit agreement, India has revived dialogues with the EU and launched talks with the UK in a bid to expedite trade deals and aid economic growth in the post-Covid era.

In a virtual meeting with EU trade commissioner Valdis Dombrovskis on February 5, commerce and industry minister Piyush Goyal pitched for a quick "early-harvest deal" followed by a time-bound and balanced free trade agreement (FTA), formal negotiations for which have been stuck over differences since 2013. The EU, including the UK, was India's largest export destination last fiscal, with a 17% share in the overall outbound shipments.

Goyal also sought the EU's endorsement of a joint proposal moved by India and South Africa at the WTO, to get a temporary waiver of the restrictive TRIPS agreement to ensure adequate supply of Covid-19 vaccines in developing countries.

Continued on Page 2

Renewed push

- In talks with EU trade commissioner, Goyal pitched for an **'early-harvest deal'**, followed by a broader FTA
- Formal FTA talks with EU stuck since 2013; now to be **reviewed monthly**
- Separately, Goyal held talks with **UK's international trade secretary**
- Unlike EU, UK may not insist India scrap duties on **auto, wine**, etc; so a deal can be firmed up soon

'Govt committed to high capex for 3 yrs'

CALIBRATED STIMULUS measures in the wake of the Covid-19 pandemic and a sharp hike in capex in the Budget for FY22 reflect the government's economic strategy of rebuilding battered demand while ensuring that the supply side is expanded enough to move in tandem, principal economic adviser Sanjeev Sanyal told **Banikinkar Pattanayak** in **New Delhi**.

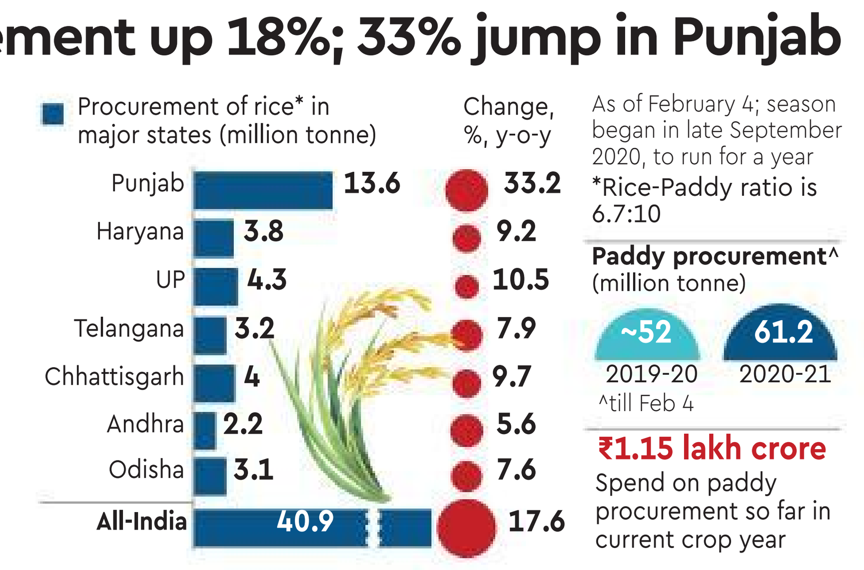
Detailed report on Page 2

Solid support

FE BUREAU

Paddy procurement up 18%; 33% jump in Punjab

Even as agitating farmers apprehend undermining of the MSP system, the government has stepped up procurement of crops. Paddy purchases by state-run agencies, including FCI for the 2020-21 crop year, was up 17.6% on year, or 91% of the annual target as on February 4. The sharpest increase in procurement is reported in Punjab (up 33.2%).



As of February 4; season began in late September 2020, to run for a year
*Rice-Paddy ratio is 6.7:10

₹1.15 lakh crore
Spend on paddy procurement so far in current crop year

SPECTRUM RECEIPTS

Low target shows 5G auction unlikely in FY22

KIRAN RATHEE
New Delhi, February 7

BY FIXING A low revenue receipt target of ₹53,987 crore from telecommunication services for FY22, the Centre has signalled it doesn't plan to hold auctions for 5G spectrum in the 3.5 GHz band in the next fiscal. It plans to hold auctions for 4G spectrum in March, the proceeds of which would be accounted for in the next fiscal. This auction is for 4G bands of 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2,300 MHz and 2,500 MHz.

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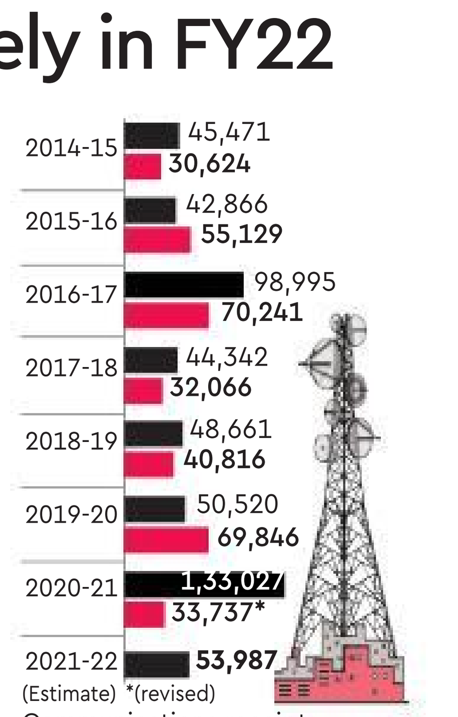

Communications receipts (₹ crore) Estimate Actual

VOLUNTARY OPTION

No big drop in Fasal Bima enrolment

CONTRARY TO expectations, farmers' interest in crop insurance schemes hasn't ebbed much after the enrolment was made voluntary for loanees effective 2020-21 crop year (July-June). A total of 5.96 farmers joined either of the two schemes, PMFBY and RWBCIS, in 2020-21 against 6.1 crore in 2019-20, down just 2.4%, reports **Prabhudatta Mishra** in **New Delhi**. This is despite the fact the schemes weren't rolled out in Gujarat, Andhra Pradesh, Telangana and Jharkhand.

■ Full report on Page 2

NEW BILL

Easy access to power distribution biz proposed

ANUPAM CHATTERJEE
New Delhi, February 7

A NEW BILL to amend the Electricity Act tabled in Parliament proposes to usher in the long-elusive competition in power distribution business. To provide more choices to consumers and bring higher efficiency in the sector, the Bill seeks to de-license the power distribution business and allow any entity to run distribution companies (discoms) anywhere in the country.

The incumbent state-run discoms will have to "provide non-discriminatory access to their distribution system to all discoms registered within the same area of supply", in return for wheeling charges to be determined by state power regulators.

Of course, the new operator can set up its own parallel distribution network, but with a condition that it can't be for exclusive use, and needs to be shared if other parties demand access to it.

Continued on Page 2

BOLLYWOOD IN 2021

Theatrical releases back but some may still pick OTT

ASMITA DEY
New Delhi, February 7

BOLLYWOOD MAY STAGE a strong comeback in the theatres in 2021, but the pandemic has forever changed an established practice that saw films move from one channel to another — theatres, television and so on — in a pattern. With cinema halls still half-empty many producers are opting to release their films on streaming platforms without waiting for a theatrical release; 'windowing' is, in effect, out the window. As Jehil Thakkar, partner at Deloitte India, observes, "The days when every film, without exception, would first go to the cinemas may not ever come back. Windowing is now up in the air."

Rakesh Jariwala, partner at EY, believes content will now be increasingly created keeping in mind its suitability to a particular screen and the budgets structured accordingly. "There is a growing realisation that a direct release to OTT can also be a viable model. We have seen that some of the big players do have adequate resources to compensate producers for the theatrical window if the situation so demands," Jariwala says.

Consequently, even as cinema theatres start attracting bigger audiences, OTT deals will continue to happen.

Source: Film trade analysts/company inputs

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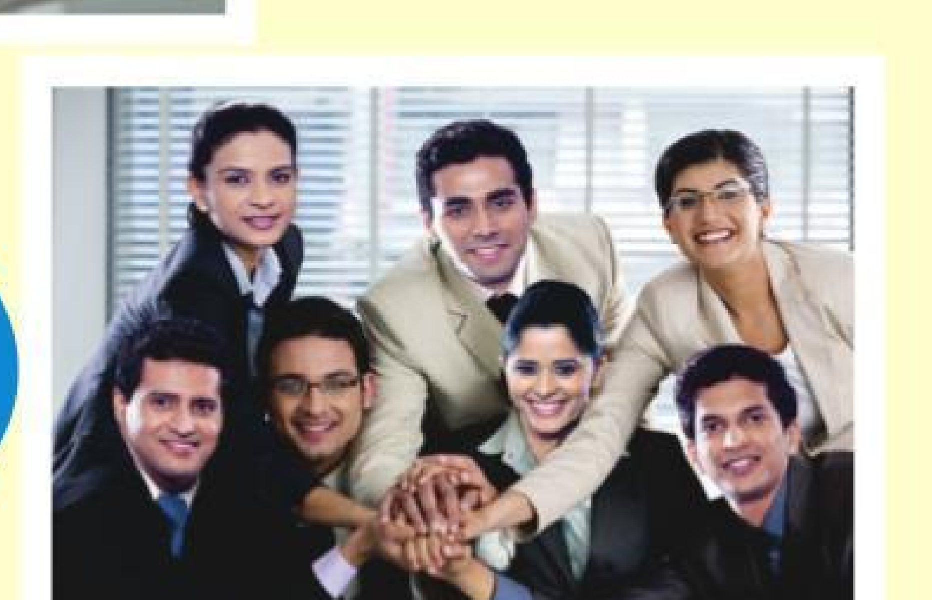


Economy

FISCAL DEFICIT

Anurag Thakur, MoS, finance

"Economists and experts suggested increasing government spending to fight Covid-19, to help the poor survive. On the other hand, businesses were helped so that jobs are protected. As a result, fiscal deficit may look slightly high."

FASAL BIMA

No big drop in enrolment despite voluntary option

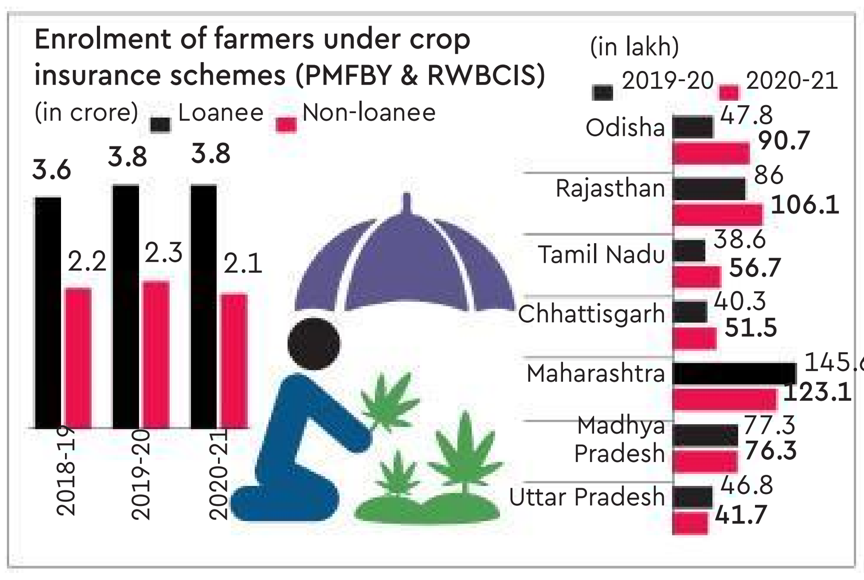
PRABHUDATTA MISHRA
New Delhi, February 7

CONTRARY TO EXPECTATIONS, farmers' interest in crop insurance schemes hasn't ebbed much after the enrolment was made voluntary for loanee farmers effective 2020-21 crop year (July-June). A total of 5.96 crore farmers joined either of the two schemes -- PMFBY and RWBCIS -- in 2020-21 compared with 6.1 crore in 2019-20, down just 2.4%.

This is despite the fact that the schemes were not rolled out in 2020-21 crop year (July-June) in Gujarat, Andhra Pradesh, Telangana and Jharkhand.

Many analysts had predicted the subscriptions to drop by at least a quarter in 2020-21, owing to the voluntary choice introduced and the reluctance showed by many states.

"There has been high levels of participation from Rajasthan, Odisha, Chhattisgarh and Tamil Nadu (over 92 lakh additional enrolments on year), that offset the decline in other states," a government official said. Madhya Pradesh, which was initially reluctant to launch the scheme and missed the deadline for enrolment, joined later.



As many as 74 lakh farmers in Gujarat, Andhra Pradesh, Telangana and Jharkhand had enrolled in 2019-20.

In the crop insurance business, PMFBY has about 90% share while the other scheme, RWBCIS, has the remaining 10%. The pan-India ratio of loanee and non-loanee farmers under crop insurance used to be 6:4 in the previous years and it was around the same level during 2020-21 as well. However, in absolute numbers, while enrolment of loanee farmers was at the same level of last year's 3.8 crore, there was a drop of about 15 lakh in non-loanee category to 2.1 crore.

An *FE* analysis of state-wise data show that more non-loanee farmers opt for the scheme in Maharashtra and Tamil Nadu. In TN, the share of non-loanee farmers in total enrolment increased to 88% this year from 77% last year.

Aimed at addressing the key challenges in PMFBY implementation and making it more pragmatic, the Centre in February last year announced changes in guidelines, making enrolment of loanee farmers voluntary, effective kharif 2020. To prevent any drastic fall in number of enrolment, the government also had allowed an 'opt out' clause for loanee farmers meaning default banks would ensure all are covered unless farmers themselves inform in writing to 'opt out' of it. There is no 'opt in' provision for loanee farmers to enrol for PMFBY/RWBCIS.

Other changes in the guidelines included that the Centre would foot the PMFBY subsidy bill to the extent of its formulaic share so long as gross premium level is up to 30% of the sum assured in non-irrigated areas and 25% in irrigated areas. The onus is on the states if they want to implement the scheme even if insurers quote any premium above 25-30%. The government also allowed insurers an option to sign the contract period for three years from the earlier one year at same premium.

Under PMFBY, farmers' premium is fixed at 1.5% of the sum insured for rabi crops and 2% for kharif crops, while it is 5% for cash crops. The balance premium is split equally between the Centre and states.

Govt committed to high capex over next three years: Sanyal

BANIKINKAR PATTANAYAK
New Delhi, February 7

CALIBRATED STIMULUS MEASURES in the wake of the Covid-19 pandemic and a sharp hike in capex in the Budget for FY22 reflect the government's economic strategy of rebuilding battered demand while ensuring that the supply side is expanded enough to move in tandem, principal economic advisor Sanjeev Sanyal told *FE*.

Moving in that direction, the government is committed to high capital expenditure not just in FY22 but over the next three years, Sanyal said in an interview, seeking to allay fears that the latest capex boost may be a Covid-induced one-off event.

The government has budgeted capital expenditure at ₹5.45 lakh crore for FY22, which is 26.2% higher than the RE of FY21 and 34.5% larger than the budget estimate (BE) for this fiscal. In contrast, at ₹29.3 lakh crore, the BE of revenue expenditure for FY22 is 3% lower than the revised estimate for this fiscal and 11.4% higher than the BE of FY21.

"There are two important aspects here. First, the government has kept in mind that its interventions should be calibrated in such a manner that they don't flare up inflation. Second, since some debt is going to be accumulated in this process, we leave behind some assets for future generation," Sanyal said.

The first set of relief package, including free grains and dole-out for women Jan Dhan beneficiaries, was taken purely to protect the poor and the vulnerable. But the real demand-side measures were announced when the lockdown was relaxed and supply-side disruptions eased, Sanyal said. "Otherwise, it would be like you are pressing the accelerator when the brakes have been applied."

Consequently, the capex reversed a 12% drop on year up to September this fiscal to actually rise as much as 21 % by December. Already, both the government and the central bank had rolled out supply-side steps (guaranteed loans for both MSMEs and relatively large entities, and professionals, liquidity-boosting steps, among others) to match with demand-side stimulus, he said. Now, the enhanced capex, with its focus on infrastructure, will also add to the productive capacity of the economy, apart from spurring demand.

Asked about the need for a development finance institution, as proposed in the Budget, Sanyal said it would be a specialised agency for rapid infrastructure creation and will go beyond funding projects. Banks, barring the top ones, don't really have specialised units to cater for the entire spectrum of infrastructure financing. So, the DFI would come in handy. Also, more private-sector DFIs will come up as a result of the government creating an enabling set-up with relevant laws.

Explaining the difference between the role of the NIIF and the DFI when both are aimed at helping infrastructure creation, Sanyal said, in common parlance, the quasi-sovereign wealth fund is more equity-focussed while the DFI would be more debt-focussed. The Budget has proposed a capital infusion of ₹20,000 crore into the DFI. Using this, it will likely raise resources up to ₹5 lakh crore over the next few years and help finance infrastructure projects, apart from creating an entire eco-system around it.

The National Bank for Financing Infrastructure and Development, as the DFI will be known, is expected to play a catalytic role in financing projects under the ₹111 lakh crore National Infrastructure Pipeline. Ultimately, it will also contribute towards deepening the country's corporate bond market for infrastructure financing.

PM flags off ₹4,700-crore projects in West Bengal

PRIME MINISTER NARENDRA Modi on Sunday said the West Bengal government is coming in the way of Centre's financial boost to the state, hurting its overall development and the benefits to the poor. Modi flagged off three projects of IOCL, BPCL, and GAIL in Haldia, entailing an aggregate investments of ₹4,516 crore and another road infrastructure project worth ₹190 crore at the Haldia port.

Modi said Bengal required a 'double engine' government comprising the same party government both at the state and the Centre. This would rejuvenate the state's economy, once the country's most advanced one. The state's denial to participate in various central schemes, especially that of the PM Kishan Samman Nidhi and Ayushman Bharat, has heavily damaged its people's interest. "Once we (BJP) form the government in West Bengal, the first cabinet meeting will draw a resolution to implement the PM Kishan Samman Nidhi (PMKSN) Yojana to deposit money in their (farmers') Jan Dhan accounts. We will also deposit over dues not deposited for the state's non participation in the scheme," Modi said.

— FE BUREAU

From the Front Page

Monetisation: Mega plans to leverage assets

However, decks will be cleared soon for its maiden InvIT to which five operational roads, with an estimated enterprise value of ₹5,000 crore will be transferred. It is also in talks with State Bank of India (SBI) for raising fund through securitisation of tolls, according to sources.

On its part, the railways is looking at raising ₹1 lakh crore over 10 years, through monetisation of the dedicated freight corridor assets, as and when these are commissioned (the western and eastern DFCs, built at combined cost of ₹84,000 crore are to be commissioned by June 2022).

According to sources from the railway ministry, a three-pronged strategy is being evolved for asset monetisation. First, the Infrastructure Investment Trust (InvIT) model will be employed to meet 50% of the target. The second option is sale/leasing out of DFC train paths to private freight operators. "For example, a coal rake travelling from Dankuni at 8 am and reaching Ludhiana the next morning will comprise one path. The DFC will have such 240-odd train paths which could be sold to private players," an official source said. Thirdly, multi-modal logistics parks along the alignment of the DFCs would be available for the private sector for infrastructure investments.

"We are discussing the options with NITI Aayog and the department of disinvestment and asset monetisation," Suneet Sharma, chairman, Railway Board, said. Recently, railway minister Piyush Goyal said DFCCIL would be listed once the western and eastern corridors are operational.

According to Aryaman Tandon, practice leader-infrastructure at Praxis Global Alliance, the DFC monetisation target could be more ambitious. "The government could raise the maximum amounts to recover the investments made and finance the proposed DFC projects along the East Coast corridor, East-West sub-corridor, and North-South corridors, which could require combined capital outlay in the range of ₹2-3 lakh crore," Tandon said. The railways will undertake future DFC projects such as the east coast corridor from Kharagpur to Vijayawada, the east-west corridor from Bhusaval to Kharagpur to Dankuni, and the north-south corridor from Itarsi to Vijayawada. According to Tandon, the transfer of DFC assets to private parties for operations and maintenance will have a multiplier effect. "This would bring significant operational efficiencies in the system such as better turnaround time, lower cases of empty return rates/empty haulage, along with a focus on improving non-farebox revenues," he said.

Another high-potential area of brownfield assets monetisation is gas and oil pipelines. Indian Oil Corporation (IOCL) itself has has 5,301 km of operating crude oil pipelines and 9,400 km of product pipelines and 155 km of natural gas pipelines. The worth of IOCL pipelines are seen to be between ₹6-7 crore per kilometre, meaning, close to ₹1 lakh crore could be raised via monetisation of these assets. IOCL director - finance Sandeep Kumar Gupta recently told analysts: "We were contemplating why our market capitalisation is so low and the measures for unlocking the real worth of our assets. We might select one or two pipelines to begin with". Asserting that the operations and control of the pipelines would remain with the company, Gupta said, "It (monetisation process) is now only at a preliminary stage and we have not yet decided what model to be adopted...of course, one model could be InvIT."

HPCL, another state-owned oil retailer and marketer, owns no crude pipeline but has 3,775 km of product pipelines. "Most of our pipelines are connected to our refineries which we use for evacuation of refinery products to the various parts of the country," HPCL chairman Mukesh Kumar Surana said, adding, We will review how best we can leverage these assets and create more value."

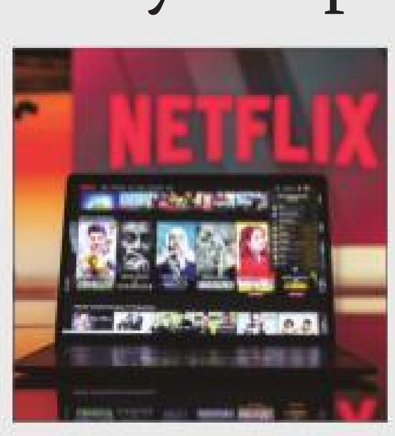
GAIL (India) operates 11,774 km of natural gas pipelines, and another 6,352 km are currently under construction. The company is also evaluating the monetisation route in a big way.

PGInvIT, the InvIT sponsored by PGCIL, has already said it aims to raise ₹5,000 crore through the proposed initial public offer of the platform consisting of five operational transmission lines worth ₹7,000 crore. The special purpose vehicles constituting PGInvIT are PowerGrid Warora, PowerGrid Jabalpur, PowerGrid Vizag and PowerGrid Kala Amb, and PGCIL will transfer 74% shareholding of these assets to the platform. "The IPO can be expected in mid-March," a PGCIL official said.

In the Budget FY22, finance minister Nirmala Sitharaman said a "National Monetisation Pipeline" of potential brownfield infrastructure assets will be launched. "An asset monetisation dashboard will also be created for tracking the progress and to provide visibility to investors," she said and listed out the areas for monetisation, including highway projects, freight corridors, airports, power transmission projects, oil and gas pipelines and warehousing facilities.

Bollywood in 2021: Theatrical releases back but some may still pick OTT

Industry insiders say the biopic, *Saina*, for instance, could see an OTT release, possibly on Netflix, as could Kartik Aaryan's *Dhamaka*. While a premiere on a streaming platform may lack the charm of a release in theatres, producers aren't complaining about the money.



Analysts at Media Partners Asia estimate investments in OTT content were about $700 million in 2020. As budgets for originals and local acquisitions grow bigger, the outlay is projected to grow at a CAGR of 18% during 2020-25 to $1.6 billion, they said.

The availability of good and varied content has seen free users convert to subscribers. The trend accelerated during the pandemic when homebound viewers were able to sample content across platforms. Experts confirm subscriptions to OTT platforms have grown manifold. "The myth that Indian consumers do not pay for content has been busted. Before going to the theatres, people will decide whether it merits a watch at the cinemas or not," Thakkar said.

Nonetheless, as Shariq Patel, chief business officer, Zee Studios, says OTT cannot replace the theatrical experience for certain types of films even if producers are upbeat about OTT. The line-up for 2021 is promising and one or two big releases should be able to pull in the crowds.

Sanjay Leela Bhansali's *Tuesdays & Fridays* is set to hit the cinemas on February 19, Salman Khan-starrer *Radhe* and John Abraham-starrer *Satyameva Jayate 2* are likely to be Eid releases, while Reliance Entertainment's *Sooryavanshi* and *'83'* are expected to be released around March-April.

YashRaj Films has reserved its entire slate — including Ranbir Kapoor-starrer action film *Shamshera*, *Bunty aur Babli 2* and *Prithviraj* with Akshay Kumar -- for releases in theatres. Makers of Telugu movie *Pushpa* featuring Allu Arjun have blocked the Independence Day weekend; Ajay Devgn's *Maidaan* and Shahid Kapoor's *Jersey* are expected to have a Dussehra and Diwali release, respectively.

Spectrum receipts: Low target shows 5G auction unlikely in FY22

The 4G spectrum auctions were announced by the government late last year, but analysts were expecting that sometime during the latter half of the next fiscal, the government may also hold auctions for the 5G band in 3.5 GHz, but now it seems unlikely.

The quantum of spectrum being put up for auctions in March is worth ₹3.92 lakh crore at reserve price, which the industry sees as too high. Therefore, participation is expected to be limited to renewing the airwaves which are expiring later this year. Looking at the budget target, it seems the government has accepted this and is looking to garner only around ₹60,000-70,000 crore from the auctions. Since operators have the option of paying 25% of the total amount bid for spectrum below 1 GHz – like 800 MHz and 900 MHz – and 50% of the total amount bid for spectrum above 1 GHz – like 2,300 MHz or 2,500 MHz – with more spectrum being put up for auctions above 1 GHz, the government would be able to get around ₹30,000-35,000 crore as upfront payment. Add to this around ₹20,000 crore which it gets every year as revenue sharing licence fee and spectrum usage charge, the targeted amount of ₹53,986.72 crore seems achievable.

The realistic assessment of telecom receipts for FY22 comes after the overambitious budgetary target fixed for the current fiscal at ₹1.33 lakh crore. Either, the government had hoped that the massive adjusted gross revenue (AGR) dues of the operators (which they were required to pay as per the Supreme Court order in October 2019) would come in one go or it expected to conduct auctions in the current fiscal from which it may have expected too high a sum.

The revised estimate from telecom receipts for the current fiscal has been sharply brought down to ₹33,737 crore.

In the last 7-8 years, the government has been able to achieve the budget estimate from telecom receipts only twice.

New Bill: Easy access to power distribution biz proposed

To deter new players from cherry-picking lucrative supply circles in urban, commercial and industrial areas (as these consumers cross-subsidise lower paying rural and agricultural users through higher tariffs), the Bill proposes to create a 'universal service obligation fund' where "any surplus with a discom on account of cross-subsidy or cross-subsidy surcharge or additional surcharge shall be deposited". However, the new structure is seen to trigger numerous teething issues in the sector which need to be addressed going forward. "Cross-subsidies are inherent part of tariffs and realising the exact amount is going to be very difficult and questionable," a senior official from a major discom told *FE*.

The amendment proposes that incumbent discoms will have to share their existing power purchase arrangement with all discoms entering their supply areas. New and incumbent discoms can tie up their incremental power requirements on their own if needed.

The reform could effectively allow end-consumers to choose who they want to buy electricity from, similar to the way telecom and direct-to-home television operators work. Noting that merely through privatisation of discoms "a public sector monopoly will be replaced by a private sector monopoly", the government said the amendments have been framed "to further enable the accelerated and sustainable growth of the power sector".

The financial losses of state-run discoms in the country jumped 83% to ₹61,360 crore in FY19. A ₹3.1-lakh-crore scheme was announced for discoms in the FY22 Union Budget to address the core issues of billing-collection inefficiencies and pilferage. To help discoms clear the dues of power generators, the Centre had already announced the ₹1.2-lakh-crore liquidity infusion scheme under the Atmanirbhar Bharat package.

The proposal intends to include enabling provisions to mandate every state electricity regulatory commission to constitute a separate legal bench to address matters related to payments and contractual conflicts. To accommodate the increasing penetration of renewable energy, the government wants state regulators to prescribe a minimum percentage of electricity that states should procure from renewable and hydro sources. It also wants to empower load dispatch centres to oversee the payment security mechanism so that defaulting discoms do not get power.

Q3FY21: Some disappointments; FMCG players, upstream firms impress

While prices of commodities have gone up, the raw materials bill nonetheless fell 430 bps as a share of sales.

Producers of commodities have reported strong turnarounds posting strong margins. FMCG companies, too, have posted good numbers with supply chains more or less restored and more retail outlets opening.

The stars of the season are undoubtedly the IT companies whose stellar results are expected to continue into the next season.

After Brexit: India restarts trade talks with EU & UK

Separately, Goyal held talks with Britain's international trade secretary Liz Truss, who was on a visit to India last week, to boost trade.

The renewed thrust on trade talks after the Covid disruptions reinforces India's commitment towards greater integration with the global value chain, just as it maintains that its Atmanirbhar initiative is not inward-looking. Having pulled out of the China-dominated RCEP deal, India has been seeking to expedite trade talks with large markets.

Importantly, both India and the EU sides have now agreed to review the progress of discussions on the proposed bilateral trade and investment agreement on a monthly basis by senior officials. It will be followed by a quarterly review by both Goyal and Dombrovskis. Both have also decided to meet within the next three months before the India-EU Leaders' Summit (to be attended by Prime Minister Narendra Modi, among others) is held at Porto on May 8.

The dialogues come at a time when India's planned FTA with the EU has lost some of its sheen, thanks to Brexit. For instance, Britain made up for 26% of India's apparel exports in FY20 to the EU, which was the largest export destination for Indian apparel with a 37% share. Hence, trade deals with both the EU and the UK are crucial.

The UK accounted for 16% of India's $53.7-billion exports to the EU in FY20. Apart from garments, India ships out gem and jewellery, pharma products, footwear and organic chemicals, among others, to the UK in large volumes.

Importantly, Indian exporters have flagged that any India-UK trade talks won't have the same level of complication that exists between India and the EU, and a deal can be firmed up without much hiccups.

After 16 rounds of talks between 2007 and 2013, negotiations for an India-EU FTA were stuck due to differences, as the bloc insisted that India cut import duties on automobiles and wine (which would benefit mainly Germany and France), among others. The UK is unlikely to be much too rigid over these issues, analysts reckon.

As for the current talks with the EU, a senior government official said: "The objective is to take forward any of the possible deliverables in the upcoming Leaders' Summit." The likely deliverables include launching an investment facilitation mechanism, working on regulatory cooperation, removing trade barriers, deepening research and promoting innovation, addressing multilateral issues of mutual interest, continuing dialogue on the intellectual property rights and building resilient value chains.

Privatisation of banks: Govt to work with RBI, says FM

She, however, declined to comment on any specific details about which will be the candidate chosen for privatisation. "We will let you know when the government is ready to announce," she answered when asked about the details.

On the bad bank, Sitharaman said the government may have to give some guarantee for the National Asset Reconstruction Company (ARC), but stressed that this is a solution which has come from the banks itself and will also be led by them.

Sitharaman alleged that the banks' NPAs, which are to be transferred into the national ARC, are a legacy of the mismanagement in the past.

There is no "phone banking" happening now with favours being sought for anyone from New Delhi.

On the Bank Investment Company (BIC), she said no such proposal is on the table and wondered what resulted in the discussion. "There is no such discussion. I don't know where it is coming from. At least it is not before me. I am not discussing that," she said.

She said there is a need for professionalisation of banks and the government is trying to ensure the same.

The minister also said the banks are gradually getting out of the risk aversion, which had set in during the early days of the pandemic.

Asked about the ambitious divestment targets and the government's ability to push through necessary reforms to earn the projected revenues, she exuded confidence of hitting budgetary estimates of ₹1.75-lakh-crore divestment.

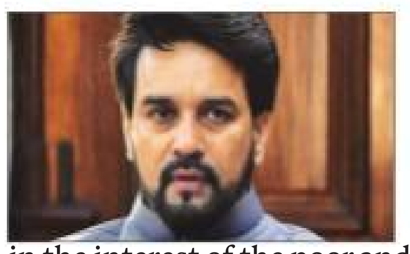
Sitharaman said the government stands to get up to ₹30,000 crore from the newly introduced agricultural infrastructure cess.

On the issue of fuel prices, and inflation there in because of the duties, the FM said if the Centre lowers excise, states will increase their taxes to keep the prices at the same level and also earn some revenues.

Govt may increase MGNREGA spend if need arises, says Anurag Thakur

KUMAR DIPANKAR
New Delhi, February 7

THE GOVERNMENT WOULD not hesitate to increase the spend under the Mahatma Gandhi National Rural Employment Guarantee (MGNREGA) Programme if the need arises in the future, minister of state for finance Anurag Singh Thakur has said.



The minister emphasised that the Narendra Modi government has taken steps in the past in the interest of the poor and vulnerable rural population.

Taking on the criticism by the Congress on the lowering of the MGNREGA expenditure in the Budget for 2021-22, the minister said this government has been increasing expenditure unlike them who would cut at the Revised Estimate stage.

Giving an example, he said that against the Budget Estimate of ₹60,000 crore in 2019-20, the spending was raised to ₹71,001.81 crore under the MGNREGA head as there was an increase in demand. In the current fiscal, it has been raised massively from ₹61,500 crore to ₹1,11,500 crore to create additional jobs in the rural areas for those who had lost employment due to the outbreak of Covid pandemic, he told *PTI* in an interview. For 2021-22, the spending has been increased to ₹73,000 crore as against the Budget Estimate of ₹61,500 crore for the financial year ending March.

"During the lockdown, most of the workers had gone home. So, it was more important to provide jobs in rural areas. With unlocking taking place, workers are returning back to their work. So the requirements may not be that huge. However, we may increase if there is demand." —PTI

'This Budget foundation stone for future India'

PRESS TRUST OF INDIA
New Delhi, February 7

Piyush Goyal

UNION MINISTER PIYUSH Goyal on Sunday termed this year's Budget the "foundation stone for the India of future" and hailed Prime Minister Narendra Modi and finance minister Nirmala Sitharaman for giving the country a "visionary budget".

Speaking at the Delhi BJP office, the minister of commerce and industry said the five Atmanirbhar Bharat packages announced over the course of several months last year and this Budget can be compared with the finance minister "hitting a sixer" in cricketing terms.

"This is a government that thinks of making India future-ready all the time. And this Budget is the foundation stone for the India of future...If you look at the five Atmanirbhar Bharat packages and this Budget, you can say the finance minister has hit a sixer in the form of this Budget," said Goyal, who is also the railway minister.

He said that the Budget takes care of every section of the society without putting extra load on the taxpayer, and despite a resource-constraint and a possibility of reduced revenue till next year.

Ministries of defence, rlys, CPSEs among largest buyers from GeM platform

MINISTRIES OF DEFENCE and railways and central public sector enterprises (CPSEs) are among the largest buyer organisations on the public procurement portal, GeM, a senior official said.

Government e-Marketplace (GeM) portal was launched in August 2016 for online purchases of goods and services by all central government ministries, states and departments. —PTI

Chamoli avalanche ravages NTPC's under-construction 510 MW hydro plant

FE BUREAU
New Delhi, February 7

Uttarakhand chief minister Trivendra Singh Rawat (centre) inspects flood-hit areas, after a glacier broke off in Joshimath in Chamoli district, on Sunday PTI

AN AVALANCHE IN the Chamoli district in Uttarakhand has damaged NTPC's under-construction 520 mega-watt (MW) Tapovan Vishnugad hydro power project, which is seen to further delay the commissioning of the plant. The project, started in 2006, was scheduled to be commissioned in 2013 but the devastating flood in that year affected the construction process. Earlier, the cost of the project was estimated to be ₹2,978.5 crore, which was later revised to ₹5,867.4 crore due to time and cost overruns. NTPC has already spent more than ₹4,467 crore on the site.

"While rescue operation is on, situation is being monitored continuously with the help of district administration and the State Government," NTPC said on Twitter. The plant, being constructed on the Dhauliganga river, will have four units of 130 MW each and the first unit was slated to be commissioned in June, 2022. The project will also need fresh approvals of the environment ministry after the government remapped the eco sensitive zones in the area in October, 2018.

The project construction was awarded to a joint venture of L&T and Austria-based Alpine Mayreder Bau GmbH, but the contract was terminated in 2014 as geological constraints delayed tunnel construction. The tunnel project was then awarded to Hindustan Construction Company in 2016, but financial constraints of the agency affected its progress.

MFs withdraw ₹12,980 cr from equities in Jan on profit booking

CONTINUING THE SELLING spree for the eighth consecutive month, mutual funds pulled out ₹12,980 crore from equities in January as surge in markets provided an opportunity to book profits.

MyWealthGrowth.com co-founder Harshad Chetanwala said investors may prefer to book profits for some more time as they witness more surge in the stock market. However, with growth-focused Budget, improving economy and vaccination drive, the equities are one of the best asset classes to remain invested at present, he added.

Overall, mutual funds withdrew a net of over ₹56,400 crore in 2020, data available with the Sebi showed. —PTI

'Exports from UK to EU down 68% since Brexit'

REUTERS
London, February 7

EXPORTS FROM BRITAIN to the European Union fell by 68% in January as trade was disrupted after the end of a transition period following Britain's departure from the European Union, according to a trade body representing hauliers.

The government did not confirm the data and said disruption at the border had been minimal since Britain completed its journey out of the EU's orbit at the of 2020.

> **The government said it engages with the sector and does "not recognise the figure provided on exports"**

Since the start of the year, businesses and hauliers have had to adapt to new trading arrangements, including new systems for companies and officials in the British province of Northern Ireland.

Some businesses have struggled with new customs declarations and health certificates as the coronavirus pandemic also hits firms.

International members at the Road Haulage Association (RHA) reported a 68% fall in exports in January, the group said on Twitter. "I find it deeply frustrating and annoying that ministers have chosen not to listen to the industry and experts," RHA chief executive Richard Burnett told *The Observer* newspaper.

The government said it engages with the sector and does "not recognise the figure provided on exports".

"Thanks to the hard work of hauliers and traders to prepare for change, disruption at the border has so far been minimal and freight movements are now close to normal levels, despite the COVID-19 pandemic," it said in a statement.

Dialog Semi in $6-bn takeover talks with Renesas

AARON KIRCHFELD, LIANA BAKER, DINESH NAIR & DANIELE LEPIDO
February 7

DIALOG SEMICONDUCTOR PLC, the U.K. chip designer whose clients include Apple Inc, said it is in advanced discussions to sell the company to Renesas Electronics Corp. for about 4.9 billion euros ($5.9 billion).

The all-cash offer price for the Frankfurt-listed company of 67.50 euros per share is about 20% above Dialog's Friday close of 56.12 euros.

"A further announcement will be made as and when appropriate," Dialog said in a statement, after Bloomberg reported on the talks. "There can be no certainty that any firm offer will be made for the company, nor as to the terms on which any firm offer might be made."

Dialog was earlier holding discussions with STMicroelectronics NV before the Franco-Italian company was outbid, the people said.

BLOOMBERG

'Selling family silver' a lazy allegation: FM

PRESS TRUST OF INDIA
Mumbai, February 7

FINANCE MINISTER NIRMALA Sitharaman on Sunday rejected Opposition's charge of "selling family assets" through the budget stress on privatisation, terming it as a "lazy allegation".

All the previous governments have done disinvestment in the past, and the Narendra Modi regime has formulated a clear policy on which companies to be divested and the strategic sectors that will not to be touched rather than doing one company sell-off at a time, she said in an address to businesses here.

The budget proposals to divest stakes, which includes the sale of two public sector banks and a general insurer, have been panned by the Opposition.

"It is not what the Opposition says about selling family silver, it's not at all," she said addressing a meeting of business people here.

"Family silver should be strengthened, it should be our takat (strength)... because you've spread it so thinly, there are many of them (PSUs) who are not able to survive and the few who can perform do not get the due attention. Our aim is to prime them through this policy. You need them, you need them to scale up so that they meet the aspirations of growing India," she said.

Sitharaman said despite reforms of the past, 'socialist baggage' hindered businesses, and many state-run companies have been lacking professional expertise to grow or are present in sectors which are not strategically important.

She said the idea is to ensure that there are a few state-run companies which achieve scale to deliver on the aspirations of a country like ours.

For many years, taxpayer money has been spent on recapitalising inefficient state-run companies and it is the government's intent to ensure that the available resources are spent in the best possible manner, which can be done only by reducing the number of such enterprises, she said. She also termed the charges of selling family silver by the opposition as "lazy allegations" and stressed that all the past governments have sold companies.

Edelweiss Wealth aims to raise ₹1,000 crore for equity-focused AIF

PRESS TRUST OF INDIA
Mumbai, January 7

EDELWEISS WEALTH MANAGEMENT is targeting to raise ₹1,000 crore from domestic investors for its maiden equity-focused alternate investment fund (AIF), according to persons in the know.

The fundraising, which comes amid a strong rally in the markets that has led to concerns over valuation, will take about 6-9 months, and the company will target high-networth individuals (HNIs), family offices and institutional investors for investment commitments, the sources said.

When contacted, Edelweiss declined to comment.

The sources in the know said the company is targeting to raise over ₹1,000 crore in the Edelweiss Dynamic Growth Equity (EDGE) Fund and raise more money based on the performance. Over the next few months, it plans to go overseas for widening its asset under management pool through the AIF.

"This is the first time that we are entering the equity side with an offering focused on long-term gains and will ensure that investors do not get worried about volatilities," said one of the sources.

'Hike in FDI cap to deepen insurance penetration, help attract overseas funds'

PRESS TRUST OF INDIA
New Delhi, February 7

IMPLEMENTATION OF THE Budget proposal to raise the foreign direct investment (FDI) limit in the insurance sector to 74% will help attract overseas capital and enhance insurance penetration in the country, according to experts.

Deloitte India Partner and Financial Services Industry Leader Sanjoy Datta said the announcement to raise the FDI cap in the sector was a much-awaited move. It is in direct recognition of the requirement for significant capital inflows to provide adequate levels of insurance cover to the population, he added. "We see a possibility of select foreign partners in existing insurance JV's (joint venture) seeking to increase ownership levels, attractive valuation for exits for existing investors (domestic and foreign) as well as the entry of new investors who prefer majority equity holding in the entity," he added.

Opinion

MONDAY, FEBRUARY 8, 2021

DEVELOPMENT-DRIVEN GOVT

Anurag Thakur, Minister of state for finance

The Indian economy is witnessing a V-shaped recovery… The Budget has now new taxes on the people of this country… The Modi government is development-driven and in the next 4-5 years, India will become a $5 trillion economy

RationalExpectations

SUNIL JAIN
sunil.jain@expressindia.com
@thesuniljain

Don't tie govt fate to telco viability

For future auctions, remove the deferred payment formula; vital to immediately allow spectrum hypothecation to banks

WITH THE IMMINENT threat of Vodafone Idea shutting down now receding, the government is probably breathing a lot easier since, had this happened after the Supreme Court ordered the telco to pay ₹58,254 crore of AGR dues, the government was in danger of losing not just this amount—Vodafone Idea has paid ₹7,854 crore of this—but also around ₹61,671 crore that the telco owes by way of the deferred spectrum payments; as per the auction rules, after an upfront amount is paid, telcos pay the rest in annual instalments.

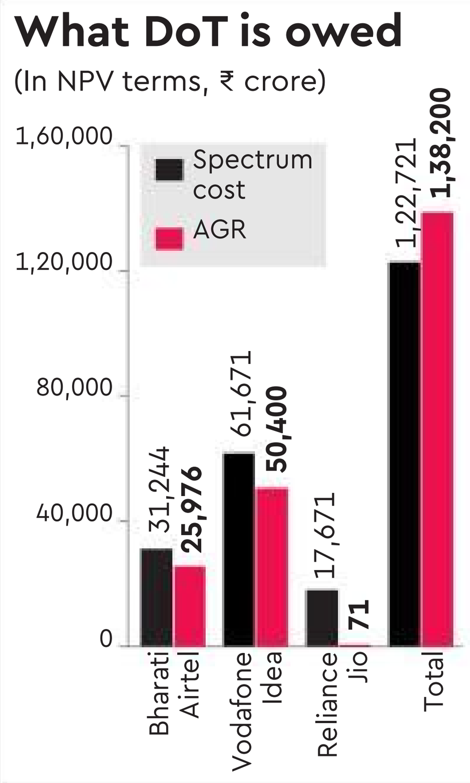
In various places, including this column, Vodafone Idea's deferred spectrum dues have been put at around ₹150,000-160,000 crore in the past. That number is derived from an arithmetical addition of the annual instalments it needs to pay till 2034 whereas the ₹61,671 crore number is the net present value (NPV) of the dues; as such, it is a more accurate number to use.

But while the immediate threat is over, it is not clear how soon Vodafone Idea will be able to fully compete with Bharti Airtel and RJio since, with it continuing to be cash-starved, it simply cannot spend as much on capex that is critical for it to keep upgrading its network. In the event, its closure cannot be ruled out either, especially if it keeps losing customers to Airtel and RJio. In which case, the government needs to find a way to delink its fortunes from those of individual telcos like Vodafone Idea or even Airtel or RJio.

The government tying itself to the fortunes of telcos is also a bad idea from the point of view of policy. Right now, for instance, while big tech firms like Google and Facebook are keen on the government delicensing the E&V bands, the existing telcos are keen that this be auctioned as, they argue, delicensing will mean the tech giants can come in with cheaper broadband internet solutions using the E&V bands. Even if, for the sake of argument, delicensing is a better solution for the country, the government will find it difficult to take a policy decision if its fortunes are tied to those of individual telcos.

What DoT is owed

(In NPV terms, ₹ crore)



So, when the next spectrum auction takes place, early next year in all probability, the government should change the rules from a part-upfront-rest-in-instalments model to a full-upfront payment model. This will, of course, lower the amount the government can hope to get in a bid since the EMI method encourages telecom players—just as it does consumers—to bid a bit more liberally than they would otherwise. For the government, though, this is a better solution since there is no risk of not being able to collect the money when a telco goes belly up.

It is not clear if this is what the Union Budget is referring to as 'Communications' in the annexure on arrears of non-tax revenue, but this has jumped from ₹16,203 crore in FY15—in earlier budgets, the item was labelled 'Communications (License Fee) Receipts'—to ₹113,878 crore in FY20, making it clear the Centre has a lot at stake if a telco goes belly up.

If this is done, the obvious question is whether telcos who bid will be able to raise the entire money upfront as opposed to just the 25-30% that they had to in the earlier dispensation. There is, on the face of it, no reason for strong telcos not to be able to raise the funds, more so if the government finally amends the rules so that the spectrum bought can be hypothecated to banks and, should the firm default or go belly up, the banks can immediately sell this spectrum to some other telco.

This is something that has been talked of for several years—and many, including lenders, believed it had already happened!—but, as the RCom insolvency case at the NCLT makes clear, the matter is far from resolved. In the case of Aircel's insolvency, the NCLT had approved the resolution plan which included the sale of the spectrum, but this ran into some other hurdle. Meanwhile, with the government saying, in the RCom case, that the spectrum cannot be sold as it belongs to it, the matter will go to the Supreme Court since, no matter how the NCLT/NCLAT decide, either the government or the telcos will oppose it.

Apart from trying not to perpetuate the link between the government's dues and the fortunes of telcos, the government will—sooner rather than later—also need to take a decision on how to improve the fortunes of the industry by scrapping the licence fee/spectrum usage charge (LF/SUC) regime; in any case, with spectrum being auctioned, there is no longer any justification for charging telcos LF/SUC which were imposed when spectrum was given out free. While it is true that there has been some improvement in the fortunes of telcos over the past few months thanks to tariff hikes, the ₹260,000 crore deferred spectrum plus AGR dues makes it near impossible for the industry to bounce back to health soon, more so since the capex needs are going to keep on increasing to cater to 5G and other demands.

For several years, the government has refused to take a decision on this and, instead, looked for band-aid solutions like a moratorium on spectrum/AGR payments; given the NPV of the burden remains unchanged, this is merely kicking the can down the road. With the government seemingly more able to take tougher decisions now—lower corporate tax rates, a new PLI scheme, fixed term contracts for labour and a new PSU policy—perhaps it will take another look at the telecom sector. Indeed, once decisions like scrapping of licence fees and spectrum usage charges are taken, it also becomes easier to take decisions like delicensing the E&V bands; both will, as it happens, improve India's access to broadband mobile connectivity.

PrivacyPITCH

After Apple, Google is also mulling over changes that limit tracking of user-data by apps

WHILE TWO GIANTS of the tech industry are still fighting over what control companies should exercise over user data—Apple and Facebook have been at odds as the new iOS 14 limits Facebook's tracking on iPhones and iPads—*Bloomberg* reports that Google may also be mulling something similar to Apple's move. After the flak that WhatsApp received over the change of its privacy policy, the search giant is trying to limit how apps can track users on Android devices and how much control over user-data Google wants to provide them. Although what Google does would not be comparable to Apple, given data-based revenue generation is Google's model and that is how it has been able to provide Android for free, such a move would still accord some control to Google/Android users over their data.

There is no doubt that apps must give users a choice to decide whether they want to provide access to their data or not; but users also need to realise that there is a cost to the services involved. A better idea would be to create a subscription product for services with less tracking features. YouTube, one of Google's product, already has a subscription model without ads and with additional features. This needs to be replicated for all products. More important, Google also needs to devise a way wherein they can share more non-personal data and only a little bit of personal information. Companies also need to aid countries in creating a data market. Unless there is a data market, it would be difficult to determine the right price of privacy.

STORY IN NUMBERS

INTEREST PAYMENTS EXCLUDED, THE EXPENDITURE BUDGETED FOR FY22 IS SLIGHTLY LOWER THAN FY21 EXPENDITURE (RE). SO, BUGDET FY22 IS NOT AS FISCALLY EXPANSIONARY AS BELIEVED BY SOME

The Budget beyond the speech

MADAN SABNAVIS
Chief economist, CARE Ratings, and author of *Hits & Misses: The Indian Banking Story*
Views are personal

BUDGET SPEECHES ARE all about presentation, and hence the market movement following Budget FY22 unveiling on February 1 was a vindication of the positive vibes that were sent by the government. Words uttered are often taken at face value, and the market has cheered Budget FY22 all the way, as have all CXOs who have concluded that this is a Budget that shows the way with an aggressive stimulus through expenditure. Forty-eight hours after the announcement of the Budget, the Sensex had gained over 3,000 points. Hopefully, this fraternity should not have any complaints for the next 365 days on policy.

The characteristic of all Budget speeches is that they convey what has to be said in the best possible manner. Therefore, there are references made to the policies under Atmanirbhar series announced last year, a new set of reforms, outlays which will happen anywhere between two and six years; at times, FY22 (BE) figures are compared with FY21 (BE) numbers, and, on other occasions, it is compared with FY21 (RE). Sometimes, it is FY21 (RE) over FY21 (BE). Budget speeches also drift into poetry to, probably to lighten the environment or underscore the gravitas of a point. There is a clubbing of allocations, under modified new headings which add to the 'wow' factor. Hence, it is this author's belief that, to really understand the Budget, one must take the time to digest the numbers by going through the Budget documents (downloadable from the Budget website) to get a more thorough understanding. This can take some time, but is more useful for making sense of a Budget's import.

Has the Budget provided a stimulus? In terms of fiscal deficit—it is 6.8% of GDP—it sounds big, seems to involve lots of borrowing and, thereby, connotes a lot of spending. The fact that the timeline for reaching 4.5% fiscal deficit has been extended to FY26 means that we can expect significant deficit figures for the next few years, which clearly signals continued fiscal expansion. However, if we look at the size of the Budget FY22 and compare it with FY21(RE), the numbers appear to be broadly similar. In fact, if interest payments, which are now ₹8 lakh crore are excluded, the expenditure for FY22, at ₹26.71 lakh crore, will be lower than that for FY21 (RE), which stood at ₹27.57 lakh crore. In a way, this does not really seem like expansion of spending.

Now, GDP growth has been taken to be lower than what the Economic Survey had presented, which means a conservative approach has been taken, pegging it at 14.4% rather than 15.4%. Therefore, real growth could be lower than 11%. Does this matter? It does for the Budget because the GDP in nominal terms was to be ₹225 lakh crore in FY21 (BE) while, for FY22, it would be ₹223 lakh crore. However, the tax to GDP ratio would be coming down from 10.8% to 9.8%. While tax collections from corporate, income and GST would be higher than that in FY21(RE) they would be lower than the budgeted numbers for last year. The same also holds for non-tax revenue, which is normally heavily dependent on RBI-surplus transfers and spectrum income. Income from 'communications' is estimated lower, at ₹63,000 crore vs ₹1.33 lakh crore targeted last year.

> **The fiscal deficit number that has been talked about is more likely driven by revenue not growing at the desired rate and expenditure being at similar levels as FY21 revised estimates**

Either the Budget has been very conservative or has assumed that growth in FY22 will not really be buoyant. One conclusion is that the fiscal deficit number is more likely driven by revenue not growing at the desired rate and expenditure being at same level as FY21 (RE). Hence, a high fiscal deficit number may not necessarily mean more spending as revenue could be the contributing factor.

One major reason for euphoria was health spending. While the ₹2.23 lakh crore number is higher than ₹94,000 crore, the heading is 'health and well-being'; the second part thereof relates largely to water & sanitation. The health ministry actually sees a dip in spending from ₹78,806 crore in FY21 (RE) to ₹71,269 crore in FY22 (BE). Around ₹98,000 crore of the ₹2.23 lakh crore headline number in the Budget speech is in the water & sanitation bucket, spread over multiple years, while there is an allocation of ₹35,000 crore for Covid-19 vaccination.

Further, there has been some other economising in the Budget, which does not stand out and requires a close look to become apparent. The PM-Kisan scheme had lower outflows, of ₹65,000 crore, last year as against a budgeted number of ₹75,000 crore, which is being retained in FY22. This means that fewer people will have access to this scheme—108 million instead of 125 million. NREGA spending was up by around ₹50,000 crore last year over the budgeted number, but has been reduced to ₹73,000 crore. Hence, in a way, there has been some rollback of relief to the targeted sections, ostensibly because it is believed that this handholding may not be required as the economy chugs along.

There are some bits that will only become clear when the ministry officials give clarifications—the creation of a new DFI, for instance. This, in a way, could moderate expectations. The DFI announcement was a big one, but, it now appears that the new institution will either take over or be merged with an existing one (likely IIFCL). Therefore, it would be capitalising an existing structure and not necessarily creating a new one. The same holds for the bad bank, which, the financial services secretary has clarified that it will not be owned or funded by the government and will have to be created by the banks. This takes the fizz out because ARCs in the past have not quite worked out, because of the mismatch in expectations between buyers and sellers. Buyers want the lowest price and the sellers (the banks) the highest. There weren't too many deals struck and the realisation rate was low, at around 20-25%, as against IBC's 43-45%. The basic fear of PSBs was to sell at a low price and later get questioned. If the ARC were a government body, the willingness to sell at a lower price would be higher. Therefore, we may be getting back to the original state of slow decision-making.

The other big proposals relate to asset monetisation and disinvestment, which is now being called privatisation to signal a change in ideology. The first part will have more to do with the PSUs which sell assets through the InVits or Reits routes. That is outside the budget. If NHAI monetises a road, the money will go the entity. Disinvestment would be in the Budget, and it can be merry times provided the market has the appetite. Will there be fatigue at some stage, given all PSUs don't fare well in the market? To begin with, there will be a burst of money, but towards the end of the year it will be interesting to see how things work out. More important, to get the right valuation, the market has to continue with enthusiasm and the Sensex has to move towards the next level—even 50,000 may not be enough!

Some tax benefits have been given to InvITs and REITs. But, will investors be assured that this will hold in future? This is the problem with continuously changing tax structures. Let us look at the taxation of interest on EPF savings of above ₹2.5 lakh a year. The amount that is put in EPF is mandatory as dictated by the government. What was tax-free is now being taxed on grounds that it is the rich who benefit from this remaining tax-free. It is true for irrational sums being put in the EPF, but typically a person who reaches the ₹2.5 lakh threshold is on the road to retirement and hence sees all future plans going awry. This has been a major problem with the tax rules over the last six year. One can never plan for retirement. Debt funds suddenly had the carpet pulled under their feet with respect to LTCG taxation as the tenure got extended to three years. Then, it was time for equity gains being taxed. Those who sought dividend for future planning (which is actually inefficient when investing in mutual funds compared with growth schemes) suddenly find this component being taxed. The uncertainty in tax structures can be very unsettling and hence any tax benefit can be assumed to hold just for a year. This approach should be reconsidered.

While there have been no overt tax changes, the ideology of tinkering with rates every year and justifying that such tinkering affects the rich is something that needs a relook as it is this class which pays the highest taxes!

Budget FY22 gives M&A a fillip

However, some clarity will still be needed on the applicability of the amendment to the tax laws that ends the regime of depreciation on goodwill being available as a deduction against taxable income

VAIBHAV GUPTA & VIBHOR JAIN
Gupta is partner & Jain is senior associate, Dhruva Advisors *Views are personal*

BUDGET FY22 HAS proposed amendments to improve the tax administration in the country and provides incentives to promote foreign investments, investments in the GIFT City, and in the insurance sector. From an M&A perspective, it seeks to bring in significant changes that are likely to impact deal structures.

In a far-reaching change, depreciation on goodwill will no longer be available as a deduction against the taxable income from the current year. Seeking to overrule a Supreme Court ruling, the amendment is presumably aimed at curbing depreciation on goodwill created through internal restructuring. However, it will also impact transactions involving payment for goodwill pursuant to business acquisition by third-party buyers, where goodwill is recorded on account of purchase price allocation of the consideration paid. In such cases, the value of goodwill will only be available as a cost on subsequent sale. Interestingly, one of the arguments of the government is that goodwill can only appreciate in value and hence, depreciation should not be permitted. Given the way the various provisions carrying out the amendment are worded, it will be interesting to see whether Revenue seeks to challenge depreciation claims of past years also.

Another change relates to business transfers structured as slump exchange. In the past, some courts have taken a view that a slump exchange involving issuance of securities as consideration is not taxable since the existing provisions cover taxation of a slump sale. With the proposed expansion of the definition of slump sale to include any means of transfer, the government has plugged this anomaly in law. This amendment provides clarity, quite welcome for the deal-making environment. While the amendment is meant to be effective prospectively, it will be interesting to see the position that gets taken for past transactions, including matters pending before the Supreme Court.

Taxation of partnerships upon dissolution or reconstitution has been changed to include distribution of cash or any asset by the firm to partners as capital gains for the firm. The change covers instances where revaluation of assets or valuation of goodwill of the firm was used to effect a tax-free distribution to the partners. Structures widely prevalent, particularly in the real estate sector, are now covered within the ambit of tax.

Similar to tax collected at source (TCS) on sale of goods, a new provision has been proposed covering deduction of tax at source on purchase of any goods from a resident seller. The CBDT had earlier clarified that TCS provisions shall not apply on transactions in securities traded on recognised stock exchanges. In light of a wider meaning of 'goods' and the CBDT clarification, transfer of securities by resident-sellers might become liable to a 0.1% TDS. The TCS provisions will no longer apply on such transactions. From an M&A perspective, this amendment is likely to remove the difficulty where a non-resident buyer of shares is required to claim a refund of the TCS amount. Introduction of section 206AB which increases TDS rate for non-filers of return of income is another provision which may impact indemnity aspects in transactions since the obligation to withhold a higher tax falls on the payer.

Availability of benefit of treaty withholding tax rates on dividend income to FPIs is very welcome—an ask of the FPI fraternity to set to rest the controversy created by the PILCOM ruling by the Supreme Court. With a view to encourage real estate investment trusts (REITs) and infrastructure investment trusts (InvITs), TDS has been removed from dividend paid to them. Coupled with the proposal to allow such trusts to raise debt from FPIs, the Budget reaffirms the government's commitment to promote India as a vibrant REIT market and attract foreign capital in the sector.

Other proposals such as raising FDI limit in insurance, disinvestment of two banks and a general insurance company, launch of InvITs by Power Grid and NHAI are again meant to provide a positive direction and boost foreign capital inflows. While an announcement on overseas listing was also anticipated, we hope that the Government would come out with guidelines on it sooner this year.

LETTERS TO THE EDITOR

Work from home to fight congestion

Cities across the globe are witnessing traffic congestion, owing to the growing number of private vehicles jostling for larger space on roads. Also, lack of adequate public transport infrastructure now compels people to switch to a private mode of transport, leading to congestion. Pedestrians and cyclists are left with no choice given such encroachment of road space by other vehicles. Public transport options like bus and metro are also not exploited to the fullest extent, thanks to inadequate planning and lack of foresight. Both the systems have their own challenges to otherwise run and operate smoothly within any busy city. The urban policymakers should emphasise that organizations employing workforce using private transport should switch to flexible working options and thus reduce congestion on roads. As most of the workforce belongs to desk-based jobs that require good digital connectivity, a unified policy should be framed to allow flexible working opportunities apart from encouraging 'work from home' in busy cities.

— Varun Dambal, Bengaluru

Health spending

The Centre's big talk on health spending is given the lie by the actual spending on the health ministry being lower than the spending in FY21 (revised estimate).

— Sumona Pal, Howrah

●Write to us at feletters@expressindia.com

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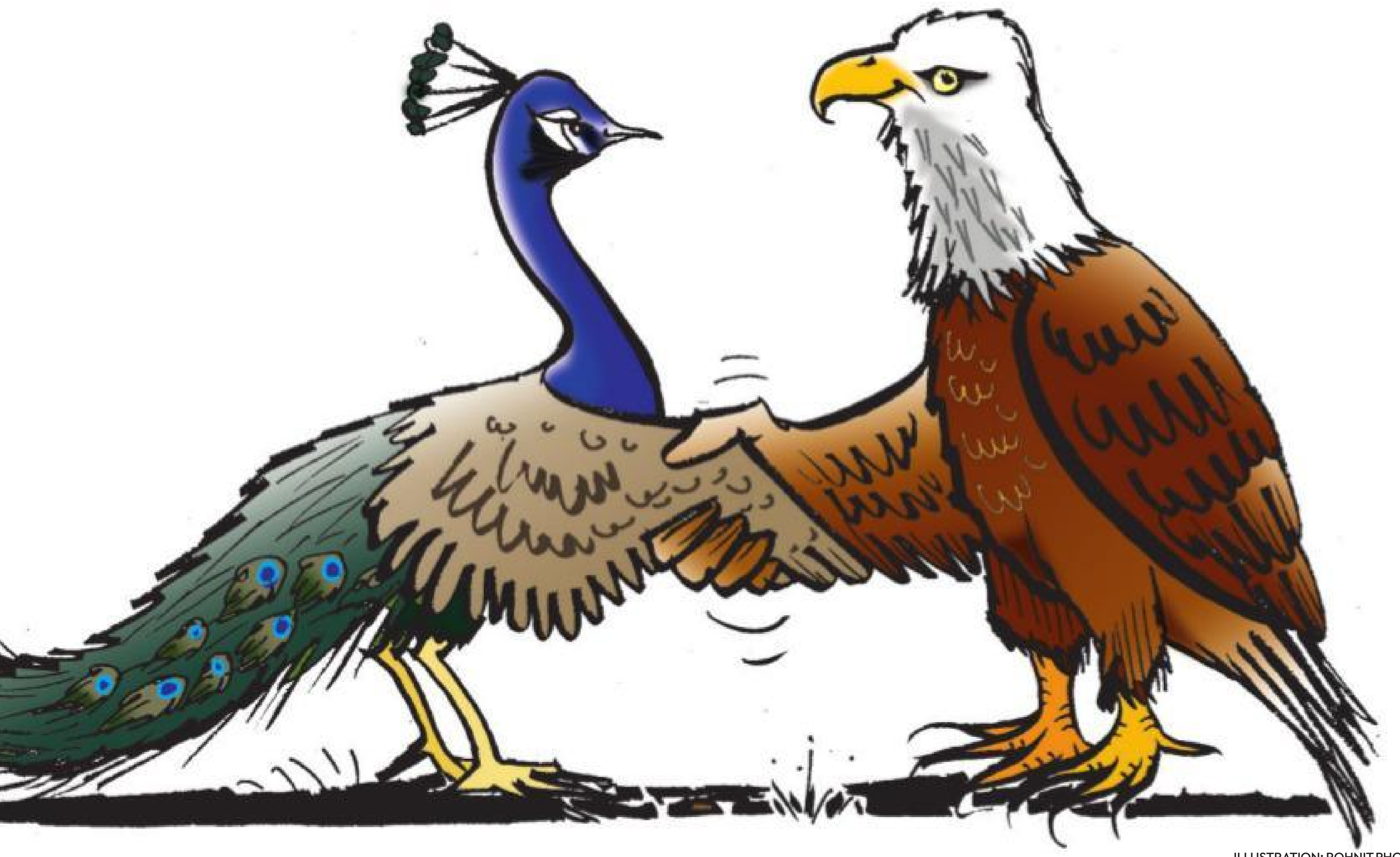


ILLUSTRATION: ROHNIT PHORE

VIKRAM S MEHTA

The author is chairman, Centre for Social and Economic Progress

OVER THE BARREL

A brief history of India-US relations

The US and India are structurally bound. They have common democratic values and convergent geopolitical, economic and strategic interests. The personal predilections of Presidents and Prime Ministers can weaken the bond, but not rupture them

MEENAKSHI AHAMED HAS written a timely, lucid and comprehensive book on the relationship between India and the US. '*A Matter Of Trust: India-US Relations from Truman to Trump*' is an account of the twists and turns on the road travelled by the leaders of the two countries over 75 years. The book is timely for the good reason that it provides the new Joe Biden administration a well-researched and scholarly handbook on the issues that have defined US-India relations; it is insightful because it goes beyond broad-brush analysis to highlight the impactful influence of individual idiosyncrasies. It is an excellent read because interwoven between commentary and analyses are nuggets of revelatory information. This book is a must read not just for those involved with the bilateral relationship, but also for those interested in "history without theory."

The road from Truman to Trump has passed through the presidencies of Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter, Bush 41, Clinton, Bush 43 and Obama, and their counterpart Prime Ministers in India. It has not been a straight road and, at times, it has reversed direction; it has met many obstacles and it has often been marked by the signpost 'Hard Times'; 'Great Expectations' have, however, enabled the travellers to find a bypass. (Meena attributed this Dickensian characterisation of US-India relations to a Minister in the Indian government).

Not surprisingly, every US President has come to office with a personal view on India. These views have seldom reflected a deep understanding of India's history, culture or even politics. They have reflected personal proclivities and prejudice, experience and anecdotes. Once in the Oval Office and even though overlaid by domestic priorities and expert advice, these views have often had a subliminal and, at times, unintended influence on policy.

Truman, for instance, saw India as a "distant country with no direct bearing on US political interests." He made no effort to inform himself about the country, or to develop a relationship with Nehru. His focus was the reconstruction of post-war Europe. Eisenhower, on the other hand, was more empathetic, perhaps because of appreciation of the role played by Indian soldiers during the war, but he was straitjacketed somewhat by the 'moralising religiosity' of his Secretary of State John Foster Dulles who did not understand nationalism and thought that Nehru's policy of non-alignment was a 'moral betrayal'. His Vice-President Richard Nixon was also more at home in the company of the 'hail fellow well met' blustering hospitality of the Pakistani leadership than the harder-edged intellectualism of Nehru. America forged a military alliance with Pakistan during this presidency. Kennedy endeavoured to correct this hyphenated imbalance and appointed the pro-India, Harvard Professor John Kenneth Galbraith as the Ambassador to India, and sent his wife Jackie to charm the Indian leadership. These initiatives did bear results—economic aid and military support picked up appreciably during this period—but then there was the assassination. Johnson was no Kennedy. He believed in 'tough love' and 'self-help' and was obsessively niggardly about food aid to India. He did not take to Mrs Indira Gandhi, which she reciprocated in full measure. These personal antipathies carried over and deepened under the Nixon presidency. Encouraged by Kissinger, Nixon labelled Mrs Gandhi a 'warmonger' bent on slicing Pakistan, whilst Mrs Gandhi regarded Nixon as an accomplice in the Bangladesh genocide. Whatever residual good may have existed evaporated completely during this presidency. Ford did not help relations by lifting the arms embargo on Pakistan.

Donald Trump saw India through his narcissistic prism, but he received some credit for cancelling $300 million of military aid to Pakistan

US-India relations started to turn around under Carter. He received positive press by not stopping over in Pakistan during his State visit to India. His successor Reagan had no particular interest in India—his focus was on combating the evil empire of Communism—but he liked Rajiv Gandhi and so cast a benevolent eye on the request for spare parts for the Tarapur Atomic Power Station; Bush 41, who probably knew more about India than any of his predecessors because of his past experience as the Ambassador to China and CIA director, appreciated the consequential impact of a conflict on the subcontinent. He broke with past US policy to take an explicitly pro-India stand on the India-Pakistan issue. He told Pakistan that in the event of a war in the subcontinent, America would withdraw all assistance to it. Clinton recognised India's economic potential and built on these strengthened foundations. Despite Pokhran (which triggered sanctions), he used his presidential heft to get Pakistan to pull back from Kargil. Bush 43 transformed relations to a higher strategic platform by pushing the civil nuclear deal through Congress. Senator Obama was critical of this deal (as was Senator Biden), but as President he did not redraw its contours and after an avoidable (and probably unintended) 'insult', when he failed to mention India during a speech in Japan about the emergent powers in Asia, he acknowledged India's pivotal role in countering China and reoriented US policy accordingly. He did not, however, appoint heavyweights to the India desk, as a result of which the goodwill generated by his predecessor was not fully realised. Also, whilst he respected Manmohan Singh for his intellect and moral character, he saw him as a shackled leader. Trump saw India through his narcissistic prism, but he received some credit for cancelling $300 million of military aid to Pakistan.

One thread runs across Meena's riveting *tour d'horizon*: The US and India are structurally bound. They have common democratic values and convergent geopolitical, economic and strategic interests. The personal predilections of Presidents and Prime Ministers can weaken the bond, but not rupture them totally. The fact is that none of these leaders took to each other. None developed a personal connect with their counterpart. And yet the ties did improve, albeit episodically. That said, individuals do matter. The pace of further development of relations will depend crucially on the quality, knowledge and influence of the people that President Biden appoints to his India desk.

Managing risk with derivatives

RAHUL GHOSH

Author of "*End Users' Guide to Risk Management and Derivatives*", Wiley. Views are personal
rahul.ghosh@riskmac.com

A careful approach to bilateral margining will help bring discipline at a client's end

IN 2020, RBI took a step long awaited by the markets—that of liberalising the derivatives business. To regulate the market that thus opened, regulatory directions have been proposed. We are talking of over-the-counter (OTC) derivative contracts such as customisable forward contracts, swaps, options and proprietary products. Here banks act as derivative dealers, and their clients are essentially non-financial business entities.

Derivatives are a great tool for managing risks as well as trading. To be sure, the derivatives market has seen its fair share of mishaps over the last three decades. The proposed directions appropriately come across as one seeking to regulate the derivatives market by trying to avoid accidents.

In the proposed directions, I find two broad pictures.

The first focuses on provisions aimed at ensuring that dealers take their role seriously, i.e. are willing to invest the necessary resources in terms of systems, processes and knowledgeability. The directions relating to this involve provisions such as requiring dealers to undertake only those transactions they can price themselves, expanded due diligence for new product introduction, etc.

The second aims at avoiding mis-selling of derivative contracts. This focus area has some provisions that dealers may find practically challenging to comply with, such as dealers aligning transactions to 'objective and risk appetite' of clients, and dealers providing clients with 'rationale of the transaction'. It would be hard for a dealer to determine objective and risk appetite for a corporate client.

Derivatives are fundamentally risk-management tools and the rationale for using these should originate from the end-user (the corporate client, in this case). Another proposed requirement is for dealers to have trades 'undertaken at prevailing market rates'. Undertaking trades at market rates and generating dealing incomes are mutually exclusive. Fundamentally, any derivative contract when valued at prevailing market rates, at the very moment of it being traded, presents a value equal to zero. Once dealers have embedded their margins into a derivative contract, the contract has a negative value for the client, with the negative value being equal to the dealer's margin.

Then what could be done to avoid derivatives mis-selling and minimise derivatives-related losses? This is harder to achieve for a banking regulator on its own. To give a parallel, it would be hard to protect a pedestrian (walker) from a potential accident by traffic safety measures alone, unless the pedestrian too exercises alertness and does his own bit to avoid accidents. So, what could be done? The equivalent of putting a pedestrian signal for road crossing would be to apply margining on OTC derivative contracts between dealers and their clients. A careful approach to bilateral margining would help bring at a client's end discipline, clarity of objectives, and the needed understanding of a product—the attributes required to make derivatives work and to avoid mishaps. This can be approached, for instance, by applying margins above certain threshold values and/or for certain category of transactions and should not be confused with the system of margining at derivative exchanges that involve frequent cash-flow exchanges.

The parallel to an alert pedestrian would be corporate businesses led by risk-based governance and disclosures. For instance, the US Securities and Exchange Commission (SEC) requires companies to make 'Quantitative and Qualitative Disclosures about Market Risk' under Section 7A of its annual reporting requirement 10-K for companies. This has led US firms to disclose their market risk exposures in currencies, commodities and interest rates—quantitatively. As a result, there is a better quality of disclosures. Annual disclosure statements from some of these non-financial corporates have an impact on profitability for stress scenarios/price shocks in currencies, commodities and interest rates. These three asset classes are fundamental to businesses and most non-financial businesses face at least two of these three risks. These are the very asset classes that form the bedrock of OTC derivative contracts, responsible for much of the volumes and outstanding contracts worldwide. India's capital markets authority has been moving somewhat in this direction, starting with mandating board risk committees for the larger among listed companies.

Perhaps this is the way forward.

Genuine feedback adds to productivity

It contributes to job satisfaction, helps retain good people, and boosts organisational/personal productivity

VIDYA HATTANGADI

The author is a management thinker and blogger

IN OUR DAILY lives we mature and grow wiser because of the feedback we receive for most activities of ours. The feedback can be either positive or negative, but it is important because it helps us to enhance our abilities. Many times we underestimate the importance of giving and receiving honest feedback. The process of feedback starts from childhood and every person you deal with gives you a feedback directly or indirectly. Feedback is a reaction that occurs naturally for someone's actions or behaviour.

Traditional processes are in a makeover mode as organisations such as InMobi, Godrej Industries, KPMG and the RPG Group have revamped and redesigned their existing performance appraisal systems to make these more transparent, more inclusive and more agile. These and many other companies have been renovating their appraisal processes, looking to drive better performance and engagement amongst employees. At KPMG, a performance tool called the MyPD has been launched globally which provides a lot of qualitative feedback. For a particular business or team, it links goals and priorities to targets and cascades them to different levels. The tool allows spontaneous feedback throughout the year, as opposed to HR-driven checkpoints from both performance and engagement managers as well as colleagues on particular projects.

In every industry—entertainment, hospitality, manufacturing, education, tourism or any other—business organisations thrive because of a genuine feedback system. Based on feedback, organisations can retain, promote, develop or remove staff from their rolls; certainly, efforts should be taken to focus on the emotional and mental needs of employees.

Giving and receiving genuine feedback starts from the top: CEOs, executives, managers, board members and leaders. From here it filters down to everyone else. The order of feedback can occur planned by intention or sometimes inadvertently. The superior route, however, is by intention with trained managers and employees who are skilled in delivering feedback based on the individual and group performance principles.

So, what must be included in a feedback? Specific parameters: It must be tangible and relate to specific, measurable performance goals. When we are asked to give feedback on a fellow employee, on a topic, on a happening, our feedback must be useful to the organisation; we must be able to separate it from our personal beliefs and biases. We must learn to emphasise on facts, not our interpretations. This means staying away from comments that are prejudiced: 'he is a snob', 'she is weird', 'he is dumb', 'he lacks confidence'... these comments sound biased.

Since 2010-11, at HUL, there has been a great emphasis on real delivery and accountability. HUL started practising 360-degree performance appraisal which takes mid-year for reviewing. Some employees could deal with it, others struggled immensely. HUL made mid-year reviews mandatory. With 360-degree reviews, employees started getting the messages about their performance gaps loud and clear. This is how HUL laid greater emphasis on real delivery and the company moved to a far more aggressive performance-based rewards system.

Words have power; they can make or break someone's life. Even if you believe an employee lacks confidence or is telling lies, it can just be your opinion; it may or may not be accurate. You must learn to point to specific behaviours, instead: for example, he is slow in preparing analysis, he does not contribute in meetings, she is slow in executing, he is poor in costing ratios, and so on and so forth. If you can ensure your feedback includes both negative and positive notes, it will help the organisation counteract to an employee's personal biases and preferences.

We believe that feedback happens during a performance appraisal, during training, during corporate brainstorming, etc. But in reality feedback is around us all the time. Every time we speak to a person, employee, customer, vendor, etc, we communicate feedback. In reality, it is impossible not to give feedback.

At Tata Motors, as part of its endeavour to nurture a culture of performance and accountability, the company announced the introduction of a performance improvement programme (PIP). It is meant for employees who have received a rating of 'Not Met' in the last performance cycle. Employees who have received a rating of 'Partially Met' consecutively for the last two performance cycles will also be covered under this programme. Some employees who have received a rating of 'Partially Met' in the last performance cycle also are included in the plan based on their manager's discretion. The PIP is generally treated as a filtering mechanism, where the organisation identifies poor performers and gives them a chance to improve over a few months. However, if nothing comes out of the exercise, they are asked to leave. But the most important aspect in a PIP is being fair and objective in the whole review process.

Why should leaders focus on giving and receiving genuine feedback? When employers give genuine feedback, it can actually motivate employees to perform better. Employees like to feel valued and motivated employees' productivity rises, which helps organisations to formulate the right strategies. The same goes with feedback from clients, suppliers, vendors, government and stakeholders which can be used to formulate better policies and better working relations.

Genuine feedback helps to get job satisfaction, it helps retain good people, and it boosts productivity in people and gives longevity to their careers in an organisation. These are some of the benefits that come with skill development in giving and receiving frank, genuine feedback. The effort is worth it when you focus on emotional and mental needs of employees.

eFE

MONDAY, FEBRUARY 8, 2021

SEAMLESS DELIVERY

Bret Taylor, president, Salesforce

The biggest challenge the world faces right now is orchestrating the distribution of billions of vaccine doses. Technology can play a critical role in ensuring it's done efficiently, effectively, and equitably.

Year 2020 helped the world unleash the true potential of digitisation at a pace never seen before. As the world moved from offline to online, businesses adopted cloud and AI to automate operations and accelerated their digital transformation at record speed. Technology played a significant role in supporting healthcare and pharmaceutical industry in the global fight against Covid-19 and catalysed the process of vaccine creation. While we embrace the advancements 2020 offered, we need to gear up for what the year 2021 has in store for us. Genpact, global professional services firm, believes that 2021 will witness faster innovation and advanced additions to the technology that exists today – it will mark the true starting point of an era that will last decades. "Companies will use the existing and upcoming advancements with increasing sophistication in ways never conceivable," **Sanjay Srivastava**, *chief digital officer, Genpact, tells* **Sudhir Chowdhary** *in a recent interview. Excerpts:*

INTERVIEW: SANJAY SRIVASTAVA, Chief Digital Officer, Genpact

We are on a journey from automation to autonomy

Cloud is giving us the ability to deal with lots of data and computing power—which opens use cases for AI that we didn't think existed before

How are technologies such as Machine Learning (ML), Artificial Intelligence (AI), cloud computing and robotics going to shape operations in 2021?

We are on a journey from automation to autonomy. In the first wave of automation, enterprises had automated what they thought was automatable, but cloud and AI have opened new possibilities, and changed the definition of what is automatable. We have seen cars go from manual to automated with lane change warning or cruise control, and we are now looking at auto park or auto steer with autonomous driving.

Much in the same way, enterprise processes are moving from automated to autonomous—and the difference is in automating some components of a process to automating the entire process end to end.

We are seeing autonomous systems in so many areas now, from data centre operations to online commerce, from IoT enabled edge applications, to fully autonomous enterprise processes such as finance and accounting. But to get to autonomous, we need to automate more of the complex decisioning and edge-use cases—and this requires more AI, cloud, data, and intelligent automation. Cloud is giving us the ability to deal with lots of data and computing power—which opens use cases for AI that we didn't think existed before. As a result, we foresee that a lot of processes will move to no-touch, low-touch or fully autonomous processing.

Digital transformation is business transformation. How will it play out this year?

Yes, digital transformation is indeed business transformation. As we adjust to the new normal, entire business models and value chains are changing. And as a result, we are seeing a significant acceleration of digital transformation across the globe:

- Telehealth used to be in 3% of doctor's offices, it is now in 100%
- Retail stores used to focus on in store promotions now they are focused on curbside pickups
- Companies that were focused on retail distribution are now focused on digital distribution
- Work is happening in via collaboration tools, video conference and shared applications in the cloud.

As these business models change, digital comes into play to redesign experiences. Going from business transformation to digital transformation requires a synchronised effort with three new muscles—digital capability, domain knowledge and programmatic execution across people, data, process and technology.

Cybersecurity is set to gain prominence in 2021. How will AI and predictive maintenance strengthen security infrastructure?

AI will have a very large role to play in cybersecurity for two reasons:

- The surface threat area will increase— – the amount of data that you need to monitor will exponentially grow.
- AI is especially good at anomaly detection and pattern recognition.

Finding the weak links between different events that can represent a security threat is a natural fit for AI.

The key to success is in training the AI models, and put in place the right governance structure to apply AI in cybersecurity.

Will the adoption of cloud tech increase this year?

Yes, cloud adoption will only increase. Cloud has played a large role in providing an elastic compute infrastructure that has allowed IT infrastructure to become more efficient.

Three trends will accompany the increase in cloud adoption:

- Cloud is going from efficiency to modernisation. Cloud journeys are intensifying because we are increasingly looking to the cloud to modernise and simplify our existing technology architectures.
- Modernisation is the new imperative as digital transformation is accelerating. With the pandemic, as business models are evolving and business transformation has accelerated, the need for these new capabilities is accelerating fast. The new normal has given us an amazing amount of digital transformation which requires the full capabilities of the cloud.
- As cloud comes into play, the need for applications of AI has only accelerated opening new sources of differentiation for companies.

LESSONS FROM 2020

Embracing change and building resilience

Dulles Krishnan

IT IS NO understatement that 2020 has forever changed the way we do business, work and carry out our everyday lives. Technology, developed and deployed at hyper speed, has been fundamental to ensuring the survival of businesses of all sizes, shifting essential services online and enabling workforces to work remotely.

Leadership and resilience have been critical to navigating a year of uncertainty. The crisis has put to the test companies' prioritisation of training, up- and reskilling teams. As we look to a new year, capacity to recover and grow amid unfavourable circumstances will continue to determine business success.

Anything and everything can go digital

Continually, companies must consider how anything and everything can go digital —and how to move fast. Take retailers, for instance. When the pandemic emerged, within days they managed to build queue management apps to help customers enter stores safely. More and more coffee shops and restaurants have set up credit card payment management solutions, enabling customers to prepay before arriving at venues. Others have launched entirely new services, such as delivery and cook-it-yourself meal kits. Listening to customers—and recognising that their behaviours and expectations will always evolve— will help define companies' digital resilience strategies.

Resilience can be found in making customer journeys more connected, by personalising products and services, and embedding innovation into operational models. Leveraging data insights, boosting collaboration across multiple functions and real time decision making must be top of mind for business leaders as they navigate change.

Embrace transparency & empathy

The shift to remote working taught us the power of communicating – upwards and downwards. As working arrangements continue to change, to build more resilient teams we need to cultivate a culture that supports employees. Refining support through regular surveys can boost morale and productivity, inform business plans and reduce short-term risks.

Provide skilling opportunities

Technological developments and customer demands will together shape the jobs of the future and the skills that teams need to succeed. As the digital economy evolves, businesses don't just have a responsibility to provide employees opportunities to retrain and transition their career paths, it's increasingly in their interest to do so.

Innovate with confidence

The pace at which consumers have adapted new technologies during the pandemic should give companies confidence to step up their digitisation plans. Business leaders must assess their organisation's preparedness to meet evolving consumer expectations and respond to what else the future may bring. Deploying the right technology and infrastructure effectively, they can stay connected with their customers.

Lead with resilience

Whilst the need to digitally transform existed before the pandemic, this urgency to shift online has accelerated at hyper speed. In time of uncertainty, companies willing to step up to the challenge set by consumers, to innovate and lead, will be rewarded.

In the new economy, the digital transformation journey will be shared by companies and consumers alike. Both require solutions to the challenges they face today and resilience in the event to crisis. Getting beyond reopening and recovery, with a transformative mindset they can reimagine their business and opportunities entirely.

The writer is area vice-president, Salesforce India

Tech Bytes

Mukul Dhyani, Business Head Continental Europe, Tech Mahindra

Next-gen tech for bankers & insurers

TECH MAHINDRA HAS announced a strategic partnership with RSA Scandinavia (Codan/Trygg-Hansa), one of the largest general insurer in the Nordics. Tech Mahindra will support RSA Scandinavia in its IT Infrastructure digitisation strategy by transforming its mainframe operations using next-generation service to enhance customer experience and faster time-to-market. Mukul Dhyani, Business Head Continental Europe, Tech Mahindra said, "Having a global experience with some of the biggest financial institutions across geographies, will enable us to catalyse this high value engagement." This engagement will also focus on accelerating consumerisation of digital services and provide flexibility and agility to RSA Scandinavia to enable enhanced customer service globally.

AI tech for asset optimisation of wind farm operators

GE POWER CONVERSION and BLP Industry.AI (a subsidiary of Bharat Light & Power) have signed a memorandum of understanding, whereby the parties have agreed to work together to provide next generation AI technology and asset performance management solutions to help wind farm operators maximise asset availability and reliability. The technical expertise of GE Power Conversion's Engineering Design Centre (EDC), in Chennai, will leverage, through software and analytics, the asset performance management solutions for sector specific applications in marine, metals and renewable, etc., globally. BLP Industry.AI and GE Power Conversion have proposed to bring together expertise from both the companies, BLP Industry.AI's intelligent EDGE software, and its proprietary "Orion" platform – the operating system for AI and IoT, with GE Power Conversion's Asset Performance Management (APM) solution, under this MoU. André Borouchaki, chief technology officer, GE Power Conversion said, "Bringing together GE Power Conversion's advanced digital industrial technologies and APM solution combined with Industry.AI's 'Orion' platform will help wind farm operators to gain relevant data and insights to maximise their asset availability and reliability, ultimately helping the asset owners to reduce their costs and improve returns."

Gadgets

OPPO RENO5 PRO 5G

Elegant design, flagship performance

Reno5 Pro 5G impresses with its ultra-sleek body, quad-camera system, high-end processing power and long-lasting battery life

SUDHIR CHOWDHARY

THERE ARE DOZENS of mobile handset makers in the market place releasing plenty of devices each year and curiously, most of them harp on their camera capabilities. However, Oppo stands out from the rest of the crowd. The company has built a reputation for good quality handsets that are infused with the latest technology, high-end features, and elegant design. Its Reno devices, especially, have found high acceptance among users. We have reviewed numerous devices from the Reno series and therefore, it is imperative to highlight some of the industry-first innovations—first video bokeh effect on a pop-up camera, the first 44MP dual punch hole front camera and first 10x Hybrid zoom with 60x digital zoom.

Reno5 Pro 5G is the first 5G-ready smartphone from the Reno series, priced at ₹35,990. It comes in a 8+128GB configuration in two colours—Astral Blue and Starry Black. Out of the box, the Reno5 Pro 5G comes across as a trendy and attractive device. It's a nice fit in one's hands too. The thing that pleased me the most is its ultra-slim body equivalent to the thickness of a pen, with a 7.6mm thickness and a weight of only 173g. The unique anti-glare glass process (Reno Glow) on the glass back cover delivers a glittery visual effect with a matte finish. Basically the glass around the back of the camera, as well as the bottom edge of the phone, will glow in a dark environment.

The phone is equipped with a 6.5-inch 3D curved Super AMOLED FHD (2,400 x 1,080) display, it has a 90Hz refresh rate and upto 180Hz touch sampling rate. For the not-so-geeky lot, the refresh rate refers to the overall smoothness during navigation in a phone, while the touch sampling rate is the number of times a screen can sense a user touch input in a second.

Under the hood, we are looking at a powerful MediaTek Dimensity 1000+ processor that is literally a powerhouse for 5G connectivity, multimedia, videography, and imaging capabilities. It also enhances the video quality and supports AINR and HDR that enable low noise and high dynamic range for extreme low-light photography and videos. The chipset comes with a 7nm process, that offers great performance and extremely low power consumption. Naturally, for this kind of powerful performance you need an equally powerful battery back-up so that the juice on the phone does not drain out. Towards this, the Reno5 Pro 5G boasts a massive 4350mAh battery and 65W SuperVOOC 2.0 Flash Charge that can charge upto 100% in as little as 30 minutes and provide upto four hours of video playback with just five minutes of charge.

The ColorOS 11.1 maintains the familiar stock Android 11 features while also providing the rich user interface customisation, greater efficiency and smoothness. Basically, Reno5 Pro 5G users can design their Always-on Display, colour scheme, and dark-mode to personalise their phone. Innovative features such as Flexdrop and Three-finger Translate with Google Lens are all designed to increase productivity.

As for the all-important camera system, we are looking at a 64MP rear quad-cam matrix and a 32MP front camera. Oppo has gone heavy into Artificial Intelligence technology and software to improve its pictures and videos. For instance, there is the Full Dimension Fusion (FDF) Portrait Video System, designed for superior portrait video effects. The two engines on the system, the Quality Enhancement Engine and the Portrait Perception Engine help capture clear videos in any lighting condition while defining fine-grained criteria for portrait effects.

Powered by the FDF Portrait Video System, Reno5 Pro 5G takes portrait video quality to the next level with its AI Highlight Video feature on both front and rear cameras. This feature automatically detects the ambient light in a scene and improves the video quality by applying Oppo's Ultra Night Video and Live HDR algorithms. In dark environments, Ultra Night Video Algorithms brighten the scene, while detection of backlit scenes engages Live HDR Algorithms to reduce overexposed areas.

Reno5 Pro 5G also introduces the Dual-View Video which can be used in both the front and rear cameras simultaneously, providing two perspectives within the same frame in videos. The 960fps Smart Slow-Motion feature on the phone helps showcase the smallest detail of even the briefest moments while keeping the focus automatically locked on the moving object.

My takeaway: Reno5 Pro 5G is packed with some impressive specs and is a nice balance of performance and design. It can be a hot pick for its ultra-sleek body, good camera performance, high-end processing power, and long-lasting battery life.

■ **Estimated street price: ₹35,990**

MIVI ROAM 2 WIRELESS SPEAKER

This speaker is portable yet powerful

Roam 2 is a compact and lightweight wireless speaker with good sound output

SUDHIR CHOWDHARY

WIRELESS SPEAKERS THAT are compact and easy to carry are in much demand these days. The Roam 2 wireless speaker with a boosted bass radiator is as travel friendly as a speaker can get. A completely made-in-India product, it is durable enough to bounce around and light enough for a life on-the-go. A creation of homegrown electronics brand Mivi, Roam 2 is the upgraded version of its successful product Roam 1. It retails for ₹1,199.

Roam 2 is a 5-watt speaker that offers 24 hours of play time at mid-volume. With power packed and super charged 2000mAh battery, and a uniquely developed battery processor, you will never run out of charge in the middle of the day or while binge watching your favourite show. It has a HD stereo sound and powerful bass that has been fine tuned for the Indian audience's music preferences. Roam 2 is available in four beautiful metallic colours and is completely dust and waterproof.

Company officials say, "We custom-built everything in Roam 2 from the transducer to the passive radiators and used Bluetooth 5.0 for a strong and seamless connection; it is engineered to prevent any loss in audio so you can hear every beat and sound as it is supposed to be heard. It is engineered to produce a heavy, deep and powerful bass at highs, mids and lows."

The best part: When you pair two Roam 2s with each other and turn it into a stereo, you can quite literally bring the ceiling down. The bass is powerful and the experience is truly magical. Overall, a nice-looking and good sounding speaker on budget.

■ **Estimated street price: ₹1,199**

Investor

MONDAY, FEBRUARY 8, 2021

EXPERT VIEW

Including lease liability of ₹324 bn, Bharti Airtel's net debt stood at ₹1,474 bn, raising net debt to EBITDA to over 3x on an FY21 basis as well as interest cost by 5%

—Motilal Oswal

● BHARTI AIRTEL RATING: **BUY**

India wireless business showing cause for cheer

Subscriber mix was behind healthy ARPU rise; trend of robust subscriber growth persists; net debt, interest cost up; 'Buy' maintained

BHARTI AIRTEL (BHARTI)'S consol. revenue was up 6% q-o-q to ₹265.2 bn (in line on LTL). Consol. Ebitda was up 9% q-o-q to ₹120.5 bn (5% above est.) on healthy operating leverage in the Wireless and Africa businesses. The consolidated Ebitda margin was up 190bp q-o-q to 45.5% (180bp above estimate).

Subsequently, reported net profit stood at ₹13.5 bn. Excluding ₹45.6 bn of exceptional cost and ₹99 bn profit from the Indus Tower de-merger adjustment, adjusted net loss after minority stood at ₹2.98 bn v/s –₹7.4 bn q-o-q (est. net profit of ₹5.3 bn).

India Wireless Ebitda up 13% q-o-q (10% above est.): Revenue was up 6.8% q-o-q to ₹147.8 bn (2% above est.), led by 2%/5% growth in ARPU/subs. Ebitda was up 12% q-o-q to ₹65.8 bn (5% beat), with incremental Ebitda margins at a healthy 73%. Network opex was up just 2% despite continued investments, whereas SG&A expenses were increased by 7%, possibly to gain subscriber market share.

ARPU continued to see a steady uptick – it came in 2% q-o-q higher at ₹166 (v/s est. ₹164). This was led by a mix benefit from healthy 4G subs adds and revenue recovery from the COVID-19 impact. ARPU has improved 8% since Q4FY20, without any tariff hike! Subscribers jumped strongly for the second quarter in a row by 14.2 m (RJio added 1.7 m), highlighting that it has continued to gain the lion's share of VIL's subscriber loss.

4G subs adds were at 12.9m – the second straight quarter of high adds for the company – accounting for nearly 90% of industry adds. For the past six months, BHARTI's pace of subscriber additions has grown robustly. Data traffic grew 11% q-o-q to 8.5 b GB (16.8 GB/user). BHARTI's data traffic and data subscribers are ~50% of RJio's levels, with the capacity gap much lower. This highlights a healthy network capacity and room for improvement.

Rebound in Africa nos surpasses Q1FY21 loss; Ebitda up 14% q-o-q : Africa revenue/Ebitda jumped by a strong 8/12% CC. In reported currency, it increased 7/10% to ₹76.4/35.9 bn. Subs/ARPU was up 2%/4% as both Voice and Airtel Money saw good offtake.

Other segments present tailwinds: Home revenue/Ebitda fell 4%/8% q-o-q to ₹5.7/3.3 bn with the recent price cuts taken to match RJio. Enterprise revenue was flat (up 1% q-o-q) at ₹36.2 bn while Ebitda grew 5% q-o-q to ₹13.5 bn. Passive revenue fell 47% due to the deconsolidation of Indus Towers post the Bharti Infratel-Indus Towers merger. Digital revenue grew 5% to ₹7.9 bn while Ebitda was flat at ₹5.6 bn.

Rise in capex slows FCF; net debt rises due to AGR

Capex remained high at ₹68.6 bn (₹173 bn in 9MFY21). Operating FCF was strong at ₹53.1 bn. 4G base stations/towers continue to see strong 31k/8k adds to 568k/207k. Net debt increased by ₹45 bn to ₹1,145 bn due to Bharti Infratel's deconsolidation, which has a net cash position. Including lease liability of ₹324 bn, net debt stood at ₹1,474 bn, raising net debt to Ebitda to over 3x on an FY21 basis as well as interest cost by 5%.

MOTILAL OSWAL

Financials & valuation

Y/E Mar (₹ bn)	FY20	FY21E	FY22E
Net Sales	869.4	1,017.7	1,115.9
Ebitda	360.2	464.2	568.5
Adj. PAT	-40.7	6.2	29.3
Ebitda margin (%)	41.4	45.6	50.9
Adj. EPS (₹)	-7.5	1.1	5.4
EPS Gr. (%)	-14.6	-115.3	371.6
BV/Sh. (₹)	141.4	116.2	121.6
Ratios			
Net D:E	1.5	2.1	1.9
RoE (%)	-5.5	0.9	4.5
RoCE (%)	3.7	13.9	7.2
Div. Payout (%)	0.0	0.0	0.0
Valuations			
EV/Ebitda (x)	13.0	10.1	8.2
P/E (x)	-81.5	534.2	113.3
P/BV (x)	4.3	5.2	5.0
Div. Yield (%)	0.0	0.0	0.0

Source: Company data, Motilal Oswal estimates

ARPU has improved by 8% since Q4FY20, without any tariff hike! Subscribers jumped strongly for the second quarter in a row by 14.2 m (RJio added 1.7 m), highlighting Bharti has continued to gain the lion's share of VIL's subscriber loss

● SUN PHARMACEUTICALS RATING: **BUY**

Lower costs boosted Q3 performance

Momentum in specialty sales likely to be sustained; FY21/22e EPS up 5.3/1.3%; Buy retained with TP of ₹700

SUN'S STRONG Q3 beat on margins and PAT were mainly led by lower operating costs and favourable below Ebitda items (other income, interest and tax). Sales at ₹87.8 bn (+9.2% yoy, 3.8% q-o-q) were in line with consensus and most segments maintained a recovery trend. Key notable points were: a) specialty product sales continued their upward trajectory with global sales reaching \$148 m in Q3 (vs \$108 m in Q2); b) key brand, Ilumya, surpassed FY20 sales of \$94 m in 9MFY21; and c) US base generic sales (ex-Taro, ex-specialty) saw a strong pick-up on volume gains, operational efficiencies and supply benefits due to some drug shortages.

Specialty sales momentum to continue

Improving patient flows on the broader market recovery and improved execution of marketing and promotional efforts led to a healthy pick-up in specialty sales during Q3. We expect specialty sales momentum to continue: a) after US launch of Ilumya in late 2018, Sun has undergone a huge learning curve and we believe it is now better equipped to identify and gain target patients; b) it has now largely optimised marketing spend incl. DTC (direct to consumer) TV ads for Ilumya; c) potential to scale-up Ilumya sales in key new markets e.g. Japan; d) despite imminent entry of competing generics for Absorica and Cequa brands, Sun expects to gain good market share on notable offerings in efficacy, safety and durability of results.

Operating leverage on the way

Sun will continue R&D and marketing spend for enhancing its specialty presence in the US and other markets and, while cost breakeven for specialty sales is still some way away, we are enthused by recent sales trends. We expect further spend on the specialty portfolio to remain prudent (e.g. R&D spend for clinical trials for the additional indication for Ilumya will be well within budgeted R&D of 6-6.5% of revenues) and scale-up in sales should eventually result in operating leverage.

Maintain Buy with TP of ₹700

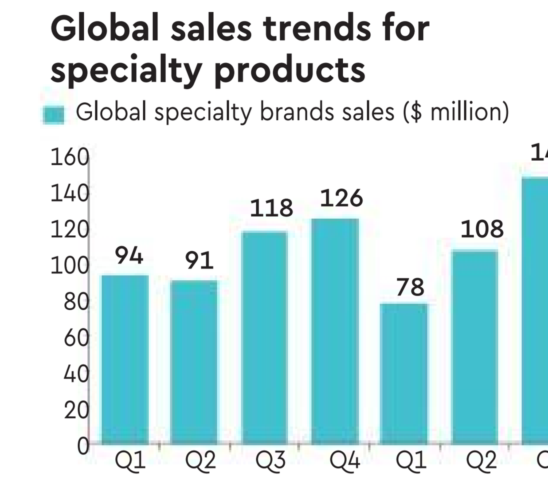
While we expect other operating costs to normalise to pre-COVID levels (the Q3 beat were largely led by lower costs), we believe India and US (ex-Taro) sales growth will sustain Ebitda margins in the 25-26% range in FY21-23e. We retain our **Buy** rating on improving specialty sales. We expect US specialty sales to reach c\$625 m in FY23e (37% of total US sales) from ~\$340-345 m in FY20 (~24% of US sales), implying FY20-23e CAGR of 23%.

We are enthused by recent sales trends. We expect further spend on the specialty portfolio to remain prudent and scale-up in sales should eventually result in operating leverage

Post Q3, we adjust our FY21-23e EPS estimates by 1-5% to reflect the current outlook. We raise NPV/share for specialty products to ₹50 (from ₹40) as we assume a better pick-up for Ilumya beyond our explicit period assumptions. Our revised fair value TP is ₹700 (from ₹695).

HSBC

Global sales trends for specialty products



Source: Company data

● VISAKA INDUSTRIES RATING: **BUY**

A beat across all parameters in Q3FY21

FY21/22 PAT up 25/14.5%; RoCEs to rise to 17.8% by FY22e; TP revised to ₹705

VISAKA INDUSTRIES (VSKI) reported a strong beat across parameters while reporting a PAT of ₹231 mn, up 275% y-o-y. The performance was largely driven by: a) sharp rise in Vnext (FCB) revenues (up 19% y-o-y) driving significant improvement in its segmental Ebitda margin to ~15% (all-time high) on the back of operating leverage and y-o-y decline in input costs; and b) sustained strong operational performance in asbestos cement sheet (ACS) segment led by double-digit revenue growth and firm pricing.

Mgmt guidance remained upbeat for FY22: 1) double-digit volume growth and firm margin in ACS and Vnext segment; 2) synthetic yarn segment to return to normalcy; 3) company is likely to become a net cash company next year; and 5) RoCEs are likely to gain further traction. Maintain **Buy**.

Sustained demand/pricing tailwinds in ACS/FCB aid outperformance: VSKI reported its Q3FY21 revenues at 2.81 bn, up 16.3% y-o-y, led by sharp rise in Vnext revenues (up 19% y-o-y) and robust demand for ACS (+29% y-o-y). Synthetic yarn revenues too recovered sharply reaching 85% of last year's revenues. Ebitda margin came in at 14.9%, up 600bps y-o-y. The beat was largely driven by strong Ebitda margin improvement in both ACS and Vnext. Synthetic yarn segment margin too recovered sharply q-o-q to 9%.

Valuation and outlook: Factoring in the Q3FY21 performance, we increase FY21e/FY22e PAT estimates by 24.9%/14.5% respectively. We now expect revenue and PAT CAGRs of 9.5% and 43.8% over FY20-FY22E. Strong FCF generation over FY21E-FY22E despite incremental capex for new Vnext plant would help improve RoCEs from 9.7% in FY20 to 17.8% in FY22E. Maintain **Buy** with a revised TP of ₹705 (earlier: ₹617), implying P/E multiple of 12x FY22E earnings.

ICICI SECURITIES

Change in estimates (₹ mn)

	New		Change (%)	
	FY21E	FY22E	FY21E	FY22E
Revenue	11,125	12,558	9.5	6.4
Ebitda	1,893	1,833	16.7	11.1
Ebitda margins	17.0%	14.6%	100 bps	60 bps
PAT	1,072	1,019	24.9	14.5
EPS	62	58.9	24.9	14.5

Source: Company data, I-Sec research

Personal Finance

● EQUITY INVESTMENTS

ELSS MFs now are a better bet than Ulips

ELSS mutual funds have the shortest lock-in of 3 years, lower expense ratio and give higher returns. They also score over certain fixed income products like PPF & NSC

SAIKAT NEOGI

ILLUSTRATION: SHYAM KUMAR PRASAD

AS THE UNION Budget removed the tax exemption on maturity proceeds of unit-linked insurance plans (Ulips) having annual aggregate premium of over ₹2.5 lakh, equity-linked savings schemes (ELSS) of mutual funds will be preferred more by investors as these have the shortest lock-in period of three years, have lower expense ratio and give higher returns. For those investing for tax savings, ELSS can be a good option to not only save on tax, but also earn higher long-term returns.

Both ELSS and Ulips are eligible for tax deductions on investments under Section 80C of the Income Tax Act. However, for Ulips, the condition for tax deduction is that the premium should not exceed 10% of the sum assured. The lock-in period of Ulips is five years. The long-term capital gains (LTCG) booked from equity-oriented investments over ₹1 lakh with holding period of over one year are taxed at 10%. One of the major advantages of taxing LTCG is that the long term losses are available for set-off against profits and also for carry forward for a period of eight years.

ELSS scores over fixed income products

Despite LTCG tax on ELSS, the effective returns are higher than some fixed income products such as Public Provident Fund, National Savings Certificates or bank deposits. Moreover, the lock-in periods in these fixed income products are higher than ELSS. The minimum investment limit in ELSS is ₹500 and there is no cap on the maximum amount. However, tax benefit is only on investment up to ₹1.5 lakh a year. An individual can invest a lump sum amount or invest every month through SIP. In fact, an SIP works best in falling markets when an investor is able to buy more units. An investor can even pause the SIP in case of any cash crunch. However, if one invests in ELSS via SIP, then each instalment will have a different maturity date.

Asset management companies offer three options in ELSS—growth, dividend payout and dividend reinvestment. If an investor opts for a dividend payout option, then the dividends are tax-free in his hands. Alternatively, if the investor does not need any regular cash flow, then he should opt for growth plans, which will help in getting the returns compounded. In the growth option, investors get the gains at the time of redemption which helps to appreciate the total net asset value.

Performance gauge

As ELSS is a market-linked product, there is no guarantee of any assured returns. Fund houses invest in diversified stocks and sectors, which reduces the risks in case of any cyclical markets volatility. However, returns fluctuate depending upon the performance of the equity market and the stock selection of the fund manager. Data from Value Research show that returns for ELSS for one year is 23.94%, for two years it is 8.47% and for five years it is 14.45%.

For salaried employees, a mix of ELSS and EPFO will help to balance out risk and return on their investment portfolio. As the Budget has proposed that the interest earned on employees' annual contribution to provident fund over ₹2.5 lakh will be taxable, salaried employees should diversify by investing in ELSS.

Before investing in any ELSS, an investor must analyse some of the key parameters such as Sharpe Ratio, Alpha and Standard Deviation to gauge the performance of the fund. The investor must also look at the track record of the fund manager and the consistency of the fund in terms of returns, stock picks and conviction. An investor must invest in funds that have performed consistently over a period of five years, compare the fund's performance with funds and benchmark.

Now is the right time to build your gold allocation

Gold, which tends to do well in times of low nominal and negative real interest rates, will continue to be a preferred asset for investors in search of yield

● YOUR MONEY

CHIRAG MEHTA

AMID THE MARKET volatility, the dollar gained strength due to its safe haven appeal, despite all the talk about the impending US stimulus. Gold lost 3% in January in dollar terms, even though it is viewed as a counterbalance against currency debasement and inflation which are expected with further economic stimulus.

Gold impact

Expectations of a rally in gold had been building since Democrats, aligned with Biden, won control of the Senate in early January. Incoming Treasury Secretary Janet Yellen has also said the White House intended to go "big" on deficit spending to stave off a long-lasting economic downturn. This essentially is the start of an extended period of weakness in the US dollar due to the unprecedented economic stimulus and currency debasement.

The Biden-Yellen duo seems set to push the dollar down in the long-term, considering that a weak currency is beneficial for economic recovery. This notion of race to the bottom, surging deficits and high levels of government debt should increase demand for sound money alternatives and thus will be bullish for gold.

With more money trickling down to the real economy, the market is expecting robust inflation going forward. This will fuel a deeper drop in real or inflation-adjusted bond yields in the medium-to-longer term and increase the portfolio relevance of gold. President Biden also aims to boost America's vaccination campaign. If meaningful progress is made on that front, it could weigh on gold prices as it implies reduced government funding.

Easy money

Anticipation of big bang stimulus measures by the incoming administration in the US led to 10-year Treasury yields spiking up in the month, hurting gold. In its latest policy meeting in January, the Federal Reserve acknowledged a slowdown in activity and employment and predicted modest inflation this year. Citing a cautious outlook, and to avoid derailing the recovery with premature taper talk, Chair Powell said the economy is still a long way from meeting inflation and employment goals and denied any tapering in its \$120 billion/month bond buying or hike in interest rates any time soon. He added that any exit from the easy money policy stance will be gradual. These comments too should ideally be pulling the dollar down. Gold, which tends to do well in times of low nominal and negative real interest rates, will continue to be a preferred asset for investors in search of yield.

ILLUSTRATION: SHYAM KUMAR PRASAD

While Powell put an end to concerns about stimulus unwinding, future policy of expanding the debt purchases to enable four more years of trillion-dollar deficits would benefit gold. Such unequivocal central bank monetisation of government borrowing will hurt the credibility of the US dollar in the eyes of global investors and the dollar will inevitably resume its slide.

The optimism that vaccines would heal the global economy quickly has been dampened by the outbreak of new variants and problems with vaccine rollout. Given the current risks, uncertainty and continued commitment to accommodative policies, gold prices definitely seem stretched to the downside, making now an opportune time to build your gold allocation.

The writer is senior fund manager, Alternative Investments, Quantum AMC

BrandWagon

MONDAY, FEBRUARY 8, 2021

NUMEROLOGY

Impact of online fantasy sports platforms on participants:

- **82%** users say watching sports has become more enjoyable
- **71%** say their knowledge and viewing time of sports has increased
- **70%** have started to watch new sports; learn about new players and leagues

— Koan Advisory Group

BEAUTY SERVICES

Cracking the at-home salon biz

Top salon chains turn to on-demand beauty services to make up for low footfall

DEVIKA SINGH

A LACKLUSTRE FIRST quarter and business resuming to only 70-80% of the pre-Covid level means the beauty salon industry will be hit by 35-40% in FY21, experts say. Salon chains such as Enrich Salon, Naturals Salon and Spa, and Jean-Claude Biguine (JCB), are reviving their plans to offer on-demand or at-home beauty services to earn additional revenue as footfall in salons remains low.

JCB and Enrich Salons — which did not see much success with their home services initially — say their at-home bookings have almost doubled as compared to the pre-Covid period. JCB services about 2,000 home visits a month currently. Naturals Salon and Spa, which received about 650-700 home requests in a day prior to March 2020, now sees around 3,500.

Start-ups Urban Company, Housejoy and Premend Services operate in this segment. Urban Company, which draws about 50% of its revenue from beauty services, witnessed a 30-40% growth last year, driven by its aggressive marketing initiatives, experts say.

As beauty salons go back to offering at-home services, the challenge of finding a profitable model of operation will remain.

Going places

Jean-Claude Biguine introduced JCB Home in Mumbai about two years ago. The service was extended to Bengaluru, its second-largest market, last year. The company, which adopts a hub-and-spoke model for at-home services, now plans to take it to small towns in Western and Southern India, such as Nagpur, Indore, Vadodara and Kozhikode.

"In some of these towns, we will introduce the services along with our salons (franchise-based); in others, we will introduce them independently," says Samir Srivastava, CEO, JCB India. The company plans to charge a premium of 10-15% for offering these services at home. Presently, these are being offered free of cost, but only within a three-km radius of its salons. JCB has 20 salons in Mumbai, Pune and Bengaluru.

Enrich Salons, too, had ventured into the segment in 2016, after acquiring the on-demand beauty service platform Belita. Under the company's model, it has at-home service professionals stationed out of most of its salons, except those located inside malls. It has 83 salons in the country. Bhupesh Dinger, director, Enrich Salons, says though the service has seen growth in the wake of the pandemic, its contribution to the overall business remains in single digits.

Both the companies, however, are betting big on this segment for the long term.

In need of a makeover

While salon chains have seen a greater adoption for their at-home services in the past year, customers are still not ready to pay extra to avail them. Salon operators incur extra costs associated with travelling and training of professionals when offering services at home. Naturals Salon and Spa currently offers at-home visits free, out of 670 of its salons, and services requests only above ₹1,000. While it plans to charge its customers a premium, it may not be easy.

"Customers are unwilling to pay a premium for these services, but instead want a discount; the market has been spoiled by start-ups," says CK Kumaravel, CEO and co-founder, Naturals Salons and Spa. The company had started offering home services in 2016, but could not scale up due to this reason.

Companies like Urban Company, meanwhile, offer services like facials starting at ₹600, and follow an aggregator model which involves freelancers.

According to Shipra Biswas, partner, Kearney, offering beauty services at home is an entirely different ball game from in-salon services. "These brands will have to engage and train a different workforce, as sending the same celebrated or senior hairdresser to a home will not be cost-efficient," she says.

Changing their labour and compensation models will be crucial for salon chains to sustain operations.

"Given that the beautician cannot be monitored during a home visit, the compensation model needs to be linked to certain productivity indicators. These could be based on the frequency of visits or customer feedback," says Madhur Singhal, practice leader, consumer and retail, Praxis Global Alliance.

HEALTH & WELLNESS

Fitness test

Can offline gyms make a strong comeback?

VENKATA SUSMITA BISWAS

EVEN THOUGH GYMNASIUMS and fitness centres were finally allowed to reopen in August, albeit in limited capacity, they aren't in good health. A sizeable number of fitness enthusiasts are delaying their return to gyms as the fear of the virus still looms large. Besides, home workouts and online fitness classes have soared in the past year. Struggling to get back on their feet, almost all fitness centres are offering huge membership discounts.

Vital stats

Unable to pay high rents and strapped for funds, many gyms have had to shut down permanently in the wake of the pandemic. "Because of severe financial struggles, about 20-25% of the market was wiped out over the past six to nine months. Some gym owners hoped to reopen later in 2020, but many had to completely wrap up operations," says Jayam Vora, co-founder and COO, Fitternity, a gym aggregator service.

Globally, the fitness centre and gymnasium business is under immense stress. In May 2020, Gold's Gym, a leading international chain of gyms, filed for bankruptcy in the US. Two other American fitness training centres, 24 Hour Fitness and New York Sports Club, also filed for bankruptcy.

Footfall in gyms is yet to pick up, say gym owners. "Batch sizes have been halved because we need to follow sanitisation protocols; business for us is at 65-70% of last year's levels," says Badal Makwana, director, Anytime Fitness (Andheri and Khar), a global chain of gyms. Like many others, Makwana is offering a 25-30% discount on membership fees to woo customers. According to industry estimates, in January, the recovery of the fitness business was about 40% of January 2020. Both Vora and Makwana expect a full recovery only by the end of 2021, if everything else stays the same and the vaccination drive goes on smoothly.

All 95 centres of Anytime Fitness are fully functional, which is why the gym has stopped offering free online classes to its members, even though many still want an online option, says Makwana.

Globally, the fitness centre and gymnasium business is under immense stress. In May 2020, Gold's Gym, a leading international chain of gyms, filed for bankruptcy in the US

Home-bound

According to Vora, about 35% of gym members still prefer to workout from their homes. Sohrab Khushrushahi, founder, SOHFIT, says those who are going back to working out at gyms have specific requirements, such as lifting heavy weights, which cannot be done at home.

Trainers like Khushrushahi, who were earlier able to serve a limited clientele with their offline classes, have reached a wider audience by going online. Vora says this has particularly benefited people in tier II and III cities who could not access specialised trainers in their vicinity.

Even though online sessions have taken off during the past several months, gym owners are counting on the revival of physical gyms, as retaining members through online classes is tough. Ankur Pahwa, national leader, e-commerce and consumer internet sector, and partner, EY, observes that those with no access to equipment have chosen to experiment with online offerings. However, he says, these are just short-terms trials, with minimal commitment.

Vora expects that gym operators will earn 15% of their revenue from online offerings over the next two-three years. However, not all of it will come from fitness training. Experts believe that dietary consultations, fitness programming and consultations with experts are segments that have already moved online, and will continue to see sustained acceptance.

For fitness training to achieve greater penetration, "the programme may need an offline component to be offered in conjunction with the online offering in the long term," Pahwa adds, indicating the need for an omnichannel approach. Stronger social media integration and gamification of online training could beef up offerings further.

In The News

Lowe Lintas to handle creative duties of OLX Autos

OLX AUTOS, THE automobile business of OLX India, has awarded its creative duties to Lowe Lintas. The agency's Delhi office will oversee offline and digital communication for the brand. OLX Autos entered the used car market late last year.

Wavemaker India bags a new business

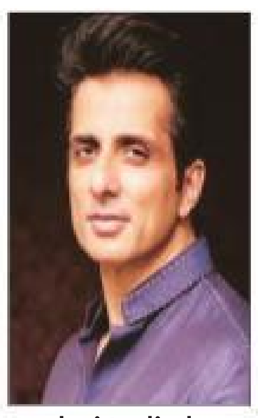
WAVEMAKER INDIA HAS bagged the integrated media mandate for PagarBook. The account will be handled by its Bengaluru office. PagarBook offers payroll and attendance management solutions for micro, small, and medium enterprises. The company has roped in actor Akshay Kumar as its brand ambassador, and aims to have 10 million active users by the end of FY21.

The Laughing Cow partners with Havas Creative

HAVAS CREATIVE'S MUMBAI office has won the integrated communication mandate of Bel Group's cheese brand The Laughing Cow. The mandate includes creative, social and digital duties, including reputation management, as well as overseeing product launches and brand strategy. In another development, Havas Group India has entered into a joint venture with Conran Design Group.

Star India renews broadcast rights for Wimbledon

STAR INDIA HAS extended the broadcast rights for The Championships, Wimbledon for the next three years (until 2023) with the All England Lawn Tennis Club (AELTC). This will be an addition to the broadcaster's tennis portfolio which already includes the French and US Open.



Redmi India has named actor Sonu Sood as its brand ambassador for smartphones

Fantasy sports app Howzat has roped in cricketer Yuvraj Singh as its brand ambassador

Motobahn

CAR REVIEW: ALL-NEW TATA SAFARI

The Safari reclaims its name...

...And a lot more—21st century design, platform, engine, etc. It also loses some things—like the all-wheel drive (for now)

VIKRAM CHAUDHARY

SINCE THE TIME Tata Motors said it will name the Gravitas (its upcoming SUV, the seven-seat version of the Harrier) as the Safari (launched in late 1990s; now discontinued), there have been mixed reactions in both the media and from 'original' Safari owners. However, instead of the name, let's focus on the product, which we drive in and around Delhi.

Design

The new Safari is an extension of the Harrier, and looks similar, but have a closer look and you will realise it's a bigger SUV. While there are no similarities with the 'original' Safari, some design elements have been retained—one such is the stepped roof, held between the roof-rails (which used to be an iconic 'original' Safari feature). Even though for the new Safari it's been redesigned, it somewhat reminds you of the 'original'.

Cabin

The Safari is different from the Harrier in terms of the new oyster white interior colour scheme, and has six/seven seat configuration. The third row seating area is quite spacious (getting in and out of the third row is easy). Third row passengers also get a dedicated AC unit with vents, USB mobile charger, phone holder and cup holder, and reading lamp. Top-end variants get a panoramic sunroof.

Engine

It is powered by the Kryotec 2.0-litre turbocharged diesel engine (170 PS power and 350 Nm torque), mated to two gearbox options (six-speed manual or six-speed automatic). Like in many modern Tata cars, there are multi-drive modes (Eco, City, Sport) married to ESP terrain response modes (Normal, Rough, Wet). But unlike the 'original' Safari, there is no all-wheel drive currently being offered. There is no petrol engine as yet.

From the front one can mistake the new Safari for the Harrier, but the rear and the side design stands out

How does it drive?

Six-speed manual: Gearshift is smooth, the gear-lever doesn't vibrate or rattle, and power delivery of the engine through the gears is quite good.

Six-speed automatic: Gearshift is almost as imperceptible as in a DSG gearbox, and the Safari (despite being a heavy vehicle) never feels lethargic.

Specifications

- **Engine:** 1,956cc diesel
- **Power:** 125kW (170PS)
- **Torque:** 350Nm
- **Gearbox:** 6-speed manual/AT
- **Length:** 4,661mm
- **Width:** 1,894mm
- **Height:** 1,786mm
- **Wheelbase:** 2,741mm
- **Brakes:** All four disc brakes
- **Tyres:** 235/70 R16 (XE/XM/XMA)
- **Tyres:** 235/60 R18 (XT and above)
- **Weight:** 1,825kg
- **Fuel tank:** 50 litres
- **Seats:** 6 (XZ+/XZA+); 7 (all variants)

(Prices will be announced on February 22)

But there are two areas that don't really make the driver comfortable:

- The driving position is such that your left knee may often touch the bottom of the dashboard; it can be irritating.
- The plastic casing around the ORVM is glossy, and the in-cabin ORVM adjustor reflects back into the eyes of driver.

While the new Safari doesn't get all-wheel drive, it is very easy to manoeuvre off the road—the suspension soaks most bumps, and there is little rattle. At the same time, there is some amount of body roll—especially when going downhill and taking sharp turns.

While driving, your left knee may often touch the bottom of the dashboard; it can be irritating

The overall ride and handling is average. On the positive side, the steering feel is very good, the driver's seat is very supportive, and there's cruise control for you to drive all day long comfortably.

How much will it be priced?

We expect prices to start ₹15-16 lakh (ex-showroom), going up to a little over ₹20 lakh for top-end variants. At such prices, the new Safari can be superb value for money—it's a six/seven seat SUV that can seat six/seven people comfortably (something which even SUVs a class bigger may not be able to, equally comfortably).

Infrastructure

MONDAY, FEBRUARY 8, 2021

EXPERT VIEW

Overall consumption of petroleum products is likely to fall by 8.4% during FY21, though a recovery of 1.7% is expected in H2FY21. As far as refining is concerned, crude throughput is likely to fall by 10.4% during the ongoing fiscal

—CARE Ratings

ABHAYA K AGARWAL

UNION BUDGET TAKEAWAYS

FM has led sector in right direction

Through significantly higher outlays for key segments and measures to fund new projects, the Budget has laid the roadmap for faster recovery from the Covid-19 crisis

THE UNION BUDGET 2021 is unprecedented in many ways, as it comes at a time when the country is trying to re-build post the Covid-19 outbreak, which has affected interests domestically as well as internationally. Continuing with efforts on the AtmaNirbhar Bharat agenda through six pillars, it has focussed on an increase in public spending to make India a $5-trillion economy. There has been a special focus on improving healthcare and infrastructure across India, with a proposed capital expenditure of more than ₹7 trn cumulatively, a substantial increase over previous budgets.

The Budget has made significantly higher allocation for greenfield and brownfield projects in the railway sector, which include electrification of broad-gauge railway lines, building of new freight corridors, and deployment of anti-collision system and special rolling stock on high-density tourist routes. This is welcome given that investments in the railway sector are seen to have a high multiplier effect on other sectors. In a big relief to airlines, Finance Minister Nirmala Sitharaman announced a tax exemption on aircraft leasing which will significantly improve the financial health and overall outlook for the aviation sector.

The road and highway sector has been allocated the highest ever capital outlay, for new projects in the states of Assam, West Bengal, Tamil Nadu, and Kerala, which would improve connectivity to the mainland cities. The increase in funding for public transit systems, with an objective to increase their modal share, especially focussing on Metro systems and improvement in bus transport in tier-2 cities, has the potential to give impetus to employment generation. Increased access to travel facilities and better connectivity in cities through Metro projects will not only empower citizens by improving access to education, healthcare, employment and economic opportunities, but is also key to balanced and sustainable urban development with accelerated economic growth.

The FM has provided a timely boost to the ailing real estate sector by announcing an initiative to monetise surplus land holdings. The monetisation of railway land near the New Delhi Railway Station is one such initiative which will pave the way for future land development projects.

For the proposed capital outlay, adequate measures to fund new projects have been highlighted. The creation of a professionally managed Development Financial Institution (DFI) with an aim to promote private sector participation will act as a catalyst for infrastructure financing. The sectors in which greater private sector involvement is proposed are airports, ports, railways, power and warehousing assets.

In the past, various government instrumentalities have found financing large highly capital-intensive projects very difficult, resulting in delays and schedule disruption. This Budget has highlighted the need to create a National Infrastructure Pipeline (NIP) for monetisation of brownfield assets to create new infrastructure. The move to set up InvITs to attract investment from global funds in the highway and power sector is a step in the right direction. InvITs in the highway sector have been a success and should be explored in other sectors as well.

Overall, through the Budget, the FM has put forward the short-term road map to accelerate recovery from the COVID-19 pandemic, through significantly higher capital expenditure as compared to past budgetary allocations for various infrastructure sectors. This will have a multiplier effect on other sectors and create direct and indirect employment opportunities, enabling the government to revitalise the economy and ensure balanced regional development.

The writer is Partner-Strategy and Transaction, Infrastructure & Government and Public Sector, EY India—with inputs from Arun Tuli, Manager

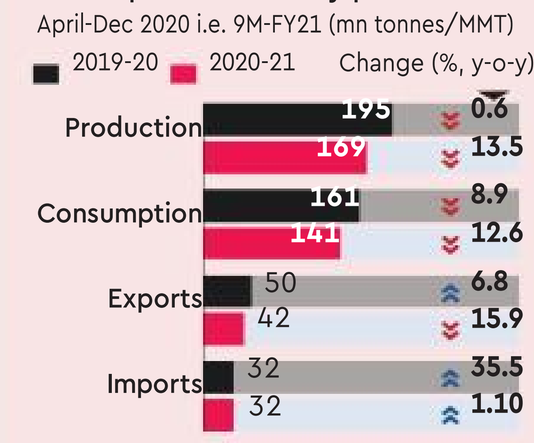
DATA MONITOR

Petro products output down 13.5% in 9MFY21

Production of refinery products/petro products has fallen by 13.5% over the April-December period. Cumulative capacity utilisation has been at around 85.6%, compared with 101.6% in FY20. Overall consumption of petroleum products has fallen by 12.6% in 9MFY21. However, the positive sentiment emanating from December numbers has raised prospects for high growth in the coming months, CARE Ratings has said.

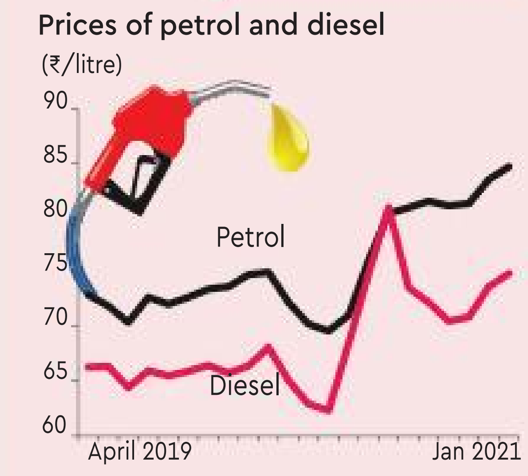
Production, consumption, exports and imports of refinery products

April-Dec 2020 i.e. 9M-FY21 (mn tonnes/MMT)



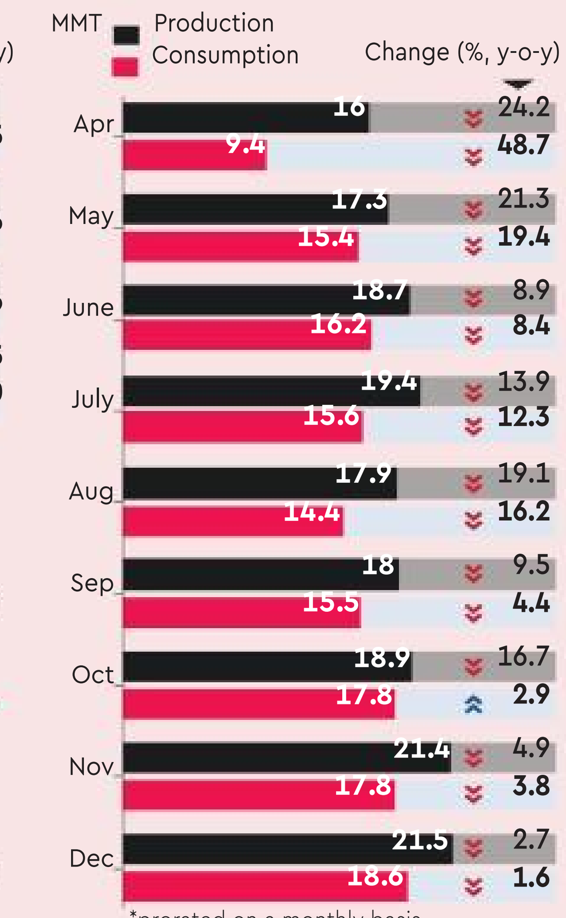
Prices of petrol and diesel

(₹/litre)



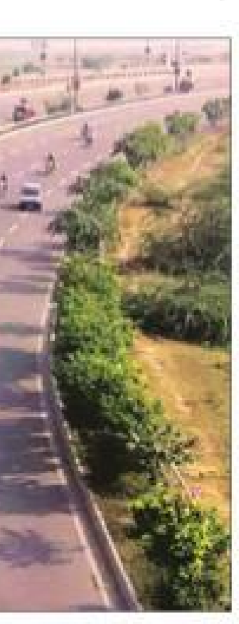
Source: PPAC, CARE Ratings

Monthly production and consumption of petroleum products during 2020-21



*prorated on a monthly basis

Quick View



Highway sector gets a boost, key projects to be expedited

A 32% INCREASE in the capital outlay for the Ministry of Road Transport and Highways (MoRTH) in FY22 (budget estimate or BE) is expected to provide a significant boost to the construction of highways. The FY22 capital allocation of ₹1,08,230 crore for MoRTH in Budget 2021-22 is the highest-ever for the ministry. Highlighting that execution of flagship highway corridors as well as projects would be sped up, Finance Minister Nirmala Sitharaman said, "by March 2022, we would be awarding another 8,500 km and complete an additional 11,000 km of national highway corridors." As part of new economic corridors, 3,500 km of national highway works would be undertaken in Tamil Nadu at an investment of ₹1.03 lakh crore, 1,100 km of NH works in Kerala (₹65,000 cr), and 675 km of highway works in West Bengal (₹25,000 crore).

9 firms participate in bid for New Delhi rly station

NINE GLOBAL AND domestic companies including Adani Railways Transport, ISQ Asia Infrastructure Investments, and GMR Highways, have participated in a bid to redevelop the New Delhi Railway Station, the railways said on Wednesday. These companies will now undergo technical evaluation. In the next stage, the Rail Land Development Authority (RLDA) will float the request for proposal (RFP) for participants who qualify in the technical process, a statement said. New Delhi Railway Station Redevelopment is a flagship project of the RLDA, and the first to be undertaken on the Transit-Oriented Development (TOD) concept in Delhi-NCR.

GAIL bifurcation plan put on the back burner

THE OIL MINISTRY has put on hold the plan to bifurcate state-owned gas utility GAIL (India) Ltd so as not to dilute the firm's ability to finance the massive infrastructure building plan, a top official said on Thursday. GAIL is India's biggest natural gas marketing and trading firm and owns 60% of the country's 26,284-km gas pipeline network, giving it a stranglehold on the market. To resolve the issue, it had been proposed that GAIL's pipeline business should be hived off into a separate entity.

Startups

GONUTS

Bringing celebrities and their fans closer

The Mumbai-based startup offers a unique platform that allows fans from across the world to book personalised greetings and shout-outs from celebrities, through its website and app

SUDHIR CHOWDHARY

Vinamra Pandiya, co-founder, GoNuts

GONUTS IS A fast-growing platform for human connection and communication; it provides what it calls "a trusted pipeline between celebrities and their fans via authentic and personalised experiences." Founded by serial entrepreneur Vinamra Pandiya, media and entertainment veteran Joji George and Mayank Gupta, this Mumbai-based startup offers a unique platform that allows fans from across the world to book personalised greetings and shout-outs from celebrities, through its website and app. The personally curated videos make every celebration even more special while giving the recipient fond memories for a lifetime.

Pandiya explains the idea behind their venture. "Mayank Gupta and I attended a friend's kid's birthday party and a discussion centered around what would happen if popular cartoon characters wished the child personally. This germ of an idea took shape and form in terms of a larger than life vision and possibility, when we met Joji George, who has a track record across all facets of media, entertainment, licensing and live events. Once all of us met, sparks flew, and the company was born in January 2020.

"We Indians are fan crazy," says Pandiya. Indian celebrities, that is, cricket and Bollywood celebrities, have always had a massive fan base. "The proliferation of TV shows, OTT shows, sports club leagues, social media has led to an exponential growth of micro celebrities and their localised but massive fan-bases in India. Considering the intensity and passion of fans in India, they are willing to spend/do things for curated and personalised star experiences due to severely constrained access to reach their favourite stars," he says.

The uniqueness of the platform is its ability to connect both the Indian and global Indian diaspora to talent or celebrities across genres that are multilingual and also at multi-segmented price points, he explains. "We truly curate our talent that are both aspirational and inspirational. This has made GoNuts not only the most influential platform in its category but also premium in its positioning." The startup claims to have best talent from music, food/lifestyle, TV, movies, comedy, fitness, and sports which include Shankar Mahadevan, Shaan, Hans Raj Hans, Sukhbir, Ranveer Brar, Sumeet Varma and many more across categories.

"We are a classic case of a company that seized opportunity in times of adversity," says Pandiya. "Since we started business right in the middle of the Covid crisis, we have grown 15X in the last six months (March-August 2020), which will only increase exponentially as we see higher traffic and engagement. We have carved our own niche and were profitable, inspite of being bootstrapped. We have sold over 700 videos and our GMV will be over $1 million in the current FY," he says. "Our aim is $10 million annual GMV in the upcoming financial year. We aspire to be the most capital efficient company in our category."

GoNuts in the last six months has seen healthy growth in terms of revenue, addition of exclusive artists to the platform and ARPU. It has raised ₹3.5 crore in seed funding led by marquee investors Sweta Rau and Archana Priyadarshini. 9Unicorns, AngelList, Lets Venture, Pankaj Chaddah (co-founder, Mindhouse and Zomato), Ramakant Sharma (co-founder, LivSpace), IIM Indore Alumni Fund, Harshal Morde, (Morde Foods) and other marquee angels and founders also participated in this round.

"We aim to reach a milestone of $10 million revenue by the end of 2021. We want to get to 5000 of the most influential and inspirational celebrities by the next financial year and be the unicorn out of India in this category to the rest of the world," says Pandiya.

AGARA

Striking the right chord with customers

Agara uses advanced voice AI to process customer support calls in real-time; fresh funds raised to accelerate product development, fresh hiring and market expansion

SUDHIR CHOWDHARY

FOUNDED BY ABHIMANYU and Arjun Maheswaran in 2017, Agara develops virtual voice agents that leverage proprietary machine learning models to understand intentions in speech, make intelligent decisions to handle queries and talk individual customers through to a resolution. In less than four years, this New York-based venture has six patents (filed in USA) under its belt. The ML/AI-based system patents have been developed by Agara's team to help its voice agents understand, classify and summarise to language. For instance, one of its patents in 'Controlled Natural Language Generation' allows voice agents to create meaningful dialogues without any human intervention.

Abhimanyu, co-founder and CEO of Agara, says: "Whether it is sales calls, phone support or product feedback, voice has been the top choice for companies around the globe. We strive to be pioneer in voice-first world. With the new Covid norms, we expect the demand for virtual voice agents to rise manifold. Last year, we processed over a million calls and a million emails in 12 countries across every continent in 4 languages. With the new surge in demand, we are confident of increasing this number to over 5 million calls."

> We strive to be pioneer in voice-first world. With the new Covid norms, we expect the demand for virtual voice agents to rise manifold.
>
> —ABHIMANYU, CO-FOUNDER AND CEO, AGARA

Recently, Agara announced a $4.3 million pre-Series A extension round led by UTEC, a Japan-based early stage deep-tech venture capital firm. The round also includes participation from existing investors Blume Ventures and RTP Global. This brings the total funds raised by Agara to $7.5 million and includes bluechip investor Kleiner Perkins.

The funding will be used to accelerate product development, make strategic technology hires and expand into the UK and Australia markets.

Agara plans to double its team of data scientists and machine learning experts this year. The company also plans to establish its first pure AI research team at Bengaluru. Agara has been a revenue-generating business since inception and the company now supports some of the largest global enterprises, including FMCG company Procter & Gamble.

Quick View

Enhanced outlays, host of measures for infra sector in Union Budget

IN THE UNION Budget 2021-22 presented by Finance Minister Nirmala Sitharaman last Monday, the infrastructure segment has been the key beneficiary of the enhanced capital outlay of ₹5.54 trn (up 34% over 2020-21 BE). The capital outlay for key sectors has gone up significantly: roads & highways by 35%, railways by 34%, and MRTS and Metro projects by 20%. The minister announced the creation of a new development financial institution (DFI) with an initial capital base of ₹20,000 cr, which will build a lending portfolio of over ₹5 trn over the next three years. The Budget also provided capital of ₹0.45 trn as support for the National Infrastructure Pipeline (NIP). To increase the Centre's heft to fund projects, operational public infrastructure assets, in which the risk is already borne by the state, will be monetised systematically.

Mumbai suburban train services back after 320 days

AFTER A GAP of about 320 days, the Indian Railways permitted all members of the general public to travel in local trains in Mumbai from last Monday morning, though for limited hours. The general public is allowed to travel in the suburban trains from the time of start of services for the day till 7 am, from 12 noon to 4 pm, and from 9 pm till the closure of services for the day. From 7 am to 12 noon and from 4 pm to 9 pm, only employees of the essential services and categories of commuters specified by the Maharashtra government and the Ministry of Railways are permitted to travel in the trains.

PFC raises $500 million via dollar-denominated bonds

STATE-RUN NON-BANKING finance firm Power Finance Corporation Ltd (PFC) on Tuesday said it has raised $500 million through the issuance of dollar-denominated bonds. PFC successfully raised $500 million on January 29, 2021, through the issuance of USD denominated bonds under 'Reg S route' with a fixed maturity of May 16, 2031, a company statement said. This is the longest tenor bond issuance from India since the start of the year. The bonds have a fixed coupon of 3.35% per annum. The order book amounted to $2.55 bn, achieving an oversubscription of 5.1 times.

Education

MONDAY, FEBRUARY 8, 2021

BETTER PAY FOR EMPLOYEES

Rituraj Sinha, Group MD, Security and Intelligence Services

"The imminent launch of four labour codes covering minimum wages, social security benefits, etc, through a single-window compliance system will enhance ease of doing business; PF compliance is being tightened, which will lead to better pay for employees; Budget measures will aid in more job creation."

INTERVIEW: ANANT AGARWAL, Founder & CEO, edX

Learn in modules, and then stack 'em up

Anant Agarwal, the founder & CEO of edX—the massive open online course (MOOC) provider—says edtech has become incredibly hot post-Covid-19. "The world has gone from working live to working remotely, and from studying live to learning remotely," he says. In fact, the number of newly-registered learners who came on the edX platform in 2020 grew by 561% over 2019. In an interview with FE's **Vikram Chaudhary**, *he adds that while the pandemic did not create new behaviours, it accelerated certain existing trends, and made the world more open to change. Excerpts*:

What kind of changes did you observe at the edX platform in the months following the lockdown?

In April 2020 alone, we added 5 million new registered learners on our platform, which was greater than the total number of learners in all of 2019. The number of new learners who came on the edX platform last year grew by 561% over the previous year. About 40% came to learn something new, they had more time; 25% came to learn a new skill to become more proficient at work and particularly to learn skills that would be pandemic-proof; 10% were those who had been laid-off or on furlough, and they came to upskill; and another 10% were college-going students.

The pandemic brought the digital divide to the forefront, especially in places such as India. In which all ways can edtech companies help plug that digital divide?

Right now more people have access to internet connectivity than to a bricks-and-mortar school. Edtech companies can help democratise education. To get into a top college in India, you either have to be very bright or from a relatively well-off family. Not having access to a good college is a bigger problem than not having access to a device. At edX, we have 4 million learners from India and they can learn for free or by paying a small amount they can sign up for certifications. We have also made the edX Online Campus free for colleges.

IIM Bangalore offers 40-odd courses on edX. Can MOOCs give Indian universities a bigger global presence?

Both IIM Bangalore and IIT Bombay are partners of edX. There are over 1.6 million enrolments in IIMBx (IIMB's digital learning arm) courses, and over 847,000 enrolments in IITBombayX (IITB's online platform) courses, taken by people from all over the world.

IIMB was one of our first partners to offer a MicroMasters programme, which was our first innovative credential that broke the Master's degree into modular chunks. Building on the success of the MicroMasters, with the support of the Yidan Prize Foundation, we launched MicroBachelors a year ago. We now offer eight of these programmes that fit into our vision of modular, stackable education that builds real career skills.

Are 'modular learning' and 'stackable learning' the future of education?

Imagine you are 30 years old and working, so being able to find time and money for a two-year MBA may be difficult. But pursuing a course such as the MicroMasters from IIMB that is available in modules (you can complete at your own pace) is easy. In fact, many people may not even need to learn everything that is taught in a two-year MBA—for them, learning a component is also enough. Such modular programmes are free and for about $2,000 you can earn a certification as well. This cost is a fraction of what you may have to pay if you study on-campus.

PORTRAIT: SHYAM KUMAR PRASAD

> **Completion rate should not be used as a metric for MOOCs. In India I used to read the *Indian Express* every day. But I did not read it from cover to cover, so my 'completion rate' wasn't high, but that doesn't mean I didn't benefit by reading it**

And MicroMasters pays—as many as 91% of those who earned MicroMasters have told us they saw career enhancement in terms of salary and promotion.

And what is 'stackable learning'?

It means you can take modules at own pace and stack these up to get a degree.

MOOCs have very low completion rates...

Completion rate should not be used as a metric for MOOCs. When I was in India I used read the *Indian Express* newspaper every day. But I did not read it from cover to cover, so my 'completion rate' wasn't high, but that doesn't mean I didn't benefit by reading it. A better metric for MOOCs should be are people learning, are they getting value, what kind of certifications are there, and so on.

We also have edX for Business, where over 1,000 companies use our courses for their employees, including the SBI and Tech Mahindra, where the completion rate is 79%. Learners who have signed up for a verified certificate on edX, their completion rate is as high as 60%.

Many courses, such as online executive education, don't have a 'free' option. Is the fee learners pay divided between edX and course providers? Is there a ratio?

We are a non-profit and the fees learners pay help fund the work we do. About 55% of the fee goes to university partners because they created the courses, and the reminder goes to edX for our expenses.

UNION BUDGET FY22

Financing universities: Who pays?

When they depend on state finance, their independence and standards suffer

SHANTANU ROOJ

THE STORY OF Indian higher education is less about expansion and more about inflation of qualifications. In everything, from cash to reputation, most universities are living off the past. Owing to their self-governed and self-financed autonomous structure, some are still in relatively good shape; the autonomy limits the power of regulators, provides independently-managed funds and ensures protection for the excellent. Other state universities have worse problems—in a system unacceptable to modern democracy, quantity, quality and fees of courses are state-controlled. Barring a few really focused ones, most students, with qualification in hand, will arrive in the job market, feeling cheated; their most precious investment ending up with dubious returns.

The Union Budget FY22 revealed new realities—it cut down funds to the higher education sector to ₹54,873 crore from ₹59,845 crore the previous year. The government decided to fast-track implementation of the NEP and committed to bring in a single higher education regulator this year. It also demonstrated its commitment to apprenticeship by committing ₹3,000 crore towards apprenticeship training. Universities need to think of new ways of financing to remain sustainable. Amongst many things that must be attempted to make the system self-healing, there must be concerted efforts to make Indian universities more competitive.

> **The Union Budget FY22 revealed new realities—it cut down funds to the higher education sector to ₹54,873 crore from ₹59,845 crore in the previous year**

A crucial part of competition is allowing financial autonomy to universities and allowing flexibility in setting their course fees. Most Indian universities charge little or nothing. But fees have two clear advantages: One, ensuring the university is answerable to nobody in its planning; medicine, engineering and law are expensive to teach, so they cost more. But these would be the university's own decisions; it can raise money from fees or get sponsorships or subsidise it from its reserves.

Two, fees also mean that students are much more powerful customers—hugely under-priced goods and services are generally wasted, and university education is no exception. Students from American universities, during their visits to India, are often surprised to attend lectures with no visual aids, out-of-date hand-outs, and drawings and non-relatable case stories. Such complacency will find no place when students have a choice. Education being the greatest boon of a socialist welfare state, the government could evaluate the option of a direct benefit transfer to students who need and deserve to get a scholarship to be able to fund their education.

Degree apprenticeships surely present a winning product—these address the need of building soft skills while learning academic papers (on-job training helps build crucial skills that students need when they enter the job market), create an employer-funded education model (the stipend earned helps subsidise university fees) and create a readily employable workforce (the industry actively participates in course-creation, training and assessments). Universities should invest themselves in creating innovative products in partnership with industry—the research-driven culture of the university and the innovation-driven mindset of the industry can together revolutionise the system.

For Indian universities, the question is to whether to wait for de-nationalisation or start a move towards freedom on their own initiative. State supervision, coupled with diminishing budgets, gives universities the image of a failing nationalised industry, rather than of world-class outfits devoted to the innovative business of bringing original thinking. Can they stop talking about reforms and actually introduce some themselves? Meanwhile, American universities, hugely wealthier, happier and brainier, march relentlessly on.

The author is founder & CEO, Schoolguru Eduserve, a TeamLease Group company

UNION BUDGET FY22

'Reassuring to see R&D at the forefront'

Anju Seth, the director of IIM Calcutta

FE BUREAU

THE SETTING UP of a Higher Education Commission responsible for standard-setting, accreditation, regulation and funding of colleges and universities can help boost quality education with an integrated approach, but diversity of institutions will have to be managed carefully, said Anju Seth, the director of IIM Calcutta.

"It is reassuring to see that research and development has been brought to the forefront by the allocation of Rs 50,000 crore over five years for the National Research Foundation, and the collaboration with Japan for sharing of knowledge and technology," Prof Seth said. "The 'umbrella structures' advocated in nine cities to encourage partnerships across institutions can go a long way in achieving the desired synergies of multidisciplinary higher education as envisaged in the NEP. Besides investments, the key to achieving real gains in the education sector will be good governance practices in implementation of initiatives."

She added the priorities accorded to infrastructure, healthcare in the Budget are essential for economic development.

NEW LANGUAGE

Korean centre increases seats 14 times

From 300 seats to 4,200

FE BUREAU

WITH RISING interest shown by Indian students wanting to learn Korean language, the Korean Culture Centre India (KCCI) New Delhi has increased the capacity for its language classes from 300 seats last year to 4,200 seats in 2021. In fact, 600 seats (the maximum capacity for this year's 'Online Korean Language Hobby Classes') got occupied in just two minutes of the opening of the registration. The first session of this year started on February 6.

'Online Korean Language Hobby Class' is a real-time non-face-to-face Korean language course using the Zoom platform, first opened by the KCCI in August 2020.

Hwang Il-yong, the director of the KCCI, said, "We are in discussion with the Central Board of Secondary Education for the best ways to expand Korean language education in Indian schools, as Korean is the recommended foreign language in the New Education Policy 2020."

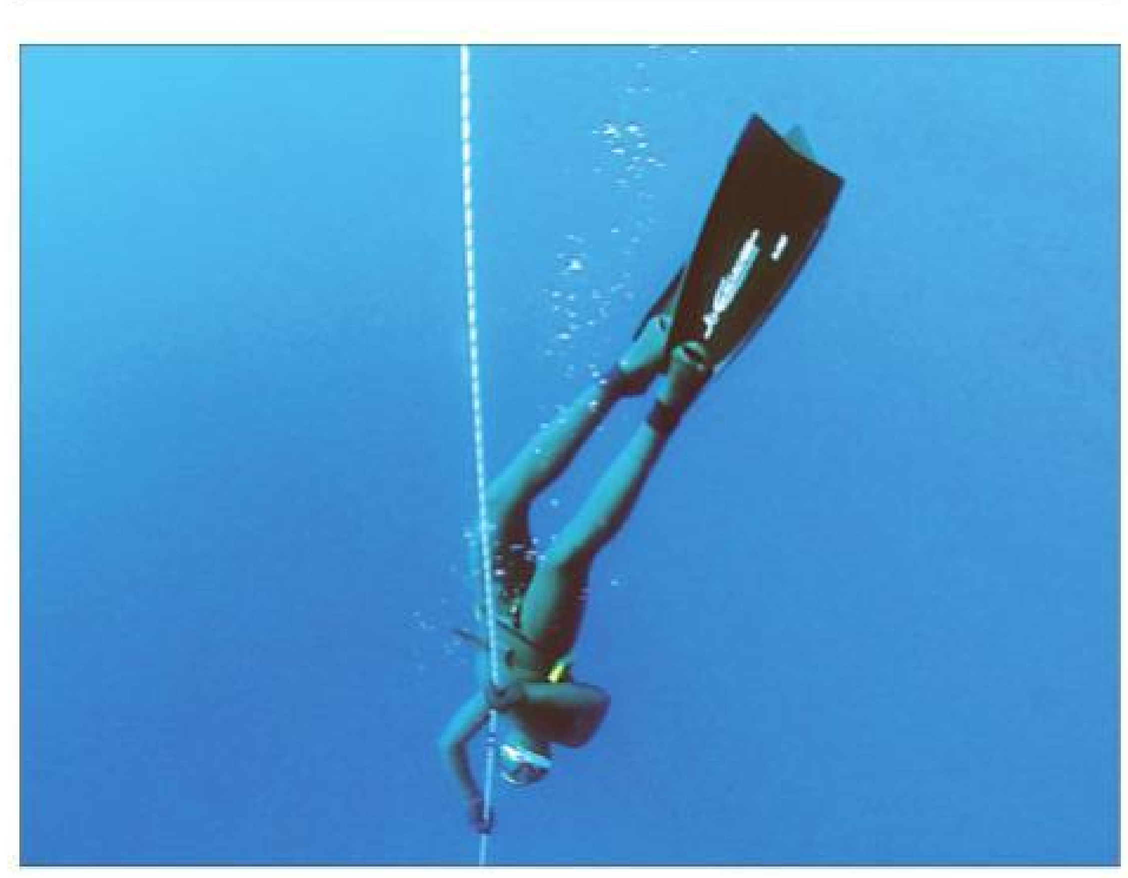
Science & tech

Sulagna Chattopadhyay

INDIA'S DEEP OCEAN MISSION

Putting money in the trenches

The showstopper of the mission is likely to be the pressure capsule Matsya 6000, provided the fund flow remains smooth



WITH THE HIGHEST priority being accorded to a manned mission plummeting to 6,000-m below the unchartered depths of the Indian Ocean, India's Deep Ocean Mission unequivocally seems well on its way to glory. A ₹4,000 crore allocation over a five year period, as outlined in the FY22 Budget, would certainly help innovate better, doing away with the technological roadblocks that are holding back the nation's brave hearts waiting to dive down.

India's Deep Ocean Mission is of course more than just an underwater manned mission. As outlined in Report 332 of Parliamentary S&T Standing Committee (March-2020), the Deep Ocean Mission framework entails the inclusion of six broad components. The first outlines the development of technologies for underwater vehicles and robotics to assist deep-sea mining. Some of the major resources ocean floors offer are polymetallic nodules, cobalt-rich manganese crust, hydrothermal deposits and gas hydrates. Of these, only gas hydrates are found in India's exclusive economic zone (EEZ) in mineable quantities in the order of ~950 trillion cubic m.

The second involves ocean climate advisories that envisage to determine the extent ocean-atmosphere coupling influence the climate of the sub-continent. With the unprecedented warming of the oceanic waters, nuanced research and data management are required. At present, oceanic data is managed by the Indian National Centre for Ocean Information Services (INCOIS) through its Digital Ocean and allied frameworks.

The third component includes research on deep-sea biodiversity, an area of work that has made little headway till now. The list of Deep Ocean Mission activities continues with deep ocean survey and exploration, energy and freshwater from the ocean, with the establishment of an advanced marine biology station at Goa completing the spectrum of envisaged exploits.

To ensconce three humans in a 4.1 m diameter titanium sphere with a comfortable air pressure of 1 atmosphere (atm) amidst 600 atm oceanic waters, India will now need to earnestly ready itself. The manned expedition Samudrayan is a collaborative project across institutes-the pressure capsule of Matsya 6000 being developed by Indian Space Research Organisation (ISRO) and the intricate workings of the vehicle by National Institute of Ocean Technology (NIOT). Likely to be certified by Norway's DNV-GL, Matsya's deepwater trials are to commence in 2024. This project's success would catapult India into the ranks of US, Russia, France, Japan, and China. The budgetary outlay for the Deep Ocean Mission, pending for almost half a decade, finding sudden credence above many other critical concerns in the current context, perhaps does not bear any relation to China's successful dive of 10,000 m into the Mariana Trench in the winter of 2020. The rising crescendo of China's deep-sea manned expedition, the first of which was successfully commissioned way back in 2012, seems to be just a mere coincidence.

The Chennai-based NIOT in just three years since its establishment in 1993, devised a remotely operable deepwater crawler to test mine the seafloor at a depth of 410 m off the coast of India. The crawler was to explore 75,000 sq km seafloor allocated in the Central Indian Ocean Basin (CIOB) by the International Sea Bed Authority (ISA), the United Nations in 1987 for polymetallic nodules. Consequent decades saw the addition of a collector, crusher and a flexible riser to pump polymetallic nodules to the surface-tested at a depth of 3,400 m in the Bay of Bengal as late as 2019.

Although the crawler is yet to access the 5,50m seafloor in the CIOB in an indeterminate timeframe, being abandoned on-site a couple of times due to volatile sea conditions, there are to NIOT's credit two remotely operable vehicles that have seen operational success. The first is the soil tester, the deepest ever Indian probe that additionally managed to relay photographs of the CIOB seafloor, and second is the Rosub 6000. The latter completed its field trials in the depths of CIOB way back in 2010 and helped collect samples of the polymetallic nodule and hydrothermal sulphides, apart from gas hydrates off India's EEZ.

The allocation of ₹4,000 crore against the required ₹6,687.5 crore, for the Deep Ocean Mission that was outlined by the ministry of earth sciences (MoES) last year is a welcome addition to up India's research needs. Downsizing two elements of the Mission, the Ocean Thermal Energy Conversion (OTEC) component, and the ocean climate advisory unit, the budgetary requirement for the Mission was honed to address the technological aspects of deep-sea mining. Although the mission entails a sizeable enhancement of MoES's profile, its intended need in this hour raises a few questions.

MoES's argument that India is falling behind in ocean research and that countries such as the US and Japan are not very forthcoming in sharing their technology rouses India's drive to better science. However, unconfirmed reports point towards the thwarting of Russia's lowest technology transfer bid about five years ago. For about ₹350 crore the Russians were willing to share the know-how to enable manned missions, learning from which would have not only saved India time but also its precious resources.

Robotics and crawler deployment in the CIOB can help build India's technical capacity to commercially mine polymetallic nodules in the future. With the CIOB being granted for exploration for an initial 15 year period, followed by a five-year extension ending in 2022 it is likely that once ISA's comprehensive draft exploitation regulations are formalised, India may get an opportunity to even mine the region. While there may be a long pause before ISA issues a mining license to India, the more readily available gas hydrates within the Krishna-Godavari basin under the Bay of Bengal, capable of making India energy secure, seem to have been largely relegated to the background.

Scientists cite technological hurdles in gas hydrate extractions with their beds lying about 200 m below the seabed, not to mention that they see little role for themselves in a fuel-driven discourse. In fact, MoES has been distancing itself from the gas hydrate programme for over a decade now, evident from the closure of the DST-MOES Indo-Russian gas hydrate centre way back in 2013 at NIOT. Although Russia (Lake Baikal region) and Japan (Nankai Trough seabed) have been able to generate fuel from the gas hydrate, India National Gas Hydrate Programme, under the Directorate General of Hydrocarbons (DGH) is still at a nascent exploratory stage with only a fair degree of mapping to its credit. Despite an extensive deposit of gas hydrates in the Krishna-Godavari basin, the resource remains unlinked to the Deep Ocean Mission.

Amidst this technology-driven Mission framework for prioritising mineral exploration through manned and unmanned robotics, stands the anomaly of establishing an advanced marine biology station at Goa. Reportedly located in ONGC's Cabo De Rama campus, the centre has even forged a collaboration with Centre national de la recherche scientifique (CNRS) France. The first three-year phase of the Mission starting 2021 outlines the need to prepare a repository for deep-sea fauna DNA among five other activities. This dilution is baffling and mandates further review.

It is perhaps also important to explore why the Deep Ocean Mission has not addressed the need for satellite deployment for India's data buoys placed in international waters to study ocean parameters for climate studies. As of now these buoys are uplinked to foreign satellites, such as the Advanced Research and Global Observation Satellite (ARGOS), Inmarsat and Iridium, and suffer data compatibility issues with buoys located in the Indian waters and uplinked to ISRO's INSAT.

In a paper published by NIOT scientists, crewed underwater vehicles are envisaged to make oceans habitable, with the immediate spin-off of enabling tourism and ocean literacy. An Atlantis-Varuna ocean residency is enigmatic no doubt, but whether it will lead to realtime industry and employment generating activities beyond research, remains in question.

Finally, all the Deep Ocean Mission seems to offer is an amplification of all its former activities with the formal onboarding of Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Indian Space Research Organisation (ISRO), Council for Scientific and Industrial Research (CSIR). Pivoted through NIOT, the showstopper of the Mission is likely to be the Matsya 6000, provided the fund flow remains smooth.

Author is President, SaGHAA, a think tank working on Polar issues

Modern Credit Private Limited
Publication Demand Notice

NOTICE UNDER SEC. 13 (2) OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSESTS AND ENFORCEMENT OF SECURITY INTEREST ACT 2002

Demand Notice dated 27.01.2021 Sent on 29.01.2021 by Speed Post to (1) MR. SALIL WADHAWAN (Borrower / Mortgagor) S/O MR. SANJAY WADHAWAN **At** J-276, 1st FLOOR, SAKET, NEW DELHI - 110017 **Also At** J-209, LANE W 15A/4S, VILLAGE DEVLI, HAUZ KHAS, NEW DELHI. **(Mortgaged Property) (2) MR. SANJAY WADHAWAN (Guarantor) At** J-276, 1st FLOOR, SAKET, NEW DELHI - 110017 **(3) MRS. SHEENA WADHAWAN (Guarantor) At** J-276, 1st FLOOR, SAKET, NEW DELHI - 110017

SUBJECT: Loan Account No. **LN-16/14-15** dated **05.09.2014** with Intec Capital Limited.

You, committed default in repayment of loans and as such your Loan Account maintained with Intec Capital Limited was declared Non-Performing Asset (NPA) on 15.11.2017 and a sum of **Rs. 2,45,74,233/- (Rupees Two Crore Forty Five Lakh Seventy Four Thousand Two Hundred Thirty Three Only)** is outstanding as on **31.12.2020.**

The Intec Capital Limited issued notice dated **27.01.2021** under the Act on **29.01.2021** calling upon you to repay the outstanding amount of **Rs. 2,45,74,233/- (Rupees Two Crore Forty Five Lakh Seventy Four Thousand Two Hundred Thirty Three Only)** as on **31.12.2020.**

You are called upon to pay **Rs. 2,45,74,233/- (Rupees Two Crore Forty Five Lakh Seventy Four Thousand Two Hundred Thirty Three Only)** within 60 days from the date of this notice failing which Intec Capital Limited will be constrained to exercise its rights of enforcement of security Interest as against the Secured Assets given in the Schedule hereunder. This notice is without prejudice to any other right remedy available to the Intec Capital Limited.

SHEDULE

The specific details of the assets in which security Interest is created are enumerated hereunder:

MORTGAGED PROPERTIES:- PROPERTY BEARING NO. J-209, LANE W 15A/4S, SITUATED IN REVENUE ESTATE OF VILLAGE DEVLI, TEHSIL HAUZ KHAS, NEW DELHI.

Dated: 05.02.2021 **Place:** New Delhi. AUTHORISED OFFICER, INTEC CAPITAL LTD.

INTEC CAPITAL LIMITED
Publication Demand Notice

NOTICE UNDER SEC. 13 (2) OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSESTS AND ENFORCEMENT OF SECURITY INTEREST ACT 2002

Demand Notice dated 19.01.2021 Sent on 22.01.2021 by Speed Post to (1) M/S DADU INTERNATIONAL (Borrower) THROUGH ITS PROPRIETOR, MR. RAJESH KUMAR **At** PLOT NO. C-143, GROUND AND FIRST FLOOR, POCKET C, SECTOR 4, DSIIDC, BAWANA CENTRAL DELHI, DELHI - 110039 **(2) MR. RAJESH KUMAR (Guarantor) At** FLAT NO. 119, L.I.G FLATS, OPP G.T.K DEPOT, SANJAY ENCLAVE, JAHANGIRPURI, DELHI - 110033 **(3) NEETU (Guarantor) At** FLAT NO. 119, L.I.G FLATS, OPP G.T.K DEPOT, SANJAY ENCLAVE, JAHANGIRPURI, DELHI - 110033

SUBJECT: Loan Account No. **LNPIT03315-160005557** dated **30.04.2015** with Intec Capital Limited.

You, committed default in repayment of loans and as such your Loan Account maintained with Intec Capital Limited was declared Non-Performing Asset (NPA) on 31.12.2018, and a sum of **Rs. 19,76,276/- (Rupees Nineteen Lakhs Seventy Six Thousand Two Hundred Seventy Six Only)** is outstanding as on **31.12.2020.**

The Intec Capital Limited issued notice dated **19.01.2021** under the Act on **22.01.2021** calling upon you to repay the outstanding amount of **Rs. 19,76,276/- (Rupees Nineteen Lakhs Seventy Six Thousand Two Hundred Seventy Six Only)** as on **31.12.2020.**

You are called upon to pay **Rs. 19,76,276/- (Rupees Nineteen Lakhs Seventy Six Thousand Two Hundred Seventy Six Only)** within 60 days from the date of this notice failing which Intec Capital Limited will be constrained to exercise its rights of enforcement of security Interest as against the Secured Assets given in the Schedule hereunder. This notice is without prejudice to any other right remedy available to the Intec Capital Limited.

SHEDULE

The specific details of the assets in which security Interest is created are enumerated hereunder:

HYPOTHECATED ASSETS:- (1) HYDRAULIC PRESS BRAKE MACHINE COMPLETE WITH E MOTOR AND CONTROL PANEL

Installed at "M/s Dadu International, Plot No. C-143, Ground and First Floor, Pocket C, Sector 4, DSIIDC, Bawana, Central Delhi, Delhi - 110039"

Dated : 05.02.2021 AUTHORISED OFFICER,
Place : New Delhi INTEC CAPITAL LTD.

Modern Credit Private Limited
Publication Demand Notice

NOTICE UNDER SEC. 13 (2) OF THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSESTS AND ENFORCEMENT OF SECURITY INTEREST ACT 2002

Demand Notice dated 27.01.2021 Sent on 29.01.2021 by Speed Post to (1) M/S WIG BROTHERS CONSTRUCTION PVT. LTD. (Borrower) THROUGH ITS DIRECTOR, MR. SUNIL MOHAN WIG At C-15, ACHARYA NIKETAN, NEW DELHI-110092 **Also At** 423-424, UPPER GROUND FLOOR, DOUBLE STOREY, NEW RAJENDRA NAGAR, NEW DELHI - 110060 **Also At** 725, GROUND FLOOR, UDYOG VIHAR PHASE-V, GURUGRAM, HARYANA 122016 **(2) MR. SUNIL MOHAN WIG (Guarantor/Mortgagor) At** HOUSE NO.11, ROAD NO. A-46, DLF QUTUB ENCLAVE COMPLEX PHASE-I, GURGAON, HARYANA **(Mortgaged Property) (3) MRS. NEELIMA WIG (Guarantor/Mortgagor) At** HOUSE NO.11, ROAD NO. A-46, DLF QUTUB ENCLAVE COMPLEX PHASE-I, GURGAON, HARYANA. **(4) MR. ANIL MOHAN WIG (Guarantor/Director) At** HOUSE NO.11, ROAD NO. A-46, DLF QUTUB ENCLAVE COMPLEX PHASE-I, GURGAON, HARYANA.

SUBJECT: Loan Account No. **LN-26/14-15** dated **25.02.2015** with Intec Capital Limited.

You, committed default in repayment of loans and as such your Loan Account maintained with Intec Capital Limited was declared Non-Performing Asset (NPA) on 01.10.2016 and a sum of **Rs. 1,29,15,292/- (Rupees One Crore Twenty Nine Lakh Fifteen Thousand Two Hundred Ninety Two Only)** is outstanding as on **31.12.2020.**

The Intec Capital Limited issued notice dated **27.01.2021** under the Act on **29.01.2021** calling upon you to repay the outstanding amount of **Rs. 1,29,15,292/- (Rupees One Crore Twenty Nine Lakh Fifteen Thousand Two Hundred Ninety Two Only)** as on **31.12.2020.**

You are called upon to pay **Rs. 1,29,15,292/- (Rupees One Crore Twenty Nine Lakh Fifteen Thousand Two Hundred Ninety Two Only)** within 60 days from the date of this notice failing which Intec Capital Limited will be constrained to exercise its rights of enforcement of security Interest as against the Secured Assets given in the Schedule hereunder. This notice is without prejudice to any other right remedy available to the Intec Capital Limited.

SHEDULE

The specific details of the assets in which security Interest is created are enumerated hereunder:

MORTGAGED PROPERTIES:- HOUSE NO.11, ROAD NO. A-46, DLF QUTUB ENCLAVE COMPLEX, PHASE-I, GURGAON, HARYANA.

Dated : 05.02.2021 **AUTHORISED OFFICER,**
Place : New Delhi **INTEC CAPITAL LTD.**

केनरा बैंक **Canara Bank** A Government of India Undertaking — सिंडिकेट Syndicate

Regional Office-1. 71, MG Road, Agra

POSSESSION NOTICE (FOR IMMOVABLE PROPERTY)

Whereas, the undersigned being the Authorised Officer of the Canara Bank under the Securitisation Act and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (Act 54 of 2002) and in exercise of powers conferred under section 13(12) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 issued demand notice calling upon the borrower/guarantor to repay the amount mentioned in the notice along with interest & expenses within 60 days from the date of receipt of the said notices.

The borrower/guarantor having failed to repay the amount, notice is hereby given to the borrower/guarantor and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/her under section 13(4) of the said Act read with rule 8 & 9 of the said Rules. The Borrower's attention is invited to provisions of sub-section (8) of section 13 of the Act, in respect of time available, to redeem the secured assets. The borrower/guarantor in particular and the public in general are hereby cautioned not to deal with the property and any dealings with the property will be subject to the charge of the **Canara Bank.** The borrower's attention is invited to provisions of sub-section (8) of section 13 of the Act., in respect of time available, to redeem the secured assets.

Name of Borrowers	Description of Properties	Date of notice	Date of Possession	Amount Due
Branch- Agra Cant II				
Borrower- Smt. Neelam Yadav W/o Krishan Kumar Yadav, & Krishan Kumar Yadav S/o Jaleb Singh	Land & Building at House No. 348, Sector 10, Pt. Deen Dayal Upadhyaya Puram Sikandra yojna, Distt. Agra, Area-61.24 Sq. Mtr., in the name of Smt. Neelam Yadav W/o Krishna Kumar Yadav, Bounded as: East-House No. 347, West- House No. 349, North-6 mtr. wide Road, South- Land of Others.	19-11-2020	03-02-2020	₹ 14,29,594/- 02.02.2021 + interest & expenses
Borrower- Shri Raghubir Singh S/o Tej Singh, & Smt. Soni Singh W/o Raghubir Singh	Land & Building at 166, Part of Khasra No. 166, Mauza Dehtora Near 100 Ft., Shastri Puram Road, Agra, Area-167.22 Sq. Mtr., in the name of Shri Raghubir Singh S/o Tej Singh, Bounded as: East-Plot of Ramvir, West- Plot of Raman Singh, North-12 ft. Road, South- Land of Others.	19-11-2020	03-02-2020	₹ 30,73,500/- 03.02.2021 + interest & expenses

Date : 08-02-2021 **Authorised Officer**

FORM NO. INC-25A

Before the Regional Director, Ministry of Corporate Affairs Northern Region, New Delhi

In the matter of the Companies Act, 2013, section 14 of Companies Act, 2013 and rule 41 of the Companies (Incorporation) Rules, 2014;

AND

In the matter of

M/s TIQ CERTIFICATION AND INSPECTION LIMITED,
CIN : U74999DL2020PLC364383,

having its registered office at **A-3/100, Paschim Vihar, Near Jawa Nursing Home, West Delhi -110063, India**

.......**Applicant**

Notice is hereby given to the general public that the Company intending to make an application to the Central Government under section 14 of the Companies Act, 2013 read with aforesaid rules and is desirous of converting into a private limited company in terms of the special resolution passed at the Extra Ordinary General Meeting held on 25th January, 2021 to enable the Company to give effect for such conversion.

Any person whose interest is likely to be affected by the proposed change/ status of the Company may deliver or cause to be delivered or send by registered post of his objections supported by an affidavit stating the nature of his interest and grounds of opposition to the Regional Director, Northern Region, B-2 Wing, 2nd Floor, Paryavaran Bhawan, CGO Complex, New Delhi–110003, within fourteen days from the date of publication of this notice with a copy to the applicant company at its registered office at the address mentioned below:

Registered office of the Company: A-3/100, Paschim Vihar, Near Jawa Nursing Home, West Delhi -110063, India

For TIQ CERTIFICATION AND INSPECTION LIMITED
Sd/-
DATE : 08/02/2021 **HARSHIT GUPTA**
PLACE : DELHI **DIRECTOR**
DIN : 08754598
R/o A-3/100, Paschim Vihar, Near Jawa Nursing Home, West Delhi-110063, India

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Form No INC-26

[Pursuant to rule 30 the Companies (Incorporation) Rules, 2014]

Advertisement to be published in the newspaper for change of registered office of the Company from one state to another

BEFORE THE CENTRAL GOVERNMENT (REGIONAL DIRECTOR NORTHERN REGION BENCH, DELHI)

In the matter of the Companies Act, 2013, Section 13(4) of Companies Act, 2013 and Rule 30(5) (a) of the Companies (Incorporation) Rules, 2014

AND

In the matter of

WORLDWIDE TV & FILMS PRIVATE LIMITED
CIN: U22210DL2008PTC186178)

having its registered office at **House No. B1/154, Paschim Vihar, New Delhi 110063,**

.........**Applicant Company**

Notice is hereby given to the General Public that the Company proposes to make application to the Central Government under Section 13 of the Companies Act, 2013 seeking confirmation of alteration of the Memorandum of Association of the Company in terms of the special resolution passed at the 2nd Extra Ordinary General Meeting of 2020-21 dated **21/01/2021** to enable the Company to change its Registered office from **"Union Territory of Delhi to State of Madhya Pradesh".** Any person whose interest is likely to be affected by the proposed change of the registered office of the Company may deliver either on the **MCA-21 Portal (www.mca.gov.in)** by filing investor complaint form or cause to be delivered or send by registered post of his/her objections supported by an affidavit stating the nature of his/her interest and grounds of opposition to the **"Regional Director Northern Region Bench, B-2 Wing, 2nd Floor Paryavaran Bhawan, CGO Complex, New Delhi - 110003",** within Fourteen days from the date of publication of this notice with a copy of the applicant Company at its administrative office at the address mentioned below: **"Company Secretary Office, Project Office, People's Mall, Peoples Campus, Karond By Pass Road, Bhanpur, Bhopal, Madhya Pradesh, 462037"**

For and on behalf of
Worldwide TV & Films Private Limited
Sd/-
Date : 08/02/2021
Place : Bhopal **Col. Ashok Kumar Khurana** (Retd.)
Director (DIN: 05144824)

बैंक ऑफ महाराष्ट्र **Bank of Maharashtra** भारत सरकार का उद्यम एक परिवार एक बैंक

Zonal Office : SCO 120-122, First Floor, Sector 17-C, Chandigarh - 160 017,
Ph.: 0172-2713010 | E-Mail : cmmarc_chd@mahabank.co.in
Head Office: LOKMANGAL,1501, SHIVAJINAGAR, PUNE-411005

E-AUCTION SALE NOTICE

SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES

DATE & TIME FOR SUBMISSION OF REQUEST LETTER OF PARTICIPATION / KYC DOCUMENTS / PROOF OF EMD ETC. LATEST BY 20.02.2021, 4:00 P.M.

INSPECTION DATE & TIME OF THE PROPERTY 16.02.2021 TO 19.02.2021 BY PRIOR APPOINTMENT BETWEEN 11:00 AM TO 5:00 PM

DATE & TIME OF E-AUCTION: 24.02.2021, WEDNESDAY, 11:00 AM TO 2:00 PM (WITH AUTO EXTENSION FOR 10 MINUTES IN CASE BID IS PLACED WITHIN LAST 5 MINUTES)

E-Auction Sale Notice for Sale of Immovable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002. Notice is hereby given to the public in general and in particular to the Borrower/s and Guarantor/s that the below described immovable properties mortgaged/charged to the Bank of Maharashtra, the possession of which have been taken by the Authorised Officer of Bank of Maharashtra, will be sold on "AS IS WHERE IS", "AS IS WHAT IS", and "WHATEVER THERE IS" on 24.02.2021, for recovery of the balance due to the Bank of Maharashtra from the Borrower (s) and Guarantor(s) as mentioned in the table. Details of the Borrower/s and Guarantor/s, amount due, Short description of the immovable property and encumbrances known thereon, Possession Type, Reserve Price and the Earnest Money Deposit are also given as under:-

Sl. No.	Branch Name / Name & Address of the Borrower(s) / Guarantor(s) / Mortgagor(s)	Brief Description of Property/ies	Total Liabilities as on specified Date	Reserve Price (in Rs.)	Earnest Money Deposit / Bid Increase Amount
1.	Branch: ARB Chandigarh, SCO 121-122, Bank of Maharashtra, 1st Floor, Sector 45-C, Chandigarh - 160047. Branch Manager:- Mr. R.S. Sarohiwal, M.: 8806111360, Email: bom1949@mahabank.co.in, brmgr1949@mahabank.co.in	The Property is a freehold vacant Industrial Plot measuring 5118 Sq. Yds. allotted by HUDA. Plot No. 05, Industrial Estate, Hathin, Distt. Palwal, Haryana in the name of M/s Sant Pipes Pvt. Ltd. through its Director Mr. Rajesh Bhambri Son of Mr. R.C. Bhambri.	Rs. 2,09,17,122/- plus interest w.e.f. 03.07.2016	Rs. 1,23,70,000/-	Rs. 12,37,000/- Rs. 10,000/-
	Borrower(s):- (1) M/s Ankit Enterprises, Prop. Mr. Ankit Bhambri, House No. 1419, Sector 16, Faridabad, Pin – 121001 Guarantor(s):- (1) Mr. Rajesh Bhambri S/o Mr. R.C. Bhambri, House No. 1419, Sector 16, Faridabad, Pin - 121001 (2) M/s Sant Pipes Pvt. Ltd., House No. 223, Avtar Enclave, Pashchim Vihar, Delhi, PIN – 110063 (3) Mr. Sudershan Malik, Director - M/s Sant Pipes Pvt. Ltd., House No. 223, Avtar Enclave, Pashchim Vihar, Delhi, PIN - 110063 (4) Mrs. Deepika Malik, Director - M/s Sant Pipes Pvt. Ltd., House No. 223, Avtar Enclave, Pashchim Vihar, Delhi, PIN - 110063.				**Physical Possession taken on** 23.12.2016

For detailed terms and conditions of the sale, please refer to the link "**https://www.bankofmaharashtra.in/propsale.asp**' provided in the Bank's website and also on E-bikray portal (**www.ibapi.in**).

Date: 06/02/2021 **Authorized Officer**
Place: Chandigarh **Bank of Maharashtra**

बैंक ऑफ़ इंडिया **Bank of India BOI**

BANK OF INDIA **E-AUCTION OF PROPERTIES: 18.03.2021**

Bank of India, Zonal Office, New Delhi Zone, "Star House", H-2, Connaught Circus, Middle/Outer Circle, Near PVR Plaza Hall, New Delhi – 110001. Phone No. 011-28844099

E-AUCTION SALE NOTICE

E-Auction Sale Notice for Sale of immovable Assets under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) of the Security Interest (Enforcement) Rules, 2002

Notice is hereby given to the public in general and in particular to Borrower(s) and Guarantor(s) that the below described immovable properties mortgaged/charged to the Bank of India (Secured Creditor), the possession of which has been taken by the Authorised Officer of the Bank of India, will be sold on "As is where is", "As is what is" and "Whatever there is" basis on 18.03.2021 from 11.00 A.M. to 1.00 P.M. through E-Auction under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (6) of the Security Interest(Enforcement) Rules, 2002.

Short description of the properties to be sold are given below: Amount to be recovered (secured debt) and particulars of possession are also mentioned in the table below.

Sr. No.	Borrower(s)/Guarantor(s)/ Mortgagor(s) Name	Description of the Property	Total Dues	a. Reserve Price b. EMD c. Incremental Bid	Authorised Officer with Contact No.
1.	1. M/s Excellent Structure Pvt. Ltd. 2. **Directors and Guarantors:** Mr. Isharat Anjum Choudhary, Mr. Mohd. Shoib Choudhary, Mr. Rahat Parvez, **Other Guarantors:** Mrs. Heena Zarrien Khan	Commercial Property at Shed no-10, DSIIDC, Near Honda service centre, Okhla industrial Area, Phase –II, Okhla, ND-110020 in the name of M/s Excellent Structure Pvt Ltd; Area: 4338 Sq. Ft., (This Property is in Symbolic Possession of the Bank)	Rs. 209.49 Lakhs +UCI +Other Charges	a. Rs. 280.00 Lakhs b. Rs. 28.00 Lakhs c. Rs.10,000/-	Mr. Sanjay Prasad Mob. 6261114512 Ph. 011-42781006
2.	1. M/s Excellent Structure Pvt. Ltd. 2. **Directors and Guarantors:** Mr. Isharat Anjum Choudhary, Mr. Mohd. Shoib Choudhary, Mr. Rahat Parvez, **Other Guarantors:** Mrs. Heena Zarrien Khan	Residential Flat no. 16D, 3rd floor, DDA flat, pocket-10B, Jasola, New Delhi owned by Smt. Heena Zarrien khan, Area: 522 Sq. Ft., (This Property is in Symbolic Possession of the Bank)	Rs.209.49 Lakhs + UCI +Other Charges	a. Rs.29.00 Lakhs b. Rs.2.90 Lakhs c. Rs.10,000/-	Mr. Sanjay Prasad Mob. 6261114512 Ph. 011-42781006
3.	1. Central Scientific Co. 2. **Proprietor:** Mrs. Saroj Mahajan 3. **Guarantor :** Mr. Manuj Mahajan	Commercial Property at ground floor Shop No. 9238, Gali no 5, Multani Dhanda, Paharganj, New Delhi-110051 in the name of Smt. Saroj Mahajan, Area: 133.25 Sq. Ft., (This Property is in Physical Possession of the Bank)	Rs.21.20 Lakhs +UCI +Other Charges	a. Rs.21.00 Lakhs b.Rs.2.10 Lakhs c. Rs.10,000/-	Mr. Raman Goyal Mob.9312599099 Ph. 011-28833127
4.	1. Universal Timber Corporation 2. Proprietor: Mr. Pramod Kumar Upadhyay 3. Guarantor : Mr. Anupriya Upadhyay	Industrial Property situated at Plot No. 12/10, Site-B, UPSIDC Surajpur industrial Area, Noida, G B Nagar, U.P. in the name of Mr. Pramod Kumar Upadhyay, Area: 795 Sq. Mtr., (This Property is in Symbolic Possession of the Bank)	Rs.81.91 Lakhs +UCI +Other Charges	a. Rs.144.00 Lakhs b. Rs.14.40 Lakhs c. Rs.10,000/-	Mr. Mushir Ahmed Mob.8800372859 Ph. 011-26329566
5.	1. Shashi Yadav 2. Mr. Harbir Yadav	(Residential) Flat No. 32 D, Third Floor, Mansarover Apartment in Block-MS, Sector 61, Noida, Gautam Buddh Nagar, Uttar Pradesh-201301 owned by Ms. Shashi Yadav. Super Area : 147.79 Sq. Mtrs., (This Property is in Symbolic Possession of the Bank)	Rs.53.38 Lakhs +UCI +Other Charges	a. Rs.74.00 Lakhs b. Rs.7.40 Lakhs c. Rs.10,000/-	Mr. Sagar B. Tarai Mob. 9969359365 Ph. 011-22013574
6.	1. Amit Singh	(Residential) Property DDA EHS Flat no. 101,1st floor, Type A, Pocket 9, Sector 25, Rohini in the name of Amit Singh, Area: 28.00 Sq. Mtr., (This Property is in Symbolic Possession of the Bank)	Rs.15.17 Lakhs +UCI +Other Charges	a. Rs.21.00 Lakhs b. Rs.2.10 Lakhs c. Rs.10,000/-	Mr. R.K.Mahaseth Mob. 9013085525 Ph. 011-27019353

TERMS AND CONDITIONS

1) **Auction sale / bidding would be only through "Online Electronic Bidding" process through the website https://www.mstcecommerce.com/auctionhome/ibapi/index.jsp**
2) The intending bidders should register their names at portal https://www.mstcecommerce.com/auctionhome/ibapi/index.jsp get their User ID and password and submit EMD online to the Global EMD Wallet, whereupon they would be allowed to participate in online e-auction on the said portal.
3) **Date and time of Auction: 18.03.2021 from 11:00 AM to 01:00 PM with unlimited Auto-Extensions of 10 Minutes Each.**
4) **Property can be inspected on 10.03.2021 and 11.03.2021 between 11.00 A.M. to 04.00 P.M. with prior Appointment from respective Authorised Officer.**
5) E-Auction would commence on the Reserve Price plus first incremental value as mentioned above. Bidders shall improve their offers in multiples mentioned in the above table for all the properties simultaneously.
6) **The intending bidders should deposit EMD i.e. 10% of bid amount online in the Global EMD Wallet along with the required documents / details well before 17.03.2021 on the eBkray portal i.e. https://www.mstcecommerce.com/auctionhome/ibapi/index.jsp for smooth participation in e-auction.**
7) The highest / successful bidder shall deposit 25% of the amount of bid/purchase money (including EMD already paid i.e. 10% of bid amount) immediately but not later than the next working day (during banking hours) of confirmation of the sale by the Authorized Officer after acceptance of bid by the Authorized Officer in respect of the sale, failing which the EMD shall be forfeited.
8) The balance 75% of the bid/purchase money shall be payable on or before 15th day (during banking hours) of confirmation of the sale by the Authorized Officer or such extended period as agreed upon in writing by and solely at the discretion of the Authorized Officer. In case of failure to deposit this balance amount within the prescribed period, the amount deposited shall be forfeited and the Authorized Officer / Bank will be at liberty to cancel the auction and conduct fresh auction.
9) On receipt of the entire sale consideration, the Authorized Officer shall issue the Sale Certificate and the sale shall be considered complete thereafter and that the Bank shall entertain no claims.
10) **For detailed terms and conditions of the sale, please refer to the link - https://www.bankofindia.co.in/Dynamic/Tender?Type=3**
11) **This publication is also 30 days' notice to the above borrowers/guarantors/mortgagors to the advance.**

Place: New Delhi **Authorised Officer:**
Date: 08.02.2021 **Bank of India**

PUBLIC ANNOUNCEMENT

[Under Regulation 31(2) read with Regulation 12(3) of The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016]

FOR THE ATTENTION OF THE STAKEHOLDERS OF M/s KELVIN RECRUITERS PRIVATE LIMITED (IN LIQUIDATION) (CORPORATE DEBTOR)CIN:-U74999DL2008PTC178148

Pursuant to Regulation 31(2) read with Regulation 12(3) of The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016], a Public Announcement is hereby made to all the stakeholders of the Corporate Debtor that the list of all the Stakeholders of the Corporate Debtor has been filed with the Hon'ble National Company Law Tribunal (NCLT), Bench III, New Delhi on 01.02.2021vide diary number 0710102014692019/11.

The List of Stakeholders as modified from time to time shall be available for inspection by the persons who submitted proofs of claims and are members, partners, directors and guarantors of the Corporate Debtor, at the registered office of the undersigned at 487/27 School Road, Near Peeragarhi Metro Station, New Delhi- 110087.

For M/s KELVIN RECRUITERS PRIVATE LIMITED(in liquidation)
Sd/-
KAMAL AGARWAL
LIQUIDATOR
IBBI/IPA-001/IP-P00868/2017-2018/11466
E-MAIL:-advocate.kamal.aggl@gmail.com
Mob:- 9811138823Mob:- 9811138823

INTEGRAL COACH FACTORY

TENDER NOTICE No.ICF/PCMM/EOT/05/2021
Dated: 05-02-2021

The following e-tenders are published in IREPS website. Firms are requested to login to **www.ireps.gov.in** and quote against these tenders. Manual quotations will not be entertained for these tenders. **Closing and Opening Time for all tenders are 14.15 Hrs.** Hindi version of Tender Notice is available on website **"www.icf.indianrailways.gov.in"**

Sl. No.	Tender No.	Tender Title	Quantity	Due on
1	FD-OT-002-2020-21	Hiring of Diesel Operated Fork Lift Truck with Driver and Diesel	4368 Vehicle Days	20-02-2021
2	08210014A	E.P.brake Equipment for HHP DMU/TC Coaches	184 Sets	23-02-2021
3	02210013	Roof Arch for MEMU TC Coaches	12000 Nos.	24-02-2021
4	06202113	Supply, Installation, Testing and Commissioning of Modular Pantry Arrangement of Train Set Coaches	2 Sets	25-02-2021
5	07211009	S & I of One C/S of Executive Chair Car Seats for Train 18.	3 Sets	25-02-2021
6	04213005	Leather Safety Gloves	16822 Pairs	25-02-2021
7	06201879	110V, 120 AH, VRLA, SMF Battery Set with 19 Monoblock	1620 Sets	01-03-2021
8	09213001	Plasma Cutting Machine Spares	5 Sets	03-03-2021

GREEN ICF ! CLEAN ICF !

NEWAGE MARKETING LIMITED

Regd. Office: 59/17, Ground Floor, Bahubali Apartments New Rohtak Road New Delhi-110005
Email Id: newagemarketing1984@gmail.com; **Tel No.:** +91 11-28711851
CIN: L51909DL1984PLC018695, **Website:** www.newagemarketing.in

NOTICE

Pursuant to regulation 29 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations") that a meeting of the Board of Directors of the Company is scheduled to be held on Saturday 13th February 2021, at 04:00 P.M. at the registered office of the company inter-alia to Consider and approve the Unaudited Financial Results along with Limited Review report of the Company for the Quarter ended December 31, 2020.

The said Notice may be accessed on the Company's website at **http://www.newagemarketing.in** and may also be accessed on the Stock Exchange websites at **https://www.msei.in** Pursuant to this, the Company has decided that the close period (i.e. closure of trading window) under the "Code of Company to Regulate, Monitor and Report Trading" which would end 48 hours after the results are made public on 13th February 2021.

For **Newage Marketing Limited**
Sd/-
Place: Delhi **(Kamlesh Kumar)**
Date: 06.02.2021 **Company Secretary & Compliance Officer**

ASSOCIATED FINMAN LIMITED

Regd. Office: 59/17, Ground Floor, Bahubali Apartments New Rohtak Road New Delhi-110005
Email Id: associatedfinman1984@gmail.com; **Tel No.:** +91 1132963621
CIN: L65910DL1984PLC018871, **Website:** www.associates.net.in

NOTICE

Pursuant to regulation 29 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 ("Listing Regulations") that a meeting of the Board of Directors of the Company is scheduled to be held on Saturday 13th February 2021, at 03:00 P.M. at the registered office of the company inter-alia to Consider and approve the Unaudited Financial Results along with Limited Review report of the Company for the Quarter ended December 31, 2020.

The said Notice may be accessed on the Company's website at **http://www.associates.net.in** and may also be accessed on the Stock Exchange websites at **https://www.msei.in** Pursuant to this, the Company has decided that the close period (i.e. closure of trading window) under the "Code of Company to Regulate, Monitor and Report Trading" which would end 48 hours after the results are made public on 13th February 2021.

For Associated Finman Limited
Sd/-
Date: 06.02.2021 **(Sandeep Jangir)**
Place: Delhi **Company Secretary & Compliance Officer**

पंजाब नैशनल बैंक ...भरोसे का प्रतीक ! **punjab national bank** ...the name you can BANK upon !

Circle SASTRA Centre: Moradabad

Possession Notice (For Immovable Property/Movable Property)

Notice is hereby given under the Securitization and Reconstruction of Financial Assets and Enforcement (Security) Interest Act, 2002 and in exercise of power conferred under Section 13(4) and 13(12) read with Rules 8 & 9 of Security Interest (Enforcement) Rules, 2002 the Authorized Officer issued a Demand Notice on the dates noted below in table herein after, calling upon them to repay the amount within the 60 days from the date of receipt of the said notice.

The borrowers and guarantors having failed to repay the amount, notice is hereby given to the under noted borrowers and guarantors and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/her under Section 13(4) of the said Act read with rules 8 & 9 of the said rules.

The borrowers & Guarantor in particular and the public in general is hereby cautioned not to deal with the property and any dealing with the property will be subject to the charge of Punjab National Bank for the amounts and interest thereon.

Branch	Name of Borrower/Guarantor And A/c Number	Details of Secured Asset(s)	Amount O/s in Notice 13(4)	Date of Demand Notice / Date of Actual Possession
Kohinoor Tiraha	1. Mohd Nadim S/o Mohd Rafi 2. Mohd. Rafi S/o Shri Mehboob Hussain A/c No. (6626008700000623) (662600SG00000138)	EM of residential property, total area 67.44 Sq mtr, bearing khasra no 316, Mauja Jayantipur, Pargana and District Moradabad, registered in the SRO Moradabad in the name of Mohmmad Rafi S/o Shri Mehboob Hussain on dated 09.05.2000, Pustak no 1, Khand 2054, pages 39/66 sr. no 1708.	Rs 12,88,789/- as on 21/09/2020+further interest & cost until payment in full.	21.09.2020/ 05.02.2021
Kohinoor Tiraha	1.M/s Sabri Scrap Dealer Through its Proprietor: Mr. Naeem Ahmad S/o Aleem Shah 2. Mohd. Aleem S/o Ameer Shah 3.Smt. Khairul Nisha W/o Mr. Naeem Ahmad 4.Smt. Sarmadi W/o Mohd. Aleem A/c No. (6626008700000368)	EM of Residential Property, Total Area 72 Sq mtr, situated at LIG, bearing plot no 13C-185, Naya Moradabad Yojna, Moradabad, as per sale deed dated 21.02.2006, Bahi no 1, Jild no 5021, pages 181/198 and sr. no: 799, registered in SRO Moradabad, in The Name Of Md. Aleem, S/o Ameer Shah.	Rs 25,76,371.08/- as on 29/06/2020, +further interest & cost until payment in full	21.09.2020/ 05.02.2021

Date: 06/02/2021 (Authorized officer)
Place: Moradabad

PUBLIC NOTICE

General public is hereby informed that our client, **M/s. Muthoot Finance Ltd. (GSTIN 32AABCT0343B1Z7), Registered Office: 2nd Floor, Muthoot Chambers, Banerji Road, Kochi - 682018, Kerala, India CIN: L65910KL1997PLC011300, Ph: +91 484-2396478, 2394712, Fax: +91 484-2396506 mails@muthootgroup.com, www.muthootfinance.com** is conducting Auction of ornaments (**NPA** accounts for the period up to **31.12.2018 & Spurious/Low quality** accounts for the period up to **30.09.2020**), pledged in its favour, by the defaulting Borrowers, as detailed hereunder. All those interested may participate.

First Auction Date: 17.02.2021

Sagar Parkota-(MP): MSL-6494, MUL-1033, 1069, 1073, 1090, 1445, 1464, 1470, 1678, MWS-29, 424, 549, 612, 625, 760, 767, 1172, 1187, 1257, 1394, 1402, 1567, 2228, 2249, 2253, 2331, 2335, 2403, 2518, 2670, 2718, 2765, 2863, 2908, 2953, 2970, 2974, **Sagar Gujarati Bazar-Radha Tiraha:** MAL-1108, 1605, MBL-873, MSL-3075, 3096, MUL-1001, 1060, 1233, 1314, 1319, 1394, 1456, 1506, 1526, 1561, 1610, 1672, 1684, 1685, 1688, 1693, 1756, 1832, 1870, 1882, 1899, 1984, 2024, 2186, 2341, 2368, 2743, 3107, 3139, 3169, 3361, 3388, 3504, 3563, 3568, 5122, 5374, **Bina-(MP):** MSL-1186, MUL-1357, 1427, 1455, 1560, 1730, 1764, 2045, MWS-177, 460, 614, 938, 1098, 1413, 1589, 1903, 2048, 2092, 2911, 3052

Second Auction Date: 18.02.2021, Auction Centre: Muthoot Finace Ltd., Ground Floor, Ward No. 10 In front of HDFC Bank, Parkota Sagar, MP - 470002

First Auction Date: 17.02.2021

Raisen-(MP): MSL-8463, MUL-455, 1084, 1423, 1514, 1590, 1749, **Bhopal-Mandideep:** MAL-868, 942, 1241, MSL-10821, 11037, 11266, 11355, 11794, 11996, 12071, 12112, MUL-93, 280, 550, 882, 958, 1002, 1098, 1220, 1274, 1293, 1396, 1399, 1446, 1481, 1495, 1520, 1525, 1573, 1754, 1803, 2052, 2081, 2136, 2261, 2278, 2294, 2337, 2349, 2379, 2460, 2477, 2480, 2486, 3012, MWS-84, 91, 355, 356, 635, 654, 658, 736, 781, 874, 1051, 1113, 1129, 1156, 1165, 1249, 1290, 1305, 1348, 1373, 1451, 1511, 1571, 1651, 2272, 2612, 2667, **Bareli (MP):** MAL-1138, MUL-411, 936, 986, 1014, 1159, 1182, 1259, 1505, 1968, 2111, 2277, 2278, 2971

Second Auction Date: 19.02.2021, Auction Centre: First Floor, Plot No. 6 & 8, Yashwant Colony, Sagar Road Raisen (MP) - 464551

First Auction Date: 17.02.2021

Vidisha-(MP): MAL-2073, MBL-2081, MSL-14646, MUL-1318, 1361, 1386, 1683, 1826, 1915, 2006, 2037, 2263, 2379, 2388, 2461, 2596, 2619, 2730, 2779, 3018, 3168, MWS-137, 233, 248, 271, 436, 991, 1050, 1230, 1711, **Ganj Basoda-(MP):** MAL-3451, MSL-9517, MUL-1234, 1640, 1911, 1959, 2256, 2288, 2502, 2507, MWS-454, 761, 785, 916, 1759, 2082, 2710, **Vidisha - Sanchi Road:** MUL-571, 837, 1006, 1086, 1136, 1202, 1210, 1629

Second Auction Date: 20.02.2021, Auction Centre: 59, Chandrawat Bahwan, Ground Floor, Sanchi Road, Vidisha - 464001

First Auction Date: 17.02.2021

Sehore-(MP): MSL-10468, 10527, 10538, 10714, 10785, MUL-947, 1049, 1058, 1075, 1411, 1583, MWS-34, 200, 231, 288, 349, 362, 378, 534, 657, 1061, 1417, RGL-349, **Ashta-(MP):** MSL-8588, MUL-1263, 1295, 1313, MWS-778, 986, 1606, 2638

Second Auction Date: 22.02.2021, Auction Centre: Plot No. 8, Sharda Colony, Near New Bus Stand, Sehore - 466001

First Auction Date: 17.02.2021

Ashok Nagar-Mill Road: MUL-1612, 1720, 1721, 1837, 1847, 1984, 2030, 2221, 2228, 2261, 2374, 2377, 2418, 2730, 3077, 3196, 3547, 3977

Second Auction Date: 23.02.2021, Auction Centre: Muthoot Finance Ltd., Near Oriental Bank, Mill Road, Ashok Nagar - 473331

First Auction Date: 17.02.2021

Itarsi-Sarafa Bazar: MAL-2739, 2936, MSL-13909, MUL-2553, 2661, 2683, 2938, 3065, MWS-121, 174, 238, 663, 904, 936, 1202, 2321, 2508, 2564, 2607, 2686, 2708, 2790, 2898, 2899, 2931, 2942, 2986, 3084, 3218, 3252, 3261, 3332, 3354, 3473, 3611, 3662, 3683, 3735, 3845, 4108, 4402, 4432, 4587, 4634, 4665, 4722, 4781, 4962, 4971, 5093, 5213, 5334, 5395, 5633, 5705, 5719, 6260, 6274, 6305, 6319, 6413, 6432, 6446, 6899, **Itarsi-Gandhi Nagar:** MSL-7702, 7708, 7709, MUL-1165, 1355, 1403, 1550, 1787, 1982, 2128, 2136, 2139, 2209, 2361, 2420, 2463, 2628, MWS-484, 487, 520, 535, 619, 1033, 1304, 1370, 1396, 1413, 1422, 1429, 1432, 1475, 1492, 1595, 1605, 1613, 1625, 1656, 1771, 1837, 1841, 1851, 1854, 1855, 1882, 1902, 1979, 2014, 2184, 2203, 2207, 2228, 2236, 2327, 2451, 2504, 2536, 2607, 3066, 3119, 3140, RGL-118, **Hoshangabad-Tar Ahata:** MAL-576, MSL-4293, MUL-664, 791, 1073, 1074, 1127, 1173, 1175, 1319, 1354, 1415, 1479, 1591, 1606, 1619, 1640, 1651, 1666, 1699, 1712, 1763, 1775, 1870, 2033, 2258, 2259, 2272, 2330, 2541, 2751, 2766, 2795, **Pipariya-(MP):** MUL-544, 763, 877, 930, 931, MWS-104, 327, 331, 474, 517, 705, 760, 807, 883, 921, 930, 937, 961, 981, 997, 1007, 1145, 1160

Second Auction Date: 24.02.2021, Auction Centre: Plot No. 37 Street No. 4, Sarafa Bazar, Itarsi, Hoshangabad (MP) - 461111

First Auction Date: 17.02.2021

Bhopal-Hamidia Road: MUL-1368, 1517, 1662, 1730, 1734, 1736, 1742, 1755, 1801, 1995, 2269, 2302, 2454, 2499, 2789, 2790, 2791, 2800, 2829, 2861, 2962, 3124, 3172, 4558, MXL-10910, **Bhopal-T.T Nagar:** MUL-732, 741, 765, MWS-803, 920, 1032, 1093, 1212, 1289, 1324, 1335, 1391, 1494, 1568, 1580, 1753, 1817, 1857, 2009, 2532, Bhopal - **Hoshangabad:** MAL-419, MSL-15285, MUL-928, 1180, 1889, 1967, 2126, 2212, 2238, 2247, 2367, 2402, 2403, 3388, 3619, **Bhopal-Indrapuri:** MUL-2158, 2438, 2759, 2809, 2854, 2868, 2921, 2936, 3083, 3086, 3133, 3228, 4605, 4642, 4830, 6545, 6618, 6827, 6956, **Bhopal-Kolar Road:** MSL-8006, MUL-516, 1382, 1530, 1744, 1746, MWS-117, 151, 213, 226, 267, 582, 629, 681, 754, 771, 844, 872, 888, 914, 916, 953, 965, **Bhopal-Raisen Road:** MAL-957, MUL-591, 672, 717, MWS-571, 764, 807, 814, 818, 1025, 1029, 1239, 1277, 1562, **Bhopal-Imami Gate:** MAL-384, 498, MSL-7549, MUL-310, 575, MWS-122, 123, 129, 133, 172, 211, 232, 236, 262, 348, 357, 368, 387, 393, 429, 475, 563, 584, 590, 696, 769, 798, 1605, **Bhopal-Awadhpuri:** MSL-5405, MUL-913, 1359, 1367, 1432, 1517, 1683, 1778, 1841, 1881, 1890, 2131, 2216, 2218, 2235, 2245, 2266, 2475, 2546, 2563, 2694, 2702, 2811, 3144, 3151, 3374, MWS-105, 346, 404, 481, 598, 608, 628, 649, 998, 1027, 1358, 1426, **Bhopal-Arera Colony:** MHL-54, MUL-973, 1029, 1398, 1932, 1948, 1982, 2452, 2568, 3435, **Bairagarh-(MP):** MSL-6394, 6395, 6396, MUL-475, 939, MWS-8, 207, 218, 241, 287, 311, 343, 377, 384, 495, 590, 591, 694, 767, 768, 870, 1049, 1054, 1142, 1245, 1536, 1666, 1923, 1932, 2127, **Bhopal-Ashoka Road:** MAL-1708, MUL-1682, 2094, 2551, 2613, 2995, 3046, 3205, 3284, 3297, 3332, 3334, 3358, 3422, 3434, 3444, 3518, 3639, 3773, 4350, 4481, 4489, 4515, 4576, 4594, 4902, 4940, 5007, 5046, 5115, 5144, 5241, 5269, 5319, 5325, 5406, 5429, 5468, 5561, 5569, 5638, 5697, 5857, 7625, 7701, 8126, 8164, **Bhopal-Kamla Nagar:** MUL-1974, 1975, 2131, 2664, 3015, 3218, 3266, 3751, 4389, 4773, 4808, 4817, 4946, 5050, 5338, 5369, 5396, 5610, 5732, 5796, 5797, 5863, 5902, 5933, 6064, 6545, 6584, 7912, 9025, 9081, 9227, 9380, **Bhopal-Karond Chauraha:** MAL-1254, MUL-2049, 2072, 2378, MWS-1011, 1531, 1726, 1863, 2016, 2490, 2535, 2632, 2667, 2922, 3115, 3279, 3368, 3548, 3621, **Bhopal-Jahangirabad:** MAL-992, MSL-4882, 5014, MUL-1083, 1091, 1106, 1119, 1144, 1165, 1214, 1219, 1237, 2008, 2040, 2050, 2135, 3245

Spurious & Low Quality: Bhopal-Hamidia Road: MUL-2235, **Bhopal-Awadhpuri:** MWS-325, **Bairagarh-(MP):** MWS-493, **Bhopal - Karond Chauraha:** MUL-2081

Second Auction Date: 25.02.2021, Auction Centre: Muthoot Finance Ltd., Second Floor, Plot No. 76, Sector-A, Scheme-13, MP Nagar Zone-II, Bhopal - 462012

The auctions in respect of the loan accounts shown under the branch head will be conducted at the respective branches.

However, please note that in case the auction does not get completed on the given date(s), then in that event the auction in respect thereto shall be conducted/continued on **Second Auction Date** at the **given Auction Centre,** and further in case the said ornaments are still not successfully auctioned on these dates then such auction shall be continued on subsequent days thereafter, at this same venue. No further notices shall be issued in this respect.

Kohli & Sobti, Advocates, A 59A, First Floor, Lajpat Nagar-II, New Delhi - 110024

Note: Customers can release their pledged ornaments before the scheduled auction date, against payment of dues of our client. Customer can also contact Email ID: auctiondelhi@muthootgroup.com or Call at 7834886464, 7994452461.

MILITARY COUP

Protests seeking Suu Kyi's release sweep Myanmar

REUTERS
February 7

TENS OF THOUSANDS of people rallied across Myanmar on Sunday to denounce last week's coup and demand the release of elected leader Aung San Suu Kyi, in the biggest protests since the 2007 Saffron Revolution that helped lead to democratic reforms.

In a second day of widespread protests, crowds in the biggest city, Yangon, sported red shirts, red flags and red balloons, the colour of Suu Kyi's National League for Democracy Party (NLD).

"We don't want military dictatorship! We want democracy!" they chanted.

On Sunday afternoon, the junta ended a day-long blockade of the internet that had further inflamed anger since the coup last Monday that has halted the Southeast Asian nation's troubled transition to democracy and drawn international outrage.

Massive crowds from all corners of Yangon gathered in townships, filling streets as they headed towards the Sule Pagoda at the heart of the city, also a rallying point during the Buddhist monk-led 2007 protests and others in 1988.

A line of armed police with riot shields set up barricades, but did not try to stop the demonstration. Some marchers presented police with flowers as a sign of peace.

Protesters gestured with the three-finger salute that has become a symbol of protest against the coup. Drivers honked horns and passengers held up photos of Suu Kyi.

"We don't want a dictatorship for the next generation," said 21-year-old Thaw Zin. "We will not finish this revolution until we make history. We will fight to the end."

Protesters march in the direction of the Sule Pagoda in Yangon, Myanmar, on Sunday. AP

There was no comment from the junta in the capital Naypyitaw, more than 350 km (220 miles) north of Yangon and state-run television news carried no mention of the protests. An internal note for UN staff estimated that 1,000 people joined a protest in Naypyidaw while there were 60,000 in Yangon alone. Protests were reported in the second city of Mandalay and many towns and even villages across the country of 53 million people.

The demonstrations have largely been peaceful, unlike the bloody crackdowns seen in 1998 and 2007. But shots were heard in the town of Myawaddy as uniformed police with guns charged a group of a couple of hundred protesters, live video showed.

Pictures of protesters afterwards showed what appeared to be rubber bullet injuries.

"Anti-coup protests show every sign of gaining steam. On the one hand, given history, we can well expect the reaction to come," wrote author and historian Thant Myint-U on Twitter. "On the other, Myanmar society today is entirely different from 1988 and even 2007. Anything's possible."

With no internet and official information scarce, rumours swirled about the fate of Suu Kyi and her cabinet. A story that she had been released drew crowds out to celebrate on Saturday, but it was quickly quashed by her lawyer.

Suu Kyi, 75, faces charges of illegally importing six walkie-talkies and is being held in police detention for investigation until February 15. Her lawyer said he has not been allowed to see her.

She won the Nobel Peace Prize in 1991 for campaigning for democracy, and spent nearly 15 years under house arrest during decades of struggling to end almost half a century of army rule before the start of a troubled transition to democracy in 2011.

Army commander Min Aung Hlaing carried out the coup on the grounds of fraud in a November 8 election in which Suu Kyi's party won a landslide. The electoral commission dismissed the allegations of malpractice.

More than 160 people have been arrested since the military seized power, said Thomas Andrews, the United Nations special rapporteur on Myanmar. "The generals are now attempting to paralyse the citizen movement of resistance — and keep the outside world in the dark — by cutting virtually all internet access," Andrews said in a statement on Sunday. "We must all stand with the people of Myanmar in their hour of danger and need. They deserve nothing less."

Biden ending asylum curb deals with Central America

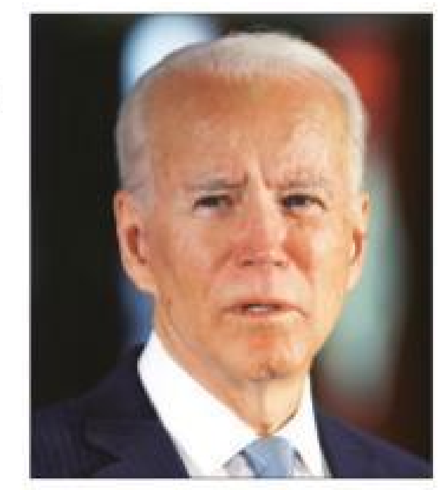
ASSOCIATED PRESS
Washington, February 7

THE BIDEN ADMINISTRATION is withdrawing the US from agreements with three Central American countries that restricted the ability of people to seek asylum at the southwest border, part of a broad effort to undo the the immigration policies of President Donald Trump.

Secretary of State Antony Blinken said Saturday the administration had notified El Salvador, Guatemala and Honduras that it had started the formal process of terminating agreements that had been part of Trump's effort to restrict asylum.

The agreements, which had been on hold since early in the pandemic, required many people seeking asylum at the US-Mexico border to go instead to one of the three Central American countries and pursue their claims there.

"The Biden administration believes there are more suitable ways to work with our partner governments to manage migration across the region," Blinken said in a statement announcing the immediate suspension of the agreements and their eventual termination.



The secretary of state said the administration intends to work with the Central American nations to reduce some of the insecurity and poverty that cause people to flee in the first place while maintaining the security of the US border.

"To be clear, these actions do not mean that the US border is open," he said. "While we are committed to expanding legal pathways for protection and opportunity here and in the region, the United States is a country with borders and laws that must be enforced."

The Trump administration pushed the Central American nations to accept the agreements as a way to reduce the number of people seeking asylum in the United States.

Critics said it amounted to a US retreat from its obligations under international law to help people fleeing persecution since neither of the three countries could credibly provide refuge.

Since the start of the pandemic, the US has been quickly expelling nearly everyone apprehended at the border or seeking asylum under a public health law to prevent the spread of Covid-19.

President Joe Biden signed a series of executive orders Tuesday that ended Trump immigration policies or put them under review.

He also set up a task force to reunite Central American families who had been forcibly separated at the border under a zero-tolerance programme in 2018.

Philippine speaker files $8.7-billion Covid bill

SIEGFRID ALEGADO
February 7

PHILIPPINES HOUSE SPEAKER Lord Allan Velasco said he submitted a 420-billion peso ($8.7 billion) pandemic relief bill to Congress to revive an economy in recession.

The relief will help fund programmes for pandemic-hit businesses and deliver another wave of cash aid for the poor, Velasco said in a statement on Sunday. The bill was filed jointly with lawmaker Stella Quimbo.

The proposal comes even as the government is avoiding outsized stimulus packages to preserve its sovereign credit rating. Instead, it's relying on a record budget of 4.5 trillion pesos and a measure cutting corporate income taxes to lift the economy out of its deepest contraction since at least 1946.

Additional stimulus is needed as economic output last year "was far below what was assumed for budget purposes", Velasco said. — BLOOMBERG

Nuke deal: US must lift sanctions first, says Iran

ASSOCIATED PRESS
Tehran, February 7

IRAN'S SUPREME LEADER on Sunday urged the United States to lift all sanctions if it wants Iran to live up to commitments under its nuclear deal with world powers, state TV reported, his first comments on the matter since US President Joe Biden took office.

"If (the US) wants Iran to return to its commitments, it must lift all sanctions in practice, then we will do verification, then we will return to our commitments," state TV quoted Ayatollah Ali Khamenei as saying.

Ayatollah Ali Khamenei

Former President Donald Trump unilaterally withdrew the US in 2018 from the atomic deal, which saw Iran agree to limit its enrichment of uranium in exchange for the lifting of economic sanctions. Biden has said the deal, he will seek to revive the deal, but insisted that Iran must first reverse its nuclear steps, creating a contest of wills between the nations.

"This is the definitive and irreversible policy of the Islamic Republic, and all of the country's officials are unanimous on this, and no one will deviate from it," Khamenei added on Sunday, reiterating Iranian leaders' previous remarks that the US must ease its sanctions before Iran comes back into compliance.

The supreme leader, 81, has the final say on all matters of state in Iran and approved the efforts at reaching the nuclear deal in 2015.

In response to Trump's so-called "maximum pressure" campaign against Iran, the country began to gradually violate its atomic commitments, and threatened further provocations in a bid to increase its leverage and get Biden to prioritise a return to the deal as he moves to dismantle Trump's legacy.

Biden has signed a series of executive actions that reverse course on a wide range of issues, including climate change and immigration.

Taiwan penalises Deutsche, 3 others for currency trades

CINDY WANG AND MIAOJUNG LIN
February 7

TAIWAN PENALISED DEUTSCHE Bank and three other foreign lenders after a probe into speculation on the surging local currency last year involving grain companies.

Deutsche Bank's trading approvals for Taiwan dollar deliverable forwards and non-deliverable forwards will be revoked, and it will be banned from engaging in transactions of foreign exchange derivatives for two years, the island's central bank said in a statement on Sunday.

ING Groep and Australia & New Zealand Banking Group won't be allowed to engage in Taiwan dollar deliverable forwards and non-deliverable forwards trading for nine months, while Citigroup is banned from Taiwan dollar deliverable forwards trading for two months, the central bank said. The penalties imposed on the local units will take effect on Monday. The banks were notified of the punishments on Friday. Trades made before the notice won't be affected, the central bank said.

Citigroup declined to comment. Deutsche Bank, ING and ANZ didn't immediately respond to calls seeking comment outside of business hours.

Eight of Asia's leading food traders, with the help of six overseas banks, built a combined $11 billion in their Taiwan dollar deliverable forwards positions as of the end of July, the central bank said last month. The positions were based on overseas physical grain trades deliberately transacted via their Taiwan units to speculate on the local currency, affecting market stability, it said.

Cargill and Louis Dreyfus were involved, along with Deutsche Bank, Citigroup, JPMorgan Chase and Standard Chartered, among others, Bloomberg News reported in January, citing people with knowledge of the matter. At least some of the trades were specifically designed to profit from the rising Taiwan dollar, the people familiar said.

The central bank settled with two lenders in November, it said on Sunday, without identifying them. — BLOOMBERG

Putin's once-scorned vaccine now favourite in fight against pandemic

HENRY MEYER
February 7

PRESIDENT VLADIMIR PUTIN'S announcement in August that Russia had cleared the world's first Covid-19 vaccine for use before it even completed safety trials sparked scepticism worldwide. Now he may reap diplomatic dividends as Russia basks in arguably its biggest scientific breakthrough since the Soviet era.

Countries are lining up for supplies of Sputnik V after peer-reviewed results published in The Lancet medical journal this week showed the Russian vaccine protects against the deadly virus about as well as US and European shots, and far more effectively than Chinese rivals.

At least 20 countries have approved the inoculation for use, including European Union member-state Hungary, while key markets such as Brazil and India are close to authorising it. Now Russia is setting its sights on the prized EU market as the bloc struggles with its vaccination programme amid supply shortages.

In the global battle to defeat a pandemic that's claimed 2.3 million lives in little more than a year, the race to obtain vaccines has assumed geopolitical significance as governments seek to emerge from the huge social and economic damage caused by lockdowns imposed to limit the spread of the virus.

That's giving Russia an edge as one of a handful of countries where scientists have produced an effective defence.

Its decision to name Sputnik V after the world's first satellite whose 1957 launch gave the Soviet Union a stunning triumph against the US to start the space race only underlined the scale of the significance Moscow attached to the achievement. Results from the late-stage trials of 20,000 participants reviewed in The Lancet showed that the vaccine has a 91.6% success rate.

"This is a watershed moment for us," Kirill Dmitriev, chief executive officer of the state-run Russian Direct Investment Fund, which backed Sputnik V's development and is in charge of its international roll-out, said in an interview.

While it's too early to gauge the political gains for Putin, Russia's already making much of the soft-power impact of the vaccine on its image after years of international condemnation over election meddling and targeting of political opponents at home and abroad. State television reports extensively on deliveries to other nations.

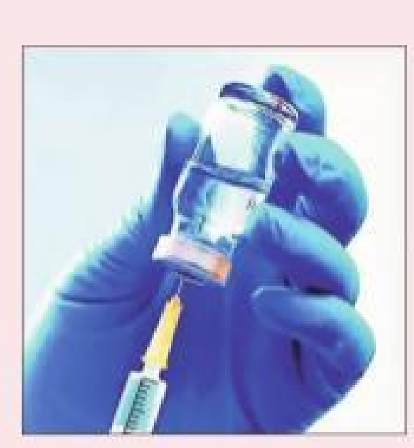
Sputnik's success won't change hostility toward Putin among Western governments, though it could strengthen Russia's geopolitical clout in regions such as Latin America, according to Oksana Antonenko, a director at Control Risks consultancy.

"With this vaccine, it's proven itself capable of producing something new that's in demand around the world," she said. — BLOOMBERG

Oxford jab effective against UK variant: study

THE COVID-19 VACCINE developed by Oxford University and produced by AstraZeneca has shown efficacy against the UK variant of the coronavirus, according to an ongoing study by researchers.

"Data from our trials of the ChAdOx1 vaccine in the United Kingdom indicate that the vaccine not only protects against the original pandemic virus, but also protects against the novel variant, B.1.1.7, which caused the surge in disease from the end of 2020 across the UK," said Andrew Pollard, Professor of Paediatric Infection and Immunity, and Chief Investigator on the Oxford



vaccine trial.

However, in related findings, AstraZeneca said it is yet to be fully determined whether the vaccine protects against severe disease caused by the highly transmissible coronavirus variant found in South Africa.

Following the pre-print study of a small sample, due to be published next week, the company expressed confidence that the vaccine would offer protection against serious cases because it created neutralising antibodies similar to those of other coronavirus vaccines.

"All viruses accumulate mutations over time, and for influenza vaccines, there is a well-known process of global viral surveillance, and selection of strains for annual update of the vaccines," explained Sarah Gilbert, Professor of Vaccinology, and Chief Investigator on the Oxford vaccine trial. — PTI

UK may tax firms that profited from pandemic: Report

REUTERS
London, February 7

BRITAIN PLANS TO tax retailers and tech companies whose profits have soared during the Covid-19 pandemic, the Sunday Times reported, citing leaked emails.

The government has summoned companies to discuss how an online sales tax would work, while plans are also being drawn up for a one-off "excessive profits tax", the newspaper reported.

Finance minister Rishi Sunak is unlikely to announce these taxes at the budget announcement scheduled for March 3, which will focus on an extension of the Covid-19 furlough programme and support for businesses, the report said. They are instead likely to surface in the second half of the year.

Sunak faces pressure from some in his Conservative Party to show spending is under control when he presents a new budget, after what is on track to be the heaviest annual borrowing since World War Two. He has promised to put public finances on a sustainable footing once the economy begins to recover.

Data last month showed public borrowing since the start of the financial year in April reached a record 271 billion pounds ($370 billion). The finance ministry was not immediately available for comment on the Times report.

Rishi Sunak

'Bank talks on shared debt collector stall'

DISCUSSIONS AMONG UK banks to establish a shared debt collector for unpaid payments on Covid loans have stalled, the Financial Times reported, citing people familiar with the discussions. Lobbying group UK Finance was leading talks on a shared entity but several of the UK's biggest banks such as HSBC Holdings and Lloyds Banking Group have soured on the idea, according to the report. — BLOOMBERG

Chinese users flock to US chat app Clubhouse, evading censors

CATE CADELL & PEI LI
Beijing/Hong Kong,
February 7

PRIVATE SOCIAL AUDIO app Clubhouse is attracting masses of new users from mainland China, where the US app remains uncensored by authorities despite flourishing discussions on rights, national identity and other sensitive topics.

Western social media apps including Twitter, Facebook and YouTube are banned in China, where the local internet is tightly censored to weed out content that could undermine the ruling communist party.

The Clubhouse app, launched in early 2020, saw explosive growth in user numbers earlier this month after Tesla CEO Elon Musk and Robinhood CEO Vlad Tenev held a surprise discussion on the platform.

Its chat rooms are only accessible via invites from current members, and as of Sunday, invites to the platform were selling for between 50-400 yuan ($7.73 - $69.59) on popular Chinese e-commerce sites.

Reuters directly observed several Chinese-language 'club'

conversations where thousands of users listened to wide-ranging audio discussions covering topics including Xinjiang detention camps, Taiwan independence and Hong Kong's National Security Law.

While Clubhouse remains uncensored, it is only available on iOS devices and is unavailable in the local Apple app store, both major barriers for its widespread use in China

China's cyber authorities have become increasingly strict in recent years, widening the scope of apps, media outlets and social media sites banned in the country. While Clubhouse remains uncensored, it is only available on iOS devices and is unavailable in the local Apple app store, both major barriers for its widespread use in China.

Mainland Chinese users can access the app by modifying the location of their app store. It's unclear why the app remains unblocked in China, though some foreign social sites with small Chinese followings manage to operate under the radar of censors, including 8kun, a central hub for QAnon followers.

In one club chat centred on Hong Kong politics, activists, journalists and artists discussed former US president Trump and his support base.

Another popular Chinese language club on the site as of Saturday involved a rare open exchange between netizens in mainland China, Taiwan and Hong Kong over heightened political tensions in the region.

The discussion became a hot topic on China's own Twitter-like social media site Weibo on Saturday.

"I don't know how long this environment can last," said one user in a popular Weibo post that was liked over 65,000 times. "But I will definitely remember this moment in Internet history." — REUTERS

Work resumes on disputed Russian-German pipeline

ASSOCIATED PRESS
Berlin, February 7

THE COMPANY BUILDING a disputed Russian-German underwater gas pipeline that's been the target of US sanction threats said work on it has resumed, the German news agency dpa reported Sunday.

Construction work on the Nord Stream 2 pipeline was restarted late on Saturday, dpa reported.

On Friday, German Chancellor Angela Merkel stood by her support for the gas pipeline despite Russia's treatment of opposition leader Alexei Navalny case and the threat of US sanctions.

Merkel said her government's position on Nord Stream 2 is separate from tensions with the Kremlin over Navalny, who recovered in Germany from a poisoning with a nerve agent last summer that he blamed on the Kremlin.

The Nord Stream 2 project, which would bring Russian gas to Germany under the Baltic Sea, has drawn major criticism from the US, some other European countries and environmental groups.