OPINION, P6

ASHOK GULATI
The Modi govt seems to have prioritised welfare over growth

S SUBRAMANIAN
A retrospective higher tax rate for India Inc in FY21 won't be out of place, given the need to address MSMEs' pain

NATION, P3

FARM FACTOR
Second wave not to hit agri sector in any way, says Niti Aayog's Chand

BACK PAGE, P14

G-7 SUMMIT
UK's Johnson to set end-2022 target to vaccinate world

NEW DELHI, MONDAY, JUNE 7, 2021

FOLLOW US ON TWITTER & FACEBOOK. APP AVAILABLE ON APP STORE & PLAYSTORE WWW.FINANCIALEXPRESS.COM

FINANCIAL EXPRESS

READ TO LEAD

VOL. XLVII NO. 83, 14 PAGES, ₹8.00 (PATNA ₹8.00, RAIPUR ₹8.00) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

IN THE NEWS

Maruti hints at 'some action' in mid-SUV segment

MARUTI SUZUKI INDIA (MSI) is looking at "some action" in the mid-SUV segment for strengthening its market share in the vertical, reports **PTI**. This is in order to sustain the firm's current 50% levels in the overall domestic PV sales going ahead, executive director (Marketing and Sales) Shashank Srivastava said in an analyst call.

Haryana lockdown till June 14 now, restrictions eased

THE HARYANA GOVERNMENT on Sunday extended the lockdown clamped in the state to curb the spread of the coronavirus by another week till June 14, while easing several restrictions that were in place earlier, reports **PTI**. The state had imposed the lockdown on May 3.

Monsoon covers entire northeast, says Met dept

ADVANCING FURTHER, THE Southwest Monsoon covered the northeast region, nearly four days after its normal date, the IMD said on Sunday, reports **PTI**. In a span of three days it has covered entire Kerala, Karnataka and Tamil Nadu and parts of Andhra Pradesh and Telangana.

SCHEME RESET

Govt may shift PLI for smartphones by a year

Outlay, investment & sales targets, and incentive structure would remain same

KIRAN RATHEE
New Delhi, June 6

THE GOVERNMENT MAY tweak the production-linked incentive (PLI) scheme for smartphones to make sure most of the companies that could not meet the first-year incremental sales target in FY21 do not miss out on the financial incentives.

The ministry of electronics and information technology (MeitY) is likely to extend the tenure of the incentive scheme from five to six years, leaving the outlay, investment and sales targets and incentive structure unchanged. Companies that did not meet the FY21 incremental sales target now have time till FY26; FY21 will now be treated as Year Zero year meant to make preparations. However, any firm that has met the FY21 incremental sales target, will be given the incentives as for bagging the incentive scheme with FY25 as the termination year. As reported by FE earlier, South Korean major Samsung Electronics has emerged as the only firm, of a total of 10 selected under the scheme, to qualify for availing incentives for the first year. The company's ready and running manufacturing base in India helped it clock incremental sales in FY21, over the base year of around ₹15,000 crore, which is the ceiling for bagging the incentive.

A total of 10 firms — five global and five local — were selected for the PLI scheme which started in August 2020, and were required to meet the set target for incremental sales of goods in FY21 over the base year, i.e, FY20. The total outlay for smartphone PLI over five years is ₹40,951 crore and the incentive ranges between 4-6% annually. For FY21, the total incentive was of ₹5,334 crore. The threshold for qualifying for incentive was incremental sales of ₹4,000 crore and the maximum was ₹15,000 crore.

Continued on Page 2

THE PROPOSAL

- Tenure of scheme to be 6 years
- Original started in FY21 and was to end in FY25
- After shift, start year would be FY22 and end FY26
- No shift for any company that met incremental sales target for FY21
- Samsung is the only company to have met FY21 targets
- Contract manufacturers for Apple have not been able to meet
- Both set of manufacturers would benefit with the tweaking of the scheme

FOCUS ON CAPEX

Fresh stimulus unlikely in Q1

Certain amount of demand stimulus part of Budget FY22, more steps at this stage could stoke inflation, feel officials

BANIKINKAR PATTANAYAK
New Delhi, June 6

THE GOVERNMENT IS unlikely to announce any new fiscal stimulus until the later part of the September quarter, as focus shifts to undertaking budgetary capital spending and pushing central public sector undertakings (CPSEs) to invest more aggressively.

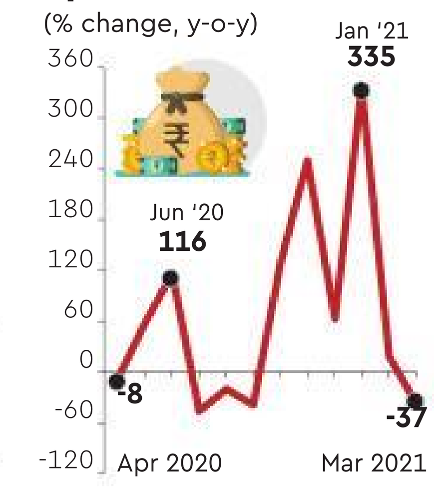
"The Budget for FY22 was prepared, keeping in mind the need for fast recovery after the pandemic. So, it already factors in certain amount of demand stimulus and other relief measures," an official source told *FE*. Additional demand stimulus at this stage when the supply side is constrained by lockdowns in certain states can potentially stoke inflation, another source said. However, with the second pandemic wave waning, the Centre will expeditiously implement crucial Budget proposals, mainly in infrastructure. It is also open to raising its capital expenditure later this fiscal from the budgeted ₹5.54 lakh crore, should there be a pressing need for it, the first source quoted above said.

Elevated capex and completion of large projects will boost employment and ultimately spur consumption, government officials reckon. Still, allocation for certain schemes, including MGNREGS and the ₹3-lakh-crore guaranteed loan programme, may be further expanded, depending on demand.

On Friday, finance minister Nirmala Sitharaman asked various infrastructure ministries and CPSEs to "front-load" capex and ensure timely completion of large projects. The government's budgeted capex for FY22 is over 30% higher than FY21, while targeted revenue expenditure is actually 5% lower, showed the CGA data.

Continued on Page 2

Spend curve



POWER CRISIS

Despite PFC-REC loan, discoms' dues rise 8% at April-end

ANUPAM CHATTERJEE
New Delhi, June 6

STATE-RUN ELECTRICITY DISTRIBUTION companies' (discoms) overdues — pending receivables of 45 days or more — from private power producers increased 8% on year to ₹36,018 crore at April-end, even as their total overdues stood at ₹68,330 crore, down 9.6% from a year earlier.

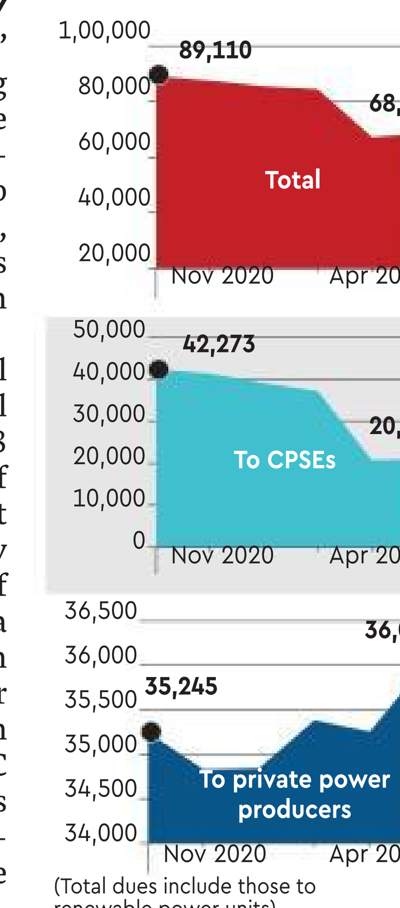
Receivables from central government power stations fell 39% annually to ₹20,978 crore. Discoms cleared bills of ₹12,361 crore in April against ₹38,286 crore in March — they usually pay a larger portion of the dues in the last month of a fiscal year. Invoices cleared in April were still 76% higher than the value of bills paid in April FY21, thanks to PFC-REC loans received by discoms under the ₹1.25-lakh-crore liquidity infusion scheme announced by the Centre.

Pertinently, the total pending dues at April-end would have been higher if the disputed invoices of ₹22,680 crore had been accounted for. The disputed amount for central government owned power plants stood at ₹1,511 crore while for private power producers, the same was much higher at ₹21,157 crore.

According to the government's Praapti portal, disputed invoices of Adani Power itself were worth ₹20,582 crore. Most of the sector's disputed amount pertains to various adjustments under 'change-in-law' provision and late payment surcharges, and are likely to be compensated.

Continued on Page 2

Discoms' over-dues to power producers
(All figures in ₹ crore)



(Total dues include those to renewable power units)

FE SPECIALS

BRANDWAGON, P10
A streaming pandemic ahead!
Brand expert Harish Bijoor on whether the unprecedented growth in VoD is here to stay

eFE, P8
Productivity apps for work & life
Check out four apps—Tasks, Pomodoro, Mamma Miya & Floret—that help you do more from your mobile

PERSONAL FINANCE, P9
Sub-limits in health insurance
Even if you have a high sum assured, you can't claim entire treatment expenses if there is a sub-limit clause in your policy

INFRASTRUCTURE, P11
CIL off the blocks in hunt for RE
Having bagged a 100-MW solar project in Gujarat recently, the company aims to build a 3,000-MW portfolio by 2024

SCIENCE & TECH, P12
Coral havoc in the Caribbeans
Stony coral tissue loss hurts the region's economy—and no one knows what causes it

THIN TRAFFIC

NHAI puts asset sale plan on hold for now

SURYA SARATHI RAY
New Delhi, June 6

THE NATIONAL HIGHWAYS Authority of India (NHAI) will wait "till traffic on the highway stretches is back in full volume" to move ahead with its asset monetisation plans. In the Budget for 2021-22, the government set a target for the NHAI to raise ₹10,000 crore through monetisation of its operational stretches in the current fiscal year.

Widespread curfews and severe restrictions on mobility amounting to national lockdown in May has had an big impact on highway toll collections. According to rating agency Icra, toll collections fell by around 10% in April 2021 over March 2021 and estimated to have declined by 25-30% in May 2021 over April 2021.

"Once traffic is restored, we will go ahead with our asset monetisation plans. We are in regular touch with our potential investors. Traffic on highways is expected to resume in full throttle from the middle of the current month," said NHAI chairman SS Sandhu.

Continued on Page 2

Centre set a target for the NHAI to raise **₹10,000 crore** via monetisation

- Curfews, severe restrictions on mobility in May has **hit highway toll collections**
- Toll collections **fell by around 10%** in April 2021 over March 2021, according to Icra
- It is estimated to have **declined by 25-30%** in May 2021 over April 2021
- NHAI's **₹5,100-crore** maiden InvIT has got all the required clearances from Sebi

VACCINE SCENE

Beneficiaries wait to get their doses at a vaccination centre in Chikmagalur, Karnataka, on Sunday

COST RECOVERY

Panna-Mukta field: Govt challenges arbitration before English high court

PRESS TRUST OF INDIA
New Delhi, June 6

THE GOVERNMENT HAS challenged before an English High Court an arbitration award over a cost recovery dispute in the western offshore Panna-Mukta and Tapti oil and gas fields of Shell and Reliance Industries (RIL). An arbitration "tribunal gave favourable award on January 29, 2021," RIL said in its latest annual report.

RIL and Shell had via the arbitration sought raising of the limit of cost that could be recovered from sale of oil and gas before profits are shared with the government. The award came this year. Both sides filed clarification applications before the Tribunal. "On April 9, 2021, Tribunal issued its decision on the Clarification Applications of both the parties. It granted the minor correction requested by the Claimants (Reliance and Shell) and has rejected all of the Government of India's clarification requests," it said without giving details.

Subsequent to that, India has challenged the award before the English High Court, it said.

Continued on Page 2

DHFL returns to profit in Jan-Mar quarter

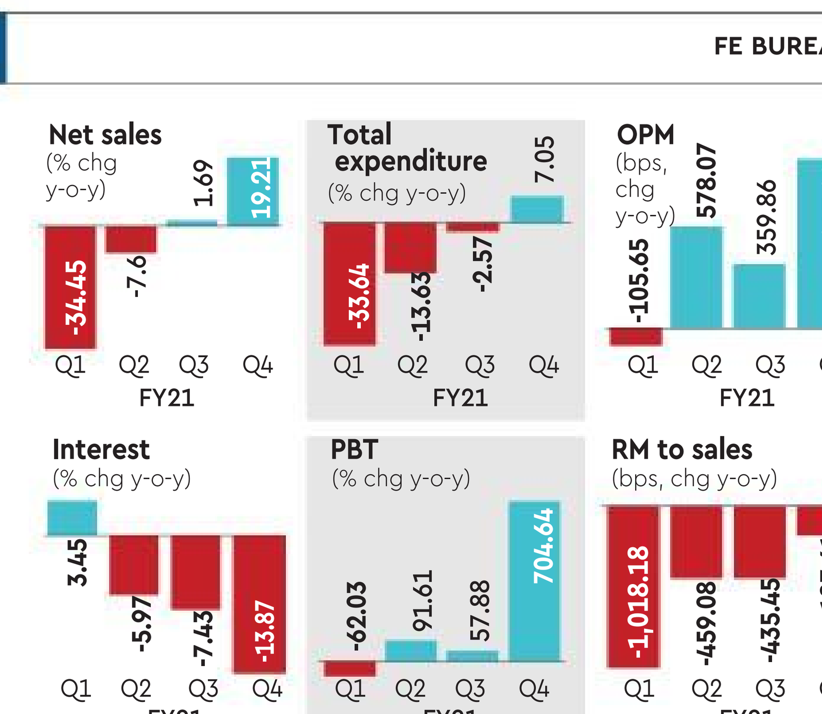
DEWAN HOUSING FINANCE Corporation (DHFL) on Sunday reported a consolidated net profit of ₹96.75 crore for the last quarter of fiscal ended in March 2021, reports PTI. The company, which is under corporate insolvency process, had posted a net loss of Rs 7,507.01 crore in the January-March quarter of the year-ago fiscal. DHFL had reported a loss of ₹13,095.38 crore in the December quarter of 2020-21. For the full year 2020-21, the non-banking finance company posted a net loss of ₹15,051.17 crore, which widened from ₹13,455.81 crore in 2019-20.

Q4 earnings

FE BUREAU

High sales and low costs boost India Inc's profit

With expenses increasing much less than sales — which incidentally have seen a very smart rise — India Inc's profits for the March quarter have been quite spectacular. To be sure, the bottom-line has been boosted by the fact that several loss-making companies turned profitable during the quarter



Sample of 930 companies (excluding banks & financials); Source: Capitaline

QuickPicks

RInfra to raise ₹551 crore via preferential allotment

TATA STEEL'S Reliance Infrastructure on Sunday said its board has approved raising up to ₹550.56 crore through issuance of shares on a preferential basis, reports **PTI**. The funds raised would be utilised for long-term resources for general corporate purposes, to fund future growth and also to reduce debt, the company said in a statement. **PAGE 3**

Bids invited from consultants to help set up ₹20,000-cr DFI

SIDBI ON behalf of the government has floated a request for proposal inviting bids from consultants to help set up ₹20,000-crore DFI called National Bank for Financing Infrastructure and Development to catalyse investment in the fund-starved infrastructure sector, reports **PTI**. **PAGE 5**

TRADE TALK

China now second-largest export destination, behind only US

BANIKINKAR PATTANAYAK
New Delhi, June 6

CHINA OVERTOOK THE UAE to emerge as India's second-largest export destination in FY21, behind only the US, for the first time in recent memory, despite the onslaught of the Covid-19 pandemic and a deadly border clash.

Official data showed exports to China jumped an impressive 28% in FY21 from a year before to over $21 billion, while those to the UAE plunged by 42% to nearly $17 billion. While China's massive infrastructure push prompted it to import iron ore and steel in large volumes from India, the UAE, hurt by a plunge in oil prices, cut back purchases in a pandemic year. India's total merchandise exports shrank by just over 7% last fiscal to $291 billion.

Nevertheless, the exports to China were still less than a half of those to the US ($21 billion vs $52 billion in FY21) even though the outbound shipment to the world's largest economy faltered by almost 3%.

More importantly, India's exports to China would need to grow at a rapid pace on a sustained basis for years before the massive trade imbalance is somewhat corrected.

Including Hong Kong, considered a close proxy for Beijing, India's effective trade deficit with China dropped to $49 billion in FY21 from almost $55 billion in the previous year. With China alone, the trade deficit declined to $44 billion last fiscal from nearly $49 billion in FY20.

Despite this overall drop in absolute term, China's share in India's total goods trade deficit still zoomed to 43% in FY21 from 30% a year before. This is because the country's imports from China were in excess of $65 billion last fiscal, almost the same as in FY20, even though its total inbound shipments faltered by 17% from a year earlier.

Continued on Page 2

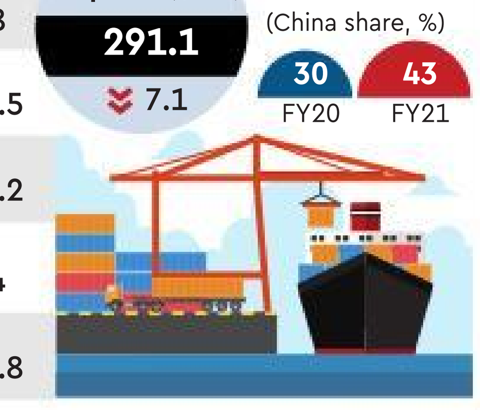
Exports to China jump...

($ bn, FY21)		% chg, y-o-y
US	51.6	2.8
China	21.2	27.5
UAE	16.7	42.2
Hong Kong	10.2	7.4
Bangladesh	9.1	10.8

Total exports ($ bn): 291.1, 7.1

...still, China's share in trade deficit soars
(China share, %)

FY20	FY21
30	43



Economy

MONDAY, JUNE 7, 2021

EXPERT VIEW

The markets are expected to maintain its resilience on a short- to medium-term basis due to declining COVID cases and global risk-on strategy.

— Vinod Nair, head of research, Geojit Financial Services

MSI eyes mid-SUVs to up mkt share

PRESS TRUST OF INDIA
New Delhi, June 6

THE COUNTRY'S LARGEST carmaker Maruti Suzuki India (MSI) is looking at "some action" in the mid-SUV segment for strengthening its market share in the vertical, in order to sustain the firm's current 50% levels in the overall domestic PV sales going ahead, according to a senior company official.

Currently, the mid-SUV segment is dominated by the likes of Hyundai Creta and Kia Seltos in the country.

MSI is there in the segment with S-Cross but the model has so far failed to draw in big volumes for the auto major.

"In the mid-SUV, our market share is actually quite low, even though Vitara Brezza is leading in the entry-SUV segment. In the mid-SUV, we have the S-Cross, which we recently launched with a new engine in August.

"And, I think it has given us suboptimal numbers so far, which we intend to increase in the coming years," MSI executive director (Marketing and Sales) Shashank Srivastava said in an analyst call.

He noted that the company is looking at the space carefully.

"So, yes, we will have a product plan but I am really constrained. I can't really speak about the future product plan in that segment.

"But yes, we are cognisant of the fact and we are looking at this segment very, very carefully. And, definitely, we will see some action there," Srivastava said. He acknowledged that the company's overall market share in the multiple purpose vehicles (MPV) segment is getting pulled down due to "suboptimal" performance in the fast-growing SUV segment.

"When you look at the overall picture with the SUV (segment), and that is where I think the issue is, our market share is just 13.2 per cent. Although, we are the market leader by far, as far as the entry SUV (segment) is concerned," Srivastava noted. He added that in the mid-SUV, the S-Cross's performance has been suboptimal.

'India slips two spots to 117 on SDGs adopted by UN as 2030 agenda'

INDIA'S RANK HAS slipped by two places from last year to 117 on the 17 sustainable development goals (SDGs) adopted as a part of the 2030 agenda by 193 United Nations member states in 2015, a new report has said.

The State of India's Environment Report 2021 revealed that India's rank was 115 last year and dropped by two places primarily because major challenges like ending hunger and achieving food security (SDG 2), achieving gender equality (SDG 5) and building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation (SDG 9) remain in the country.

India ranks below four South Asian countries -- Bhutan, Nepal, Sri Lanka and Bangladesh, it said. The overall SDG score of India is 61.9 out of 100. Elaborating state-wise preparedness, the report said Jharkhand and Bihar are the least prepared to meet the SDGs by 2030, which is the target year. While Jharkhand lags in five of the SDGs, Bihar lags in seven. It said the states/UTs with the best overall score which are on the path to achieving the SDGs are Kerala, Himachal Pradesh and Chandigarh.

The 2030 Agenda for Sustainable Development, was adopted by all UN member states in 2015, which provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. **— PTI**

From the Front Page

Govt may shift PLI for smartphones by a year

Samsung will get ₹900 crore (6% of ₹15,000 crore) as an incentive. Other firms, including the three global applicants – Foxconn, Rising Star, and Wistron, all contract manufacturers of Apple – were not able to meet their incremental sales targets, due to Covid-related disruptions in travel; they were unable to relocate their manufacturing bases to India from China and Vietnam in time.

The PLI scheme has set different targets for overseas manufacturers like Apple and Samsung and Indian players like Lava and Micromax. In the first year – FY21 – overseas players were required to make an investment of ₹250 crore and manufacture goods worth ₹4,000 crore more than the previous year. The phones made by overseas players should have an invoice value of over ₹15,000. In the case of Indian players, the investment target is ₹50 crore and they were required to manufacture phones worth ₹500 crore in the first year.

Focus on capex: Fresh stimulus unlikely in Q1

As for CPSEs, capex of a dozen of them in the critical oil and gas sector jumped as much as 25% on year in April to ₹5,610 crore.

Asked about the need for demand stimulus, another source said: "We are just over two months into the fiscal. It's too early to have a meaningful analysis of full-year revenue position and the extent of damage caused by the ongoing second wave."

So, any package to spur demand may be approved only after a careful assessment of its necessity and hinges on the fiscal space, he added.

Having rolled out "massive" relief packages last year to soften the Covid blow, the Centre is cautious this time around, as fiscal space (without substantially expanding borrowing) remains limited. Some analysts have already estimated fiscal deficit to rise by up to one percentage point from the FY22 target to 7.8%.

Importantly, given the outbreak of the second wave and the warning of a third one later this year, the government intends to rationalise certain spending requirements to boost expenditure on healthcare. Its allocation of ₹35,000 crore for Covid vaccines in FY22 may have to be raised, and the government is conscious of it.

However, the scope for further debt accumulation to keep boosting expenditure is much more limited now than a year earlier. The centre's debt zoomed to about 63% of GDP in FY21, as it was forced to launch costly relief packages to soften the Covid blow even when revenue mop-up crashed. Factoring in the loans of states, the general government debt surged to 90% last fiscal. This raised the general government interest cost to as high as 28.5% of revenue last fiscal from 22.9% in FY20.

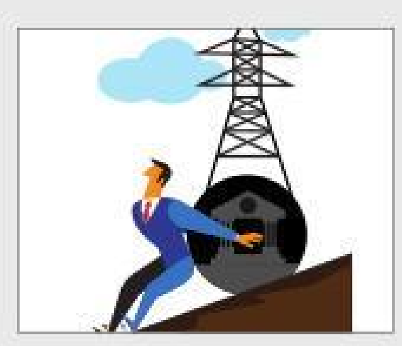
Any further debt accumulation will only weigh down debt affordability and may prompt global agencies to review their ratings or outlook of India. The focus, now, is on targeted expenditure, with high multiplier effect, to bring back growth without straining the finances.

The RBI on Friday joined a number of agencies in trimming its FY22 growth projection for the country, factoring in the damage caused by the second wave and consequent lockdowns in certain key states. While the central bank pared down its forecast to 9.5% from 10.5%, some others were less sanguine, as they trimmed theirs by up to four percentage points to 8-10%.

Despite PFC-REC loan, discoms' dues rise 8% at April end

"Cases for more than 90% of the disputed amount have already been adjudicated by the competent authorities and will have to be paid by discoms," a senior power sector veteran told FE.

Among the generators which provided their inputs in the power ministry's 'Praapti' portal, Adani Power has the highest pending overdues of ₹18,608 crore. NTPC's overdues stood at ₹5,176 crore while the same for state-run DVC was ₹5,156 crore. Other private power producers to which discoms owed the most



as overdues at April-end include GMR Energy (₹1,894 crore), Tata Power (₹2,486 crore), Jindal Steel and Power (₹1,517 crore) and Sembcorp (₹2,365 crore).

Major states which owed the highest to power generators at April-end are Maharashtra (₹9,749 crore), Tamil Nadu (₹13,717 crore), Rajasthan (₹10,326 crore), Uttar Pradesh (₹6,062 crore) and Jharkhand (₹4,619 crore). According to ICICI Securities, as much as ₹75,555 crore had been disbursed to the states by March-end under the PFC-REC scheme, and all the above states except Jharkhand were among the larger beneficiaries of the loan, with Maharashtra receiving ₹2,500 crore, Tamil Nadu ₹14,700 crore, Rajasthan ₹2,032 crore and Uttar Pradesh ₹27,9740 crore.

NHAI puts asset sale plan on hold for now

The authority's ₹5,100-crore maiden InvIT has received all the required clearances from the market regulator Sebi, but the IPO will hit the market only by the end of the current month.

Apart from InvIT, NHAI has two other means to raise funds through monetization of assets – toll-operate-transfer (TOT) model and toll securitisation. Proceeds from the asset monetisation programme are used to repay debt and develop highways.

NHAI has raised around ₹17,000 crore through the toll-operate-transfer (TOT) model so far by successfully granting on long-term lease three bundles out of the five attempted so far. The sixth bundle could also have taken off by now but for the subdued traffic on roads.

As on March, 2021, NHAI had ₹3 lakh crore debt. The authority was given the task of executing the Bhartmala Pariyojona project in October, 2017 under which the government plans to develop 34,800 km highway project (including 10,000 km residual NHDP stretches) with an estimated outlay of ₹5.35 lakh crore. Out of this, as on March-end, 2021, it has awarded 14,679 km of stretches worth over ₹4 lakh crore.

For the current fiscal, NHAI has been allocated ₹57,350 crore in the Budget for 2021-22, up from ₹49,050 crore (RE) in 2020-21. NHAI has also been permitted to borrow ₹65,000 crore in 2021-22, same as in 2020-21.

China is now second-largest export destination, behind only US

Importantly, as government officials have often pointed out, it's difficult to gauge the exact quantum of trade deficit with China, as Beijing can divert supplies through other nations in the region, especially the Asean members.

Still, it's an encouraging sign that China is beginning to perhaps unshackle a bit its market to its regional rival after fiercely guarding it for years.

Analysts, however, caution against reading too much into the FY21 data, saying "one swallow doesn't make a summer". As such, the pandemic year isn't the ideal time to forecast a trend on its basis.

Moreover, for the latest acceleration to sustain, Beijing has to buy a wider portfolio of products from New Delhi, and not just raw materials (iron ore and cotton) and low value-added goods (certain steel products and other base metals). China's extremely self-centred trade policies and denial of key market access by stealth (by erecting non-tariff barriers) have been the biggest hindrances to India's interest, they reckon.

Interestingly, as reported by FE earlier, despite the Galwan clash on June 15 and the pandemic-induced supply chain disruptions, India's merchandise exports to China didn't abate. However, after an impressive 33% year-on-year jump in the April-June period, growth in shipments to the neighbour slowed down considerably to 20% in the September quarter and to just over 2% in the December quarter. But in the March quarter again, exports to China more than doubled from a year before, keeping the annual growth at an impressive 28%.

In contrast, India's exports to its biggest market — the US — reversed a 39% slide witnessed in the three months through June to inch up by 3% in the September quarter, 5.5% in the December quarter. Between January and March, exports to the largest economy grew by 20%, limiting the annual contraction to just about 3%.

Panna-Mukta field: Govt challenges arbitration before English high court

Reliance and Shell-owned BG Exploration & Production India had on December 16, 2010, dragged the government to arbitration over cost recovery provisions, profit due to the State and amount of statutory dues including royalty payable.

The government of India also raised claims over expenditure incurred, inflated sales, excess cost recovery, and short accounting.

The three-member arbitration panel headed by Singapore-based lawyer Christopher Lau by majority issued a final partial award (FPA) on October 12, 2016.

BIMSTEC emerged as a promising regional grouping: PM

THE BIMSTEC HAS emerged as a promising regional grouping and it made progress on several fronts including finalisation of a master plan for connectivity, Prime Minister Narendra Modi has said.

Besides India, BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) comprises Bangladesh, Myanmar, Sri Lanka, Thailand, Nepal and Bhutan.

In a message on the occasion of 24th BIMSTEC Day, Modi said he was confident that the grouping will continue to grow and "scale new heights" of cooperation in the common pursuit of building a secure, peaceful and prosperous Bay of Bengal region. The prime minister also stressed the need to continue to work together in the fight against the coronavirus pandemic.

"As a manifestation of our collective will, BIMSTEC has emerged as a promising regional grouping to fulfil the common aspirations of its people and serve the shared interests of the Member States," the prime minister said. **— PTI**

LETTERS TO THE EDITOR

Aggressive vaccine policy needed

In spite of opening vaccination for all adults, there were fewer doses administered in May — around 6 crore — as opposed to 7.7 crore in April. There is large variability within and among states regarding vaccination. The Centre must heed to the states' core demand that they be given a greater say in deciding how best to distribute the vaccine. The Centre can be a monitor and an adviser to the process; and if it becomes the sole buyer, it can spell out a transparent distribution policy.

— Sanjay Chopra, Mohali

Not wise decision on XII Boards

The postponement of the 12th standard CBSE exams under the fear of Covid pandemic is again going to prove the inefficiency of both Centre and all state governments in dealing with the situation. The decision has also played with the hard work and emotions of lakhs of the aspirants who were preparing hard to get the seats in IIT's and medical institutes. Now, they will be given grades as per internal assessments by the schools, whose procedure is well known to us. This will hamper the sharp minds in taking the admissions in the renowned institutes on the basis of competition and hard work. Does the question not arise that if the central government can successfully hold the assembly elections in five states, then why can't it handle the exams also?

— Dr Navneet Seth, Dhuri

●Write to us at feletters@expressindia.com

COVID-19

Second wave not to impact agri sector in any way: Niti Aayog

BIJAY KUMAR SINGH
New Delhi, June 6

NITI AAYOG MEMBER (agriculture) Ramesh Chand on Sunday said the second Covid-19 wave will not impact the Indian agriculture sector in anyway as rural areas saw spread of infections in May when agriculture activities remained at bare minimum.

In an interview with *PTI*, Chand said that India's policies on subsidy, price and technology have remained too much in favour of rice, wheat and sugarcane, and there is need to make the procurement and minimum support price policy favourable to pulses.

"Covid-19 cases started spreading in the rural areas in the month of May, with the beginning of the month of May, and agriculture activity in the month of May is bare minimal, particularly land-based activities," he added.

Niti Aayog member (agriculture) Ramesh Chand

Niti Aayog member noted that income from the agriculture sector, which is a major source of earning for rural people, remains intact

"...it (May) is a peak summer month and no crop is sown, no crop is harvested except little bit vegetables and some off-season crops," Chand further explained.

Agriculture activity, Chand said, peaks in the month of March or till middle of April, after that it comes down significantly and again peaks with the arrival of monsoon.

"So even if less availability of labour is there in the month of May till mid-June, I don't think that will impact agriculture in anyway," Chand said.

He said labour force is moving to rural areas as there has been a lot of increase in Covid-19 cases in urban areas and these labourers are willing to work in the agriculture sector for livelihood.

"From the output side, you look at agriculture market data. Market for agriculture (is) just working normally everywhere," he argued.

The Niti Aayog member noted that income from the agriculture sector, which is a major source of earning for rural people, is intact.

"So that large segment of rural income, ...it is remaining intact and rural demand on that count will not be affected," he opined.

Chand added that only in case of some services which are not working in rural area, there is an issue.

"I would say that the government should keep its emphasis on MGNREGA," Chand suggested.

The Niti Aayog member, however, admitted that remittance from urban areas that has been going to rural areas and aiding rural demand will fall.

On being asked why India is not self-sufficient in pulses production, he said there is need to increase pulses area under irrigation and that will make a lot of difference in production and stability in prices. —PTI

Labour code: Workers to see reduction in take-home salary

PRESS TRUST OF INDIA
New Delhi, June 6

THE FOUR LABOUR codes are likely to see the light of day in a couple of months as the Centre is now keen to go ahead with the implementation of these laws, which among others will result in reduction in take-home pay of employees and higher provident fund liability of companies.

Once the wages code comes into force, there will be significant changes in the way basic pay and provident fund of employees are calculated.

The labour ministry had envisaged implementing the four codes on industrial relations, wages, social security and occupational health safety & working conditions from April 1, 2021. These four labour codes will rationalise 44 central labour laws. The ministry had even finalised the rules under the four codes. But these could not be implemented because many states were not in a position to notify rules under these codes in their jurisdiction.

Labour is a concurrent subject under the Constitution of India and therefore both the Centre and states have to notify rules under these four codes to make them the laws of the land in their respective jurisdictions.

"Many major states have not finalised the rules under four codes. Some states are in the process of finalising rules for the implementation of these laws. Central government cannot wait forever for states to firm up rules under these codes. Therefore, it is planning to implement these codes in a couple of months as some time would have to be given to establishments or firms to align with new laws," a source told *PTI*.

According to the source, some states had already circulated the draft rules. These states are Uttar Pradesh, Bihar, Madhya Pradesh, Haryana, Odisha, Punjab, Gujarat, Karnataka and Uttarakhand.

Under the new wages code, allowances are capped at 50%. This means half of the gross pay of an employee would be basic wages. Provident fund contribution is calculated as a percentage of basic wage, which includes basic pay and dearness allowance.

The employers have been splitting wages into numerous allowances to keep basic wages low to reduce provident fund and income tax outgo. The new wages code provides for provident fund contribution as a prescribed proportion of 50% of gross pay.

After the implementation of new codes, the take-home pay of employees would reduce while provident fund liability of employers would increase in many cases.

Shyam Metalics cuts IPO size to ₹909 cr

PRESS TRUST OF INDIA
Kolkata, June 6

STEEL MAKER SHYAM Metalics and Energy (SMEL) has reduced the size of its Initial Public Offer (IPO) that will hit the capital market on June 14 to ₹909 crore from ₹1,107 crore.

The size was reduced after promoters decided to offload shares only worth ₹252 crore from their own stake against ₹452 crore as planned earlier.

One of the least leveraged integrated steel producers said it has reduced in spite of Securities and Exchange Board of India (Sebi)'s approval for ₹1,107 crore initial share-sale.

"The offer for sale (OFS) portion had been reduced by ₹200 crore. Earlier existing promoters had planned to offload their holding worth ₹452 crore during this offer. The fresh issue size remains the same at ₹657 crore," Shyam Metalics vice-chairman and managing director Brij Bhusan Agarwal told *PTI*.

Slowdown: BoM may see rise in customer defaults

PRESS TRUST OF INDIA
New Delhi, June 6

STATE-OWNED BANK OF Maharashtra (BoM) said the pandemic-driven slowdown in the economic activities may lead to a rise in customer defaults, and its impact on the bank will depend on the Covid-19 situation, going forward.

There has been a significant volatility in the global and Indian economy as the outbreak of the pandemic continues to spread, BoM said in its annual report 2020-21.

The Pune-headquartered lender said the impact of the pandemic on its results will depend upon the developments on the coronavirus front going forward, including any stimulus or regulatory packages to mitigate its impact.

"While there has been an improvement in the economic activity since the easing of the lockdown measures, the slowdown may lead to a rise in the number of customer defaults and resultant increase in provisioning," said the report.

Its gross non-performing assets improved to 7.23% at the end of March 2021, from 12.81% a year ago. The net NPAs or bad loans were trimmed to 2.48%, from 4.77% by March 2020.

RInfra board okays raising ₹550.56 cr via preferential allotment

PRESS TRUST OF INDIA
New Delhi, June 6

RELIANCE INFRASTRUCTURE ON Sunday said its board has approved raising up to ₹550.56 crore through issuance of shares on a preferential basis.

The funds raised would be utilised for long-term resources for general corporate purposes, to fund future growth and also to reduce debt, the company said. "The board of directors of Reliance Infrastructure Ltd at its meeting held today (Sunday) approved raising of funds up to ₹550.56 crore," the statement said.

It will be done by preferential allotment of up to 8.88 crore equity shares and/or warrants convertible into equivalent number of equity shares of the company to promoter group and VFSI Holdings, an affiliate of Varde Investment Partners, the statement added.

Of the ₹550.56-crore equity infusion, about ₹400 crore will come from the promoter group and ₹150 crore from Varde Group, sources said.

The board approved seeking go-ahead of the members of the company for the above proposal through a postal ballot.

GACL bags 17th ICAI national award

GUJARAT ALKALIES AND Chemicals (GACL) has won the 17th National Award of the Institute of Cost Accountants of India for Excellence in the Cost Management-2019.

Significantly, winning this prestigious recognition is a rare distinction achieved by GACL as it has won this national award three years in a row — 2017, 2018 and 2019 - under the category: Manufacturing, Public and Medium. Conferred by the Institutes of Cost Accountants of India (ICAI – CMA), this honour is awarded in recognition of excellence in the cost management practices adopted by the GACL. **FE BUREAU**

DETAILED PUBLIC STATEMENT (DPS) TO THE SHAREHOLDERS OF PNB HOUSING FINANCE LIMITED IN TERMS OF REGULATION 3(1), REGULATION 3(2) AND REGULATION 4 READ WITH REGULATION 13(4), REGULATION 14(3), REGULATION 15(2) AND REGULATION 15(3) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED FOR THE ATTENTION OF THE SHAREHOLDERS OF

PNB HOUSING FINANCE LIMITED

Registered Office: 9th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi, India 110001

Open offer for acquisition of up to 70,793,011 (seventy million seven hundred ninety three thousand and eleven) fully paid-up equity shares of face value of INR 10 (Indian Rupees ten) each ("Equity Shares") of PNB Housing Finance Limited ("Target Company"), representing 26% (twenty six percent) of the Expanded Voting Share Capital (*as defined below*), from the Shareholders (*as defined below*) of the Target Company, by Pluto Investments S.à r.l. ("Acquirer"), together with Salisbury Investments Private Limited ("PAC 1"), Carlyle Asia Partners IV, S.C.Sp. ("PAC 2"), Carlyle Asia Partners V, S.C.Sp. ("PAC 3"), Quality Investment Holdings ("PAC 4") and CAP IV AIV Mauritius Limited ("PAC 5"), in their capacity as persons acting in concert with the Acquirer ("Open Offer" or "Offer").

This detailed public statement ("**DPS**") is being issued by HSBC Securities and Capital Markets (India) Private Limited, the manager to the Offer ("**Manager**"), for and on behalf of the Acquirer and the PACs, to the Shareholders (*as defined below*) of the Target Company, pursuant to and in compliance with Regulation 3(1), Regulation 3(2) and Regulation 4 read with Regulation 13(4), Regulation 14(3), Regulation 15(2) and Regulation 15(3) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**"). This DPS is being issued pursuant to the public announcement filed with the Stock Exchanges (*as defined below*) on May 31, 2021, sent to the Target Company on May 31, 2021 and sent to the Securities and Exchange Board of India ("**SEBI**") with letter dated May 31, 2021 ("**Public Announcement**" or "**PA**").

For the purpose of this DPS:

(a) "**Expanded Voting Share Capital**" means the total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) working day from the closure of the tendering period of the Open Offer, including (a) total issued and paid-up equity share capital of the Target Company, outstanding as on the date of the PA, (b) Equity Shares and share warrants proposed to be issued by the Target Company under the preferential issue approved by the board of directors of the Target Company on May 31, 2021, and (c) employee stock options granted, and vested as on the date of the PA, or to be vested during the 6 (six) month period commencing from the date of the PA;

(b) "**Offer Period**" has the meaning ascribed to it in the SEBI (SAST) Regulations;

(c) "**Offer Shares**" means the Equity Shares proposed to be acquired by the Acquirer pursuant to the Open Offer;

(d) "**PACs**" means PAC 1, PAC 2, PAC 3, PAC 4 and PAC 5 collectively;

(e) "**Share Warrants**" means share warrants issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety) per share warrant, with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each share warrant, subject to the terms of the share warrants.

(f) "**Shareholders**" means all shareholders of the Target Company, other than the Acquirer, the PACs, and the parties to the Underlying Transactions (*defined below*) and the persons deemed to be acting in concert with such parties;

(g) "**Stock Exchanges**" means the National Stock Exchange of India Limited and BSE Limited;

(h) "**Tendering Period**" means the period of 10 (ten) Working Days during which the Shareholders may tender their Equity Shares in acceptance of the Offer, which shall be disclosed in the Letter of Offer (*as defined below*); and

(i) "**Working Day**" means any working day of SEBI.

I. ACQUIRER, PAC, SELLER, TARGET COMPANY AND OFFER

(A) Details of the Acquirer:

1. The Acquirer is Pluto Investments S.à r.l, a private limited liability company incorporated under the laws of Luxembourg on April 8, 2021. The name of the Acquirer has not changed since its incorporation.
2. The Acquirer has its registered office at 9, Rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
3. The Acquirer has been incorporated to act as an investment holding company.
4. The Acquirer belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. The Acquirer has two shareholders: (a) Porto Holdings S.à r.l., (a private limited liability company incorporated under the laws of Luxembourg) holding a 10% (ten percent) stake in the Acquirer; and (b) Pluto Holdings S.à r.l. (a private limited liability company incorporated under the laws of Luxembourg) holding a 90% (ninety percent) stake in the Acquirer.
6. Porto Holdings S.à r.l. is a wholly owned subsidiary of Porto Intermediate S.à r.l which is a wholly owned subsidiary of Porto Parent S.à r.l., which in turn is 93.66% (ninety three point six six percent) owned by PAC 2.
7. Pluto Holdings S.à r.l. is a wholly owned subsidiary of Pluto Parent S.à r.l., which in turn is a wholly owned subsidiary of CAP V Participations S.à r.l. PAC 3 owns 90.40% (ninety point four percent) stake in CAP V Participations S.à r.l.
8. The Acquirer is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ:CG).
9. Neither the Acquirer nor any securities issued by it are listed on any stock exchange in India or offshore.
10. As of the date of this DPS, the Acquirer, its directors and key employees do not have any interest in the Target Company except for: (i) the Underlying Transactions, as detailed in Part II (*Background to the Offer*) below, that have triggered this Open Offer; and (ii) shares held by PAC 4 as mentioned in paragraph E of Part I (*Acquirer, PAC, Seller, Target Company and Offer*) below.
11. As of the date of this DPS, the Acquirer is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or any other regulations made under the SEBI Act.
12. Since the Acquirer was incorporated on April 8, 2021 in Luxembourg, the Acquirer is not required to prepare the audited financial statements until December 31, 2021 as per the legal requirements applicable to companies incorporated in Luxembourg.

(B) Details of PAC 1:

1. PAC 1 is Salisbury Investments Private Limited, a private limited liability company incorporated under the laws of India on April 22, 1994. The name of PAC 1 has not changed since its incorporation.
2. PAC 1 has its registered office at G03, Vinayak Angan, Prabhadevi, Near Bengal Chemicals, Mumbai - 400025, Maharashtra, India.
3. PAC 1 is a Non-Banking Finance Company registered with the Reserve Bank of India.
4. PAC 1 is majority owned by the Aditya Puri family.
5. Neither PAC 1 nor any securities issued by it are listed on any stock exchange in India or offshore.
6. As of the date of this DPS, PAC 1, its directors and key employees do not have any interest in the Target Company except for the Underlying Transactions, as detailed in Part II (*Background to the Offer*) below, that have triggered this Open Offer.
7. As of the date of this DPS, PAC 1 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
8. The key financial information of PAC 1 is set out below:

	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
	INR (mil)	INR (mil)	INR (mil)
Total Revenue	10.15	16.27	17.87
Profit / (Loss) after tax	4.78	4.97	9.90
Earnings Per Share / Basic and diluted earnings per limited partner unit	50.27	52.32	104.22
Net worth/ Shareholder' Funds	187.23	182.46	177.49

Source: Audited financial statements of the PAC 1 for financial years ended March 31, 2021, March 31, 2020, and March 31, 2019, audited by Kothari & Mehta Chartered Accountants, the statutory auditor of the PAC 1.

(C) Details of PAC 2:

1. PAC 2 is Carlyle Asia Partners IV, S.C.Sp., a special limited partnership incorporated under the laws of Luxembourg (Company Registration Number: B253515) on March 31, 2021. CAP IV Lux GP, S.à r.l. (Luxembourg) and CAP IV General Partner, L.P. (Cayman Islands) are the general partners of PAC 2. The name of PAC 2 has not changed since its incorporation.
2. PAC 2 has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
3. PAC 2 has been incorporated to act as an investment holding entity.
4. PAC 2 belongs to the group of entities doing business globally as, 'The Carlyle Group'. PAC 2 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ:CG).
5. Neither PAC 2 nor any securities issued by it are listed on any stock exchange in India or offshore.
6. As of the date of this DPS, PAC 2, its directors and key employees do not have any interest in the Target Company, except for: (i) any indirect interest in the Underlying Transactions, as detailed in Part II (*Background to the Offer*) below, that have triggered this Open Offer; and (ii) PAC 4, an entity belonging to the group of entities doing business globally as "The Carlyle Group", holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital.
7. As of the date of this DPS, PAC 2 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
8. Since PAC 2 was incorporated on March 31, 2021 in Luxembourg, PAC 2 is not required to prepare the audited financial statements until December 31, 2021 as per the legal requirements applicable to companies incorporated in Luxembourg.

(D) Details of PAC 3:

1. PAC 3 is Carlyle Asia Partners V, S.C.Sp., a special limited partnership incorporated under the laws of Luxembourg (Company Registration Number: B253566) on April 6, 2021. CAP V Luxembourg GP, S.à r.l. (Luxembourg) and CAP V General Partner, L.P. (Cayman Islands) are the general partners of PAC 3. The name of PAC 3 has not changed since its incorporation.
2. PAC 3 has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg.
3. PAC 3 has been incorporated to act as an investment holding entity.
4. PAC 3 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. PAC 3 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ:CG).
6. Neither PAC 3 nor any securities issued by it are listed on any stock exchange in India or offshore.
7. As of the date of this DPS, PAC 3, its directors and key employees do not have any interest in the Target Company, except for: (i) any indirect interest in the Underlying Transactions, as detailed in Part II (*Background to the Offer*) below, that have triggered this Open Offer; and (ii) PAC 4, an entity belonging to the group of entities doing business globally as "The Carlyle Group", holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital.
8. As of the date of this DPS, PAC 3 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. Since PAC 3 was incorporated on April 6, 2021 in Luxembourg, PAC 3 is not required to prepare the audited financial statements until December 31, 2021 as per the legal requirements applicable to companies incorporated in Luxembourg.

(E) Details of PAC 4:

1. PAC 4 is Quality Investment Holdings, a private limited company incorporated under the laws of Mauritius (Company Registration Number: 124016) on July 8, 2014 and PAC 5 owns 93.66% (ninety three point six six percent) stake in PAC 4. The name of PAC 4 has not changed since its incorporation.
2. PAC 4 has its registered office at Apex Group Ltd., Lot 15 A3, 1st Floor, Cybercity, Ebene 72201, Mauritius.
3. PAC 4 has been incorporated to act as an investment holding company.
4. PAC 4 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. PAC 4 is ultimately sponsored and managed by The Carlyle Group Inc. (NASDAQ:CG).
6. Neither PAC 4 nor any securities issued by it are listed on any stock exchange in India or offshore.
7. As of the date of this DPS, PAC 4 holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital, and its directors and key employees do not have any interest in the Target Company except to the extent of Mr. Kapil Modi and Mr. Sunil Kaul been appointed as nominee directors of PAC 4 in the Target Company.
8. As of the date of this DPS, PAC 4 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The key financial information of PAC 4 is set out below:

Particulars	Year ended December 31, 2020		Year ended December 31, 2019		Year ended December 31, 2018	
	(Audited)		(Audited)		(Audited)	
	USD (mil)	INR (mil)	USD (mil)	INR (mil)	USD (mil)	INR (mil)
Total Revenue	0.00	0.02	8.34	594.46	9.49	662.00
Net Income / (Loss)	(61.77)	(4,512.85)	(381.17)	(27,167.59)	(430.65)	(30,056.09)
Earnings Per Share / Basic and diluted earnings per limited partner unit	N/A	N/A	N/A	N/A	N/A	N/A
Net worth/ Shareholder' Funds	270.33	19,748.73	247.88	17,667.56	628.99	43,898.32

Source: Audited financial statements of PAC 4 for financial years ended December 31, 2020, December 31, 2019 and December 31, 2018, audited by Ernst & Young, the statutory auditor of the PAC 4.

Note: Since the financial statements of PAC 4 have been prepared in United States Dollars ("USD"), they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020,1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2018, for the year ended December 31, 2018 (Source: FBIL reference rate).

(F) PAC 5

1. PAC 5 is CAP IV AIV Mauritius Limited, a public company limited by shares, incorporated under the laws of Mauritius (Company Registration Number: 127456) on January 12, 2015. The name of PAC 5 has not changed since its incorporation.
2. PAC 5 has its registered office at Apex Group Ltd., Lot 15 A3, 1st Floor Cybercity, Ebene 72201, Mauritius.
3. PAC 5 is a public company limited by shares operating as an investment holding company.
4. PAC 5 belongs to the group of entities doing business globally as, 'The Carlyle Group'.
5. PAC 5 is ultimately sponsored and managed by The Carlyle Group Inc. The Carlyle Group Inc. is listed on NASDAQ bearing reference as NASDAQ:CG.
6. Neither PAC 5 nor any securities issued by it are listed on any stock exchange in India or offshore.
7. As of the date of this DPS, PAC 5, its directors and key employees do not have any interest in the Target Company, except for: (i) any indirect interest in the Underlying Transactions, as detailed in Part II (*Background to the Offer*) below, that has triggered this Open Offer; and (ii) PAC 4,holding 5,41,92,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital.
8. As of the date of this DPS, PAC 5 is not prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under SEBI Act or any other regulations made under the SEBI Act.
9. The key financial information of PAC 5 is set out below:

Particulars	Year ended December 31, 2020		Year ended December 31, 2019		Year ended December 31, 2018	
	(Audited)		(Audited)		(Audited)	
	USD (mil)	INR (mil)	USD (mil)	INR (mil)	USD (mil)	INR (mil)
Total Revenue	1,234.29	90,169.11	91.43	6,516.71	143.58	10,020.71
Net Income / (Loss)	1,232.69	90,052.46	90.28	6,434.42	(400.79)	(27,972.08)
Earnings Per Share / Basic and diluted earnings per limited partner unit	N/A	N/A	N/A	N/A	N/A	N/A
Net worth/ Shareholder' Funds	1,949.53	142,420.37	1,405.07	100,145.03	1,364.47	95,229.55

Source: Audited financial statements of PAC 5 for financial years ended December 31, 2020, December 31, 2019 and December 31, 2018, audited by Ernst & Young, the statutory auditor of the PAC 5.

Note: Since the financial statements of PAC 5 have been prepared in USD, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 73.0536 as on December 31, 2020, for the year ended December 31, 2020,1 USD = INR 71.2740 as on December 31, 2019, for the year ended December 31, 2019, and 1 USD = INR 69.7923 as on December 31, 2019, for the year ended December 31, 2019(Source: FBIL reference rate).

(G) Details of Sellers:

Not applicable. The Underlying Transactions do not involve any sale or purchase of Equity Shares from any existing shareholders of the Target Company.

(H) Target Company:

1. PNB Housing Finance Limited is a public listed company having corporate identification number L65922DL1988PLC033856.There has been no change in the name of the Target Company in the last 3 (three) years.
2. The Target Company has its registered office at 9th Floor, Antriksh Bhawan, 22 K G Marg, New Delhi, India 110001. Until July 18, 1994, the registered office of the Target Company was situated at 8th Floor, DCM Building, Barakhamba Road, New Delhi.
3. The Equity Shares of the Target Company are listed on the BSE Limited ("**BSE**") (Scrip Code: 540173) and National Stock Exchange of India Limited ("**NSE**") (Symbol: PNBHOUSING). The ISIN of the Equity Shares is INE572E01012.
4. The Target Company is a deposit taking Housing Finance Company (NHB registration number: 01.0018.01). The Target Company is primarily engaged in the business of retail loans and corporate loans. The retail business focusses on organized mass housing segment financing for acquisition or construction of houses. In addition, it also provides loan against properties and loans for purchase & construction of non-residential premises. Corporate loans are mainly to developers for construction of residential / commercial properties, corporate term loans and lease rental discounting.
5. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
6. As on the date of this DPS, the Target Company does not have any partly paid-up Equity Shares. The Target Company does not have any convertible instruments other than as covered under the definition of Expanded Voting Share Capital.
7. The key financial information of the Target Company, as submitted by the Target Company to the Stock Exchanges and based on its audited consolidated financial statements which have been audited by the Target Company's statutory auditor, B R Maheshwari & Co LLP (Chartered Accountants), as at and for the 12 (twelve) month period ended March 31, 2021, March 31, 2020, and March 31, 2019, are set out below:
8. The key financial information of Target Company is set out below:

	Year ended March 31, 2021 (Audited)	Year ended March 31, 2020 (Audited)	Year ended March 31, 2019 (Audited)
	INR (mil)	INR (mil)	INR (mil)
Total Revenue	76,241	84,896	76,832
Net Income	9,299	6,462	11,915
Earnings Per Share[1]	55.29	38.45	71.19
Net worth / Shareholders' Funds	89,230	79,978	75,439

Notes:

1. Earnings Per Share represents basic earnings per share.

(I) Details of the Offer:

1. This Open Offer is a mandatory offer in compliance with Regulation 3(1), Regulation 3(2), Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the execution of the Subscription Agreements (*as defined below*) pursuant to which the Acquirer and PAC 1 propose to acquire, 30.0% (thirty percent) and 0.2% (zero point two), respectively, of the Expanded Voting Share Capital of the Target Company.
2. This Offer is being made by the Acquirer and PACs to the Shareholders, to acquire up to 70,793,011 (seventy million seven hundred ninety three thousand and eleven) Equity Shares of the Target Company, constituting 26% (twenty six percent) of the Expanded Voting Share Capital of the Target Company ("**Offer Size**"), at a price of INR 403.22 (Indian Rupees four hundred and three and twenty two paise) per Equity Share ("**Offer Price**"), subject to the terms and conditions mentioned in the Public Announcement, this DPS and to be set out in the letter of offer ("**LoF**" or "**Letter of Offer**") that is proposed to be issued in accordance with the SEBI (SAST) Regulations.
3. The Offer Price has been arrived at, in accordance with Regulation 8 of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be INR 28,545,157,895.42 (Indian Rupees twenty eight billion five hundred forty five million one hundred fifty seven thousand eight hundred and ninety five, and forty two paise) ("**Maximum Open Offer Consideration**").
4. The Offer Price is payable in cash by the Acquirer in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
5. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Open Offer.
6. All the Equity Shares validly tendered by the Shareholders in this Open Offer will be acquired by the Acquirer fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and in accordance with the terms and conditions set forth in the PA, this DPS and as will be set out in the LoF, and the tendering Shareholders shall have obtained all necessary approvals and consents required from governmental authorities and third parties for them to sell the Offer Shares on the foregoing basis.
7. The Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall only acquire the Equity Shares from the Shareholders who have validly tendered their Equity Shares in this Open Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights declared thereof.
8. As on the date of this DPS, to the best of the knowledge of the Acquirer and the PACs, other than as set out in Part VI (*Statutory and Other Approvals*) of this DPS, there are no statutory approvals required by the Acquirer and PACs to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirer or PACs at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer and PACs shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer and the PACs, the Acquirer and the PACs shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to NSE, BSE, SEBI and the Target Company at its registered office.
9. If Shareholders who are not persons resident in India (including non-resident Indian ("**NRI**"), overseas corporate bodies ("**OCB**") and foreign institutional investors ("**FIIs**")/Foreign Portfolio Investors ("**FPIs**") had required any approvals (including from the Reserve Bank of India ("**RBI**"), or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Open Offer.
10. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
11. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
12. Where any statutory or other approval extends to some but not all of the Shareholders, the Acquirer and the PACs shall have the option to make payment to such Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
13. As on the date of this DPS, the Acquirer and the PACs do not have any intention to dispose-off or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than (a) in the ordinary course of business, or (b) as already agreed, disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company. The Acquirer and the PACs reserve the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger of the Equity Shares of the Target Company from the Stock Exchanges and/or sale of assets or undertakings upon completion of the Open Offer. The Acquirer and/or the PACs may also consider disposal of or otherwise encumbering any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.
14. If the Acquirer intends to alienate any material asset of the Target Company or any of its subsidiaries (other than as disclosed above in Paragraph 13 of Part I) within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.
15. As per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**LODR Regulations**") read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions, in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, as amended, and the LODR Regulations ("**MPS Requirement**"), the Acquirer and the PACs undertake to take necessary steps (or cause the other promoters of the Target Company to take necessary steps) to bring down the non-public shareholding in the Target Company, to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines/regulations i.e. to bring down the non-public shareholding to 75% (seventy five percent) within 12 (twelve) months from the date of such fall in the public shareholding to below 25% (twenty five percent), through permitted routes and any other such routes as may be approved by SEBI from time to time.
16. The Manager to the Offer does not hold any Equity Shares of the Target Company. The Manager to the Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

II. BACKGROUND TO THE OFFER

1. This Offer is a mandatory open offer being made by the Acquirer and PACs in terms of Regulation 3(1), Regulation 3(2) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of Subscription Agreements (*as defined below*) to acquire in excess of 25% (twenty five percent) of the Expanded Voting Share Capital of the Target Company.
2. As on the date of this DPS, PAC 4 holds 54,192,300 (fifty four million one hundred ninety two thousand three hundred) Equity Shares of the Target Company which represents 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital. As stated above, each of the Acquirer, PAC 2, PAC 3, PAC 4 and PAC 5 belong to the group of entities doing business globally as "The Carlyle Group".
3. The Acquirer has entered into a subscription agreement dated May 31, 2021 with the Target Company (the "**Acquirer Subscription Agreement**"), wherein it is proposed that the Acquirer shall subscribe to: (a) 65,333,333 (sixty five million three hundred thirty three thousand three hundred thirty three) Equity Shares; and (b) 16,333,333 (sixteen million three hundred thirty three thousand three hundred thirty three) Share Warrants by way of preferential allotment on a private placement basis; subject to the conditions and in accordance with the terms of the Acquirer Subscription Agreement. PAC 1 has entered into a subscription agreement dated May 31, 2021 with the Target Company (the "**PAC 1 Subscription Agreement**"), wherein it is proposed that PAC 1 shall subscribe to: (a) 512,820 (five hundred twelve thousand eight hundred twenty) Equity Shares; and (b) 128,205 (one hundred twenty eight thousand two hundred five) Share Warrants by way of preferential allotment on a private placement basis; subject to the conditions and in accordance with the terms of the PAC 1 Subscription Agreement. The Acquirer Subscription Agreement and the PAC 1 Subscription Agreement are collectively referred to as the "**Subscription Agreements**".
4. The Equity Shares are proposed to be issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety) per Equity Share. The Share Warrants are proposed to be issued to the Acquirer and PAC 1 at a price of INR 390 (Indian Rupees three hundred ninety) per Share Warrant, of which (i) 25% (twenty five percent) of the said price per Share Warrant is payable to the Target Company at the time of allotment of the Share Warrant, and (ii) the balance 75% (seventy five percent) per Share Warrant is payable to the Target Company at the time of issue and allotment of the Equity Shares upon exercise of the option attached to the Share Warrants. As per applicable laws, the tenure of the Share Warrants shall not exceed 18 (eighteen) months from the date of their issue and allotment.
5. The Acquirer and PAC 1 do not belong to the same group and are persons acting in concert only for the purpose of Open Offer and should not be deemed to be "person acting in concert" for any other purpose or other transaction. PAC 1 has issued a letter to the Acquirer subjecting itself to certain transfer restrictions and exit obligations in respect of Equity Shares and Share Warrants acquired pursuant to the Underlying Transactions.
6. The proposed issue of Equity Shares and Share Warrants to the Acquirer and PAC 1 pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement are collectively referred to as the "**Underlying Transactions**". A tabular summary of the Underlying Transactions is set out below:

Type of transaction (direct/ indirect)	Mode of transaction (Agreement/Allotment/ Market Purchase)	Shares/Voting rights acquired/ proposed to be acquired		Total consideration for shares/ Voting Rights acquired (INR)	Mode of payment (Cash/ securities)	Regulation which has triggered
		Number	% vis-à-vis total/ ~~Equity~~ Expanded Voting Share Capital			
Direct	Agreement – Execution of the Acquirer Subscription Agreement for the subscription to Equity Shares and Share Warrants	65,333,333 Equity Shares and 16,333,333 Share Warrants (with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each Share Warrant, subject to the terms of the Share Warrants)	30.0%	INR 31,849,999,740*	Cash	Regulations 3(1), (2) and 4 of the SEBI (SAST) Regulations
	Agreement – Execution of the PAC 1 Subscription Agreement for the subscription to Equity Shares and Share Warrants	512,820 Equity Shares and 128,205 Share Warrants (with 1 (one) Equity Share being issuable by the Target Company upon the exercise of the option attached to each Share Warrant, subject to the terms of the Share Warrants)	0.2%	INR 249,999,750*	Cash	

** The total consideration payable for acquisition of Share Warrants by the Acquirer is INR 6,369,999,870 (Indian Rupees six billion three hundred sixty nine million nine hundred ninety nine thousand eight hundred seventy) and PAC 1 is INR 49,999,950 (Indian Rupees forty nine million nine hundred ninety nine thousand nine hundred fifty), wherein 25% (twenty five percent) of the total consideration shall be payable upfront at the time of allotment, by Acquirer and PAC 1 respectively.*

continued on next page...

SIDBI invites bids from consultants to help set up ₹20k-cr NaBFID

SIDBI, ON BEHALF of the government, has floated the request for proposal (RFP) inviting bids from consultants to help set up ₹20,000-crore DFI, called National Bank for Financing Infrastructure and Development (NaBFID) to catalyse investment in fund-starved infrastructure sector.

Parliament in March cleared the National Bank for Financing Infrastructure and Development (NaBFID) Bill 2021 to support the development of long-term non-recourse infrastructure financing in India, including the development of the bonds and derivatives markets necessary for infrastructure financing.

The objective of the assignment is to select a management consultant to support in the setting up of an infra development finance institution (DFI) as an All-India Financial Institution (AIFI) to provide, enable and catalyse infrastructure financing, the RFP said.

The infra DFI is being established through an Act of Parliament as a statutory body to address market failures that stem from the long-term, low margin and risky nature of infrastructure financing. The DFI would, therefore, have both developmental and financial objectives. To begin with, the institution will be 100% government owned.

The DFI is expected to operate in a highly digital environment right from the start, the RFP said. **— PTI**

...continued from previous page

7. Given the intent of the Acquirer and PACs to acquire and exercise control (along with the existing promoters) of the Target Company pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement, and given that (a) Acquirer will be acquiring more than 25% (twenty five percent) of the Expanded Voting Share Capital, (b) the Acquirer and PAC 1 will, together with PAC 4 (which currently owns 32.2% (thirty two point two percent) of the issued and paid-up voting share capital) acquire more than 5% (five percent) of the Expanded Voting Share Capital pursuant to the Underlying Transactions, this mandatory Open Offer is being made by the Acquirer and PACs in compliance with Regulations 3(1), 3(2) and 4 of the SEBI (SAST) Regulations. Pursuant to the Offer and consummation of the Underlying Transactions, the Acquirer and PACs will acquire control over the Target Company and the Acquirer, PAC 1 and PAC 4shall become the promoters of the Target Company in accordance with the provisions of the LODR Regulations.

8. The completion of subscription of Equity Shares and Share Warrants by the Acquirer and PAC 1 under the Subscription Agreements is subject to the fulfillment of the conditions precedent as specified under the respective Subscription Agreements, including the following:
   (a) The Acquirer and PAC 1 having obtained the approval from the Competition Commission of India for the transactions contemplated in the Acquirer Subscription Agreement and PAC 1 Subscription Agreement;
   (b) The Target Company having obtained the in-principle approval of the Stock Exchanges for the issue and allotment of the Equity Shares and Share Warrants;
   (c) The Target Company having obtained the approval from the RBI for the transactions contemplated under the Subscription Agreements under the Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 issued by the RBI ("**RBI Master Direction**"), and expiry of the 30 (thirty) day public notice required pursuant to paragraph 47 of the RBI Master Direction;
   (d) The permission to accept public deposits available to the Target Company not having been cancelled, withdrawn, modified or conditioned by the RBI;
   (e) Receipt of all required approvals and consents from governmental authorities and third parties by the Target Company;
   (f) Approvals from such lenders of the Target Company, as notified by the Acquirer to the Target Company, having been obtained in relation to the transactions contemplated in the Acquirer Subscription Agreement;
   (g) Amendment to the articles of association of the Target Company to incorporate the right mentioned in paragraph 9 and 10 below; and
   (h) Receipt of the approval of shareholders of the Target Company as contemplated under respective Subscription Agreements.

9. The Acquirer Subscription Agreement also provides that subject to the occurrence of closing under the Acquirer Subscription Agreement, no later than January 1, 2022, the post of the chairperson of the board of directors of the Target Company shall be held by any director nominated to act as the chairperson of the board of directors of the Target Company by the Acquirer or its affiliates, out of the directors nominated to the board of directors of the Target Company by the Acquirer or its affiliates, for so long as the Acquirer together with its affiliates hold at least 40% (forty percent) of the share capital of the Target Company on a fully diluted basis.

10. The Acquirer Subscription Agreement provides for the amendment of articles of association of the Target Company for inclusion of the right mentioned in Paragraph 9 above and the following right in the articles of association of the Target Company: *"Any promoter of the Company, or a person who has licensed its brand name to the Company, shall be entitled to nominate a maximum of 2 (two) directors on the Board (including any right to nominate directors under Article 86 of these Articles of Association), subject to such person owning at least 20% (twenty percent) of the share capital of the Company."*

11. Object of the Offer: Given the intent of the Acquirer and PACs to acquire and exercise control (along with the existing promoters) of the Target Company pursuant to the Acquirer Subscription Agreement and the PAC 1 Subscription Agreement, and given that (a) Acquirer will be acquiring more than 25% (twenty five percent) of the Expanded Voting Share Capital, (b) the Acquirer and PAC 1 will, together with PAC 4 (currently owns 32.2% (thirty two point two percent) of the issued and paid-up voting share capital) acquire more than 5% (five percent) of the Expanded Voting Share Capital pursuant to the Underlying Transactions, this mandatory Open Offer is being made by the Acquirer and PACs in compliance with Regulations 3(1), 3(2) and 4 of the SEBI (SAST) Regulations. Pursuant to the Offer and consummation of the Underlying Transactions, the Acquirer and PACs will acquire control over the Target Company and the Acquirer, PAC 1 and PAC 4 shall become the promoters of the Target Company in accordance with the provisions of the LODR Regulations. Following the completion of the Offer, the Carlyle Group will continue to work with the Target Company to accelerate its growth for the benefit of all stakeholders.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer and the PACs in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC 1		PAC 2		PAC 3		PAC 4		PAC 5	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Shareholding as on the PA date.	NIL*	–	NIL	–	NIL*	–	NIL*	–	54,192,300 Equity Shares, constituting 19.9% of the Expanded Voting Share Capital	19.9% of the Expanded Voting Share Capital	NIL*	–
Shares acquired between the PA date and the DPS date.	NIL	–	NIL	–	NIL	–	NIL	–	NIL	–	NIL	–
Post Offer shareholding calculated on the Expanded Voting Share Capital (assuming full acceptance in the Open Offer).	136,126,344 Equity Shares and 16,333,333 Share Warrants**	56.0% of the Expanded Voting Share Capital**	512,820 Equity Shares and 128,205 Share Warrants	0.2% of the Expanded Voting Share Capital**	NIL	–	NIL	–	54,192,300 Equity Shares	19.9% of the Expanded Voting Share Capital**	NIL	–

Each of the Acquirer, PAC 2, PAC 3, PAC 4 and PAC 5 belong to the group of entities doing business globally as "The Carlyle Group".
*** assuming full acceptance in the Offer and completion of the Underlying Transactions.*

2. The Acquirer, the PACs and their respective directors do not have any shareholding in the Target Company as on the date of the PA and this DPS other than 54,192,300 (fifty four million one hundred ninety two thousand three hundred)Equity Shares, constituting 19.9% (nineteen point nine percent) of the Expanded Voting Share Capital, held by PAC 4.

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed on the Stock Exchanges.
2. The trading turnover of the Equity Shares on the Stock Exchanges from May 1, 2020 to April 30, 2021, both dates included ("**Relevant Period**") (12 (twelve) calendar months preceding the calendar month in which the PA is made) are set forth below:

Stock Exchange	No. of Equity Shares of the Target Company traded during the Relevant Period (A)*	Total No. of Equity Shares of the Target Company during the Relevant Period (B)*	Traded turnover percentage (A/B)
BSE	1,28,48,558	16,81,99,429	7.64%
NSE	14,03,57,096	16,81,99,429	83.45%

* *(Source: www.bseindia.com and www.nseindia.com)*

3. Based on the above, in terms of Regulation 2(1) (j) of the SEBI (SAST) Regulations, the Equity Shares of the Target Company are frequently traded.
4. The Offer Price of INR 403.22(Indian Rupees four hundred three and twenty two paise)per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of:

a.	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreements attracting the obligation to make a public announcement of this Open Offer.	INR 390
b.	The volume-weighted average price paid or payable for acquisitions, by the Acquirer and/or the PACs, during the 52 (fifty-two) weeks immediately preceding the date of the Public Announcement.	Not applicable
c.	The highest price paid or payable for any acquisition, by the Acquirer and/or the PACs, during the 26 (twenty-six) weeks immediately preceding the date of the Public Announcement.	Not applicable
d.	The volume-weighted average market price of the Equity Shares, for a period of 60 (sixty) trading days immediately preceding the date of the Public Announcement as traded on the NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded during such period, and such shares are frequently traded.	INR 403.22
e.	Where the shares are not frequently traded, the price determined by the Acquirer, the PAC and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	Not applicable
f.	The per Equity Share value computed under regulation 8(5), if applicable	Not applicable since this is not an indirect acquisition

Source: Certificate dated May 31, 2021 issued by SSPA & Co.,Chartered Accountants

5. In view of the parameters considered and presented in the table in Paragraph 4 above, the Offer Price, under Regulation 8(2) of the SEBI (SAST) Regulations, is INR 403.22 (Indian Rupees four hundred three and twenty two paise) per Equity Share, and the same has been certified by SSPA & Co, Chartered Accountants, vide their certificate dated May 31, 2021. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
6. Since the date of the PA, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, declaration of dividend etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of tendering period of the Offer.
7. As on date of this DPS, there is no revision in Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs, at any time prior to commencement of last 1 (One) Working Day before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and PACs shall: (i) make corresponding increases to the escrow amounts and/or bank guarantee; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.
8. In the event of acquisition of the Equity Shares by the Acquirer and/or PACs during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increases to the escrow amounts and/or bank guarantee; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. However, the Acquirer and/or PACs shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the tendering period of this Open Offer and until the expiry of the tendering period of this Open Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be done at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the tendering period of this Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
9. If the Acquirer and/or PACs acquire Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price per Equity Share, then the Acquirer and/or PACs shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders who have tendered Equity Shares and whose Equity Shares have been accepted in the Offer, within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for this Offer is INR 28,545,157,895.42 (Indian Rupees twenty eight billion five hundred forty five million one hundred fifty seven thousand eight hundred and ninety five, and forty two paise) assuming full acceptance of this Offer i.e. the Maximum Open Offer Consideration.
2. The Acquirer and the PACs have confirmed that they have made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. The Acquirer has received equity commitment letter from PAC 2 and PAC 3, stating that necessary funds required for the Open Offer will be provided by PAC 2 and PAC 3 to fulfil the financial arrangements in connection with the Open Offer, and PAC 2 and PAC 3 have committed an amount of INR 29,972,415,793 (Indian Rupees twenty nine billion nine hundred seventy two million four hundred fifteen thousand seven hundred ninety three) for this purpose. The source of funds for the Acquirer is foreign funds. SSPA & Co, Chartered Accountants, by its certificate dated May 31, 2021, have certified that the Acquirer has made firm financial arrangements to meet its financial obligations under the Open Offer.
3. In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and the Hongkong and Shanghai Banking Corporation Limited ("**Escrow Bank**") have entered into an Escrow Agreement dated May 31, 2021 ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the Acquirer has opened an escrow account under the name and title of "HSBC – PLUTO INVESTMENTS – OPEN OFFER- ESCROW ACCOUNT" bearing account number 002-015311-001 ("**Escrow Account**") with the Escrow Bank and has made a cash deposit of INR 285,451,579.00 (Indian Rupees two hundred eighty-five million four hundred fiftyone thousand five hundred seventy nine)in the Escrow Account in accordance with the Regulation 17(5) of the SEBI (SAST) Regulations. This cash deposit is equal to 1% of the Maximum Open Offer Consideration. The Manager to the Open Offer has been solely authorised by the Acquirer to operate and realise the monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations. The Acquirer has also furnished an unconditional, irrevocable, and on demand bank guarantee dated June 2, 2021, for an amount of INR 3,604,515,790 (Indian Rupees three billion six hundred four million five hundred fifteen thousand seven hundred ninety only) from Hongkong and Shanghai Banking Corporation Limited ("**Bank Guarantee**"), in favour of the Manager to the Open Offer. The Bank Guarantee is valid up to November 30, 2021. The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer and PACs undertake that in case the Open Offer is not completed within the validity of the Bank Guarantee, the Bank Guarantee will be further extended at least up to the 30th day from the date of completion of payment of the Equity Shares validly tendered in the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, the PACs or the Target Company.
4. Based on the above, the Manager to the Open Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfil their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
5. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account and/or the amount of the Bank Guarantee, shall be increased by the Acquirer and PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirer and the PACs, the regulatory / statutory approvals required to complete the Underlying Transactions and the Open Offer as on the date of this DPS are:
   (a) Approval from the Competition Commission of India for consummation of the Underlying Transactions and the Open Offer (either unconditionally, or in a form satisfactory to the Acquirer);
   (b) Approval from the RBI for the transactions contemplated under the Subscription Agreements under the RBI Master Direction, and expiry of the 30 (thirty) day public notice required pursuant to paragraph 47 of the RBI Master Direction (either unconditionally, or in a form satisfactory to the Acquirer);
   (c) In-principle approval of the Stock Exchanges for the issue and allotment of the Equity Shares and Share Warrants (either unconditionally, or in a form satisfactory to the Acquirer), applicable only for the Underlying Transactions; and
   (d) Approval of shareholders of the Target Company as contemplated under respective Subscription Agreements, applicable only for the Underlying Transactions.

   In addition to the foregoing, if applicable, approval may also be required from the Government of India pursuant to Rule 6(a) of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 (either unconditionally, or in a form satisfactory to the Acquirer).
2. The necessary applications for these regulatory / statutory approvals have been made or shall be made shortly.
3. Except as mentioned above, as on the date of this DPS, to the best knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer and/or the PACs, to complete the Underlying Transactions and this Open Offer. However, in case of any further statutory approvals being required by the Acquirer and/or the PACs, at a later date, this Open Offer shall be subject to such approvals and the Acquirer and/or the PACs shall make the necessary applications for such approvals.
4. In case of delay / non receipt of any statutory approvals required by the Acquirer and/or the PACs, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer and PACs agreeing to pay interest to the Shareholders of the Target Company (who validly tender their Equity Shares in the Open Offer) at such rate as may be specified by SEBI. Provided where the statutory approvals extend to some but not all Shareholders of the Equity Shares, the Acquirer and PACs shall have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Open Offer.
5. If Shareholders who are not persons resident in India (including NRI, OCB and FII / FPI) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender Equity Shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Open Offer.
6. The Acquirer and the PACs will have the right to withdraw this Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals whether relating to the acquisition under the Underlying Transactions or this Open Offer or those which become applicable prior to completion of the Offer, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirer. In the event of withdrawal of this Open Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

VII. TENTATIVE SCHEDULE OF ACTIVITY

No.	Name of Activity	Schedule of Activities (Day and Date) #
1.	Issue of Public Announcement	Monday, May 31, 2021
2.	Publication of this DPS in newspapers	Monday, June 07, 2021
3.	Filing of the draft Letter of Offer with SEBI	Monday, June 14, 2021
4.	Last date for public announcement for competing offer(s)	Monday, June 28, 2021
5.	Last date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Monday, July 05, 2021
6.	Identified Date ("**Identified Date**")*	Wednesday, July 07, 2021
7.	Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Wednesday, July 14, 2021
8.	Last date for upward revision of the Offer Price and/or the Offer Size	Monday, July 19, 2021
9.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer	Monday, July 19, 2021
10.	Date of publication of Offer opening public announcement, in the newspapers in which this DPS has been published	Tuesday, July 20, 2021
11.	Date of commencement of the Tendering Period ("**Offer Opening Date**")	Thursday, July 22, 2021
12.	Date of closure of the Tendering Period ("**Offer Closing Date**")	Wednesday, August 04, 2021
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Wednesday August 18, 2021
14.	Last date for filing the post Offer report with SEBI	Thursday, August 26, 2021
15.	Last date for publication of post-Offer public announcement in the newspapers in which this DPS has been published	Thursday, August 26, 2021

**The Identified Date is only for the purpose of determining the Shareholders as on such date to whom the LoF will be dispatched. It is clarified that all Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PACs, the parties to the Underlying Transactions and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the closing of the Tendering Period of the Offer, subject to Paragraph 5 of Part VI (Statutory and Other Approvals) above.*

 # The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various statutory / regulatory authorities and may have to be revised accordingly.

VIII. PROCEDURE FOR TENDERING THE OFFER SHARES IN CASE OF NON RECEIPT OF LOF

1. Subject to Part VI (*Statutory and Other Approvals*) above, all the Shareholders of the Target Company, holding the shares in dematerialized form and/or physical form, registered or unregistered are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date (both days inclusive), ("**Tendering Period**") for this Open Offer.
2. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.
3. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired Equity Shares after the Identified Date or those who have not received the LoF, may participate in this Open Offer (subject to Part VI (*Statutory and Other Approvals*) above and provided that they are not parties to the Subscription Agreements, or actual or deemed persons acting in concert with such parties), by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the Public Announcement, this DPS and the LoF to be issued. Alternatively, such holders of Equity Shares may also apply in the form of acceptance-cum-acknowledgement in relation to this Open Offer annexed to the LoF, which may be obtained from the SEBI website (www.sebi.gov.in) or the Registrar to the Offer (*details set out under Part IX below*). Any such applications must be sent to the Registrar to the Offer at the address mentioned below in Part IX (*Other Information*) so as to reach the Registrar to the Offer on or before 4:00 p.m. on the date of closure of the Tendering Period, together with:
   (a) Where the Equity Shares held in dematerialized form, the name of the Depository Participant ("**DP**"), the DP identity and beneficiary account number, together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in favour of the Open Offer Escrow Demat Account under the name and title of "LIIPL PNB HOUSING OPEN OFFER ESCROW DEMAT ACCOUNT" bearing account number IN30311613453925. Any Shareholders tendering Equity Shares in dematerialized form should ensure that the Equity Shares are credited in the favour of the Open Offer Escrow Demat Account during the Tendering Period. Any form of acceptance in respect of dematerialized Equity Shares not credited to the Open Offer Escrow Demat Account on or before the Offer Closing Date is liable to be rejected;

Name of the Depository Participant	Ventura Securities Limited
DP ID	IN303116
Client ID	13453925
Account Name	LIIPL PNB HOUSING OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	NSDL
Mode of Instruction	Off Market

   (b) Shareholders having their beneficiary account with Central Depository Services (India) Limited must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Open Offer Escrow Demat Account.
   (c) Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer will be required to submit the form of acceptance duly completed and signed in accordance with the instructions contained therein along with the complete set of documents for verification procedures to be carried out including: (i) original share certificate(s); (ii) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholder in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company; (iii) self-attested copy of the shareholder's PAN Card; and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable., to the addresses to be provided in the LoF. Further details regarding the process for tendering Equity Shares in physical form will be provided in the LoF.
4. **The detailed procedure for tendering the equity shares in the Offer will be available in the Letter of Offer, which shall be available on SEBI's website (www.sebi.gov.in).**

IX. OTHER INFORMATION

1. The Acquirer, the PACs and their respective directors (as applicable) accept full responsibility for the information contained in the Public Announcement and this DPS (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company), and undertake that they are aware of and will jointly and severally comply with and fulfil their obligations under the SEBI (SAST) Regulations.
2. The information pertaining to the Target Company contained in the PA, this DPS or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or publicly available sources which has not been independently verified by the Acquirer or the PACs or the Manager. The Acquirer, the PACs and the Manager do not accept any responsibility with respect to the information provided by the Target Company.
3. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.
4. In this DPS, all references to "**Re.**" and "**Rs.**" and "**INR**" are references to the Indian Rupee(s).
5. This DPS and the Public Announcement would also be available on SEBI's website (www.sebi.gov.in).
6. The Acquirer has appointed HSBC Securities and Capital Markets (India) Private Limited as the Manager to the Open Offer, as per the details below:

HSBC

HSBC Securities and Capital Markets (India) Private Limited
52 / 60, MG Road, Fort, Mumbai, 400 001
Tel: +91 22 2268 1712 / +91 22 6628 3700; Fax: +91 22 6653 6207
Email: pnbhf@hsbc.co.in
Contact Person: Mr. Ramakrishna Rao Chappidi / Mr. Dhananjay Sureka
SEBI Registration Number: INM000010353

7. The Acquirer has appointed M/S. Link Intime India Private Limited as the Registrar to the Offer, as per the details below:

LINKIntime

M/S. Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083
Tel: +91 22 4918 6200; Fax: +91 22 4918 6195
Email: pnbhousing.offer@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
SEBI Registration Number: INR000004058

Issued by the Manager to the Offer:

On behalf of the Acquirer and PACs

Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	PAC 5
Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory	Authorised Signatory
Pluto Investments S.à r.l.	**Salisbury Investments Private Limited**	**Carlyle Asia Partners IV, S.C.Sp.**	**Carlyle Asia Partners V, S.C.Sp.**	**Quality Investment Holdings**	**CAP IV AIV Mauritius Limited**

Date: June 5, 2021
Place: Mumbai

Opinion

MONDAY, JUNE 7, 2021

RATION AT THE DOORSTEP

Delhi CM Arvind Kejriwal

Some officers have said that the ration is from the Centre and can't be used for a state scheme... There are people who are not going *(because of Covid fears)* ... the elderly can't step out for ration. If there can be pizza delivery, then why not ration for the underprivileged?

SHOBHANA SUBRAMANIAN

shobhana.subramanian@expressindia.com

Hike corporation taxes now

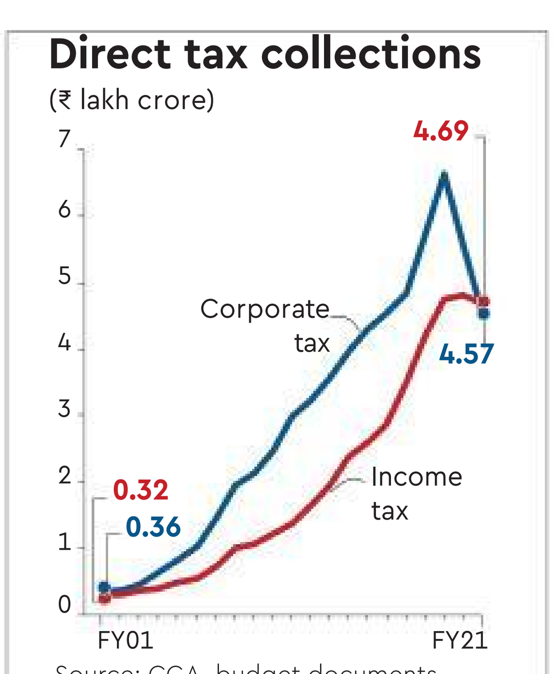
GVA underscores the disparity between India Inc and MSMEs; a retrospective higher tax for FY21 not out of place

ON AT LEAST three occasions earlier this year, these columns have suggested the corporate tax rate be hiked. So, it is flattering to note that Anantha Nageswaran, member of the Prime Minister's Economic Advisory Council, feels the same way. The move to lower the rate to 22% plus cesses was always ill-advised; the sharply lower rate was supposed to attract truckloads of investment and create thousands of jobs, but nothing of the sort has happened.

On the contrary, fat-cat corporations and banks that were, in any case, raking it in, pocketed the gains. CRISIL estimated at the time, based on estimates for FY19 profits-before-tax (PBT), the top 1,000 companies collectively reaped a windfall of ₹37,000 crore.

These columns also observed on June 1 that it is inconsiderate—to put it mildly—of the corporate sector to call for government stimulus without even offering to contribute. This, in a year in which it has raked in such phenomenal profits even as the economy contracted some 7.3%, the worst performance in decades. For perspective, just as the earnings season is ending, India Inc (a sample of 1,022 companies including banks and financials) has reported a phenomenal net profit of ₹5.45 lakh crore; that is a jump of 56% over profits the previous year. The increase in the PBT is an even more impressive 61%, clocking roughly ₹8 lakh crore.

The profits have resulted not merely from better sales growth—in fact, the aggregate sales are down 2.44%—but also from huge cost-cuts. Expenditure was slashed by some ₹4.2 lakh crore at a time when commodity prices are elevated. Going by the cash levels, it doesn't seem like companies are scrounging for profits. The combined free cash-flows of three two-wheeler players was ₹8,300 crore while ITC's free cash-flows are nudging ₹10,000 crore. Little wonder, interest costs came off by 5%.



Source: CGA, budget documents

Also, more pertinently, the tax bill fell by a whopping 32% and there is no base effect here. As is known, collections from corporation taxes in FY21, at ₹4.57 lakh crore, came in lower than the ₹4.69 lakh crore from personal income taxes. Also, indirect taxes, as a share of GDP, stood at 5.46%, higher than the share of 4.79% for direct taxes, partly because of the very stiff duties on auto fuels. However, economists always prefer a higher share for direct taxes, and this is a good time for the Union government to rethink corporation taxes. Even a retrospective tax for FY21 would not be out of place.

The point is that the broader economy needs support. To be sure, it is the government's responsibility to stimulate demand and to take care of the vulnerable sections of the population that need income support. The thousands of MSMEs, especially the smaller units, need assistance to be able to stay in business. While RBI has come up with several credit lines for banks, at very affordable rates—it did so even last Friday—banks have not been too keen to lend. Their profits continue to soar in a year in which loan growth collapsed to multi-year lows. For the banks and financials in the sample, profits went up 18%, but corporate credit for FY21 was virtually flat. Most of the corporate lending has happened in the corporate-bond market, directed at the better-rated companies.

Rather than take on any risk, banks are content to mop up cheap deposits and park them with RBI at 3.35%. It is hard to understand why RBI needs to incentivise them to lend to healthcare—in the midst of a pandemic—as also to lend to contact-intensive sectors. State Bank of India's advances went up by a measly 5% last year, but the lender's profits soared 41% to ₹10,400 crore. At Kotak Mahindra Bank, the loan growth for the year was just 1.8% while the net profits were up 17%.

Thanks to their finance muscle, the larger companies were able to restore supply chains fairly quickly once the lockdown was lifted last year and, thus, were back in business by about September. In contrast, the smaller enterprises—most of these being in the unlisted space—were unable to recover as quickly and lost market share. As is known, a much bigger percentage of MSMEs opted for the loan moratoriums last year than bigger firms.

Nowhere is the disparity between the formal and informal sectors seen more starkly than in the GVA; India's GVA contracted 6.2% in FY21 while the proxy for India Inc's GVA—the sum of the ebitda plus employee expenses—went up by a remarkable 18%. The variance could be even higher when the numbers are revised, given the data initially capture more of the organised sector's performance than that of the unorganised sector. The government's total revenues (including disinvestment proceeds) for the current year are likely to fall short by more than ₹1 lakh crore; the deficit could also be wider than ₹15.06 lakh crore if it spends as budgeted. A hike in corporation taxes could ease the pressure.

FROM PLATE TO PLOUGH

COMPARED WITH THE MANMOHAN SINGH-LED GOVT, THE MODI-LED GOVT SEEMS TO HAVE PRIOTISED WELFARE, MOST VISIBLE IN SWACHH BHARAT, MGNREGA, AND RURAL HOUSING

Seven years of the Modi govt: Welfare over growth

ASHOK GULATI

Infosys chair professor for agriculture, ICRIER

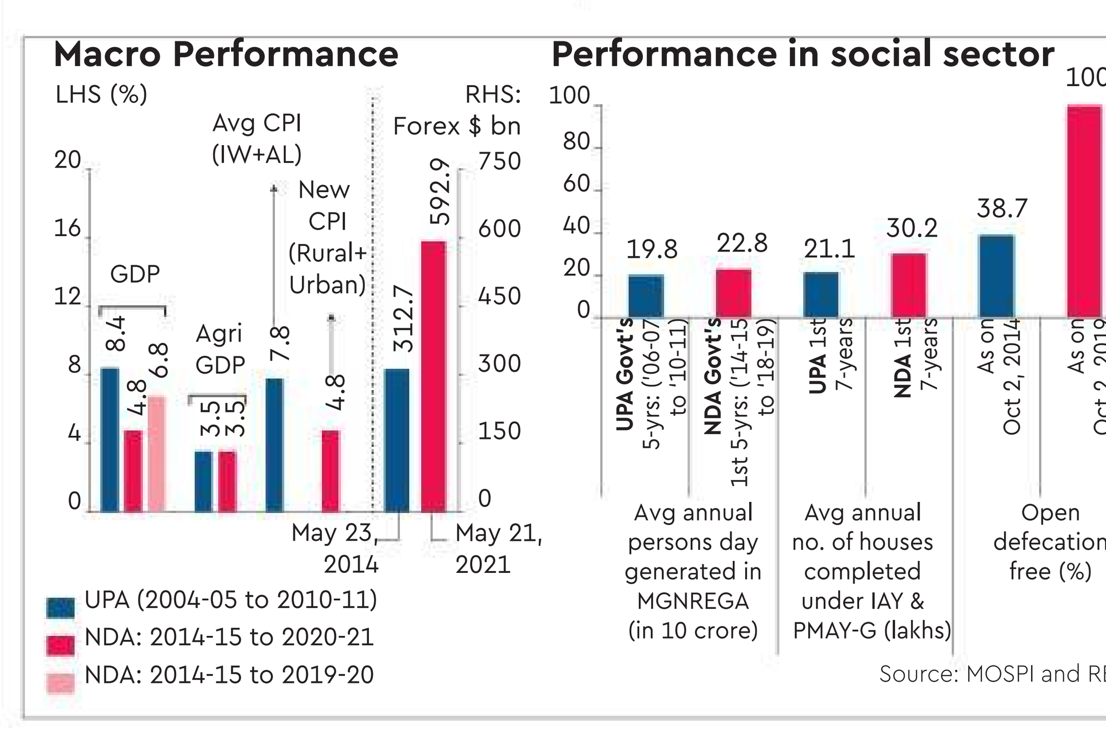
THE NARENDRA MODi-led government has completed seven years in power. It is facing headwinds on the politico-economic front, thanks to the second wave of Covid-19 and the below-expectation performance in state assembly elections. Yet, it is time to look back and reflect on its performance on socio-economic parameters over the last seven years. We also compare and see how it faired vis-à-vis the first seven years of the UPA (2004-05 to 2010-11) under Manmohan Singh.

One of the key economic parameters is the GDP growth. The accompanying graphic shows the average annual rate of growth of GDP under the Modi government so far has been just 4.8%, compared with 8.4% during the first seven years of the Singh government. Even if one excludes the year 2020-21 (FY21) due to Covid-19, the six-year average stands at 6.8%, way below the Singh showing. Obviously, at this pace, the dream of a $5-trillion economy by FY25 is not achievable.

However, the Modi government faired better on inflation front, with CPI rising 4.8% per annum against 7.8% during the first seven years of the Singh government. Also, on the foreign exchange front, the former did better, with forex reserves rising from $313 billion on May 23, 2014, to $593 billion on May 21, 2021.

On the food/agriculture front, which impacts the largest segment of population, both governments recorded an annual average growth of 3.5% in agri-GDP during their respective first seven years. However, the Modi government broke all records with respect to food and fertiliser subsidies in FY21, which touched ₹6.52 lakh crore (38.5% of all revenue of the Union government, as per CGA). It also accumulated grain stocks exceeding 100 million tonnes by end-May 2021. This reflects the large inefficiency in India's grain management system, and PM Modi shied away from reforming this sector. On agri-exports front, the Modi government performed poorly—in seven years, it could not surpass the $43 billion achieved in FY14. With sluggish agri-exports and subdued farmers' incomes, the dream of doubling farmers' real incomes by FY23 may remain a pipe dream.

On the infrastructure front, the Modi government has done better than the UPA. Power generation is higher by 78% and road construction by 30% per annum. In the social-sector, critical for those at the bottom of economic pyramid, we have taken three key indicators to assess performance of the Modi government vis-à-vis the Singh government: (a) average annual person days generated under MGNREGA in the first five years of the programme started by the UPA (FY07 to FY11), which was 200 crore, improving under the Modi government to 230 crore; (b) average annual number of houses completed under Indira Awaas Yojana and PM Awaas Yojana- Gramin, which improved from 21 lakhs to 30 lakhs per annum; and (c) ending open defecation (open-defecation free, or ODF) that was 38.7% on October 2, 2014, and shot up to 100% by October 2, 2019, as per government records. This is indeed commendable; prioritising toilets over temples, the Modi government achieved the completely ODF status that hadn't been achieved even 67 years after Independence.



Source: MOSPI and RBI

Overall, it is clear that Modi government has not performed well on the GDP front. But its record on the agri-GDP front equals UPA's, and on infrastructure and welfare programs, it is surely better. One may argue that these numbers need to be normalised with say people below poverty line or some other deflator, but still I would say that Modi the government has turned out to be more welfare-oriented than reformist. How long this welfare approach is sustainable without enlarging the size of GDP pie is an open question. One can only hope that once Covid-19 is contained, the government can focus on growth policies and India will bounce back to a high-growth trajectory. Surprisingly, even amidst this gloom, Sensex has been roaring, despite RBI's warning of a possible bubble. In the meantime, policy makers need to boost demand, support MSMEs, and invest more in health and agri-infrastructure and value-chains in rural areas for the remaining period of the Modi government. Only then they can hope to augment productive employment and incomes of larger number of people on sustainable basis.

Don't give in to airports' Covid-relief demand

The govt must go by the *force majeure* clause in the ODMA with the Delhi Airport, which has nothing on cash relief. Indeed, such relief will create copycat demands from other PPP partners

K VINAY PRATAP

Currently joint secretary (UT), ministry of home affairs and former joint secretary (infrastructure policy & finance), ministry of finance *Views are personal*

NEWSPAPERS HAVE IT that the private airports in the country have demanded a relief package from the government on account of low traffic because of the Covid pandemic ("cash support ...to sustain operations"). This was expected given the severe hit to airport financials.

The way to deal with this demand is to follow the concession agreement. The private sector has entered into an agreement with the government entity (in this case, the Airports Authority of India, or AAI) that defines the risk and the returns of the private sector. The agreement, in the case of Delhi Airport, is called the Operation, Management and Development Agreement (OMDA) and has force majeure provisions (chapter 16) that deal with events or circumstances that "materially and adversely affects the performance" of the parties, "are beyond the reasonable control" of the parties, the parties "could not have prevented or reasonably overcome with the exercise of Good Industry Practice or reasonable skill and care", and do not result from the negligence or misconduct of parties or the failure of the parties to perform their obligations. As per OMDA, the events that merit force majeure include an "epidemic". The WHO declared Covid a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. Therefore, the Covid pandemic falls in the definition of force majeure in the OMDA.

The OMDA also describes the relief (suspended performance of an obligation by the contracting party), including termination of the contract for reasons of force majeure. Nowhere is it written in the force majeure clause that the government will provide "cash support ...to sustain operations". The government has already taken a number of measures to ameliorate the impact of Covid on infrastructure projects. It has accepted that Covid-19 would be considered a force majeure event. To address immediate liquidity concerns, RBI has allowed moratorium on debt payments for six months.

In fact, Delhi International Airport Limited (DIAL), on the basis of an estimated loss of ₹1,330 crore in FY21, against a profit of ₹383 crore in FY20, has invoked force majeure to suspend revenue share (45.99%) with AAI during FY21. DIAL has also moved Delhi High Court to recover ₹399.20 crore it has paid to AAI in FY21. In a major relief to Mumbai International Airport Limited (MIAL) the Bombay High Court restrained AAI from collecting 38.7% revenue share from MIAL in December 2020. It has also restrained AAI from transferring funds from the escrow account to itself. Enforcing contracts and ensuring sanctity of contracts should be a major thrust area of the government. India has one of the highest infrastructure deficits in the world. To bridge the infrastructure deficit and to attract private investment into infrastructure, India is trying to improve its position in the World Bank's Ease of Doing Business rankings. Enforcing Contracts is one of the ten parameters considered for the rankings. India ranks 63 among 190 countries in the current rankings, but the country's rank in "enforcing contracts" at 163 out of 190 countries is the worst among all parameters.

Any move to provide relief beyond what is provided in the OMDA would amount to privatising profits and socialising losses. It would give rise to a moral hazard, as no matter how reckless companies are in good times, there is always the government (and taxpayers) to bail them out during the bad. Such companies fail to build resilience in good times that could help them weather the inevitable downtimes that come. Some justify such demands as a mechanism to prevent systemic failure and further damage to the economy. In reality, this is lemon socialism, a political and economic system where profits are strictly the property of shareholders, and catastrophic losses are an externality to society (Thales Panza de Paula, World Economic Forum).

Any relief beyond what is provided in the concession agreement also sets a bad precedent. India is second in the developing world both by the number of PPP projects and the associated investments as per the World Bank. India currently has 1,103 PPP projects, amounting to an investment of $275 billion. The most number of projects have come up in the transport (555 projects), and within transport, in the road sector (486 projects). Most private investment has flown into the energy sector (mainly electricity generation) at $151 billion. However, the successful implementation of PPP projects across sectors in India also means that there would be unending demands from other sectors (roads, metro, ports, telecom, power, etc) once a precedent has been established by giving Covid relief beyond the concession agreement to the airport sector. Finally, the capacity of the Government to provide any such relief is severely attenuated with an unprecedented fiscal deficit of 9.5% in FY21.

Aero-politics: Bubbles and bilaterals

Bubbles bypass the more formal and painstakingly-crafted bilateral agreements; they could soon see legal challenges

SATYENDRA PANDEY

Managing partner, AT-TV, an aviation services firm

AVIATION CONTINUES TO be disproportionally impacted by the Covid-19 pandemic. Airline cash-flows are down to a trickle, and airports, once buzzing with activity, sit eerily silent for long stretches. Airlines alone are set to lose more than $50 billion in 2021, and air-travel demand will take a while to return. Concurrently, there is also another challenge looming: Air travel is witnessing complex asymmetric rules that speak to each country, to politics and to public opinion. Countries are now mandating health protocols that, in many cases, are going beyond the purview of aviation. They are also negotiating "bubble" arrangements that temporarily bypass bilateral agreements. Consequently, air travel that depends on collectively agreed, universally accepted and uniform standards faces a stormy ride. And if that wasn't bad enough, there is the Belarus incident in which a flight was diverted mid-air and forced to land using a bomb-threat purportedly facilitated by the state. Overall, these elements point to a challenging and contentious era of aero-politics.

Aero-politics deals with the politics behind aviation. The two, namely aviation and politics, have always been intertwined as most airlines and airports historically were nationally-owned. Further, aviation has a tendency to generate headlines and influence the narrative. Throw in the impact on jobs, economic growth and taxes, and intense involvement by politicians and policymakers is a given.

The current challenge of aero-politics deals with market-access. That is, the ability of foreign airlines to fly into countries and pick up passengers. For countries that have a sizeable domestic market, these have been protected. But, for those like the UAE, Singapore and the UK, where the majority of the passenger flows is dependent on a strategy of accessing foreign markets and then using their airports as transfer hubs, the consequences of limited access are dire. For these countries, traffic-flows not only help sustain large airlines but also aid commerce, employment and economic growth. All of this is anchored on market access. Aero-politics behind market access stems from nations' virus containment and elimination strategies. These are best reflected in varied arrival procedures, debates on which vaccines will be accepted, and a gradual march towards non-standard procedures. Bilateral agreements that once governed aviation are now temporarily being replaced by bubble arrangements (short-term arrangements between two countries towards facilitating easier movement). These help address the issue of testing and protocols by standardising it for two countries. It is perhaps the only short-term solution to restore reluctant passenger flows. But, bubble arrangements, by their very nature, are contentious, because they effectively bypass the bilateral treaties that were negotiated between two sovereign entities. And, it is only a matter of time before these see a legal challenge.

Finally, there is the Belarus incident where a commercial flight was forced to land using a bomb-threat facilitated by a sovereign state. Multiple stakeholders, including the International Civil Aviation Organization and the International Air Transport Association, have already condemned it, and airlines have suspended flights over Belarus. Additional policy actions are in the offing. Whether these actions will have impact is debatable, because these very organisations have held that a sovereign always reigns supreme. Yet, for optics, actions are necessary.

For now, the prospect of open and friendly skies is a distant dream. Intense lobbying continues against a backdrop where legacy airlines in the West have been given significant state support, where there is limited market-access when it come to China and where there are mounting losses for the airlines in West Asia. The search for that passenger willing to fly continues, though the passenger remains elusive, and countries like India remain rich source markets, due to diaspora, demographics and docility. Accessing such markets remains a proposition for many airlines, airports and entire countries. Aero-politics has again come front and centre.

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

Education

MONDAY, JUNE 7, 2021

EXPERT VIEW

Cancellation of board exams addresses apprehensions of parents regarding the safety of their children, but we must build exam systems with a graded approach: An approach where students are evaluated by multiple interventions throughout the year, especially in classes 10 and 12.

—Chandrabhanu Pattajoshi, Founder, Goseeko

NUMBERS GAME

Indian start-up aims to capture global maths market

Cuemath is present in 20 countries, and aims to reach over 50 countries by the end of this year; it also want to employ over 1 lakh teachers in 3-4 years

VIKRAM CHAUDHARY

INDIA'S CONTRIBUTION TO the development of mathematics has been substantial—especially to the modern decimal number system, and many arithmetic and algebraic techniques.

Now, an Indian edtech start-up is aiming to capture a substantial share of the global mathematics education market (K12), on the back of unprecedented growth it has seen during the pandemic. "In the last financial year we grew 3x, and the aim is to grow more than 3x in this year," Manan Khurma, the founder & CEO of Cuemath told *FE*. "Most of that growth will come from global markets."

Cuemath is present in 20-odd countries, and it wants to reach over 50 countries by the end of this year. This plan includes strengthening its presence in North America, APAC, UK and Europe, and the Middle East, as well as entering countries in Africa and South America. "We would also explore inorganic growth," he said.

While Khurma didn't share Cuemath's revenues, the start-up (founded in 2014) has raised $67 million so far. "We are not profitable yet, and would go in for a couple of rounds of funding in this year," he said.

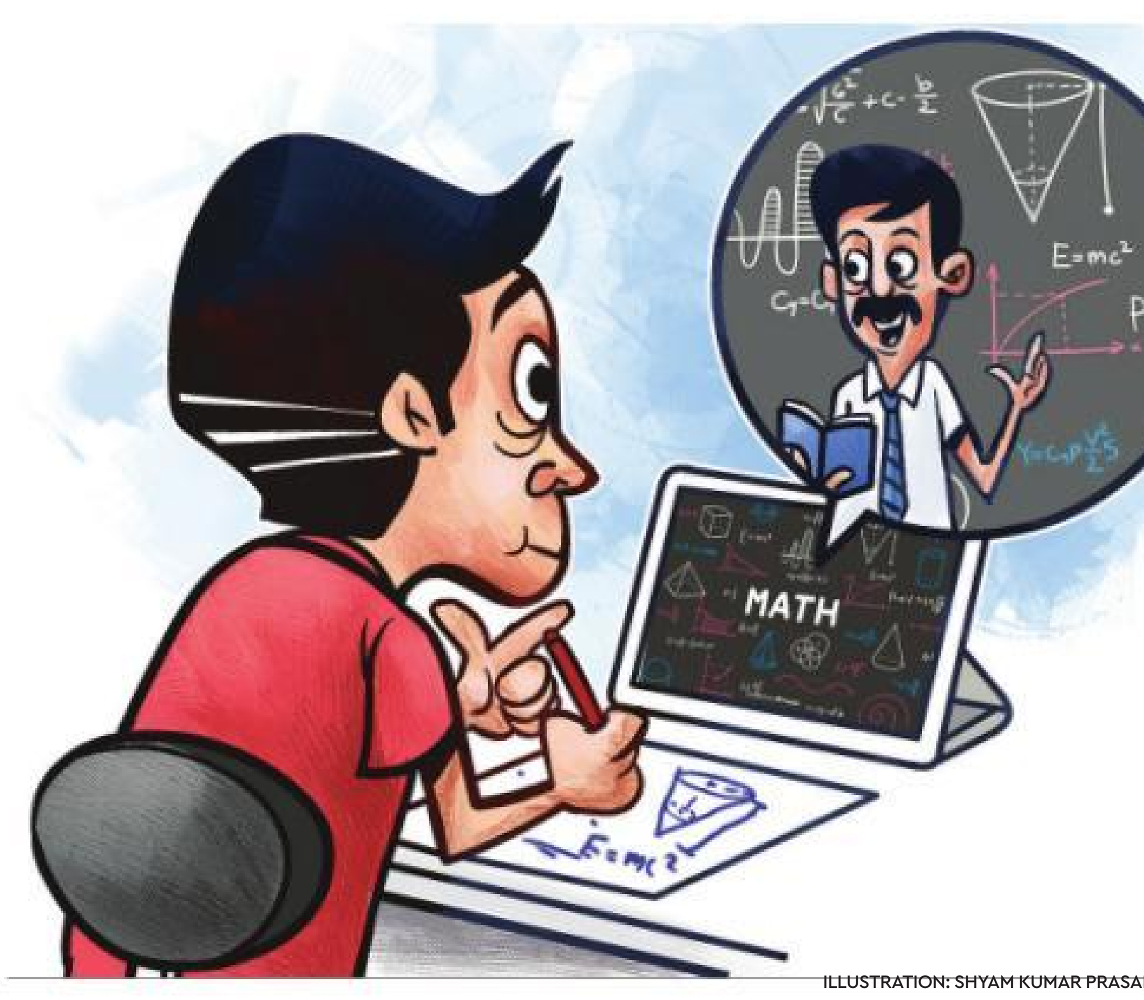


ILLUSTRATION: SHYAM KUMAR PRASAD

Indian teachers

Within mathematics education, one of the largest players globally is the Japanese Kumon. Before the pandemic, Kumon—whose model is largely bricks-and-mortar centres—was generating revenues of over $1 billion annually. "I believe Kumon's curriculum is not up-to-date with what the kids need today," Khurma said. "Our curriculum is accredited by STEM.org, our learning outcomes are great, and we're a Google for Education partner ... all this gives us huge credibility."

Mathematics is a universal need and the syllabus is also more or less similar in most countries, but it's the teachers at Cuemath, which, Khurma believes, give it an edge. "We've about 10,000 teachers, some of the best; of all the applications we receive, we select only 3%. While we will hire foreign teachers as we expand, a large chunk will be Indian teachers," he said.

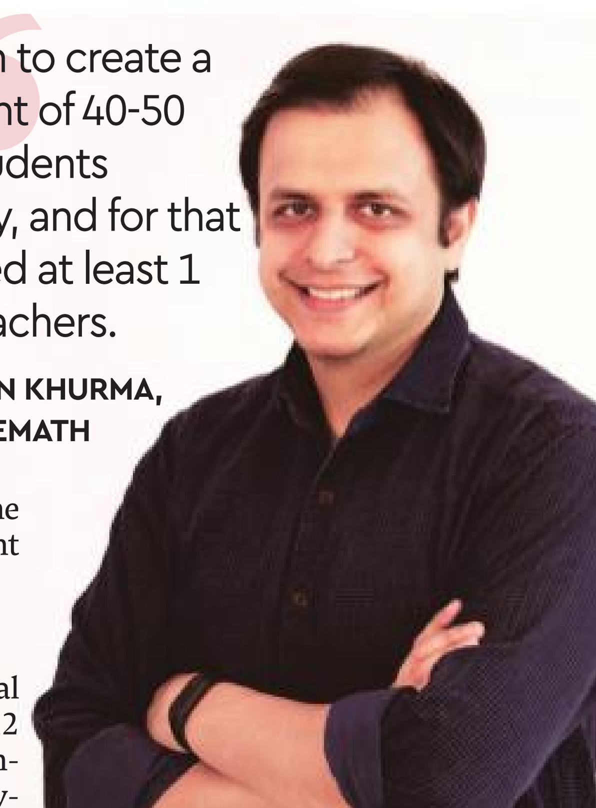
Indian accent is fairly neutral, and around the world Indians are associated with strong mathematics skills. "Being taught by an Indian is seen as a positive."

K12 and beyond

Cuemath earlier catered to primary and middle school students, but now it covers K12. It's not a test-prep company, but one that helps develop strong mathematics skills in kids, and this indirectly leads to better scores in both school exams as well as entrance tests. "We promise super strong foundation, and good scores in exams are a natural outcome of that," he said. "At some point we may want to expand to higher education."

We aim to create a footprint of 40-50 lakh students globally, and for that we need at least 1 lakh teachers.

— MANAN KHURMA, CEO, CUEMATH



Digital divide

The lockdown has brought the digital divide to the forefront, especially in the K12 segment. Privileged kids were able to continue education online, but the underprivileged lost out. Khurma added while steps must be taken by the government and large private players—to enhance digital infrastructure and make access to low-cost devices easier—edtech companies can also do a lot. "Free courses can go a long way in attracting and retaining students," he said. "And so can making such courses that are completely consumed on phones, instead of/in addition to laptops or computers."

Online versus offline

With Byju's (India's largest online edtech start-up) acquiring the three-decade-old bricks-and-mortar coaching centre Aakash Educational Services, and with the pandemic-induced lockdown having shut down such centres temporarily, is it the end of offline coaching centres? Khurma said he doesn't believe so. "I have talked to hundreds of parents over the last few months and I have a feeling that offline will come back for sure and in a big way. While the acceptance for online classes has gone up, we will see coexisting models—online players offering offline classes and vice-versa. We are also considering this model because prior to the lockdown we used to run offline classes—we had about 5,000 physical micro coaching centres, with teachers operating these out of their homes," he said.

Edtech and teaching jobs

In an offline classroom, a teacher can teach a few dozen students at one time; on edtech, she can teach hundreds. Does this lead to job losses for teachers? Khurma said, on the contrary, edtech will lead to more teaching jobs. "No matter how much technology you employ, the human elements of empathy and encouragement are needed," he said. "The role of a teacher may change, but her significance won't reduce."

Cuemath wants to employ as many as 1 lakh teachers, and be one of the largest private sector employers in the country. "We aim to create a footprint of 40-50 lakh students globally, and for that we need at least 1 lakh teachers; we will get there in 3-4 years," he said. It won't be easy, but it appears Khurma has done the math.

Internships for JGU students

103 students to intern at CyberEQ and IAIE

FE BUREAU

MORE THAN 100 students of international relations, public policy, humanities, business and law from the OP Jindal Global University (JGU) have been awarded internships in leading Australian organisations. "Despite the constraints presented by the global Covid-19 pandemic, 103 students have been selected for internships at CyberEQ and IAIE in 2021," JGU said in a statement.

JGU has signed MOUs with the Australia-based Institute for Australia India Engagement (IAIE) and Cyber EQ to create opportunities for students to undertake internships in Australia. With the IAIE, students participate in the Student Mentoring and Research Training (SMART) program over 1-2 months. For those students interning with Cyber EQ, students conduct research on regulatory and technological issues around cybersecurity.

IIM Amritsar starts EMBA

Its rigor would be the same as regular MBA programme

FE BUREAU

THE FIRST BATCH of the EMBA programme at IIM Amritsar was inaugurated on June 5, 2021. It comprises of 40 working professionals with experience ranging from 3-20 years. Prof Nagarajan Ramamoorthy, director, IIM Amritsar, said: "Several professionals face the dilemma of choosing educational opportunities over stable jobs. However, with this programme, working professionals would get the best of both worlds." He asserted that the EMBA's rigor would be the same as a regular MBA programme. "Only with hard work, dedication, sincerity, work ethic and time management will students be able to ace the EMBA," he said.

Tenon Facility Management gets ISO stamp

FE BUREAU

TENON FACILITY MANAGEMENT has been awarded ISO 41001:2018 certificate for its quality facility management system. Tenon FM is the one of the few facility management companies in India to be awarded this accreditation.

"Even though the Covid-19 pandemic continued to pose a multitude of challenges in carrying out essential services, Tenon FM remained firm and unwavering in delivering improved consistency of service levels delivered, improved safety, health, well-being and productivity of the workforce, and better efficiency and effectiveness, hence improving organisational cost benefits in India and UK. The ISO 41001 is recognition of such efforts," said Angad Rajain, global head, IFM & CSO, Tenon FM.

Science & tech

TERESA TOMASSONI

Coral havoc in the Caribbeans

No one knows what causes stony coral tissue loss that's threatening more than just reefs

TWO YEARS AGO, Alizée Zimmermann could hardly name more than a few species of coral. But as a native of Turks and Caicos and a scuba instructor with thousands of dives under her belt, she knew something was wrong when she saw some of the islands' oldest and largest corals disintegrating before her eyes. "I saw a 20 foot tall pillar coral, probably two-, three-hundred years old, just peeling like if someone had poured acid over it," she described later. "It was apocalyptic." She began taking pictures of the white lesions that appeared to be eating away the corals' flesh and sent the photos to experts. Their diagnosis: stony coral tissue loss disease, which kills at least two-thirds of its hosts within months, if not weeks. First detected off the coast of Florida in 2014, it has since ravaged more than 30 hard coral species in at least 17 countries and territories in the Caribbean. In South Caicos, researchers from the School for Field Studies have reported a 62% loss of live hard coral coverage at three long-term research sites since the disease was first detected there in 2019.

Stony corals' rigid external skeletons are what give structure to reefs, which in turn provide the backbone to the area's tourism industry. In a typical year, more than a million tourists flock to Turks and Caicos to experience its white sands, turquoise waters, and coral reefs, drawing in about $80 million annually, according to a 2018 report co-published by economics for the environment and the Joint Nature Conservation Committee. Hotels and restaurants alone account for nearly 40% of the islands' economy. Those took a huge hit in 2020 due to Covid-19, but travel is already starting to rebound. From January to April 2021, the islands saw a 96% increase in international passenger arrivals, according to the Turks and Caicos Tourist Board.

Coral reefs support much more than tourism. They also provide habitat, nurseries, and feeding grounds for at least a quarter of all marine species. And in an era when more frequent and severe tropical storms threaten the small island nation, reefs provide critical storm surge protection. Just how much isn't known, but in the US, for instance, they prevent approximately $1.8 billion of damage each year.

Unlike most coral diseases which tend to fluctuate with seasonal temperature changes, this one shows no sign of fizzling out. Plus, it's spreading. Unless extraordinary precautions are taken, there's a good chance the disease will eventually reach the Pacific Ocean, said Judith Lang, scientific coordinator of the Atlantic and Gulf Rapid Reef Assessment Project. Limited lab experiments have already shown that some Pacific coral species may be susceptible to the disease.

"The disease is still chronically present in the original population the exact same way that they say Covid will now be in the human population," Lang said.

The potential consequences of the disease reaching the Pacific could be "severe," said Caroline McLaughlin, Florida Sea Grant's national coral disease coordinator. The Pacific reefs are some of

the healthiest and most biodiverse in the world. Already, McLaughlin is helping prepare potentially vulnerable US jurisdictions in the Pacific, including Guam, American Samoa, and the Northern Mariana islands, for the worst.

What sparked the initial outbreak in Florida is a mystery—toxins, bacteria, and viruses are all potential culprits. "We're likely never going to be able to say what was the one thing that caused it," said Maurizio Martinelli, Florida Sea Grant's coral disease response coordinator.

In 2014, a large-scale dredging project at the port of Miami was disrupting local reefs. That same year, an unprecedented ocean heat wave instigated a worldwide coral bleaching event, which can increase corals' susceptibility to disease.

How the disease spread from Florida to the Caribbean is also a source of bafflement. It was four years before the disease was detected in Jamaica in February 2018. Soon after, reports came in from Mexico and Sint Maarten. By the following year, St. Thomas, Dominican Republic, Turks and Caicos, Belize, St. Martin, St. Eustatius, Puerto Rico, and the Bahamas had all been infected.

The one thing that's clear, according to Lang, is that humans were involved. "There was no way that it could get from Florida just through the water in the currents that exist naturally," she said.

Whatever is behind the disease, the consequences of not stopping it would be dire. White band disease, first detected in the 1970s, eventually killed 80% of reef-building elkhorn and staghorn corals, which once provided critical habitat for marine life in the Caribbean. Stony coral tissue loss could result in comparable devastation, according to Lang.

Researchers have honed in on the $176 billion global shipping industry as a possible culprit. Ballast water, which ships routinely take on and discharge to maintain stability as they on and offload cargo, has already been proved responsible for transmitting invasive species such as zebra mussels, as well as bacteria including Vibrio and E. coli.

As a precautionary measure, the US Coast Guard issued a two-page bulletin in September 2019 reminding commercial vessels of mandatory ballast water practices and additional voluntary recommendations to mitigate the potential spread of the disease. One of the primary requirements is that ships conduct ballast water exchanges at least 200 nautical miles offshore in most cases. According to the document, some are conducting such exchanges as close as 12 nautical miles out.

Today, Zimmermann is executive director of the Turks and Caicos Reef Fund, leading disease response efforts in a region where economic viability is intrinsically linked to its natural resources. She spends her days setting up mooring lines for boats so they don't damage reefs when they anchor and tending to a coral nursery where fragments of elkhorn and staghorn corals are growing on underwater ladders. She's also talking with potential investors about creating a land-based research lab on the island of Providenciales, where endangered and disease-susceptible species could be propagated.

Apart from shipping vessels, scuba gear may also be acting as a disease vector. "I bleach everything," Zimmermann said. She's been urging dive shops throughout Turks and Caicos to do the same, although very few do, citing the extra time, money, and water it requires.

In January 2020, she received a research permit from the Turks and Caicos government to begin treating designated coral colonies with topical powdered amoxicillin mixed with a paste called CoralCure Ointment Base2b developed by Ocean Alchemists, a company that uses pharmaceutical technologies to make products for the environment.

Later that spring, as Turks and Caicos closed its borders and shut down all on-island activity because of Covid-19, Zimmermann held a series of online Zoom trainings for 70 divers, teaching them how to identify stony coral tissue loss and apply the antibiotic treatment to affected corals. Researchers from Nova Southeastern University in Florida found the antibiotic treatment to be 95% effective at stopping the spread of infectious stony coral lesions. Zimmermann has observed similar results.

Still, using antibiotics underwater is controversial. There's a risk, albeit low, that an antibiotic-resistant form of bacteria could escape into the marine environment, Lang said.

As an alternative, the Turks and Caicos Department of Environment & Coastal Resources is testing the use of a chlorine-based treatment, also trialled in Florida but found to be largely ineffective. Roddy McLeod, an Environmental Officer with the department, said they've modified the original treatment by infusing it into cocoa butter instead of the original epoxy base, with the hope that this will improve the chances of the chemical reaching the affected tissues.

Zimmermann said she's also begun a trial of a new non-antibiotic treatment created by Ocean Alchemists, although neither would disclose details about it. Until something better comes along, Zimmermann said she'll continue to use amoxicillin, as well.

Forty feet below the water's surface, Zimmermann hovered horizontally next to a six foot tall pillar coral, or dendrogyra cylindrus, its iconic spires resembling a drip sand castle. Unlike many of its neighbouring stony coral colonies, the tan pillar coral was still largely intact, but had begun to show signs of infection at its base.

Zimmermann fluttered her mint-coloured fins and manoeuvred closer to the ailing coral, aiming her catheter syringe packed with amoxicillin paste and plunging its contents along the white lines of infection, pressing the medication down slightly with her fingers to make sure the mixture stuck.

It's impossible to treat every coral colony affected by the disease, but over the course of an hour Zimmermann managed to reach eight large pillar, brain, and star corals. Back aboard the boat, still dripping from her dive, Zimmermann sighed and smiled. But before relishing too much over the day's achievements, she began consulting with the captain about the next best days to dive again.

"We don't have time to wait," she said.

Bloomberg

Productivity can be measured irrespective of location: EY

Technology investment is key to employee experience

FE BUREAU

IN INDIA, 85% respondents believe their productivity can be accurately measured irrespective of location, according to the *EY 2021 Work Reimagined Employee Survey*. The survey, one of the largest global surveys of its kind, canvassed the views of more than 16,000 employees across 16 countries and multiple industries and job roles. It includes 496 employees from India and explores employee attitudes and experiences to work throughout the pandemic and into the "next normal".

Flexibility: Given the choice, 69% employee respondents in India would choose flexibility in when they work. By comparison, 76% want flexibility in where they work. But, globally, 54% employees want flexibility in when they work and 40% want flexibility in where they work. On average, employees want to work between two and three days remotely after the pandemic. About 38% employees said they want a shorter working week altogether, while 65% want their employer to provide flexible timing for work.

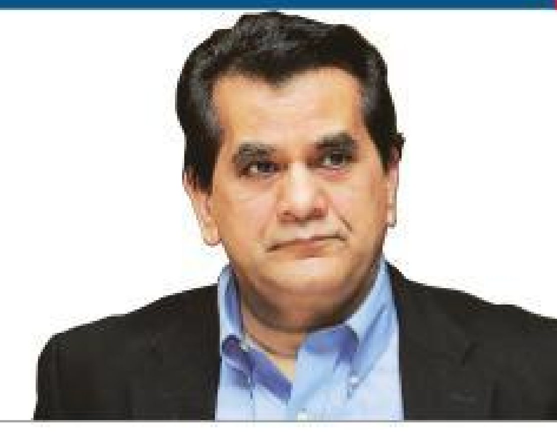
Job retention: Despite willingness to move jobs for more flexible working arrangements, most respondents in India (91%) say they are satisfied with their jobs. But, globally, 76% employees say they are satisfied with their jobs. Also, more than half (54%) of the employees surveyed from around the world would consider leaving their jobs post the Covid-19 pandemic if they are not afforded some form of flexibility in where and when they work.

Tech investment: The prospect of widespread flexible working is leading to more demands for technology, both on-site and in the home office. 74% of respondents say they want better technology in the office (faster internet and video-conferencing), almost half (45%) say they want companies to upgrade at-home hardware (extra monitors and headsets), and almost the same proportion (44%) would like reimbursement for high-speed internet/phone expenses. However, despite the shift towards new ways of working and the rapid adoption of virtual meeting technology, a vast majority, i.e. 90% (globally 67%) would like to travel for business moderately to extensively after the Covid-19 pandemic.

Remote working: The survey also canvassed attitudes to existing work practices, with employee respondents broadly positive about the impact of remote working. 63% respondents in India felt that if company subsidy for home office set-up is provided by the employer, it would make their work life much easier.

Gadgets

MONDAY, JUNE 7, 2021



NEW GROWTH ENGINES

Amitabh Kant, CEO, Niti Aayog

"Startups are disrupting, scaling up and using technology to leapfrog. They are transforming India."

PRODUCTIVITY APPS

Apps that make your work easier

SUDHIR CHOWDHARY

THESE ARE PANDEMIC times and working professionals are spending more time at home. But in today's hyper-connected digital world, we are all looking for smart and efficient solutions—apps or devices—to improve work productivity and efficiency. If productivity apps (available on Apple's App Store and Google Play Store) help you get more done from the comfort of your mobile device, even better. Such offerings can be personal productivity apps, business and office apps, and collaboration apps. With the right productivity apps and services at your fingertips, you can improve your workflows and your life. We take a look at some of these innovative offerings that make your work and personal tasks easier to complete.

Tasks: To-Do Lists & Reminders

Tasks don't always have binary states, they're not necessarily just 'To-do' or 'Done', maybe you're working on it right now or it's a pending review. Modern task managers are just digital to-do lists, but your modern life is not so binary. That's where Tasks can give your productivity a boost—with this simple-to-use app on your device, plan, organise and collaborate your personal and professional projects with ease. You can import tasks from your notes or reminders with a one tap set-up.

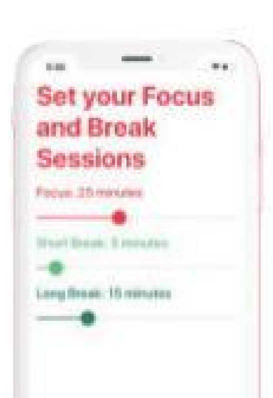
Key features:

- Organise tasks into projects
- Add tags to your tasks

- Create a project and have your own custom processes such as "Todo", "In Progress", "Check", "Done"
- Add images, notes and more to your tasks for more detailed information
- Share your projects, collaborate in real-time with others.
- iCloud sync support
- Import your existing reminders, or your your checklists from notes.

Pomodoro

It is a science-based app that will motivate you to get things done. Pomodoro Focus Timer is based on the Pomodoro Technique incorporating a To-Do List with minimal and clean user interface to avoid any kind of distractions. The app manifests an intelligible and composed experience for its users. It aims to help you work and study with minimal distraction and maximum productivity. It offers Siri Shortcuts, Customisation Alerts, and will soon allow your tasks and settings to sync real-time with other Apple devices.



Floret

Floret is an elegant and minimal journal and planner app. The app allows users to add events, tasks, habits, and track their life journey with daily mood and gratitude check-ins and view it in an eye-pleasing interface. It comes in a minimal, elegant and aesthetically pleasing design, no sign-in is required and you can easily sync with the iCloud. It comes with easy search and filter, plus motivational quotes you to inspire you from time to time.

Key features:

- Add events, habits and tasks / to-do lists
- Set alerts and reminders for tasks, events and habits
- Daily mood and gratitude check-ins
- Record your day with a personal diary
- Attach photos to keep memories of your life journey
- Sync with other calendars

Mamma Miya: A Mom Planner

Think of Mamma Miya as a sanctuary for moms, by moms. It is designed to help you declutter your mind, stay organised and make room for what matters, to you. It helps busy moms thrive, rather than just survive.

By encouraging you to brain dump all the things that you need to do, want to do and wish to do and then, integrating these back into the unique reality of your day, Mamma-Miya constantly prioritises your well-being. All this is done in a beautiful, non-judgemental, soothing interface.

SignEasy

An innovative creation to simplify your business workflows with e-singatures, SignEasy is the fastest way to sign documents or getting documents signed from your iPhone and iPad. Trusted by over 6 million users, it was featured by Apple among the "Best Business Apps", and is the only e-signature app to feature in Apple's global commercials. This app promises an easy to use and fast signing experience. Signing documents is a breeze from your phone and computer— whether at your desk (in office or home) or on the beach. To make signing documents safe and easy for consumers, Signeasy promoted a special free plan for consumers to safely electronically sign documents. SignEasy has been a part of Apple accelerator labs and has apps across Apple's platforms.

(Note: Tasks, Floret, Pomodoro and Mamma Miya are exclusive to iOS)

TOOLS & TRAINING

Tech support for community well-being in midst of Covid

Preparedness for facing the challenges ahead has to be significantly higher than in the past

Uma Ganesh

THE SECOND WAVE of Covid-19 has devastated most parts of the country, overwhelming the already stressed health infrastructure. With the anticipated third wave and beyond, preparedness for facing the challenges ahead has to be significantly higher than in the past. In this context, it would be useful to consider three possible ways to tap the capabilities of digital technology, namely to create awareness about Covid centric life threatening matters, building trust with the community to adopt the right practices and support data collection that would enrich our understanding to deal with Covid better.

The first area concerns the need to create awareness around safety, hygiene and precautions to be taken. While there has been a widespread and regular communication using mass media, there is a need to train community youth and women to support the community members on the key aspects around Covid on overcoming the fear factor as well as suggesting proven methods to deal with the pandemic. This can be best done via virtual training with the help of appropriate digital tools and it would be feasible to speedily upskill at regular intervals as well as mass customise the training based on specific needs of communities at minimal costs.

The reasons for the need to put in place a large scale countrywide digital training initiative to build a cohort of Covid support teams are several. Some people when infected by Covid may not be able to access hospitals or are not required to be in the hospital for medical care. They would benefit by personalised attention and timely advice of the trained personnel.

To combat the pandemic, India needs to vaccinate its population urgently. It is anticipated the current vaccine shortage will be addressed with adequate vaccine supplies in the coming months and the focus will shift to encouraging people specially in the communities and rural areas to come forward for vaccination. It would be possible to achieve this with the help of tens of thousands of certified volunteers from within the communities equipped with the right information and digital tools.

Another way to minimise the impact of pandemic is to collect all sorts of data that would help with epidemiological studies, develop insights from patterns of data and feed these inputs quickly to the medical fraternity and citizens for making course corrections on treatments, testing and other parameters influencing infections. The same cohort of trained personnel could be encouraged to collect such data with the help of user friendly digital tools and make it available to the labs and researchers to find ways to contain the disease.

The training programme will not only equip the youth and women with the skills required to guide their families and the communities during the pandemic, but will also provide them the required foundation to build careers. Given the loss of jobs of earning members and concerns for finding suitable employment after the series of lockdowns, the proposed programme will enable the youth to develop the right orientation and preparedness for employment. The opportunities for employment upon completion of the proposed training include positions such as care-givers at homes or at communities and healthcare support staff in community health centres, hospitals and clinics—thus paving the way for their economic well-being.

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

FASTRACK REFLEX 3.0

Track your fitness journey with this band

This is a good-looking wrist wear that comes with plenty of features to inspire people to lead healthier, more active lives

SUDHIR CHOWDHARY

COVID-19 HAS HAD an unprecedented impact on businesses as well as our personal lives; however, the silver lining is this pandemic has made each one of us acutely health-conscious. While many among us have logged into digital health, courtesy plenty of apps, mobile phones and wearables, fitness bands can now do a lot more than track your steps. For evidence, take a look at the Fastrack Reflex 3.0 band. Available for ₹2,495, it is an all-round great wearable in a stylish design and comes with plenty of features to inspire people to lead healthier, more active lives.

This reviewer has been using the Fastrack Reflex 3.0 for over a fortnight now. Trust me, the more you wear this device, the more you learn about yourself and your workouts so you can start making changes that matter. The best part is it is fairly accurate at capturing your activity data and the battery life is more than 10 days (7 days with Auto HR turned on). It is available in four colour variants, I also liked the silicone band material that ensures there is no rash on the wrist whatsoever. The band comes with a 0.96-inch Full touch colour display. The Home button at the bottom of the screen curves seamlessly into the strap for a perfect fit. The user can choose from four preloaded band faces in the band and 16 others from the app that is very functional, with a carefully designed user interface to appeal to today's youth.

Fastrack Reflex 3.0 band will track the number of steps, average heart rate, distance covered, calories burnt, active time and resting HR. It automatically tracks heart beats per minute based on the time interval set in the app. It tracks the sleep automatically. The app will track the sleep patterns and display the durations of total sleep time, deep sleep, light sleep, and awake time. The band can track 11 different sports/activities and measure the relevant metrics associated with these activities. If the sport is not part of the predefined list, the user can choose the "other" option to track any other sport that he or she is involved in.

Fastrack Reflex 3.0 band can be used to control the music that is being played on the paired mobile phone, you can also use the "Find my phone" feature when it cannot be located. There are many more interesting features in the band; in short, it is a truly versatile product for a very reasonable price.

■ Estimated street price: ₹2,495

eFE

VALUATION GAME

Cloud adoption means business profits too

Enterprises make more profits when they move more processes and services to the cloud while knowing exactly how much to spend and where to spend it

SRINATH SRINIVASAN

THAT CLOUD NATIVE businesses are asset light is a well-known fact. For legacy businesses, cloud is about reducing capex along with increasing speed, presence and scale. While these are efforts to improve the bottom line, how much of a business can be migrated to cloud and whether deep adoption of cloud results in further increase in profits or whether the investments are redundant after a certain level of cloud adoption are questions that vex business owners.

An Infosys survey suggests that there is a direct correlation between deep cloud adoption (of over 60% of systems and processes on cloud) and higher, new profits in enterprises. "Cloud can bring in new profit growth. In the markets we surveyed, we found that cloud can add $414 billion to profits," says Narsimha Rao Mannepalli, executive vice-president, head of cloud & infrastructure solutions and Infosys Validation Solutions. These markets include financial services, insurance, high tech, manufacturing, healthcare, life sciences, CPG, retail, logistics, telecom and utilities. As per Infosys, high performance businesses which use cloud, applied it to speed up the launch of new soltuions, features, expand processing capabilities, foster collaboration, use AI, automate processes and discover new revenue channels.

Narsimha Rao Mannepalli, EVP & head of cloud & infrastructure solutions and Infosys Validation Solutions

"You need a certain critical mass of business processes to be on the cloud to exploit it," says Mannepalli. "After closely observing thousands of businesses, we were able to see that high performance businesses had at least 60% of their businesses on cloud. This is where we found a clear correlation between cloud, top line and bottom line performance."

In real world terms, the 60% includes a wide range of functions like client side, customer service and delivery side, customer, associate and employee engagement and supply chain management. "A digitally native company, say Uber, has grown on cloud from day one. However, for legacy businesses, migrating to cloud is a long process and takes some time depending on the business size and nature," says Mannepalli. He also points out that the migration process becomes a challenge only when companies try to replicate legacy processes as it is on cloud. "Cloud has its own ways and processes need to have cloud-specific architectures to be effective," he adds.

Out of 12 industries and over 2,500 business representatives that Infosys surveyed, over 50% said that by 2022, majority of their IT systems and business functions will be on cloud. But it is not just the processes that are getting migrated but also the data from legacy systems. "Businesses are concerned about the value they can unlock from data. They have started to think about their investments in data warehouses as well," says Mannepalli.

For instance, in healthcare, this could mean unifying patient data and improve services for patients, accelerating drug discovery and formulation via simulation and drive revenue growth through AI driven personalised care. In financial services and insurance, cloud and AI can power scaling up digitisation, connect to open banking and alternative payments systems, and expand and coordinate threat detection and fraud prevention. In telecom, cloud and AI are used for load balance and demand forecasting, to help scale up 5G offerings and products and develop predictive maintenance capabilities.

"As one can see, this migration can not happen overnight. There are now multiple vendors for various services for a single business, spread across multiple cloud platforms. Insights from cloud computing and complex data from all these services drive business growth actually," he adds.

A NEW THREAT

Beware, security threats may be hiding in your mailbox

Malicious emails spend 83 hours in users' inboxes before they are removed: Barracuda researchers

FE BUREAU

A MALICIOUS EMAIL evading an organisation's security measures and landing in a user's inbox would need equal attention as block threats in the first place. Researchers of IT security firm Barracuda recently looked at 3,500 organisations globally to better understand threat patterns and response practices. They identified that an average organisation with 1,100 users will experience around 15 email security incidents per month, and on average 10 employees will be impacted by each phishing attack that manages to get through. The researchers also found that 3% of employees will have the tendency to click on a link in a malicious email, exposing the entire organisation to hackers for conducting a successful attack.

An effective incident response following a security breach and the threats that arise post-delivery can quickly stop the spread of the attack and minimise any potential damage. There are multiple ways that organisations can identify email threats for post-delivery remediation. Users can report them, IT teams can initiate internal threat hunting, or they can also rely on a community of other organisations that remediate attacks.

Barracuda researchers found that the majority of incidents were discovered through internal threat hunting investigations launched by the IT team. The investigations were initiated through common practices like searching through message logs or running keyword or sender searches of already delivered mail. On average, malicious emails spend 83 hours in users' inboxes before they are discovered by a security team or reported by end users and finally remediated. This time can be considerably shortened with focused security training that will improve the accuracy of user-reported attacks, and deployment of automated remediation tools that can automatically identify and remediate attacks freeing time of security personal.

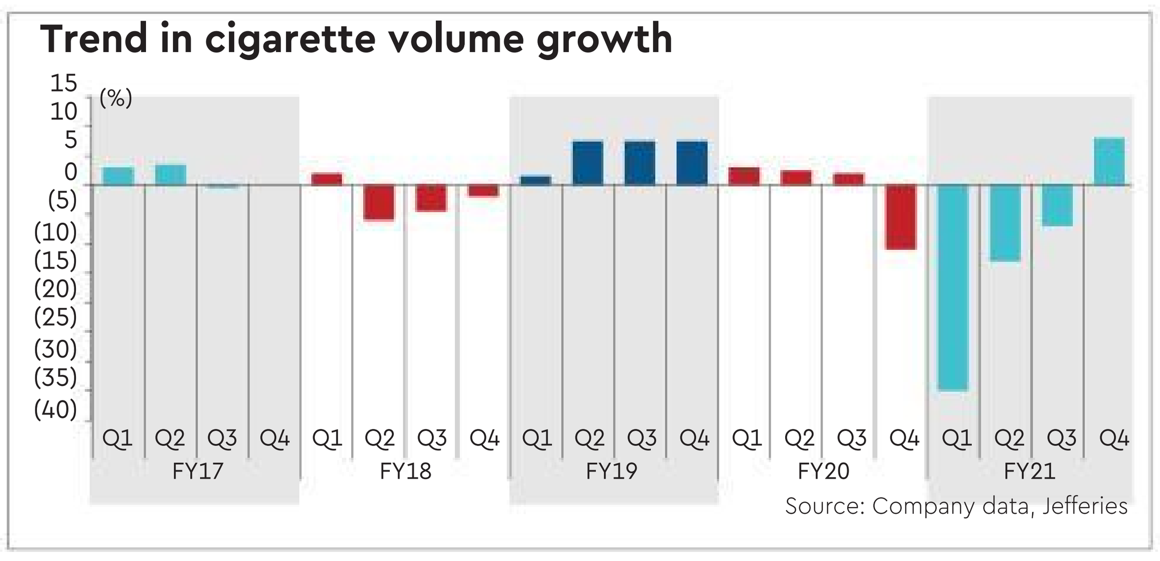
Murali Urs, country manager – India, Barracuda Networks, said, "Evolving email attacks pose a significant risk. As hackers utilise more sophisticated social engineering techniques, email threats become difficult for both technical controls and email users to detect. There is no security solution that can prevent 100% of attacks. Likewise, end-users don't always report suspicious emails due to lack of training or negligence, and when they do, the accuracy of reported messages is low, leading to wasted IT resources. Without an efficient incident response strategy, threats can often go undetected until it's too late."

Investor

EXPERT VIEW

Even as Q4 saw a sustained recovery for ITC, the second Covid wave creates near-term uncertainty on cigarette volume recovery. We accordingly cut our FY22 EPS estimate by c.4%

—Jefferies



● ITC RATING: **BUY**

Recovery process was sustained

Covid curbs cloud near-term outlook though revival is expected in H2; FY22e EPS down c.4%; 'Buy' retained

ITC WITNESSED A sequential improvement on cigarette volume in Q4FY21 with c.7% y-o-y growth (in line with consensus; below JEFe). FMCG continued to witness strong growth rates along with margin improvement; hotels was expectedly weak while agri & paperboards' Ebit was ahead. Ongoing Covid-19 induced restrictions continue to cloud near-term outlook particularly on cigarette volumes although we expect a recovery during H2FY22. We cut FY22 EPS by c.4%; **BUY**.

Q4 show: Op. Ebitda grew 7% y-o-y to ₹44.7 bn, 4% below our estimate although largely in line with consensus. On a 2-yr CAGR, Ebitda fell 1%. Pre-ex earnings grew 8% y-o-y to ₹37.5 bn, which was 4% below.

Cigarette volume miss: Net revenues grew 7% y-o-y, after declining for four consecutive quarters, aided by strong recovery in metros and large towns. Cigarette volumes were up 7-8% with Ebit growing 8% y-o-y, 5% below estimates. On a 2-year CAGR, both volumes and Ebit declined 2%. Volumes recovered back to near pre-Covid levels towards end-FY21; however, second Covid wave has brought up challenges due to constraints in no. of operating outlets and limited hours of operations.

FMCG growth strong: FMCG revenue grew at 16% y-o-y, albeit includes consolidation of Sunrise Foods. Adjusted for Sunrise, stationery & lifestyle business, revenue growth stood at 16% (vs. 11% in Q3). FMCG Ebitda margin expanded 30bps y-o-y to 8.3% (down 90bps q-o-q). Adjusted for Sunrise consolidation, stationery & lifestyle business, Ebitda margin expanded 115bps y-o-y with segment Ebitda up 19%.

Hotels: Hotels revenue continued to recover, up 22% q-o-q. On a y-o-y basis, revenue declined 38%.

Agri: Agri revenues grew strongly, up 79% y-o-y. Ebit margin declined 90bps y-o-y, with Ebit up 54% y-o-y.

Paperboards: Revenue grew 14% y-o-y (vs. 5% decline in Q3). Segment Ebit grew 13% y-o-y with margin flattish at 19.5%.

FY21 performance: ITC saw a 9% EPS decline in FY21, with cigarette Ebit declining 14% and an over ₹5 bn+ Ebit loss in hotels. FMCG business however did well, with revenue growth of 15% and Ebitda up 44% (34%, ex-Sunrise).

Dividend: ITC declared a ₹5.75 final dividend, after an interim dividend of ₹5 declared in Q3. At ₹10.75, payout stood at a healthy 102%.

Cut EPS: Even as Q4 saw a sustained recovery, second Covid wave creates near-term uncertainty on cigarette volume recovery. We accordingly cut our FY22 EPS estimate by 4% (minor change in FY23). Maintain **Buy** with unchanged PT of ₹270.

JEFFERIES

● EICHER MOTORS
RATING: **BUY**

Performance in line with estimates

New products will be vital to growth; FY22e EPS cut by 7% due to Covid wave and inflation; 'Buy' maintained

EICHER MOTORS (EIM)'S Q4FY21 performance was in line, supported by good volume recovery in both RE and VECV. Despite cost inflation, Ebitda margins per unit were stable q-o-q. Good response to Meteor, upcoming launches of the new Classic, and normalised production would support RE volume recovery going forward. VECV is also firmly on the recovery path.

We cut FY22e consol. EPS by 7%, accounting for the COVID impact on volumes and commodity inflation, while maintaining FY23e earnings estimates. Maintain **Buy**, with TP of ₹3,200 (Mar'23 SOTP).

RE's Ebitda/unit stable despite cost pressures; VECV misses estimates
Consol. revenues/Ebitda/PAT grew 33/58/85% y-o-y to ~₹29.4/ 6.8/5.6 bn. FY21 consol. revenues/Ebitda/PAT declined 5/16/24% y-o-y. RE's Q4FY21 realisations grew 6.7% y-o-y (+1.7% q-o-q) to ₹142.8k (v/s est ₹146k), driven by price hikes (~9% hike in FY21 and 3–8% across models since Jan'21) and a better mix. S/A revenues grew 34% y-o-y to ₹29.2 bn. S/A gross margins declined 322bp y-o-y to 40.3%. S/A adj. Ebitda grew 47.5% y-o-y to ₹6.7 bn. Adj. Ebitda margins grew 210bp y-o-y (-60bp q-o-q) to 22.9%. Ebitda per unit grew 17% y-o-y on low base, but was stable q-o-q at ₹32.7k (v/s ₹33k in Q3FY21).

VECV realisations grew 10% y-o-y (-5% q-o-q) to ₹1.99m. Ebitda margins were 8.9% (+710bps y-o-y, +30bps q-o-q). PAT stood at ₹1.26 bn (v/s est ₹1.73 bn).

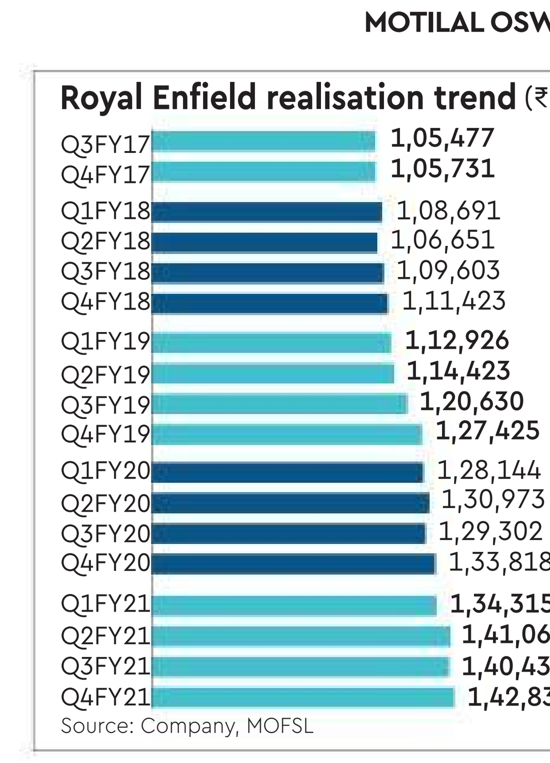
Highlights from commentary
RE demand remains strong on the back of a strong order book, expected pent-up demand, and a surge in export numbers. It has 2–3 months of order backlog, which would be catered to once the lockdowns are lifted. It expects to achieve 80k units/month in H2FY22. Royal Enfield has a very exciting pipeline of new products, with FY22 having the highest ever number of model launches. Royal Enfield has reduced its rhodium consumption by 66%; however, the benefit of this would be reflected in the coming quarters.

RE has 2–3 months of order backlog. It expects to achieve 80k units/month in H2FY22. RE has a exciting pipeline of new products, with FY22 having the highest ever number of model launches

Royal Enfield added a total of 535 stores, including main stores (>100 stores) and studio stores (>430 stores), in FY21, taking the total number of outlets to 2,056 across 1,750 cities (from 1,200 cities). Network expansion in India is largely complete, except in one state.

Valuation and view
We believe the recently launched Meteor and upcoming products would help expand addressable markets and drive the next phase of growth for RE. The stock trades at 28.9x/21.6x FY22e/FY23e consol. EPS. Maintain **Buy**.

MOTILAL OSWAL



● PNB HOUSING FINANCE
RATING: **BUY**

Fund-raising to bring triggers in its wake

But growth & RoEs to soften in interim; upgraded to 'Buy' with TP going up to ₹678

PNB HOUSING FINANCE'S (PNBHF's) Board approval for preferential issue, to raise ₹40 bn @ ₹390 per share, reduces the overhang on much awaited equity infusion and/or stake sale. It also brings with it a few notable positive triggers: (i) Carlyle raising its stake to 50% and PNB's stake to be down to 20% (not expected to go below this), putting to rest the overhang of any further stake sale in the interim; (ii) Aditya Puri's nomination to the Board will lend considerable credence to the company's business transition and strategic intentions; (iii) capital buffer (CAR of >28%) is enhanced to adequately face the potential stress due to Covid disruption, and gradually improve visibility on rating upgrade.

Strategically, business transformation is underway with new agenda to target mass retail housing, build the high-yield Unnati portfolio and drive efficiency through cost management. However, in the interim transitioning phase, growth and RoE will be modest. Given equity dilution of more than 60% and that too below book value, it would be dilutive to the extent of 10% to book value and 25-30% to EPS and would moderate RoEs further to 10% (from 12%).

Strengthening of the Board, management, governance and risk management, coupled with scarcity premium, can drive re-rating to 1.2x FY23E book. Upgrade to **Buy** with a revised target price of ₹678 (earlier: ₹385). Key risks: (i) Business transitioning taking longer than expected; and (ii) Corporate book stabilisation and resolution of stress would be key monitorable.

ICICI SECURITIES

Despite earnings upgrade, extent of dilution drags down EPS and RoE

	FY22E		FY23E	
	Revised	Change	Revised	Change
RoE (%)	8.2%	-94 bps	10.4%	-206 bps
RoA (%)	1.3%	9 bps	2.0%	25 bps
PAT (₹ m)	9,290	9%	15,217	17%
EPS (₹)	34	-32%	56	-27%
Leverage (x)		5.3x		5.1x
Capital adequacy ratio (%)	36.0%	970 bps	37.2%	938 bps
Book value per share (₹)	510	-12%	565	-14%

Source: Company data, I-Sec research

Personal Finance

● HEALTH INSURANCE

Keep an eye on sub-limits in your policy

Even if you have a high sum assured, you will not be able to claim the entire treatment expenses if there is a sub-limit clause in your health policy

SAIKAT NEOGI

AS PEOPLE GO about buying health insurance policies to ensure financial protection in case of a medical emergency due to Covid-19, they should look at the various sub-limits mentioned in the policy as these can curtail the coverage. While opting for a policy with sub-limits will lower the premium to be paid, it will lead to a lower claims payout and increase the out-of-pocket expenses of the policyholder.

Health insurance companies put a sub-limit on policies which is usually a percentage of the sum insured or a fixed amount. The sub-limits are mentioned in terms and conditions of the policy document. In policies with sub-limits, the company will not pay the full amount claimed and a part of the medical expenses will have to be paid by the policyholder.

There are various types of sub-limits such as room charges, treatment of certain diseases, post hospitalisation, etc., and are applicable to both cashless and reimbursement claims. It is better to get admitted for a treatment in a network hospital listed by the insurance company as the rate structure is fixed mutually by hospitals and the insurance companies.

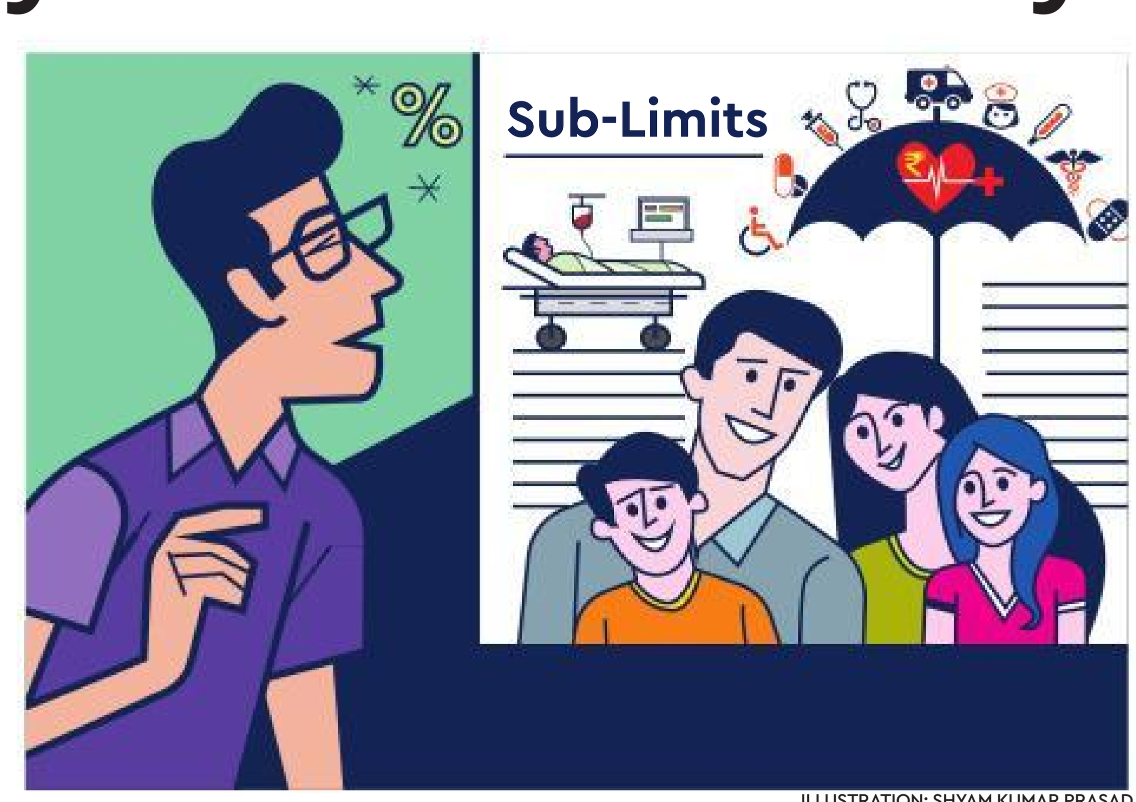


ILLUSTRATION: SHYAM KUMAR PRASAD

Sub-limit on room rent

This is the most common form of sub-limit in an insurance policy. Usually, insurers put a cap of 1% and 2% of the sum insured for room rent and ICU charges, respectively. If the room rent opted by the insured exceeds the rent covered in the policy, then the policyholder will have to pay the additional room rent from his own pocket. As various hospital expenses are linked with the type of room one chooses and as per the sub-limit on room rent, there will be a cap on allied services such as physicians' consultation fees, anaesthetists' charges, diagnostic tests, etc. Ideally, the insured person must opt for a room that gets fully covered under the insurance policy even with sub-limits.

Sub-limit on treatment

Most insurers have sub-limits for pre-planned medical procedures such as cataract removal, knee ligament reconstruction, kidney stones removal, tonsils, sinus which is a fixed amount based on the geographical locations. The list of ailments and cap in treatment costs will vary from one insurer to the other. The sub-limit on treatment is not linked with the sum assured, which means even if a policyholder has a high sum assured, he will not be able to claim the entire treatment expenses due to the sub-limit clause in the policy. Policyholders must take note of the sub-limits before going for a pre-planned medical procedure and inform the company or the third-party administrator before getting admitted for the pre-planned medical procedures. However, there are no sub-limits for treatment on emergency basis such as Covid-19 or coronary artery bypass graft.

Sub-limit on post-hospitalisation

In many cases policyholders after the treatment may have to stay at home for some time under medical supervision. Many insurers pay for post-hospitalisation expenses with sub-limits where the policyholders will have to pay a part of the expenses from his pocket as per the terms and conditions of the policy.

Health insurance policies with no sub-limits will have a higher premium as compared to a policy with sub-limits in various categories. If a policyholder has a cover with sub-limit, then he or his family members must ensure that the medical expenses do not cross the threshold limit.

So, before you buy a new health insurance policy or renew your existing one, make sure you opt for a cover which has no sub-limits or else you will be left with limited coverage, especially at a time when the Covid-19 pandemic is raging across the country.

A higher inflationary environment is good for gold

Just how much gold prices will rise will depend on how sustainable is the economic recovery

● YOUR MONEY

CHIRAG MEHTA

IN MAY, GOLD prices rose above the key psychological level of $1,900 per ounce, ending the month roughly 8% higher and turning positive for the year to date. Much of May's action in gold was a result of evidence showing a rise in prices in the United States and the weakening of its key rivals—the 10-year Treasury yield, the Dollar Index and Bitcoin.

Rising inflation in the US

With trillions of dollars of stimulus trickling down to the real economy, accelerating vaccination rollouts and unfixed supply chains, higher inflation has become the central market-moving theme so far in 2021. In the US, Personal Consumption Expenditure jumped 3.6% in the year to April. The Consumer Price Index registered a 4.2% growth in April, its largest increase in almost 13 years. A higher inflationary environment is good for gold, which is seen as a reliable store of value especially when rates are anchored at zero levels in much of the developed world.

Confidence about the economic outlook thus seems to be fading now nudging investors to increase their allocation to gold. Risk assets riding on easy money, however, continue to do well, raising concerns of frothiness and limiting a rally in gold prices for now. But going forward, markets might get a reality check as the timing of recovery gets pushed further down the road and the disconnect between the economy and financial markets becomes evident. Gold will then yet again prove to be a relevant portfolio asset.

Volatility in crypto

The sheer price performance of cryptocurrencies or the fear of missing out lured many investors to chase this well-marketed promise of an alternative form of digital currency and helped push Bitcoin to a record near $65,000. But this journey upward has been one of extreme volatility given that it is a relatively new asset class

ILLUSTRATION: SHYAM KUMAR PRASAD

with fewer participants and a debatable intrinsic value, which makes it susceptible to large price fluctuations and speculation. Most recently, the cryptocurrency saw a massive 37% correction in May. Maybe that's why, after chasing higher returns and enduring big swings over the last few months, funds seem to be now reversing from cryptocurrencies like Bitcoin to gold as investors appreciate the reliability and stability of the precious metal.

What lies ahead

After a healthy correction due to rising confidence about the economic outlook, gold's return to $1,900 levels seems logical and overdue as prices were stretched to the downside given the fundamentals. Just how much gold prices will rise and how strong its move will depend on how sustainable the economic recovery is, and the resulting policy action which can either be status quo or tightening. Also, at any first signs of dwindling economic momentum, central banks can be expected to intervene with higher deficit spending. On the other hand, it will also depend on whether or not this higher inflation is transitory and in reaction, whether or not the US dollar and real yields trend down further.

Gold is also expected to reflect investor concerns over record debt and deficit levels, frothy financial markets and the emergence of inflation, thus strengthening going forward.

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

BrandWagon

MONDAY, JUNE 7, 2021

NUMEROLOGY

Rural FMCG consumption during pandemic:

- Consumption of chips, biscuits, popcorn grew **83%**
- Sales of pest and mosquito repellents grew more than **200%**
- Sales of cosmetics dropped by more than **70%**

— StoreKing study

OTT

A streaming pandemic ahead!

Is the unprecedented growth in VoD, witnessed over the past year, here to stay?

Harish Bijoor

INDIA IS THE fastest growing OTT market in the world today, and BCG estimates it to be worth $5 billion by 2023. Video-on-demand (VoD) is manna from heaven, served just in time, in homes and on a complete choice basis. In a country hitherto starved for global content at will, VoD is the new candy to chew on. Plain old television looks so yesterday... so 2019!

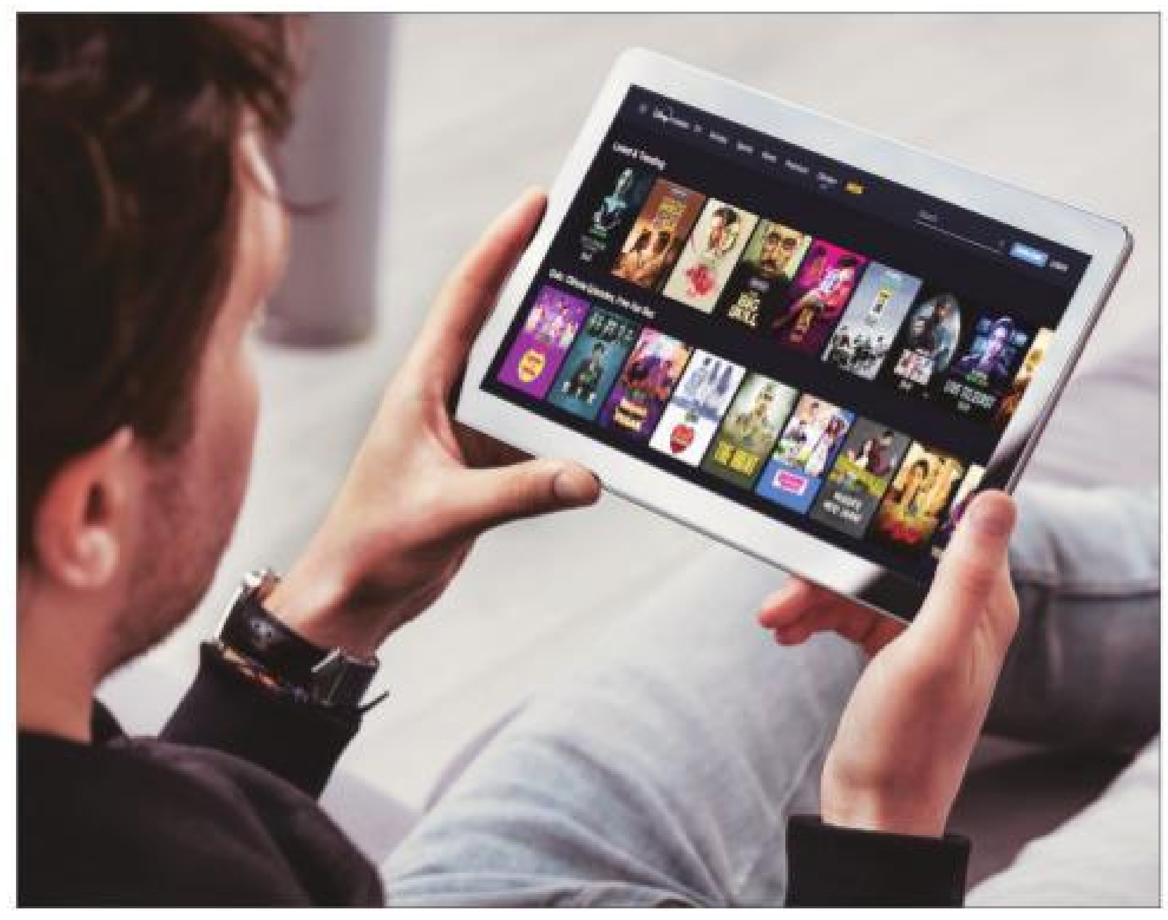
The timing is just right. OTT streaming platforms had just about gotten their early entry act together in India as the pandemic struck in 2020. People got locked indoors. The world is not our oyster anymore. The oyster is our world, and the home is our oyster. Into this oyster then, comes the streaming platform seamlessly with its array of choices, at a price of course.

Streaming boom

What was not so long ago a niche segment of play — which had the younger segment in the market streaming live sport content that was just not available on their television networks — is, today, as mass as it can aspire to be for now. Even as you read this, the pandemic time streaming business is clocking a 15% growth y-o-y, with a robust prognosis of a scorching 21% growth on current numbers in the year to come. Stakeholders then are excited. Out here, you have the existing OTT players, broadcasters of every genre (and not sports alone), telecom operators looking for a piece of the pie and content creators from every digital platform jumping in.

As the businesses I work with on the OTT space are busy crafting aggressive business plans for themselves, the key question everyone is asking is whether this is a 'flash in the pandemic pan' kind of thing, or is it here to stay?

The current frenetic growth rate being seen by streaming platforms in India is due to the big nudge of the pandemic and the bunker-in effect it has created. There are moments when everyone is immersed into their personal mobile devices for work and study, and entertainment of every kind just streams in as well. There is a seamless interaction between work/ study and entertainment today. Even as you are on a meeting in mute mode, you are possibly catching up on the latest UFC action.



Streaming is much more than live sports today. SVoD is on a rampage. It promises to continue blazing its tracks as it enters newer geographies in India. For OTT, geography is history

And then there are times when the family sits together to watch its *Breaking Bad* moments. Streaming and its consumption is, today, both individual and group-led. Every genre therefore gets probed by different folks.

Watchers of habit

Digital and digitalism have grown as habits among Indians today. Online digital payment platforms are booming with participation, just as online-everything is on a roll. Digital streaming is one of these as well.

Live sports is a big hit. When cricket suffered with the pandemic, and all live-cricket content dried up, even as viewers were looking for more, other sports stepped in. Even as that dried out, in stepped entertainment content of every kind in every language. This is, today, a habit as well. Streaming is much more than live sports today. SVoD is on a rampage. It promises to continue blazing its tracks as it enters newer geographies in India. For OTT, geography is history!

The climb onto streaming in its early days is really on the model of AVoD. As audiences tire of content that is not exciting enough for their interest here, we will see a climb onto premium services from the same broadcaster: in comes SVoD. Expect a cusp of the three eventually, with TVoD jumping in with a pay-per-view model. I would, of course, bet on a DTR (download to rent) model out here for India rather than the EST (electronic sell through) model which is that much more ownership driven. We live in a generation that is all about renting, not about owning.

One important point not to miss is the fact that the lockdown had theatres closed down and homes opened up. Video streaming platforms attracted the best of content from cinema in India, as new releases in every language opted for an OTT release. This gave a big content fillip to streaming. As long as OTT is able to continue attracting the best of new releases in India, the future is bright.

Streaming platforms are here to stay, pandemic or not. As the Covid pandemic blows over, expect the streaming pandemic to thrive and grow.

The author is founder, Harish Bijoor Consults

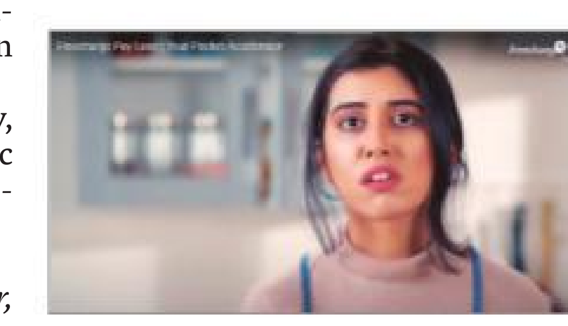
Review Corner

Venkata Susmita Biswas reviews five recent ads that caught our attention

Meesho — *Humara Mission Sabse Kum Commission*

In this ad conceptualised by Wunderman Thompson, Meesho tells prospective resellers and SMBs that the app charges just one percent commission. A seller is seen boasting about being smart by using the Meesho app instead of others where profits are lost to expenses like shipping and packaging. The 12-second ad is barely humourous as six seconds are devoted to narrating the product attributes alone.

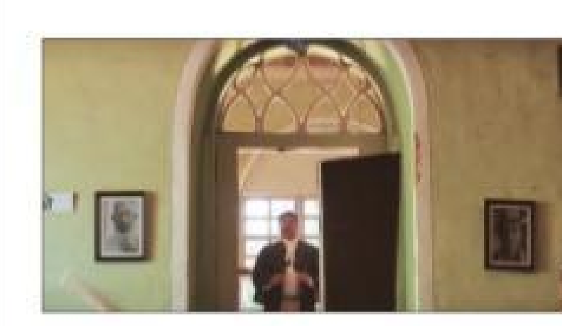
RATING: **6/10**



Freecharge — *Your Pocket Accelerator*

A young woman living with her in-laws is unable to find the time to pay her monthly bills as she juggles household chores. The narrator presents her with a solution: to pay bills using Freecharge's 'pay later' option. Even though the concept is hardly fresh and expects viewers to read the features of the app that are listed on screen, the ad manages to deliver its message in 16 seconds.

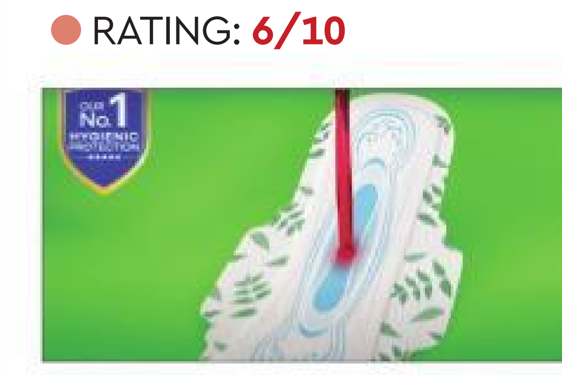
RATING: **6/10**



MPL — *Aapka game milega MPL pe*

MPL's latest ad conceptualised by The Womb features actor Dayanand Shetty — best known for portraying the role of inspector Daya in *CID* — in a manner reminiscent of the Cred ads. MPL forces an association between Shetty's 'game' or love for 'breaking down doors', and the app where users can find the game of their liking. Daya tearing apart doors, no matter what the obstacle, does inspire humour, but the contrived connection fails to impress.

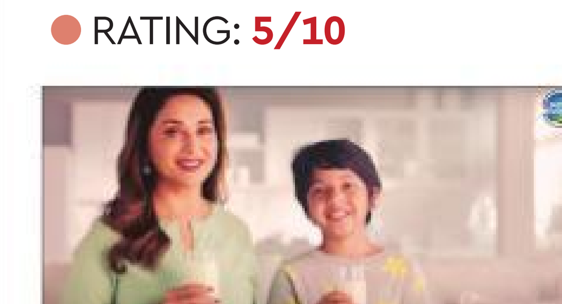
RATING: **6/10**



Whisper — *Whisper Ultra Clean with Herbal Oil*

Sanitary napkin brand Whisper finally depicts blood using a red liquid and not a blue one. However, this ad for Whisper Ultra is otherwise unremarkable. A young entrepreneur is seen advocating the use of Whisper Ultra with Herbal Oil because it offers better hygienic protection than other products. It is hard to say if Whisper's fleeting use of red liquid will even be noticed by lay consumers, given that other digital-first brands have been using it to represent blood for a few years now.

RATING: **5/10**



Country Delight — *Naturally Acha, Naturally Sacha*

The video starts with a spoof on other milk ads for their stereotypical plot — a mother getting her child to befriend milk. Featuring Madhuri Dixit as the mother, this ad, in fact, falls prey to the cliché, and does not do anything significantly contrary to what a dairy brand usually does to reel in consumers. The ad talks about no-contact delivery of milk directly from the farm, and a kit to test for purity. But, its attempt to show viewers the 'truth' about Country Delight milk using animation is quite humdrum.

RATING: **4/10**

In The News

Tata Digital acquires majority stake in BigBasket

TATA DIGITAL, A 100% subsidiary of Tata Sons, has acquired a majority stake in e-grocery major BigBasket. BigBasket was founded in 2011 in Bengaluru and is now present in more than 25 cities across India. Pratik Pal, CEO, Tata Digital, said, "BigBasket, as India's largest e-grocery player, fits in perfectly with our vision of creating a large consumer digital ecosystem."

New developments at Publicis Groupe

PUBLICIS GROUPE HAS launched PubHub to create bespoke marketing solutions through the integration of specialised capabilities across data, content, technology, production, and commerce. PubHub will be headed by Rajesh Ghatge, CEO, Indigo Consulting, who will now also take on the role of chief growth officer, Publicis Groupe India. In other news, Zenith India has appointed Priyanka Kapur as VP to lead its Nestlé business.

82.5 Communications has a new CSO

ANIRBAN MOZUMDAR HAS joined 82.5 Communications as chief strategy officer. He succeeds Rishabha Nayyar, who has moved on from the agency. Mozumdar moves from Chlorophyll brand consultancy, where he was the CEO. He has worked with agencies such as Leo Burnett, Publicis and DDB in the past.

DDB Mudra strengthens creative leadership

DDB MUDRA HAS brought Taproot Dentsu's Pallavi Chakravarti aboard as creative head of the West office. She will work closely with Rahul Mathew, CCO, DDB Mudra Group, to drive the agency's creative product.

Leadership changes at Dentsu International

FIONA LLOYD HAS been promoted to the role of global client & brand president at Carat, and Sanjay Nazerali has been made the new global client & brand president, dentsu X.

Viacom18 launches Colors Gujarati in UK

VIACOM18 HAS PARTNERED with Sky and Virgin Media for the launch of Colors Gujarati in the UK. The network's GEC Colors, Colors Rishtey and movie channel Colors Cineplex are already available there.

Motobahn

ELECTRIC VEHICLE LOANS

EVolving a new loan process for EVs

Three Wheels United offers loans only to those drivers who want to buy an electric three-wheeler; it will soon enter electric two-wheeler space as well

VIKRAM CHAUDHARY

ILLUSTRATION: SHYAM KUMAR PRASAD

A FEW YEARS ago, while working for a French company in Bengaluru, Cedrick Tandong, a Cameroon national, was bothered by an autorickshaw driver who, Tandong felt, was overcharging him. Instead of forgetting about the issue, he tried to figure out the rationale behind the auto driver's behaviour. "I realised these drivers wake up early in the morning, they are on the road for about 12 hours in dusty and noisy conditions, and at the end of the day a lot of their income goes to the person who owns the vehicle," he says. "They are an essential fabric of the society, and yet not much is being done to take care of their well-being."

Soon, he started Three Wheels United with Ramesh Prabhu, a social entrepreneur, who was already working in this space. "We realised the main problem was ownership of vehicles," Tandong says. "We also wanted to make sure that whatever asset they own is a green asset."

Today, Three Wheels United helps drivers own a new vehicle or even replace an old petrol/diesel autorickshaw with an electric vehicle.

There are 6-7 million three-wheelers running on Indian roads, and about 12 million drivers operating these. Tandong says one vehicle is usually driven by two drivers and at least 50% of these vehicles run on rent. "Of these, maybe just 10% have proper access to finance."

Most of these drivers take loan from either family members or moneylenders, and interest rates are exorbitant. "They get into a vicious cycle where most drivers are never ever able to own the vehicle," he says. "I also realised that financial institutions don't have the right kind of tools to reach out to drivers."

> We help drivers own an EV and replace petrol or diesel vehicles with an EV.
>
> —CEDRICK TANDONG, CO-FOUNDER & CEO, THREE WHEELS UNITED

Three Wheels United acquired an NBFC (Shabri Investments) and started lending directly to drivers. "We offer loans only to those who want to buy EVs," Tandong says.

"The reason is we focus on the environment, and then there is a business case for our decision, i.e. the total cost of ownership of an electric three-wheeler is lower than that of a conventional fuel three-wheeler, and so the driver makes more money, comparatively," he says.

This also implies that the driver will be able to replay loan, or EMI, on time.

While sales of passenger three-wheelers have been negatively impacted due to localised lockdowns, those of commercial vehicles look promising.

Going forward, Three Wheels United will enter the electric two-wheeler segment as well. "Three Wheels United does not reflect the number of wheels on a vehicle, as some may assume; it doesn't mean we only offer loans to three-wheelers. It's really about what the company stands for, i.e. the social parameter (green in colour on our logo), the environmental parameter (blue) and the profit parameter (orange)," Tandong says.

The start-up has also partnered with organisations such as Mahindra Electric, Microsoft, TERI, and others. "We tied up with manufacturers such as Mahindra and Piaggio not just to provide vehicles to drivers, but also to make sure that the vehicle is running consistently. Towards that, we partner with manufacturers and offer extended warranty and low maintenance contracts; we also provide a mobile app to drivers on which there is a map of charging points," Tandong says.

Going forward, Tandong adds that while Covid-19 has slowed down Three Wheels United, the plan is to grow its vehicle fleet by 10,000 in a year, and reach 1 lakh vehicles in about four years.

INTERVIEW: **SAMEER AGGARWAL,** Founder & CEO, RevFin

There is a huge shortage of credit in the EV segment

RevFin offers loans to electric vehicle (EV) operators, as also to people who want to move or renovate homes, for celebrations such as wedding and vacations, and for emergency purposes. It has created a gamification platform where those who take loans can earn points through referrals and timely repayments. Its products include RevLoan (revolving credit limit), Rev-a-Thon (reward for repaying on time) and Rev-a-Mate (referrals). In a talk with FE's **Vikram Chaudhary**, *the founder & CEO of RevFin, Sameer Aggarwal, says EV operators are most in need of credit. Excerpts:*

Do you cater only to digital literates?

Those who use a smartphone and apply for loans via the smartphone on the app are our major customers.

Do you have your own non-banking finance company (NBFC)?

There is this NBFC called the Aristo Securities (set up in 1994 and became an NBFC in 2000); we acquired it in 2018.

Whom do you offer loans to?

In the automotive segment, we primarily offer loans to commercial EV operators, and a lot of these are people who may find it difficult to get loans from banks etc. Our current focus is EV loans because that's an area where there is a huge shortage of supply of credit, even though it's a booming market.

Do you also offer loans to those who want to set up EV charging stations?

So far we have offered loans to those who want to buy EV and batteries, but we are working with people who need money for conversion kits or who want to set up charging stations. I recently came across an interesting concept, i.e. setting up charging stations for just ₹56,000 at *kirana* shops that can charge 4-6 EVs at a time. This is the kind of product we would like to finance.

We also offer loans for replacement batteries, and when a new EV is bought at times the battery and the vehicle are financed separately. Our average ticket size is ₹1 lakh.

Is EV financing a big opportunity?

There are about 20 lakh EV in India. Most of these are low-speed electric rickshaws; it's a product that has become quite popular especially in northern and eastern India. In addition, due to the pandemic, last-mile delivery has picked up in a big way. It has been proven that the total cost of ownership of a commercial EV is lower than conventional fuel vehicle. That's why a focus on this segment makes a lot of sense.

I must add that these low-speed EVs can be charged at home on a regular three-pin socket, so charging is not a constraint for these kinds of vehicles; come to think of it, there are no charging stations in rural India and yet so many EVs run in rural India, because these get charged at home. From my perspective, there are 200 million households in India, and this means there are 200 million charging points in India.

Infrastructure

MONDAY, JUNE 7, 2021

EXPERT VIEW

Easing of lockdowns from Jun'21 onwards may reverse the decline in power demand. Further, ~9 GW capacity auction expected over the next two months will help kickstart the RE auction space again

—ICICI Securities

SUSTAINABLE MINING

CIL off blocks in hunt for green energy

Having bagged a 100-MW solar project in Gujarat, the company aims to build a 3,000-MW portfolio as part of its agenda to turn carbon-neutral by 2024

INDRONIL ROYCHOWDHURY

THE POWER PURCHASE agreement (PPA) signed recently between the Coal India Ltd (CIL) and Gujarat Urja Vikash Nigam Ltd (GUVNL) for supply of solar power to Gujarat, though small in size as it pertains to a 100-MW plant in the state, marks an important milestone in its journey towards becoming a carbon-neutral company.

The PPA, signed for a tenure of 25 years, materialised after reverse auction bidding, with CIL quoting the lowest tariff of ₹2.20 per unit among 10 bidders, which included experienced players like NTPC and SJVNL. The coal producer's foray into solar generation would entail the development of a 100-MW solar power plant at an expenditure of ₹442 crore in the state. The PPA signed towards the end of last month stipulates the 100-MW solar plant being operationalised and supplying power to GUVNL within 18 months of the inking of the agreement.

Coal India is executing the project through a solar EPC contractor, with the tender for the same having been issued. "The finalisation of the contractor is at an advance stage and the project will be executed within a year of the date of placement of the work order," a CIL official says.

The company's renewable foray is a part of its diversification agenda of becoming a carbon-neutral company by 2024, even as it increases its coal output to 1 billion tonne. The mining behemoth plans to power its mining operations through a 3,000-MW solar portfolio, which would include 14 ground-mounted and rooftop projects, thereby reducing its carbon footprint. It has earmarked an investment of ₹13,400 crore to create a solar portfolio of 3,000 MW by 2024.

Two subsidiaries, CIL Solar PV Limited and CIL Navakarniya Urja Ltd, have been set up to push the green energy agenda. While CIL Solar PV Ltd will develop solar photovoltaic modules and similar other products, adding to the value chain, CIL Navikarniya Urja Ltd is mandated to develop non-conventional, clean, renewable energy sources, including solar power.

The company worked out the backward and forward integration process – from producing solar photovoltaic modules to selling the generated power – before it threw its hat into solar bidding in Gujarat. "We feel upbeat about emerging the winner in our maiden competitive bidding for solar power. We will aggressively participate in more such auctions in the future," a company official says.

The two new subsidiaries floated by CIL add to the eight already in existence. The company subscribed to the shares of the new subsidiaries at a face value of ₹10 each. As starter companies, the two subsidiaries are zero-value companies with capital work in progress. This is supposed to affect CIL's ₹32,138-crore net worth, though official sources deny any such impact, with investments being made as the renewable projects progress. The investments would be made through a mix of internal accruals, JVs and bank loans, the CIL official says, adding these would yield the company rich dividends given the prospects for renewable energy in the country.

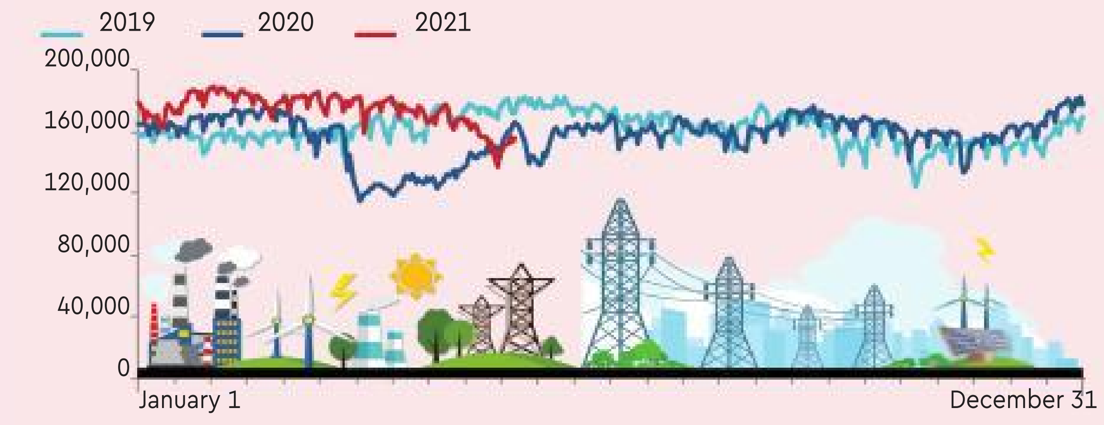
Besides solar generation, the company's diversification agenda includes implementation of coal to liquid projects, surface coal gasification, an increase in the number of washeries and mechanised transportation. Taken together, these would go a long way in mitigating the environmental damage caused by mining operations. A total investment of ₹26,000 crore has been lined up by the company for the purpose.

DATA MONITOR

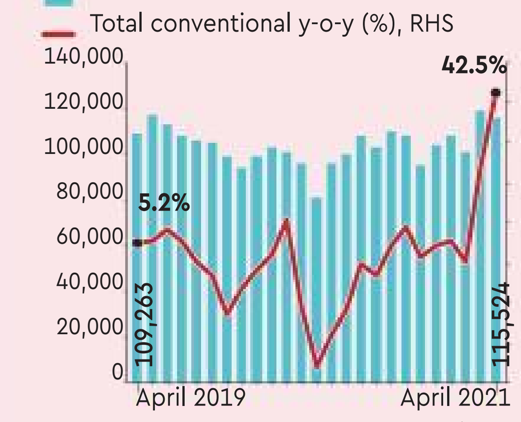
Power demand bears brunt of lockdowns

While power demand growth was robust in Apr'21, the month of May'21 faced the brunt of demand decline, although it was not as severe as in Q1FY21. Peak power demand declined from 185 GW during Feb/Mar'21 to 155-160 GW in May (until May 23rd). The decline could be attributed to disruptions due to regional lockdowns as well as the impact of cyclones.

All-India daily peak demand – CY basis (MW)

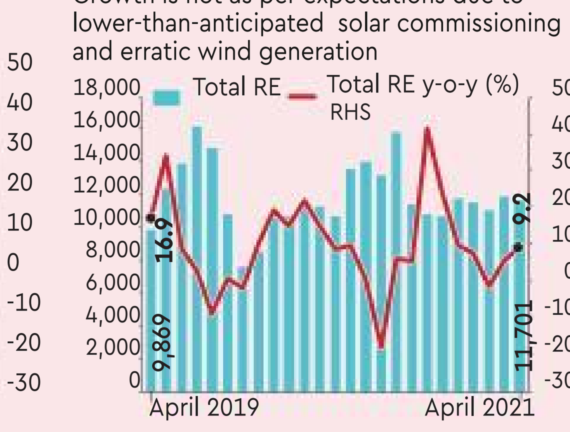


Conventional generation (MU) higher on coal generation boost



Renewable energy generation (MU) growth

Growth is not as per expectations due to lower-than-anticipated solar commissioning and erratic wind generation



Source: : POSOCO, CEA, I-Sec research

Quick View

UP does an AP, cancels winning bids from solar power auction

SOLAR POWER AUCTIONS are losing their sanctity, with Uttar Pradesh becoming the latest state to cancel winning bids without any valid reason, other than the lure of lower tariffs discovered in subsequent auctions. On receipt of letter of cancellation of their bids from the Uttar Pradesh New and Renewable Energy Development Agency (UPNEDA) last Monday, the three winners of the reverse auction held in February 2020 are planning to move the appellate tribunal for electricity (Aptel). UPNEDA has written to the three firms – Vijay Printing Press, NV Vogt Singapore and a consortium of Saudi Arabia-based Al Jomaih and India's Jakson Power – stating that since no action was taken by them after they "consented for the extension of the bid period validity till March 31, 2021", the bids had become "time-barred and infructuous".

470 infra projects show cost overruns of ₹4.38 trn

AS MANY AS 470 infrastructure projects, each worth ₹150 crore or more, have been hit by cost overruns totalling more than ₹4.38 lakh crore, a Ministry of Statistics and Programme Implementation report has said. Of the 1,737 such projects, 470 reported cost overruns and 525 were delayed. "Total original cost of implementation of the 1,737 projects was ₹22,33,409.53 cr and their anticipated completion cost is likely to be ₹26,71,440.77 crore," it said. According to the ministry's latest report for April 2021, the expenditure incurred on these projects till April 2021 is ₹13,16,032.62 crore, which is 49.26% of the anticipated cost of the infrastructure projects.

Adani, GMR among nine in fray for CSMT makeover

NINE COMPANIES, INCLUDING GMR Enterprises, Godrej Properties, Oberoi Realty and Adani Railways Transport have emerged as prospective bidders for redevelopment of the Chhatrapati Shivaji Maharaj Terminus (CSMT) Railway Station. The names have been shortlisted by the Indian Railway Stations Development Corporation after the evaluation of the request for qualification submitted by bidders. The redevelopment cost of the CSMT station in Mumbai is ₹1,642 crore.

Startups

INTERVIEW: PADMAJA RUPAREL, Co-founder, Indian Angel Network & founding partner, IAN Fund

Tech is the new mainstay in the new normal

The second wave of the Covid-19 pandemic has created panic amongst caregivers and patients about physical visits to medical facilities. Telemedicine is picking up and the trend continues with e-pharmacy, online delivery of medical supplies, etc. The opportunity for quality healthcare services, home care devices, online pharmacies, etc. is growing across the country, "**Padmaja Ruparel**, *co-founder, Indian Angel Network and founding partner, IAN Fund, tells* **Sudhir Chowdhary** *in a recent interview. Excerpts:*

How do you see the investment opportunities for digitally-driven startups in 2021?

In 2020, technology and digital innovation took the centre stage in sectors such as agritech, fintech, healthtech, manufacturing, etc. Hence, 2021 is clearly seeing an increase in funding in these tech-centric plays, B2B SaaS plays, which can scale quickly across geographies and new markets in the growing tier II and III cities that are waiting for innovative solutions. Thus, 2021 surely looks exciting with an increase in quality investment opportunities in India and overseas.

How do you analyse the past year in terms of challenges and learning for the startup ecosystem?

Despite the lockdown challenges in 2020, several startups saw the writing on the wall and quickly started to align with the new normal. They built a resilient model to respond to the ongoing crisis with a seamless shift from offline to online. They also realised that the pandemic has brought a behavioural change in customers' needs, spending habits, as well as mode of buying. And, the key to a successful transformation is to engage with changing customer behaviour and understand the market at large. Subsequently, a number of them reoriented their models towards online, leveraging deep technologies such AI, Big Data analytics, IoT, etc.

Do you think startups that emerged from the crisis will have a larger opportunity in digital economy in 2021?

The year 2020 was catalytic for the country's startup ecosystem. Despite the pandemic challenges, the country witnessed the emergence of 11 Unicorns. More than ever before, startups enhanced their focus on emerging new-age technologies such as IoT, AI, data analytics, etc., to bridge wide-ranging gaps that were introduced in the market. Thus, technology is the new mainstay.

Moreover, the pandemic not just opened up new markets for startups but helped several of them to diversify into sectors that are bucking the trend with the creation of demand pockets. With deepening digital acceleration, innovation is playing a crucial role, adding value to the rapidly growing startup ecosystem.

How do you see the future of consumer brands that shifted online?

Consumer behaviour has changed in various ways—online shopping, focus on fundamentals, need for social distancing, etc. For consumer brands especially, the need to evolve product mix, packaging, distribution models, brand building mechanics, etc., has become the difference between success and failure. Also, there is a great opportunity for smaller brands to create an effective social media presence and scale online, with direct-to-consumer (D2C). And in 2021, we are seeing hybrid models emerging and will build higher scale and efficiencies.

With health and medicine gaining global attention, how do you see the growth of the sector this year?

The trends of 2020 in e-health and healthtech firms are continuing in 2021. The second wave has created further panic amongst caregivers and patients about physical visits to medical facilities. Telemedicine is picking up as it is convenient for both medical professionals and patients alike. The trend continues with e-pharmacy, online delivery of medical supplies, etc. Given the pandemic, preventive care and out patient departments are moving to the home enabled through technology. Close to 80% of hospital infrastructure is set to be in-patient focused. Hence, the opportunity for quality healthcare services, home care devices, online pharmacies is growing across the country. Healthcare is set to follow the penetration of the internet infrastructure.

PLUM

Group health insurance made fast and simple

The platform enables real-time insurance design and pricing to enable firms to buy insurance in three clicks

SUDHIR CHOWDHARY

(L-R) Co-founders Saurabh Arora and Abhishek Poddar

THE WORLD IS witnessing new and unexpected diseases every day—Covid-19 is a stark example of this. Treatment of these diseases can wipe out the entire savings of a household. This is leading to increased awareness and penetration of health insurance, but not many Indians can afford it. Most need their employers to sponsor insurance.

However, the current health insurance stack isn't prepared to serve this market shift of rapid adoption of employee health insurance. When purchasing health insurance for their teams, even the best businesses experience challenges around accessibility, affordability and usability.

Plum, a group health insurance startup, is re-imagining the employee health insurance stack by forging new underwriting and fraud detection algorithms that allow firms with as few as seven employees to benefit from group insurance. Its real-time insurance design and pricing enables firms to buy insurance in just three clicks. It also offers employees a hassle-free claims experience through an integrated digital process.

Plum, founded in late 2019 by Abhishek Poddar and Saurabh Arora, recently announced it had raised $15.6 million in Series A funding from investors led by Tiger Global with participation from earlier investors—Sequoia Capital India's Surge, Tanglin Venture Partners, Incubate Fund and Gemba Capital. With over 600 companies on-boarded, it has been witnessing a growth rate of 110% quarter-on-quarter and leads the industry with a Claims NPS of 79. Plum's client base includes SMEs, corporates and fast-growing startups in India, including Groww, Unacademy, Twilio, CleverTap, UrbanLadder, smallcase and Simpl.

Poddar, co-founder & CEO, Plum, said, "Plum aims to reach a milestone of 10 million lives insured by 2025, by changing the employee health insurance space. We are making the process transparent, affordable and easy, using tech at scale. The adoption of health insurance by startups, SMEs and corporates is increasing exponentially, further accelerated by the pandemic. We are building Plum to enable a high quality healthcare experience for every single employee and their family members."

India's group health insurance market, which is nearly 50% of the $3.5 billion health insurance market, has been growing at around 25% annually the last few years, doubling every three years.

Quick View

Core sectors' output soared by over 56% on low-base effect in April

THE OUTPUT OF the eight core sectors jumped by 56.1% in April, mainly due to a low-base effect and uptick in production of natural gas, refinery products, steel, cement and electricity, official data revealed last Monday. The eight infrastructure sectors had contracted by 37.9% in April 2020. According to the commerce and industry ministry data, production of natural gas, refinery products, steel, cement and electricity jumped by 25%, 30.9%, 400%, 548.8% and 38.7% in April, as against (-) 19.9%, (-) 24.2%, (-) 82.8%, (-) 85.2% and (-) 22.9% in April 2020, respectively. Coal and fertiliser segments too recorded positive growth during the month under review. However, crude oil output dipped by 2.1% in April. The eight sectors had recorded a growth rate of 11.4% in March this year.

Scatec buys 50% stake in Acme's 900-MW solar assets

NORWEGIAN RENEWABLES PLAYER Scatec said on Thursday that it has signed an agreement with domestic firm Acme Solar for a 50% stake in the latter's upcoming 900-MW power generation assets in Rajasthan. Though the financial details of the deal were not disclosed, Scatec said in a statement that "the project has an estimated total capex of $400 million (around ₹2,921 crore), with 75% debt financing from an Indian state-owned lender". Acme will be the turn-key engineering, procurement and construction provider, with completion scheduled for 2022, the statement added. The deal marks Scatec's foray in the country's renewable energy space.

Domestic air traffic plunged by 65-67% m-o-m in May

DOMESTIC AIR TRAFFIC nosedived to 19.20 lakh passengers in May from around 57.3 lakh in April, registering a sharp 65-67% month-on-month contraction on account of the second wave of the pandemic, a report said on Thursday. With such a sharp fall, domestic passenger traffic fell below the June-July 2020 levels, rating agency Icra said. The airlines' capacity deployment for May was lower by around 54-55%, at 27,700 departures compared to about 60,300 departures in April this year.

DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF PUBLIC SHAREHOLDERS OF

GAYATRI TISSUE & PAPERS LIMITED

Registered Office: 16/37, No.5, Near Prabodhan Krida Bhawan, Siddhartha Nagar, Goregaon (West), Mumbai – 400 104, Maharashtra, India

Corporate Office: B-1, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India; **Tel. No.:** +91 40 2331 0330 / 4284 / 4296; **Fax No.:** +91 40 2339 8435, **Website:** www.gtpltd.co.in; **Email Id:** csdinesh@gayatri.co.in; cs@gayatri.co.in; **CIN:** L45100MH1987PLC042141

OPEN OFFER FOR ACQUISITION OF UP TO 3,75,300 FULLY PAID-UP EQUITY SHARES ("OPEN OFFER EQUITY SHARES") OF FACE VALUE OF RS.10.00/- (RUPEES TEN) EACH, REPRESENTING 25.02%# OF THE VOTING SHARE CAPITAL FROM ALL THE PUBLIC SHAREHOLDERS OF GAYATRI TISSUE & PAPERS LIMITED (HEREINAFTER REFERRED TO AS "TARGET COMPANY" OR "GTPL") BY VR INTEGRATED PROJECT MANAGEMENT PRIVATE LIMITED (HEREIN AFTER REFERRED TO AS "ACQUIRER") AT AN OFFER PRICE OF RS. 28.00/- (RUPEES TWENTY-EIGHT ONLY) PER EQUITY SHARE.

#As per the SEBI (SAST) Regulations, the Open Offer under Regulations 3(1) & 4 is required to be given for at least 26% of the voting share capital of the Target Company. However, the shareholding of the Public Shareholders, as on date of the Public Announcement, is 25.02% and therefore the Offer Shares represent 25.02% of the voting share capital of the Target Company.

This Detailed Public Statement **("DPS")** is being issued by CapitalSquare Advisors Private Limited, the Manager to the Offer (**"Manager"** or **"CSAPL"**), for and on behalf of the Acquirer, in compliance with Regulations 3(1) and 4 read with the Regulations 13(4), 14(3), 15(2) and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **("SEBI (SAST) Regulations")** pursuant to the Public Announcement **("PA")** dated June 01, 2021 in relation to this open offer which was filed with the Securities and Exchange Board of India **("SEBI")**, BSE Limited (**"BSE"** or the **"Stock Exchange"**) and the Target Company on June 01, 2021, in terms of Regulation 14(1) and 14(2) of the SEBI (SAST) Regulations, respectively.

For the purposes of this DPS, the following terms shall have the meaning assigned to them below:

'Business Day' means any day other than a Saturday, Sunday, or any day on which banks in India or SEBI is permitted to be closed.

'Equity Shares' means the fully paid-up equity shares of the Target Company of face value of Rs.10.00/- (Rupees Ten only) each.

'Identified Date' means the date falling on the 10th (tenth) working day prior to the commencement of the tendering period, for the purpose of determining the Public Shareholders to whom the Letter of Offer shall be sent.

'Offer Period' has the same meaning as ascribed to it in the SEBI (SAST) Regulations.

'Public Shareholders' means all the equity shareholders of the Target Company excluding (i) the shareholders forming a part of the promoter/ promoter group of the Target Company; (ii) parties to the SPA (defined below); and (iii) any persons acting in concert or deemed to be acting in concert with the persons set out in (i) and (ii).

'SPA' dated June 01, 2021, entered among the Acquirer and the Seller, being Tikkavarapu Indira Reddy.

'Voting Share Capital' means the fully diluted equity voting share capital of the Target Company as of the 10th working day from the closure of the tendering period of the Offer.

'Working Day' has the same meaning as ascribed to it in the SEBI (SAST) Regulations.

I. DETAILS OF ACQUIRER, SELLER, TARGET COMPANY AND OFFER

A. INFORMATION ABOUT THE ACQUIRER

1. VR INTEGRATED PROJECT MANAGEMENT PRIVATE LIMITED:

(a) The Acquirer, VR Integrated Project Management Private Limited, is a private limited company incorporated on February 08, 2021, under the Companies Act, 2013 bearing corporate identity number U74140KA2021PTC143952. There has been no change in the name of the Acquirer since its incorporation. The email id of Acquirer is vrintegratedproject@gmail.com/ md@vripm.com and contact no. is +91 7075556647.

(b) The registered office of the Acquirer is located at 1142, Atmosphere, 6th Main, Sector 7, HSR Layout, Bangalore – 560 102, Karnataka, India.

(c) The Acquirer is primarily engaged in the business of providing human resource management services, consulting services in the field of business outsourcing strategy, etc.

(d) The shares of the Acquirer are not listed on any stock exchanges.

(e) The issued and paid-up share capital of the Acquirer as on date of this DPS is Rs.3,00,00,000/- comprising of 30,00,000 equity shares of Rs.10/- each. Set out below is the shareholding pattern of the Acquirer:

Name of the Shareholder	No. of shares held	% Of total issued shares
Nanchraiya Shiva Rama Krishna Pulakanam	5,000	0.165%
Ratnakumari Pulakanam	5,000	0.165%
V R Commodities Private Limited	29,90,000	99.67%

(f) As on date of this DPS, the Directors of the Acquirer are Nanchraiya Shiva Rama Krishna Pulakanam (DIN: 08623181) and Ratna Kumari Pulakanam (DIN: 09044817).

(g) As on the date of this DPS, Nanchraiya Shiva Rama Krishna Pulakanam is the common director on the board of the Target Company and the Acquirer.

(h) The key financial information of the Acquirer based on its unaudited standalone financial statement certified by M/s V V S & Co., Chartered Accountants for the period 08/02/2021 to 10/05/2021 is set out below:

(Rs. In Lakhs)

Particulars	Period from 08/02/2021 to 10/05/2021 (Audited)
Total Revenue	-
Net Income i.e., Profit/ (Loss) After Tax	-
EPS (in Rs.)	-
Net worth /Shareholder Funds	300.00

(i) The Acquirer do not belong to any group.

(j) As on date of this DPS, the Acquirer does not have any interest / relationship in the Target Company nor do they hold any Equity Shares of the Target Company, except in terms of the proposed acquisition as contemplated vide the SPA.

(k) The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992 or under any other Regulation made under the Securities and Exchange Board of India Act, 1992.

(l) The Acquirer has confirmed that they are not categorized as a "Wilful Defaulter" in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations. They have further confirmed that they are not appearing in the wilful defaulters list of the Reserve Bank of India.

(m) As on the date, the Acquirer has confirmed that they are not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

(n) The Acquirer is not forming a part of the present Promoter group of the Target Company. Except Nanchraiya Shiva Rama Krishna Pulakanam, as on date of this DPS, there is/are no other nominee(s) of the Acquirer on the Board of Directors of the Target Company.

(o) There are no persons acting in concert in relation to this Offer within the meaning of 2(1)(q)(1) of the SEBI (SAST) Regulations.

(p) The Acquirer undertakes that they will not sell the Equity Shares of the Target Company, held, and acquired by them, if any, during the Offer period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.

B. INFORMATION ABOUT THE SELLING SHAREHOLDER:

(a) The details of the selling shareholder (the **"Selling Shareholder"**), who has entered into the Share Purchase Agreement with the Acquirer is as stated hereunder:

Sl. No.	Name & Address of Seller	Nature	Equity Shares Holding Prior to SPA	Part of the Promoter/ Promoter Group (Yes/ No)%	To Paid -up Equity Shares
1.	Tikkavarapu Indira Reddy PAN: ABNPT7403L 6-3-249/5/A, Road No. 1, Banjara Hills, Hyderabad - 500 034, Telangana, India	Individual	11,24,700	Yes	74.98
TOTAL			**11,24,700**		**74.98**

(b) The Seller proposes to sell 11,24,700 (Eleven Lakhs Twenty-Four Thousand Seven Hundred) Equity Shares to the Acquirer constituting 74.98% of the total paid up Equity Voting Share Capital of the Company pursuant to SPA dated June 01, 2021, at a price of Rs. 18.00/- per equity share.

(c) The Seller has confirmed that she has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

(d) The Seller does not belong to any Group.

C. INFORMATION ABOUT THE TARGET COMPANY – GAYATRI TISSUE & PAPERS LIMITED (GTPL):

(a) GTPL was incorporated on January 07, 1987, under the provisions of The Companies Act, 1956 with the Registrar of Companies, Maharashtra. The Corporate Identification Number of Target Company is L45100MH1987PLC042141. There has been no change in name of the Target Company in the last 3 (three) years.

(b) The Target Company has its Registered Office at 16/137, No. 5, Near Prabodhan Krida Bhawan, Siddhartha Nagar, Goregaon (West), Mumbai – 400 104, Maharashtra, India, and Corporate Office at B-1, TSR Towers, 6-3-1090, Rajbhavan Road, Somajiguda, Hyderabad - 500 082, Telangana, India.

(c) As on date of this DPS, the Authorized Share Capital of the Target Company is Rs. 16,50,00,000/- divided into 1,65,00,000 Equity Shares. The issued, subscribed, and paid-up Equity Share Capital of the Target Company is Rs. 1,50,00,000/- consisting of 15,00,000 Equity Shares.

(d) As on date the Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No Equity Shares are subject to any lock in obligations.

(e) The entire Equity Share Voting Share Capital of GTPL is listed at BSE Limited, Mumbai having ISIN INE661K01010. The Equity Shares of the Target Company are placed under Group 'XT' having a scrip code of "512479" & Scrip Id: GYTRIPA on the BSE. However, the trading in Equity Shares is under Graded Surveillance Measures (GSM): Stage 0.

(f) The Equity Shares of GTPL are not frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations.

(g) Brief audited Financial Information of the Target Company for the Financial Years ended on March 31, 2021, March 31, 2020, and March 31, 2019, are as follows:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
Total Revenue	34.86	81.97	241.00
Net Income i.e., Profit/ (Loss) After Tax	2.46	1.52	21.94
EPS (in Rs.)	0.16	0.10	1.46
Net worth /Shareholder Funds	418.04	415.59	414.06

(h) The present Board of Directors of GTPL are as follows:

Sr. No.	Name	DIN	Designation
1.	Maruthibabu Ponnuru	00016650	Whole time Director
2.	Thikkavarapu Indira Reddy	00009906	Chairperson and Director
3.	Nanchraiya Shiva Rama Krishna Pulakanam	08623181	Non-Executive Director
4.	Ramachandra Seshaprasad Chodavarapu	08490735	Independent Director
5.	Murali Vittala	08688453	Independent Director

D. DETAILS OF THE OFFER:

1. This Offer is a mandatory offer in compliance with Regulations 3(1) and 4 and other applicable provisions of the SEBI (SAST) Regulations pursuant to the execution of the Share Purchase Agreement to acquire the shares / voting rights accompanied with control of and over the Target Company.
2. The Acquirer is making an Open Offer to acquire 3,75,300 Equity Shares of Rs. 10.00/- each representing 25.02% of the voting share capital of the Target Company, at a price of Rs. 28.00/- (Rupees Twenty-Eight only) per Equity Share (the **"Offer Price"**) aggregating to a total consideration of Rs.1,05,08,400/- (Rupees One Crore Five Lakh Eight Thousand Four Hundred only) **("Maximum Open Offer Consideration")** payable in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the PA, DPS and the Letter of Offer **("LOF" / "Letter of Offer")** subject to the terms and conditions mentioned hereinafter.
3. This Open Offer is made under the SEBI (SAST) Regulations to all the shareholders of the Target Company as on Thursday, July 08, 2021 **("Identified Date")**, other than parties to the SPA and the Acquirer under Regulation 7(6) of the SEBI (SAST) Regulations.
4. To the best of knowledge and belief of the Acquirer, as of the date of this DPS, there are no other statutory approvals required for this Open Offer. However, if any other statutory approvals are required prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable later.
5. The Acquirer has neither acquired nor been allotted any Equity Shares during the 52 weeks period prior to the date of the PA.
6. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19(1) of the SEBI (SAST) Regulations and is not a competitive bid in terms of the Regulation 20 of the SEBI (SAST) Regulations.
7. The Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company.
8. The Manager to the Offer i.e., CapitalSquare Advisors Private Limited does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer. They declare and undertake that they shall not deal in the Equity Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer to the expiry of 15 Days from the date of closure of this Open Offer.
9. This Offer is subject to the receipt of the statutory and other approvals of this DPS. In terms of Regulation 23(1)(a) of the SEBI (SAST) Regulations, if the statutory approvals are not received, the Offer will stand withdrawn.
10. This DPS is being published in the following newspapers:

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta (Hindi)	Hindi	All Editions
Mumbai Lakshadweep	Marathi	Mumbai Edition

11. The Equity Shares will be acquired by the Acquirer free from all liens, charges, and encumbrances and together with all the rights attached to, including all the rights to dividend, bonus and rights offer declared thereof.

E. Currently, the Acquirer do not have any intention to dispose-off or otherwise encumber any material assets or investments of the Target Company, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than (a) in the ordinary course of business(including for the disposal of assets and creating encumbrances in accordance with business or financing requirements), or (b) as already agreed, disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company.

If the Acquirer intends to alienate any material asset of the Target Company (other than as disclosed above) within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations, 2011 would be taken before undertaking any such alienation of any material assets.

Subsequent to the completion of the Open Offer, the Acquirer reserve the right to streamline/restructure the operations, assets, liabilities and/ or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger and/ or sale of assets or undertakings, after completion of the Open Offer. The Acquirer may also consider disposal of or otherwise encumbering any assets or investments of the Target Company through sale, lease, reconstruction, restructuring and/ or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company in line with opportunities or changes in economic circumstances, from time to time and in accordance with and as permitted by applicable law.

F. The Equity Shares are listed on BSE Limited. As per Regulation 38 of SEBI (LODR) Regulations, 2015 read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the Public Shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR as amended and the SEBI (LODR) Regulations, 2015 and the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

II. BACKGROUND OF THE OFFER

1. The Acquirer has entered into a Share Purchase Agreement **("SPA")** dated June 01, 2021, with the Seller, who is a part of the Promoter and Promoter Group of the Target Company, wherein it was proposed that they shall purchase 11,24,700 Equity Shares (hereinafter collectively referred to as **("Sale Shares")**, constituting 74.98% of the Voting Share Capital of the Target Company at a price of Rs. 18.00/- (Rupees Eighteen only) per sale share **("Negotiated Price")**, aggregating to Rs. 2,02,44,600/- (Rupees Two Crores Two Lakhs Forty-Four Thousand Six Hundred only) **("Purchase Consideration")** payable in cash accompanied with change in control of and over the Target Company.
2. In accordance with the terms and conditions stipulated under the SPA, subject to the Acquirer depositing 100% of the Open Offer consideration in the Bank Escrow Account being opened for the Open Offer under the SEBI (SAST) Regulations, assuming full acceptance, after completion of twenty-one (21) working days from the date of the Detailed Public Statement, the Equity Shares can be transferred to the demat account of the Acquirer.
3. Pursuant to the execution of the SPA, this mandatory Open Offer is being made by the Acquirer in compliance with the Regulations 3(1) & 4 of the SEBI (SAST) Regulations.
4. The Offer Price is payable in cash, in accordance with Regulation 9(1) of SEBI (SAST) Regulations.
5. The prime object of the Offer is to acquire substantial acquisition of Equity Shares/voting rights accompanied with the change in control and management of the Target Company.
6. This Open Offer is for acquisition of 25.02% of the Voting Share Capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of Equity Shares so acquired under SPA, the Acquirer shall hold majority of the Equity Shares.
7. The Acquirer reserves the right to reconstitute the board of directors of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations, 2011, the Companies Act, 2013 and other applicable law.
8. Pursuant to the Offer and the transactions contemplated in the SPA, the Acquirer shall become the Promoter of the Target Company and, the Seller will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The re-classification of the Seller is subject to approval of shareholders of the Target Company in the general meeting in terms of Regulation 31A(5) of the SEBI LODR Regulations and conditions prescribed therein.

III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed shareholding of the Acquirer in the Target Company and the details of their acquisition are as follows:

Sr. No.	Particulars	No. of Equity Shares	% of Equity Shares/ Voting Rights
1.	Shareholding before PA, i.e., June 01, 2021	Nil	Nil
2.	Shareholding on the PA date as agreed to be acquired through SPA dated June 01, 2021	11,24,700	74.98
3.	Equity Shares acquired between the PA date and the DPS date	Nil	Nil
4.	Equity Shares to be acquired in the Open Offer (assuming full acceptances)	3,75,300	25.02
5.	Post Offer shareholding (*) as on 10th working day after closing of tendering period)	15,00,000	100.00

**Assuming all the Equity Shares which are offered are accepted in the Open Offer.*

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed at the BSE Limited (BSE) only. The Equity Shares are placed under Group 'XT' having a scrip code of "512479" & Scrip Id: GYTRIPA on the BSE.
2. The total trading turnover in the Equity Shares of the Target Company on the BSE based on trading volume during the twelve calendar months prior to the month of PA (June 01, 2020 to May 31, 2021) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA	Total No. of listed Equity Shares of the Target Company	Total Trading Turnover (as % of total Equity Shares Listed)
BSE	129	15,00,000	0.01%

3. Based on the above information, Equity Shares of GTPL are not frequently traded Equity Shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations.
4. The Offer Price has been determined considering the parameters as set out under Regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Particulars	Price (In Rs. per share)
Negotiated Price under the SPA	18.00/-
The Volume Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	NA
Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	NA
The Volume Weighted Average Market Price of Equity Shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the Stock Exchange where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period	NA
Other Financial Parameters as on March 31, 2021:	
NAV per Equity share	27.87/-
Price Earning Capacity Value per Equity Share	NA
Market Based Value	NA

CA V V Subrahmanyam, Membership No. 026946, Proprietor, M/s V V S & Co., Chartered Accountants, Firm Registration No. 021536S having its office at II-B, Kautilya, Amrutha Estates, Near Erramanzil Metro Station, Somajiguda, Hyderabad – 500 082, Telangana, India, Tel: +91 40 4346 1999, E-mail: venkat@icai.org vide valuation certificate dated June 01, 2021 has calculated the fair value of the Equity Shares of Target Company as Rs. 27.87/- per Equity Share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manger to the Offer, the Offer Price of Rs. 28.00/- per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.

5. As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with Regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.
6. If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to one (1) working day before the date of commencement of the tendering period and would be notified to shareholders.
7. If the Acquirer acquires or agrees to acquire any Equity Shares or Voting Rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period. Further, in accordance with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, in case of an upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, the Acquirer shall (i) make public announcement in the same newspapers in which this DPS has been published; and (ii) simultaneously notify to SEBI, BSE, and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations.
8. If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid if such acquisition is made under another Open Offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.

V. FINANCIAL ARRANGEMENTS

1. In terms of Regulation 25(1) of the SEBI (SAST) Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/ Net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. CA V V Subrahmanyam, Proprietor of V V S & Co., Chartered Accountants, (Membership No. 026946), Firm Registration No. 021536S, having its office at II-B, Kautilya, Amrutha Estates, Near Erramanzil Metro Station, Somajiguda, Hyderabad – 500082, India, Tel. No. 040-4361999; Email: venkat@icai.org have certified vide certificate dated June 01, 2021, that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.
2. The maximum consideration payable by the Acquirer to acquire 3,75,300 Equity Shares at the Offer Price of Rs. 28.00/- (Rupees Twenty-Eight only) per Equity Share, assuming full acceptance of the Offer would be Rs. 1,05,08,400/- (Rupees One Crore Five Lakhs Eight Thousand Four Hundred only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of **"GTPL - OPEN OFFER - ESCROW ACCOUNT"** with ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020, Maharashtra, India ("Escrow Banker") and have deposited Rs. 50,00,000/- (Rupees Fifty Lacs only) being more than 25% of the total consideration payable in the Open Offer, assuming full acceptance.
3. The Manager to the Offer is authorized to operate the above-mentioned Escrow account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
4. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountants, the Manager to the Offer is satisfied about the ability of the Acquirer to fulfill their obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.
5. In case of upward revision of the Offer Price and/or the Offer Size, the Acquirer shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. STATUTORY AND OTHER APPROVALS

1. The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring Equity Shares tendered by non-resident shareholders, if any.
2. As on the date of this DPS, to the best of the knowledge of the Acquirer, there are no other statutory approvals and/ or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
3. If Public Shareholders who are not persons resident in India (including non-resident Indians **("NRI")**, overseas corporate bodies **("OCB")** and foreign institutional investors **("FIIs")**/Foreign Portfolio Investors **("FPIs")**) had required any approvals (including from the Reserve Bank of India **("RBI")**, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be furnished to tender shares in this Open Offer. In the event such approvals and relevant documents are not submitted, the Acquirer reserve their right to reject such Equity Shares tendered in this Open Offer.
4. The Acquirer in terms of Regulation 23 of the SEBI (SAST) Regulations will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.
5. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay in receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
6. Except as stated in clause VI (2), no approval is required from any bank or financial institutions for this Offer to the best of the knowledge of the Acquirer.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Activities	Date	Day
Date of the PA	1 June, 2021	Tuesday
Last date of publication of Detailed Public Statement in newspapers	8 June, 2021	Tuesday
Last date of filing of the Draft Letter of Offer with SEBI	15 June, 2021	Tuesday
Last date of Public Announcement for Competing Offer	29 June, 2021	Tuesday
Last Date for receiving comments from SEBI on the Draft Letter of Offer (In the event SEBI has not sought clarification or additional information from the Manager to the Offer)	6 July, 2021	Tuesday
Identified Date*	8 July, 2021	Thursday
Last Date by which Letter of Offer will be dispatched to the public shareholders whose name appears on the register of members on the Identified Date	15 July, 2021	Thursday
Last Date by which committee of the Independent Directors of the Target Company shall give its recommendation to the Public Shareholders of the Target Company for this Offer	20 July, 2021	Tuesday
Last date for revising the Offer Price / Offer Size	22 July, 2021	Thursday
Offer Opening Public Announcement	22 July, 2021	Thursday
Date of commencement of tendering period (Open Date)	23 July, 2021	Friday
Date of closing of tendering period (Close Date)	5 August, 2021	Thursday
Date by which all requirements including payment of consideration would be completed	23 August, 2021	Monday

Note: Schedule of Activity may be changed based on SEBI approval

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and Sellers) are eligible to participate in the Offer any time before the Closure of the Offer.*

VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. All owners of Equity Shares (except Parties to the SPA) whether holding Equity Shares in dematerialised form or physical form, registered or unregistered, are eligible to participate in the Offer any time before closure of the tendering period.
2. Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer.
3. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI and on such terms and conditions as may be permitted by law from time to time.
4. The Acquirer has appointed Ashika Stock Broking Ltd **("Buying Broker")** for the Open Offer through whom the purchase and settlement of the Offer Equity Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

   Ashika Stock Broking Ltd
   1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai- 400 021
   Tel No.: +91 22 6611 1716
   Email: ankur@ashikagroup.com
   Contact Person: Ankur Karani
5. BSE shall be the Designated Stock Exchange for the purpose of tendering Offer Equity Shares in the Open Offer.
6. All public shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers **("Selling Brokers")** within the normal trading hours of the secondary market, during the tendering period.
7. The detailed process of Stock Exchange will be provided in the Letter of Offer which shall be sent to the Public Shareholder of the Target Company.

IX. THE DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER THAT WOULD BE MAILED TO THE SHAREHOLDERS OF THE TARGET COMPANY AS ON THE IDENTIFIED DATE.

X. OTHER INFORMATION

1. The Acquirer accepts full responsibility for the information contained in the Public Announcement/ Detailed Public Statement and for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof.
2. The Acquirer has appointed Venture Capital & Corporate Investments Pvt. Ltd, as the Registrar to the Offer, having corporate office at 12-10-167, Bharat Nagar, Hyderabad, Telangana- 500018, India, **Tel No.:** 040 - 23818475/ 23818476/ 23868023, **Fax No:** 040 – 23868024, **E-mail-Id:** investor.relations@vccipl.com/ pvsrinivas@vccipl.com; **SEBI Registration No.** INR000001203. The Contact Person is P V Srinivasa Rao.
3. The Acquirer has appointed CapitalSquare Advisors Private Limited as Manager to the Open Offer.
4. This Detailed Public Statement will also be available on website of SEBI at www.sebi.gov.in.

Issued by the Manager to the Offer On behalf of the Acquirer:

CAPITALSQUARE™
Teaming together to create value

MANAGER TO THE OFFER:
CAPITALSQUARE ADVISORS PRIVATE LIMITED
208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (E), Mumbai – 400 093, Maharashtra, India
Tel: 022 6684 9999/ +91 98742 83532; **Fax:** 022 6684 9998
Website: www.capitalsquare.in
Email Id: tanmoy.banerjee@capitalsquare.in / mb@capitalsquare.in
Contact Person: Mr. Tanmoy Banerjee
SEBI Registration No: INM000012219

Place: Mumbai
Date: June 05, 2021

On behalf of the Acquirer
Sd/-
VR Integrated Project Management Pvt Ltd

US senators promise vaccines for Taiwan amid China row

ASSOCIATED PRESS
Taipei, June 6

THE US WILL give Taiwan 750,000 doses of Covid-19 vaccine, part of President Joe Biden's move to share tens of millions of jabs globally, three American senators said Sunday, after the self-ruled island complained that China is hindering its efforts to secure vaccines as it battles an outbreak.

Democratic Sen. Tammy Duckworth of Illinois, who made a three-hour stop in Taiwan with fellow Democrat Christopher Coons of Delaware and Republican Dan Sullivan of Alaska, said their visit underscores bipartisan US support for the democratic island that Beijing claims as its own renegade territory. Taiwan faces a severe vaccine shortage and has geopolitical significance as a flashpoint in US-China relations.

"I'm here to tell you that the United States will not let you stand alone," Duckworth said at the airport after landing on a US military transport plane.

"We will be by your side to make sure the people of Taiwan have what they need to get to the other side of the pandemic and beyond."

Taiwan was included on a long list of places announced last week that would receive 25 million doses from the United States in what the Biden administration says is the first tranche of at least 80 million doses to be distributed globally. Most of the first tranche, including Taiwan's, will be sent through COVAX, a UN-backed program to distribute vaccines to low and middle-income countries.

The island of 24 million people, which lies 160 kilometers (100 miles) off China's east coast, is desperate for vaccines after a sudden outbreak that started in late April caught authorities by surprise. Japan shipped 1.2 million doses to Taiwan on Friday, opting to skip the COVAX process in the interest of speed. It was unclear when the 750,000 American doses would arrive.

Taiwan has accused China of blocking its efforts to reach a deal with BioNTech to import the vaccine co-developed by the German company and Pfizer. Beijing has said it is willing to supply vaccines to Taiwan, including BioNTech, through Chinese partner Fosun, and that the island's government is to blame for putting politics above the lives of its people. Taiwanese law bans the import of Chinese-made medicines.

Foreign Minister Joseph Wu, welcoming the senators at the airport, said that Taiwan is fortunate to have like-minded countries showing support, which he said is about sustaining freedom and democracy in the face of autocracy.

"Taiwan is facing unique challenges in combating the virus," he said. "While we are doing our best to import vaccines, we must overcome obstacles to ensure that these life-saving medicine are delivered free from troubles of Beijing."

He said China is trying to block Taiwan's international assistance and prevent it from participating in the World Health Organization. "We are no strangers to that kind of obstructionism," he said.

Taiwan and China split amid civil war in 1949, and most Taiwanese favour maintaining the current state of de facto independence while engaging in robust economic exchanges with the mainland.

China's ruling Communist Party says Taiwan must come under its control, and has in recent months increased pressure on the island, including flying warplanes near Taiwan. The increasing activity and vast improvements in China's military capabilities have raised concern in the US, which is bound by its own laws to ensure Taiwan is capable of defending itself and to regard all threats to the island's security as matters of 'grave concern.'

Taiwan, which had weathered the pandemic virtually unscathed until the recent outbreak, is now facing its most serious flare-up with more than 10,000 new cases since late April.

President Tsai Ing-wen, meeting with the senators, expressed gratitude to the Biden administration for including Taiwan in the first group to receive vaccines and said the doses will arrive at a critical time for the island. "I hope that through cooperation with the United States, Japan and other countries, Taiwan will be able to overcome the immediate challenges and ... and move towards recovery," she said.

UK urges commitment at G-7 to vaccinate world by end of 2022

ASSOCIATED PRESS
London, June 6

BRITISH PRIME MINISTER Boris Johnson will use the Group of Seven wealthy democracies' summit next week to urge world leaders to commit to vaccinating the global population by the end of 2022.

Johnson is expected to stress the importance of a global vaccination drive when he meets with fellow world leaders on Friday in Cornwall, on the coast of southwestern England, for the first face-to-face G-7 summit since the pandemic hit.

"The world is looking to us to rise to the greatest challenge of the postwar era: defeating Covid and leading a global recovery driven by our shared values," he said in a statement Sunday. "Vaccinating the world by the end of next year would be the single greatest feat in medical history."

US President Joe Biden and leaders of Canada, France, Italy and Japan will arrive in Cornwall from Friday for three days of talks focusing on the global recovery from the pandemic.

Britain's government pledged in February to give most of the country's surplus vaccine supply to COVAX, the UN-backed programme aiming to supply poorer countries with jabs.

But the UK has not yet put a figure on how many doses it will donate. The country, with a population of about 70 million, has ordered some 400 million doses of vaccines. Health Secretary Matt Hancock has said that the UK does not have any excess doses at the moment and that "we're just getting them into arms as quickly as possible."

The Sunday Times reported that Johnson is set to announce at the summit that the UK will pledge to donate over 2 billion pounds' worth of jabs this year, with further donations in 2022.

The US has said it plans to share 80 million doses of its surplus vaccine globally by the end of June, most through COVAX.

'Too soon to say if English lockdown will end on June 21

BRITISH HEALTH MINISTER Matt Hancock said on Sunday it was too early to say whether the government would stick to its plan to fully lift Covid-19 lockdown restrictions in England on June 21. Hancock said there had been a "very significant" impact from the delta variant of Covid-19 first detected in India over the last month, which is now the dominant strain in England, according to official estimates. He pointed to a renewed rise in Covid-19 cases but said he had been reassured by a broadly flat rate of hospitalisations and deaths as officials consider plans to end the lockdown. "It's too early to make a final decision on that," Hancock told *Sky News*. **—REUTERS**

China tech crackdown cools Hong Kong's IPO market

BLOOMBERG
June 6

NEW HONG KONG listings are tracking at their slowest pace since the aftermath of the global financial crisis, as weaker markets and China's clampdown on its biggest tech firms chill sentiment.

Just seven companies have gone public in the second quarter so far — on track for the fewest since 2009, according to data compiled by *Bloomberg*. The muted second-quarter activity stands in sharp contrast to the rush to go public seen last year or even at the start of 2021.

First-day performances have also struggled: May's IPO, which includes warehouse and distribution firm JD Logistics and property manager Central China Management, delivered the worst average debut performance in 15 months, the data show.

The cool-off comes as China slapped a record fine on Alibaba Group Holding and ordered 34 of its largest tech companies to rectify any anti-competitive business practices. That's making some firms more skittish about going public and investors worry about further actions from regulators. China has said the moves are to protect consumers and maintain financial stability.

"Investors are no longer comfortable paying sky-high valuations for some companies," said Louis Tse, Hong Kong-based managing director at Wealthy Securities.

China's top-three tech firms Tencent Holdings, Alibaba Group Holding and Meituan have lost more than $400 billion in value from highs just four months ago. Hong Kong's stock market tumbled into a technical correction earlier this year, dragging valuations further. The benchmark Hang Seng Index is one of the world's worst performers since its February high.

Worries about rising inflation are also making tech firms going public a harder sell as investors dump shares with rich valuations. Beijing's scrutiny on firms including technology and education has also forced investors to scale back earnings forecasts, investors say.

"We have seen some volatility and that has reflected on investors' appetite, but deals that are priced appropriately will get done," said Francesco Lavatelli, head of equity capital markets for the Asia Pacific region at JPMorgan Chase.