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Record penalty for Ma's Alibaba marks tumultuous stretch for its founder

NEW DELHI, MONDAY, APRIL 12, 2021

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IN THE NEWS

DoT likely to issue telecom PLI norms in a week

THE DEPARTMENT OF telecommunications (DoT) is likely to issue guidelines on implementation of production-linked incentive (PLI) schemes for manufacturers in the sector and start inviting applications for the same in about a week, according to government officials, reports **PTI**.

Govt may hike FDI limit in pension sector to 74%

THE GOVERNMENT MAY hike foreign direct investment (FDI) limit in the pension sector to 74% and a Bill in this regard is expected to come in the next Parliament session, according to sources, reports **PTI**. Last month, Parliament approved a Bill to increase FDI limit in the insurance sector from 49% to 74%.

Franklin holders to get ₹2,962 cr in second tranche

SBI FUNDS MANAGEMENT will distribute the next tranche of ₹2,962 crore to unitholders of Franklin Templeton's six shuttered schemes during the coming week, reports **PTI**. SBI MF has already distributed ₹9,122 crore to investors as directed by the SC earlier.

SECOND WAVE

Recovery slowing, under serious threat

FE BUREAU
New Delhi, April 11

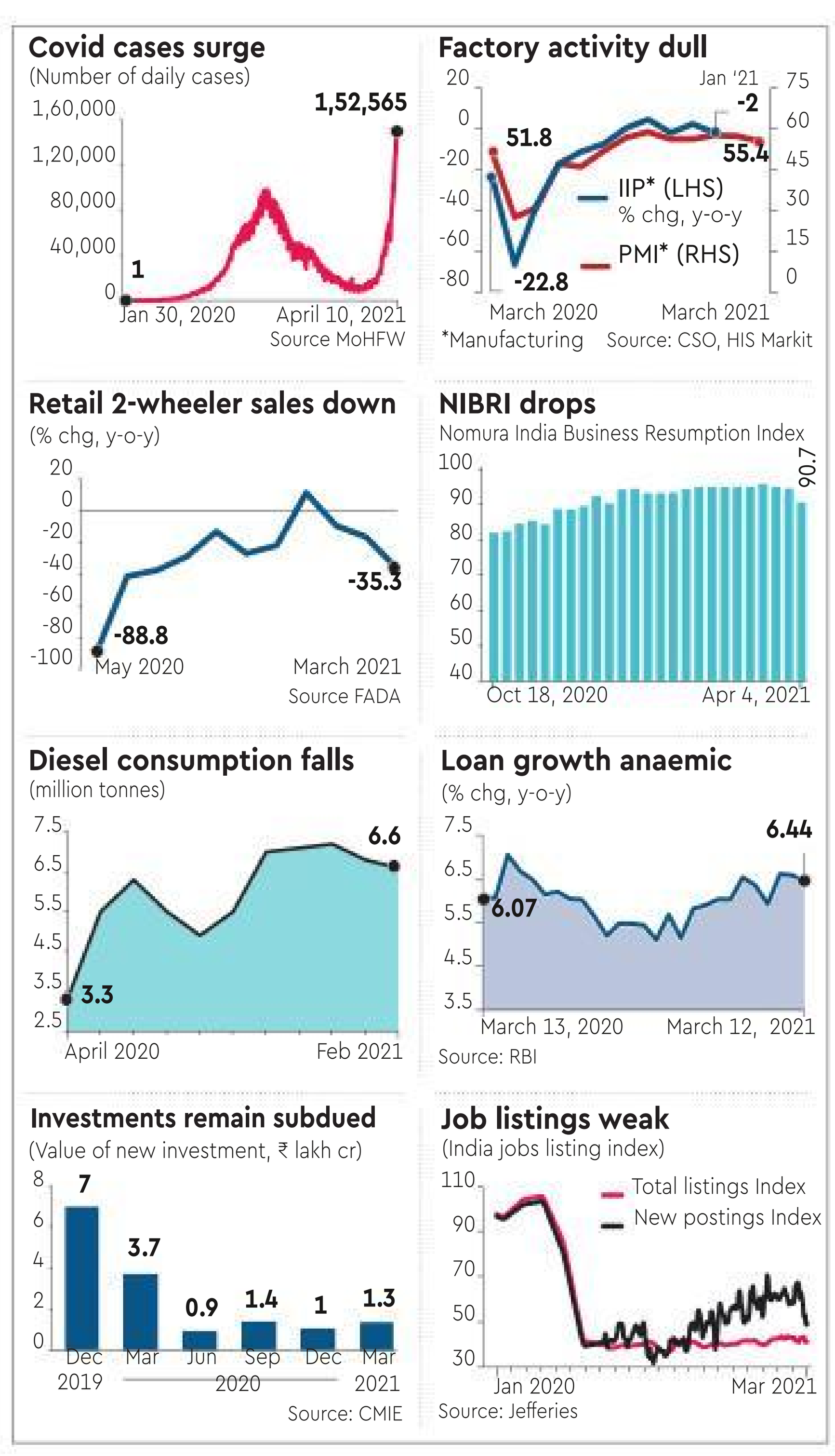
INDIA IS NOW firmly in the grip of a severe second Covid-19 wave and while it may not have as deleterious as impact as the first one, the local restrictions will undoubtedly slow what was a promising recovery.

Much of the damage has taken place in the services sector, and in the informal space, and therefore, doesn't really show up in high frequency indicators. But even formal sector data isn't encouraging and there are clear signs of a slowdown that could get exacerbated as the vaccination drive loses momentum and infections surge.

Manufacturing remains weak, private sector investments show no sign of picking up meaningfully and loan growth is sluggish even though input costs have risen. The sectors that are the most vulnerable to disruption — hospitality and transportation services — may contribute less than 6% to GDP, but they account for a disproportionately high number of jobs.

The revival in the services sector could now be postponed to the end of 2021.

Continued on Page 2



Q4FY21

India Inc to end the year on a high note

Source: Kotak Institutional Equities estimates

Revenues, profits seen growing to multi-quarter highs

FE BUREAU
New Delhi, April 11

EVEN AS THE second Covid-19 wave threatens to weaken demand and hurt sales, corporate earnings for the January-March period will surge thanks largely to a helpful base. But the numbers are expected to be reasonably good even after adjustments to the base.

Revenues should grow to multi-quarter highs in Q4FY21 on the back of better volumes and higher prices. But profits would also get a boost from cost savings and better operating leverage, much like they have in recent quarters. In other words, gross margins may be hit by input inflation but ebitda margins are likely to have expanded.

Sequential comparisons of number could be less flattering. Nonetheless, corporate India will end FY21 on a high note thanks to global reflation, serious cost cuts and gains from the informal sector.

While querying managements on demand trends in the March quarter, the Street will look for commentary on potential problems in the current quarter.

For the Sensex set of companies net profits are estimated to soar 55% year-on-year on the back of an 11% y-o-y rise in revenues and a sharp 23% plus increase in operating profits. For the Nifty 50 companies, the jump in profits is a bigger 125% y-o-y on the back of a huge 17% y-o-y increase in net sales and a 70% y-o-y improvement in operating profits.

Continued on Page 2

HIRING METER

More temps in demand, fewer permanent jobs

SHUBHRA TANDON
Mumbai, April 11

WITH THE PANDEMIC having impacted businesses badly and little visibility on the course of the recovery, companies are playing it safe by adding more temporary staff rather than taking on too many permanent employees.

Although this relates primarily to entry-level positions, they're using this approach to recruit for some senior roles too.

According to Alok Kumar, senior director, Manpower, such senior professionals are taken on as consultants for specific projects for a specific period. "It applies to roles where the deliverables are well defined and results are quantified. These professionals earn a remuneration in the form of a commission," Kumar said.

TeamLease Services believes temporary hiring could double in 2021 over 2020 levels going back to pre-covid levels, according to Deval Singh, business head, (mobiliasation) who says this is the result of managements tweaking their business models. "Companies are still facing uncertainty and are trying to minimise costs. With temporary hires, they get a pool of talent that can be tested and later absorbed in permanent positions if it's needed," Singh said.

Kumar observed that in the current scenario, companies are looking flexible staffing model and can be scaled up or down depending upon conditions in the market and the economy.

Continued on Page 2

Temporary hiring

Monthly Salary (₹)	
Relationship officers	₹15,000-₹18,000
Customer care executives	₹15,000-₹17,000
Wireman & Installation engineer	₹16,000-₹18,000
Sales executives/officers	₹15,000-₹20,000
Store executives	₹10,000-₹12,000
Desktop Support engineer	₹14,000-₹16,000

Source: TeamLease Services

CASH CRUNCH

Over ₹35,000-cr export aid held up amid trade recovery

BANIKINKAR PATTANAYAK
New Delhi, April 11

THE GOVERNMENT IS holding back export benefits worth at least ₹35,000 crore under the Merchandise Export from India Scheme (MEIS), including sizeable funds traceable to FY20, according to trade sources. Inordinate delay in release of these funds could accentuate a Covid-induced liquidity crunch, limiting exporters' capacity to ramp up supplies even as demand from key markets has improved, they added.

Similarly, refund rates under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, which replaced the MEIS from January 1, 2021, are yet to be notified. Since exporters typically factor in tax remission under key programmes while firming up contracts, lack of clarity about RoDTEP rates is adding to their woes, they said.

Continued on Page 2

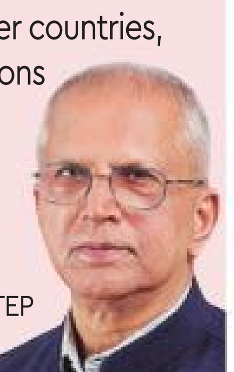
₹39,097 cr
MEIS outlay approved by govt for FY20

₹15,555 cr
MEIS incentives for first 3 quarters of FY21

<₹20,000 cr
Approximate release of benefits, mainly for FY20, according to trade sources

RoDTEP is WTO-compliant. It's a scheme to only refund certain levies on exported products. Other countries, too, do this. Such questions (like the ones by the US) are usually posed at the WTO and can be easily addressed.

— **GK PILLAI**, HEAD OF RoDTEP PANEL AND FORMER COMMERCE SECY



BOARD MEETING

Infosys to consider share buyback on April 14

FE BUREAU
New Delhi, April 11

SOFTWARE SERVICES GIANT Infosys said on Sunday it would consider a proposal to buy back of its shares at its forthcoming board meeting scheduled for April 14. The board will meet to approve and take on record the audited consolidated financial results of the company and its subsidiaries for the quarter and year ended March. Infosys completed its first buyback of ₹13,000 crore in December 2017, comprising 11.3 crore equity shares at a price of ₹1,150 per share. It also announced a buy-back in early 2019 for an amount of ₹8,260 crore and bought back 11.05 crore share at an average price of ₹747.38 per equity share.

Bloomberg estimates peg the revenues for Q4FY21 at ₹26,398 crore and net profits at ₹5,168 crore even as the Street expects top tier IT players to report sequential revenue increases of 2.5-3.5% in constant currency terms. This would be among the best Q4 performances in several years though margins might not be as flattering due to wage hikes and higher overheads. The Infosys stock on Friday ended flat at ₹1,440.75 apiece, having gained 140% over the past one year.

BIG SPENDS

Large CPSEs post record capex in FY21

PRASANTA SAHU
New Delhi, April 11

WHILE REVENUE CONSTRAINTS led to a sharp decline in capital expenditure by state governments in FY21, the Centre and public sector enterprises (CPSEs) owned by it largely held the fort, retaining the share of public expenditure in the gross domestic product (GDP).

The combined capital expenditures by 37 large CPSEs and departmental undertakings — all with annual capex budgets above ₹500 crore — were ₹4.6 lakh crore in FY21. This was 92% of the ₹5-lakh-crore target for the year and 4.3% higher than the capital spending by these entities in the previous year.

Among these government entities, NHAI was the largest investor with capex roll-out of ₹1.25 lakh crore in FY21, overtaking Indian Railways for the first time. NHAI's achievement was 110% of its annual target and up 20% on year.

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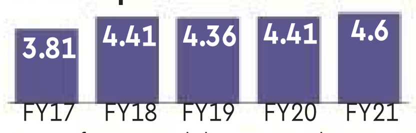
ON THE RISE



^Data of CPSEs and departmental arms with minimum annual capex of ₹500 cr

Top investors FY21

	₹ crore	Achievement as % of target
NHAI	1,25,000	110
Railways	1,24,000	78
IOC	30,000	115
ONGC	25,000	77
NTPC	23,000	110
HPCL	18,000	156

THE NEW NORMAL

Big PSBs speed up digitisation post merger

SHRITAMA BOSE
Mumbai, April 11

PUBLIC SECTOR BANKS (PSBs) have historically lagged their private peers in terms of their adoption of technology and digital systems. That might be changing as a pandemic that refuses to die is forcing every financier to take a hard look at the way they have been doing business.

For PSBs, the need to change has become even more relevant as the mergers have expanded their scale and competition from tech-oriented players has only intensified.

Several large PSBs have in recent months set in motion the process of digitising various functions. Most of these projects are focused on redeploying staff from the more mundane, work-flow-driven processes to sales and other productive divisions. In March, State Bank of India (SBI) floated a request-for-proposal (RFP) for redesigning its operating model and implementing new strategies with the use of digital tools in its micro, small and medium enterprises (MSME) segment.

Continued on Page 2

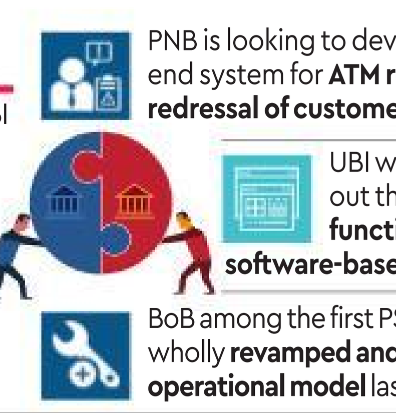
Banking on

In March, SBI floated an RFP for redesigning its operating model, implementing new strategies with the use of **digital tools in MSME segment**

PNB is looking to develop an end-to-end system for **ATM reconciliation and redressal of customer complaints**

UBI wants to smoothen out the entire **recovery function with a software-based solution**

BoB among the first PSBs to envisage a wholly **revamped and digitally-driven operational model** last year



Economy

NO LOCKDOWN

Arvind Kejriwal, chief minister, Delhi

I am not in favour of lockdown. I believe lockdown is not a solution to deal with Covid-19. It should be imposed if hospital system collapses.

'Tika utsav' beginning of another major war on Covid: PM Modi

PRESS TRUST OF INDIA
New Delhi, April 11

ASSERTING THAT THE '*tika utsav*', a vaccination drive between April 11 and 14, marks the beginning of the another major war on Covid-19, Prime Minister Narendra Modi on Sunday made several suggestions to people on curbing the virus and urged them to focus on personal and social hygiene.

In a blog addressed to the countrymen, he urged them to remember four things, including "each one, vaccinate one"- helping those getting vaccinated who are less educated and elderly and who cannot go for the jab themselves, and "each one, treat one"- helping those who do not have the means or do not know about the facilities available for vaccination.

He also spoke of "each one, save one", saying emphasis should on wearing mask so as to save oneself and others too.

He asked families and members of the society to take lead in setting up micro containment zones in case anyone gets the infectious disease, saying this is an important way to fight the disease in a densely populated country like India.

In the event of detection of a single positive case, it is very important for all of us to be alert and to test the rest of the people, he said.

BACK TO THE TABLE

Farmer unions say ready for talks

Response comes a day after agriculture minister asked them to postpone the protest

FE BUREAU
New Delhi, April 11

STATING THAT THEY are ready for dialogue, agitating farmer leaders on Sunday urged the government to send a proposal for talks.

The response from the farmer unions, demanding repeal of three farm laws and enactment of a new legislation to guarantee purchases of crops at minimum support prices (MSP), came a day after the union agriculture minister Narendra Singh Tomar asked them to postpone the protest.

"On the question of talks, the agriculture minister asked farmers to postpone the protest. Samyukt Kisan Morcha (SKM) understands that this statement of the minister is not a suggestion but a condition that talks can take place after vacating the protest sites. Farmers have never refused to talk to the government. The government should send a proposal for talks, the farmer leaders are ready for talks," Darshan Pal executive body member of SKM said in a statement on Sunday.

"The government is ready for talks and whenever they come we will discuss," Tomar had said April 10 while appealing protesting farmers to postpone the on-going stir in view of second stage of Covid-19. He also had asked farmers to follow Covid protocols like wearing mask and maintaining social distancing.

The last dialogue was held on January 22 after which the government has not invited the farmer leaders for the talks saying it will wait till they "reconsider" (accept) its proposal to keep the laws in abeyance.

Even though farmer leaders are keen to resume the dialogue with the government, at the same time they have been continuing with their mass mobilisation programme against the three farm laws in various states. A team of farmer leaders also went to West Bengal and Assam and appealed to voters not to vote for BJP.

The SKM has been maintaining since November 27 last year, when the protest started on the Delhi's border, to continue the stir until three contentious farm laws are repealed and a legally guaranteed MSP mechanism is put in place.

The Supreme Court, in January, stayed the implementation of the three farm laws and appointed a committee of experts to submit a report after talking to all the stakeholders. After the panel submitted its report, SC is yet to begin hearing on the issue. Farmer unions had also rejected the Centre's offer to continue the discussion saying it was conditional on accepting the government's proposal to withhold the laws for 12-18 months.

Nobel laureate Abhijit Banerjee trashes theory of limited govt intervention to uplift poor

RENOWNED ECONOMIST AND Nobel laureate Abhijit Banerjee has trashed the ideology that calls for lesser or limited government interventions towards uplifting the poor arguing that such freebies make the poor lazy, saying there is no evidence whatsoever proving so.

He said his own research on the subject across diverse economies in Asia, Africa and Latin America in the past decade and more does not support this ideology, rather it proves that those who have benefited from public and non-governmental interventions wherein they were given free assets did in fact became more productive and creative. Addressing the 20th foundation day of Bandhan Bank on Sunday, Banerjee said there is no data and no empirical evidence anywhere to establish the ideology that getting freebies or getting free assets make the poor people lazy.

This ideology has been pushing successive governments to give less to the poor so that they don't become lazy. But we have seen no evidence to this effect anywhere, not even in India, instead we have seen everywhere improvements, he said.

The economist also partly blamed those people hawking this ideology for the large number of the poor here and elsewhere as this had successive governments leaving poverty reduction and other socioeconomic impactful measures to non-profits and private sector till about the middle of the first decade of the new millennium when Manmohan Singh-led government unveiled the rural jobs guarantee scheme. — **PTI**

Telecom PLI guidelines likely within a week

PRESS TRUST OF INDIA
New Delhi, April 11

DoT notified PLI scheme for telecom and networking products on Feb 24 with a financial outlay of ₹12,195 crore, over five years

THE DEPARTMENT OF Telecommunications (DoT) is likely to issue guidelines on implementation of production-linked incentive (PLI) schemes for manufacturers in the sector and start inviting applications for the same in about a week, according to government officials.

Telecom gear makers firms such as Ericsson and Nokia are keen to expand their operations in India, and global companies like Samsung, Cisco, Ciena and Foxconn have "shown interest" to set up manufacturing bases in the country for telecom and networking products for domestic and export markets.

"Telecom PLI has already been approved by the government. The DoT is ready with guidelines to implement it, application format, incentive allocation, etc. It should be published on the DoT website within a week," the official, who did not wish to be named, said.

The DoT notified the PLI scheme for telecom and networking products on February 24, 2021, with a financial outlay of ₹12,195 crore, over five years. The scheme for telecom gear manufacturing in India which is expected to encourage production of equipment worth ₹2.44 lakh crore and create direct and indirect employment for about 40,000 people.

The investor can earn incentive for incremental sales up to 20 times the committed investment enabling them to reach global scales and utilise their unused capacity and ramp up production.

The scheme is expected to bring an investment of over ₹3,000 crore and generate tax revenue of about ₹17,000 crore.

From the Front Page

Second wave: Recovery slowing, under serious threat

Indeed, headline GDP numbers are now becoming less relevant because these reflect primarily the performance of the organised sector; GVA (Ebitda + wages) of listed companies grew by about 6.5%, for the nine months to December 2020 while India's non-agri GVA fell 11.6%, evidence of larger companies are gaining market share and rationalising costs. Companies are reporting higher profits and this is driving up corporate tax collections. But this too could lose steam. Motilal Oswal's real gross value-added index posted a growth of just 0.5% y-o-y in February, the weakest in the past six months as against + 4% in January. The slower growth was largely driven by the non-farm sector, with industrial activity posting its first fall in six months and the services sector growing just 0.5%. The road to recovery is a long one.

FY21 earnings: India Inc to end the year on a high note

The difference stems from the fact that BPCL, IOCL and Tata Motors, which had reported large losses in 4QFY20, are members of the Nifty but not of the Sensex.

Among the sectors that are expected to do well are automobiles where large volumes ---especially in the passenger car and commercial vehicles segments--are believed to have led to better efficiencies, somewhat blunting raw material price pressures. The IT services sector which has turned in spectacular performances in the last couple of quarters are expected to turn in a good show in Q4FY21 even though it is a seasonally weak quarter. Despite some wage hikes and a slight drop in utilisation levels, the numbers should be strong as big deals are ramped up and companies benefit from continued spending by clients on digital programmes.

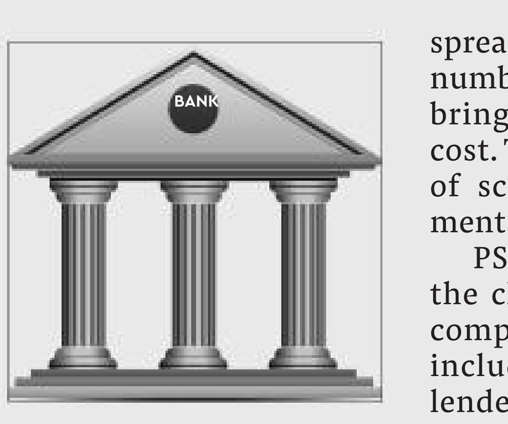
FMCG firms are expected to do well with some segments, continuing to gain share from smaller, informal, players and good rural demand supplemented by a pick-up in demand in the urban areas ; while there could have been some moderation in the demand for hygiene products, a pick-up in sales of personal care products should boost revenues. In the retail space apparel makers could have been hit by the rising prices of yarn which have risen 30% over the past six months but jewellery companies are believed to have gained from the wedding season. The impact from the pandemic would have moderated for QSRs. The engineering and capital goods sector is expected to report better execution and relatively strong order inflows. Road toll collections are understood to have hit 90% of pre-Covid levels and would benefit builders.

More temps in demand, fewer permanent jobs

"Through staffing companies they also gain the expertise to handle complex requirements. Especially at the entry level, where the churn is higher and managing the life cycle of an employee becomes costly," he explained.

Covid-19 has forced companies to re-invent themselves to come up with new business models and that is pushing companies to experiment with temporary staffing. Experts say it is safer and wiser to recruit for the short term rather staff the company with permanent employees. There are several new formats emerging , they point out, and it's best not to overload the team with permanent staff.

Large PSBs speed up digitisation post merger



Punjab National Bank (PNB) is looking to develop an end-to-end system for ATM reconciliation and redressal of customer complaints. Union Bank of India (UBI) wants to smoothen out the entire recovery function with a software-based solution that will automate the workflow for recovery proceedings, including those which involve tribunals

Bank of Baroda (BoB) was among the first PSBs to envisage a wholly revamped and digitally-driven operational model last year. It has appointed consulting firm McKinsey to develop the model, which even includes a permanent work-from-home (WFH) adjustment. Sameer Narang, chief economist, BoB, said that banks have a huge customer base and can build sophisticated models based on demographic and transactional data of customers. The analytical model-driven approach typically offers the customer a better deal than would be available otherwise. "Another way to look at it is as a retention strategy wherein banks offer their customers pre-approved limits on certain financial products or services such as personal loans or vehicle loans which will otherwise be offered by competition," he said.

PSBs are now more cognisant of the need to increase efficiency as a strategy. Nitesh Ranjan, executive director, UBI, said that the bank has a large number of accounts in the retail and MSME categories, where managing recovery in the physical mode is very difficult, especially things like keeping track of Sarfaesi proceedings and DRT hearings. "We have also developed an internal recovery app, where there is geo-tagging of properties attached to a particular loan," Ranjan said, adding that the pandemic has pushed the digital drive which UBI was already considering. "This is a part of the overall digital strategy of the bank that includes straight-through processing of retail and MSME loans," Ranjan observed.

In a note dated April 9, ICICI Securities said that the digitisation drive at Indian banks is in line with global trends. It cited a global study that shows that retail banks which digitise their customer journey see a 520% boost in revenues, 15-35% cost reduction, and a 10-15% rise in customer satisfaction.

PSBs had a large customer base even before the mergers took place over the last few years, but the expansion in that base helps justify the cost of digitisation. The fixed cost of digitisation can be spread over an even larger number of customers thus bringing down per unit cost. There are economies of scale in such investments, BoB's Narang said.

PSBs are recognising the challenge from their competitors, which now includes not just private lenders, but also payment companies, fintechs and even global technology majors. "We are competing with players which are highly tech-oriented, so there's no reason why banks shouldn't be more technology oriented themselves," Narang added.

Avisha Gupta, partner, L&L Partners, said that PSBs are now entering the next phase of digitisation (after payments) through implementation of artificial intelligence (AI) and machine learning in credit assessment and operations monitoring.

"As part of this phase, on-scale adoption of the digital regulatory initiatives like the account aggregator framework, will provide significant impetus to MSME lending outreach of PSBs by enabling access to consented alternative data," she said.

The correct use of data and digitisation increases not only better access to funds by borrowers but also facilitates better lending decisions and profitability for lenders. As MSME lending is a priority sector, digitisation of systems and processes will in the long run facilitate profitable lending, said Vidisha Krishan, partner, MV Kini Law Firm.

Over ₹35,000-cr export aid held up amid trade recovery

Of course, they will get the refunds retrospectively (from January) once the rates are notified.

Under the MEIS, which ceased to exist on January 1, the government has already approved ₹39,097 crore for FY20 and ₹15,555 crore for the first three quarters of FY21. But a bulk of this amount is yet to released, ostensibly due to the pandemic hitting the Centre's resource mobilisation, exporters said. At best ₹20,000 crore was released, mostly against claims for FY20 (although some applications pertained to FY19 as well) but no amount has been transferred against FY21 claims, some exporters said.

A senior official said the government will soon start processing the MEIS benefits. Even RoDTEP rates will be announced shortly.

The delay in the clearance of MEIS benefits is nothing unusual, though. In earlier years, such benefits were often delayed for reasons, including faulty claims or wrong paperwork by exporters, the official explained. This time around, the pandemic has mostly contributed to the delay. "This is an unprecedented crisis, so some amount of delay is unavoidable. But the government is fully seized of the matter," he added.

Under MEIS, most exporters were getting scrips amounting to 2-5% of the freight-on-board value of the shipment.

Importantly, at the World Trade Organisation (WTO), the US recently asked India to explain the RoDTEP programme and its structure. But former commerce secretary GK Pillai, who headed a committee tasked with recommending the RoDTEP rates, told FE that the new scheme is "compliant" with the WTO norms.

"RoDTEP is a scheme for only the reimbursement of duties on exported products. Other countries do this. This is not an export incentive scheme. Such queries are usually posed at the WTO and the issue can be addressed easily," Pillai said.

After an exhaustive exercise involving a scrutiny of embedded levies on 8,000-9,000 tariff lines, the Pillai committee had submitted its report in March within just 7-8 months of its formation. The revenue department is now vetting the report. The scheme is supposed to reimburse various embedded levies (not subsumed by the GST) paid on inputs consumed in exports.

Earlier, the US had successfully challenged the MEIS and some other export schemes, claiming these were inconsistent with global trade norms. India has appealed against the ruling of the WTO's dispute body and a verdict is yet to come. Still, India has replaced the MEIS with RoDTEP scheme.

The government has budgeted only ₹13,000 crore for the RoDTEP scheme for FY22 but the actual outgo could be much higher.

"Export orders from key markets (like the US and the EU) are flowing in but the bigger challenge is on the supply side," said Ajay Sahai, director general and chief executive at the Federation of Indian Export Organisations (FIEO). If the MEIS benefits are cleared fast and RoDTEP rates remain fair and are announced swiftly, exporters can step up supplies, he indicated. Of course, any restriction resulting from the second wave of Covid-19 can potentially weigh on exports.

The RoDTEP scheme is on a "solid-footing" and is in sync with best global practices, so the government shouldn't worry about any challenge at the WTO, Sahai asserted.

Since in many cases exporters themselves have no fool-proof data or even complete knowledge of all levies embedded in the exported products, the Pillai committee has had a herculean task of determining the RoDTEP rates. The exercise has been done in a manner as comprehensive as possible in keeping with principle that taxes are not meant to be exported, according to Pillai. He expected that, with greater submission of data by exporters, the scheme will get better and could stabilise in 2-3 years.

The scheme is proposed to cover levies that are not subsumed by the GST (petroleum and electricity are still outside the GST ambit, while other imposts like mandi tax, stamp duty, embedded central GST and compensation cess, etc, remain unrebated).

While exports have witnessed a roller-coaster ride in FY21 due to the pandemic, given the favourable base effects, outbound shipments are going to record impressive surge in the coming months. Of course, even in absolute term, exports in March stood at a record of \$34 billion, against about \$33 billion in the same month in 2019 (before the pandemic struck). However, for sustenance of the growth momentum over the medium term, exporters' liquidity issue needs to be sorted out urgently.

Large CPSEs post record capex in FY21

Road minister Nitin Gadkari recently said that the pace of highways construction in the country touched a record 37 km/day in FY21.

Railways invested ₹1.24 lakh crore in FY21, which was about 78% of the annual target, and down 8% on year.

Railways was followed by IOC (₹30,000 crore or 115% of its target), ONGC (₹25,000 crore, 77%), NTPC (₹23,000 crore, 110%) and HPCL (₹18,000 crore, 156%). Power Grid also exceeded its FY21 investment target of ₹10,500 crore by achieving ₹10,800 crore. However, Neyveli Lignite Corporation achieved only ₹2,800 crore or 42% of its FY21 target of ₹6,700 crore.

Of course, as the chart shows the CPSE capex growth too slowed considerably since FY18, but the rate of decline in the growth has been lower than that in other segments of the economy like private investments and private consumption or, of late, even in state government capex.

In FY21, state governments have developed cold feet in sustaining the capex tempo, but CPSEs, despite an erosion of their cash surplus and profits in a slowing economy, largely maintained the pace, thanks to constant prodding by the finance minister Nirmala Sitharaman.

Reacting to the Q3FY21 GDP data, the finance ministry said recently that the 0.4% growth in the quarter after two consecutive quarters of deep contraction reflected "further strengthening of V-shaped recovery" that began in Q2. The resurgence of the gross fixed capital formation was also triggered by robust capex by the CPSEs and the Centre. The fiscal multipliers associated with public capex are at least 3-4 times that of government final consumption expenditure, it said.

While public capex appeared to have sustained the tempo in Q4FY21 as well, the second Covid wave is now threatening to slow the pace. More than 80% of the FY21 capex by the 37 CPSEs and departmental units are funded by their own surpluses and loans while the balance funds came from the Union Budget.

The Centre has managed to spend ₹4.1 lakh crore as budget capex during April-February, up 33% on year; the FY21 target was ₹4.38 lakh crore (up 30.8% on year).

As reported by FE earlier, Capital expenditure by state governments will likely shrink in FY21, bucking the trend of robust growth in fixed asset creation reported by most of them in recent years.

According to an *FE* review of budgetary spending by 16 major states, their capex was down 16% on year in April-February, compared with a negative growth of 5% in FY20.

In FY20, public capex was roughly in the 5:3.6:3.4 ratio among the states (budget), CPSEs (own funds) and the Centre (budget). However, this ratio will likely change to 3:4:4.5 or thereabouts in FY21 as the share of states in public capex has fallen.

'FREEING LIMITED RESOURCES'

Govt likely to hike FDI limit in pension sector to 74%

Bill likely in monsoon session

PRESS TRUST OF INDIA
New Delhi, April 11

THE GOVERNMENT MAY hike foreign direct investment (FDI) limit in the pension sector to 74% and a Bill in this regard is expected to come in the next Parliament session, according to sources.

Last month, Parliament approved a Bill to increase FDI limit in the insurance sector from 49% to 74%. The Insurance Act, 1938, was last amended in 2015 which raised FDI limit to 49%, resulting in foreign capital inflow of ₹26,000 crore in the last five years.

Amendment to Pension Fund Regulatory and Development Authority (PFRDA) Act, 2013 seeking to raise FDI limit in the pension sector may come in the monsoon session or winter session depending on various approvals, sources said.

Currently, the FDI in the pension fund is capped at 49%. Besides, sources said, the amendment Bill may contain separation of NPS Trust from the PFRDA.

The powers, functions and duties of the NPS Trust, which are currently laid down under the PFRDA (National Pension System Trust) Regulations 2015, may come under a charitable trust or the Companies Act, they said.

The intent behind this is to keep NPS Trust separate from the pension regulator and managed competent board of 15 members. Of this, the majority of members are likely to be from the government as they, including states, are the biggest contributor to the corpus.

The PFRDA was established for promoting and ensuring the orderly growth of the pension sector with sufficient powers over pension funds, the central recordkeeping agency and other intermediaries. It also safeguards the interest of members.

The National Pension System (NPS) was introduced by the Government of India to replace the defined benefit pension system. NPS was made mandatory for all new recruits to the central government service from January 1, 2004, (except the armed forces in the first stage) and has also been rolled out for all citizens with effect from May 1, 2009, on voluntary basis.

The government had made a conscious move to shift from the defined benefit, pay-as-you-go pension scheme to defined contribution pension scheme, NPS, due to rising and unsustainable pension bill. The transition aimed at freeing the limited resources of the government for more productive and socio-economic sectoral development.

Franklin unitholders to get ₹2,962 crore in second tranche

PRESS TRUST OF INDIA
New Delhi, April 11

SBI FUNDS MANAGEMENT (SBI MF) will distribute the next tranche of ₹2,962 crore to unitholders of Franklin Templeton Mutual Fund's six shuttered schemes during the coming week. SBI MF has already distributed ₹9,122 crore to investors as directed by the Supreme Court earlier.

"SBI MF would be distributing the next tranche of ₹2,962 crore to unitholders across all six schemes. The payment to all investors whose accounts are KYC-compliant with all details available will be made during the week of April 12, 2021," a Franklin Templeton MF spokesperson said on Sunday.

The amount to be paid to unitholders will be paid by extinguishing proportionate units at the net asset value dated April 9, he added.

The payment will be made electronically to all eligible unitholders by SBI MF, which has been appointed as the liquidator for the schemes under winding up by the Supreme Court.

In case the unitholders' bank account is not eligible for an electronic payment, a cheque or demand draft will be issued and sent to their registered address by SBI MF.

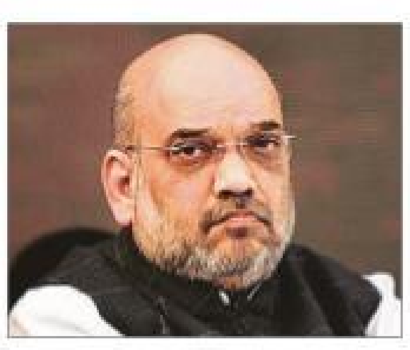
In March, the Supreme Court accepted the standard operating procedure (SOP) finalised by SBI MF to monetise assets and distribute the proceeds to unitholders of the six debt schemes of Franklin Templeton Mutual Fund.

Franklin Templeton MF shut its six debt mutual fund schemes in April 2020 citing redemption pressures and lack of liquidity in the bond market.

COOCH BEHAR KILLINGS

Ready to resign only if people of Bengal ask me to do so: Shah

PRESS TRUST OF INDIA
Basirhat (West Bengal), April 11



UNION HOME MINISTER Amit Shah on Sunday said that he is ready to resign from his post only if the people of West Bengal ask him to do so.

The senior BJP leader, however, asserted that Chief Minister Mamata Banerjee will have to quit on May 2 as the Trinamool Congress will lose the ongoing assembly elections.

The TMC chief has demanded Shah's resignation over the killing of four people in firing by CISF personnel during the fourth phase of voting in Sitalkuchi in Cooch Behar district on Saturday.

"Didi has been asking for my resignation. If the people of West Bengal demand that I put down my papers, I am ready to do so with my head bowed. But Mamata will have to quit the CM"s post on May 2," Shah said, while addressing a rally in Basirhat in North 24 Parganas district.

Votes polled in the eight-phase elections to 294 assembly seats in West Bengal will be counted on May 2.

Training his guns on Banerjee, Shah alleged that she is opposing the Citizenship (Amendment) Act to appease illegal immigrants, who he claimed take benefits of welfare schemes but indulge in riots.

"What is Didi's problem if Matuas get citizenship? Her problem is that illegal immigrants will be displeased. Such people don't have the right to rule the state any longer. Illegal immigrants take benefits of welfare schemes like free ration but indulge in riots," he said.

Shah said that the BJP will completely stop illegal immigration from Bangladesh and withdraw a resolution passed in the assembly against CAA after forming the government in the state.

EC trying to suppress facts by barring entry of politicians in Sitalkuchi, says Mamata

PRESS TRUST OF INDIA
Siliguri, April 11

DESCRIBING THE INCIDENT of firing in Cooch Behar as a "genocide", West Bengal Chief Minister Mamata Banerjee on Sunday said the Election Commission has restricted the entry of politicians in the district for 72 hours as it seeks to "suppress facts".

The TMC supremo, while addressing a press meet here, claimed that central forces "sprayed bullets aiming at the torso of the victims" in Sitalkuchi area, when the fourth phase of polling was underway in the state. "There was genocide at Sitalkuchi. I would like to visit Sitalkuchi by April 14. The EC is trying to suppress facts by restricting entry in Cooch Behar. We have an incompetent home minister and an incompetent central government," Banerjee said.

Four persons died on Saturday when CISF personnel opened fire allegedly after coming under attack from locals, who "attempted to snatch their rifles", the police had said.

"The CISF doesn"t know how to handle situations. Since the first phase of elections, I had been saying that a section of the central forces are committing atrocities on people. I had flagged the issue in Nandigram, but none paid attention to my words," she stated.

The feisty TMC chief also spoke to the brother of one of the deceased over a video call, in the midst of the press meet, and promised all help to the bereaved family. The man, on his part, was heard saying that the jawans had opened fire on the voters.

"He (one of the four killed in firing) was standing in a queue when the jawans opened fire. His wife is pregnant. They also have a three-year-old child. Our parents are shocked and devastated," the man told the CM.

FPIs pull out ₹929 cr from Indian mkts so far in April

PRESS TRUST OF INDIA
New Delhi, April 11

FOREIGN PORTFOLIO INVESTORS (FPIs) have withdrawn a net ₹929 crore from Indian markets so far this month amid concerns over rising Covid-19 cases denting the economic recovery.

The reversal of buying trend came after FPIs invested ₹17,304 crore in March, ₹23,663 crore in February and ₹14,649 crore in January.

According to the depositories data, overseas investors pulled out ₹740 crore from equities and ₹189 crore from the debt segment, taking the total net withdrawal between April 1-9 to ₹929 crore.

Rusmik Oza, executive vice-president, head of fundamental research at Kotak Securities, said FPI outflows came on the back of rise in Covid cases and a sharper depreciation in the Indian rupee compared with US dollar. "In the monetary policy meet, there was surprise announcement of G-Sec buying of ₹1 lakh cr by RBI in Q1FY22. The assurance of G-Sec buying has led to a significant depreciation in INR, which has moved from 72.4 to 74.8," he said. He further noted that other emerging markets have slowly started getting FPI flows in a "miniscule way".

South Korea and Taiwan are leading the inflows into emerging markets for this month to date, Oza said. Strong year-on-year increase in fourth quarter earnings season is expected across all sectors with high growth in automobiles, banks, metals, mining and oil and gas industries, Oza said. The likely strong earnings growth could restrict any major downside in the market going ahead. It is going to be a mixed reaction from FPIs in the near term.

India should cherish 'current positive trend' of de-escalation in eastern Ladakh: Chinese military

K J M VARMA
Beijing, April 11

WITH NO FORWARD movement at the latest round of Sino-India military talks on disengagement from the remaining areas in eastern Ladakh, the Chinese military has said that India should cherish the "current positive trend" of de-escalation and cooling down of tensions in the border area.

A day after the 11th round of Corps Commander-level talks that lasted for 13 hours, the Indian Army said in a statement on Saturday that both sides held a detailed deliberation on the disengagement of troops in the remaining friction points of Hot Springs, Gogra and Depsang in eastern Ladakh and agreed to jointly maintain stability on the ground, avoid any new incidents and resolve the outstanding issues in an "expeditious manner".

There was no visible forward movement at the latest round of military talks between the two countries as the Chinese delegation came to the talks with a "premeditated mindset" and did not show any flexibility in moving forward on the disengagement process at the remaining friction points in eastern Ladakh, people familiar with the negotiations said in New Delhi on Saturday.

In its press release on the latest round of talks between two militaries held on April 9, China's People's Liberation Army (PLA) said India should cherish the de-escalation and cooling in the border area, in an apparent reference to the disengagement of troops from the most contentious area of the Pangong Lake in February.

Both sides should also adhere to the consensus reached in the previous talks, the state-run China Global Television Network on Sunday quoted the press release by a PLA spokesperson on the talks held at the Chushul border point on the Indian side of the Line of Actual Control (LAC) in eastern Ladakh.

"We hope the Indian side could cherish the current positive trend of de-escalation and cooling in the border area, adhere to the relevant agreements between the two armies and the consensus of the previous talks and move towards the same direction as the Chinese side to jointly maintain peace and tranquility in the border area," a spokesperson for the Western Theater Command of the People"s Liberation Army (PLA) said in a statement.

The Indian Army statement said it was highlighted at the talks that completion of disengagement in other areas would pave the way for considering "de-escalation of forces" and ensure full restoration of peace and tranquillity in the region.

The Indian delegation, led by Commander of the Leh-based 14 Corps Lt Gen PGK Menon, particularly insisted on resolving outstanding issues in Hot Springs, Gogra and Depsang. "The two sides had a detailed exchange of views for the resolution of the remaining issues related to disengagement along the LAC in eastern Ladakh," the Indian Army said. —PTI

M&M to invest ₹3,000 cr in EV business in three years

PRESS TRUST OF INDIA
New Delhi, April 11

MAHINDRA & MAHINDRA (M&M) will put in fresh investments to the tune of ₹3,000 crore in its electric vehicles business in the next three years, while it looks for more alliances and partnerships in the vertical, according to a top company official.

M&M is working on developing on an EV platform by combining capabilities of its operations across the globe, including Detroit and Italy.

"So, for EVs we are going to invest ₹3,000 crore additional to what we have talked about," Mahindra Group MD and CEO Anish Shah told PTI.

Mahindra & Mahindra had earlier said it was investing ₹9,000 crore in auto and farm sectors in the next five years.

The company, which has set a goal of putting 5 lakh electric vehicles on Indian roads by 2025, has already invested ₹1,700 crore in the EV business in India with another ₹500

crore on a new research and development (R&D) centre.

While it has already opened its electric technologies plant in Bengaluru that produces battery packs, power electronics and motors, it has also invested in a new manufacturing unit at its chakan plant to produce EVs.

Shah, who recently took over as managing director and CEO with the mandate to have a complete oversight of and responsibility for all the Mahindra Group businesses, said the fresh investment "is over and above that".

It will be utilised on various activities, including developing a new platform that can roll out multiple models, by combining the group's various capabilities.

"...there are multiple capabilities we have within the group. We have capabilities in Detroit...we have capability in Automobili Pininfarina and our Formula E," Shah said adding those are going to combine to get an electric platform for India.

When asked if M&M is looking for alliances or partnerships, he said, "For EVs we will look at alliances. EV is the future."

"We already have one alliance. We have announced an MoU with REE (Automotive) which is an Israeli company. This is for smaller trucks and commercial vehicles. And we will have other alliances in the EV side as well. So, we are very open to alliances but it is more for the future," Shah said.

Bullish on the EV market in India he said for the last mile, which is three-wheelers and small four-wheelers for passengers and load, cost of ownership is now the same as that of conventional vehicles with charging not an issue due to swappable batteries.

Anarock's FY21 revenue rises 18% to ₹302 crore

PRESS TRUST OF INDIA
New Delhi, April 11

PROPERTY CONSULTANT ANAROCK has clocked an 18% growth in its revenue at ₹302 crore during the last fiscal despite the Covid-19 pandemic, its chairman Anuj Puri said on Sunday.

In an interview with PTI, Puri said the company sold 14,700 units worth ₹16,246 crore on behalf of the developers in the full 2020-21 financial year.

The numbers are higher than the 2019-20 fiscal year, when Anarock sold 12,710 units worth over ₹11,000 crore.

Puri pointed out that housing sales in the first four months of the 2019-20 were badly impacted due to the nationwide lockdown, which was imposed to control the spread of coronavirus disease.

However, he said demand for residential properties improved significantly thereafter.

Hyundai expects double-digit sales growth in 2021

PRESS TRUST OF INDIA
New Delhi, April 11

HYUNDAI MOTOR INDIA expects its sales to grow in double digits this year as it anticipates demand to remain strong despite various challenges in the market, said a top firm official.

The automaker remains optimistic about its sales prospects as there is a strong pull for personal mobility amid the raging Covid-19 pandemic.

"It is going to be full-fledged operations for us this year (as compared to lockdown and other challenges last year). There is a strong preference for personal mobility these days owing to the pandemic. So, considering the low base of last year, we may close the year with around 20% growth," Hyundai Motor India MD and CEO S S Kim told *PTI*.

The company would like to reach pre-Covid-19 levels in terms of sales as soon as possible, he added.

Hyundai had sold 5,50,002 units in 2018, 5,10,260 units in 2019 and 4,23,642 units last year in the domestic market.

"We want to reach that number as quickly as possible but it will depend on various factors. The uncertainty is high. So, while we want to reach those levels as soon as possible, let us see how things pan out," Kim noted.

He said that as far as customer demand is concerned, it appears to be quite strong at the moment.

"And, the good thing is that it is across the products. It is not limited to one product. So, we think demand is there. We just hope that this second wave of the pandemic is controlled and we get back to normalcy," Kim said.

Citing other factors, he said the car penetration remains quite low in the country and there is scope for growth for the auto original equipment manufacturers (OEMs).

"There is a lot of growth potential here and that is the reason so many global OEMs are trying to enter the Indian market. Hyundai also remains committed to this market. We are bullish about growth of this market and that is why we are introducing and bringing new technologies, and new vehicles and experiences here," Kim said.

Bandhan plans to set up hospital, university

BANDHAN-KONNAGAR, A not-for-profit organisation, is currently working towards establishing a university for higher education and a hospital which will cater to all kinds of general requirements but focus more on diabetes.

"The Bandhan University will aim at creating future leaders and policymakers who will be equipped with all the skills and knowledge to create large scale social impact on the ground by serving various communities," said Chandra Shekhar Ghosh, founder and mentor, Bandhan-Konnagar.

Ghosh was speaking at a webinar, organised by Bandhan, as it celebrated its 20th anniversary on Sunday. Through its two decades of existence, Bandhan transformed from its original avatar Bandhan-Konnagar, an NGO, to an NBFC, and finally to a pan-India universal bank, called Bandhan Bank.

"At Bandhan, we are also working towards establishing a hospital which will cater to all kinds of general requirements but focus more on diabetes. Initially, the hospital would cater to out-patients including complete diagnostic facility, along with daycare services," said Ghosh, adding with expansion and with demand, there was a plan to expand it to a 200-bed hospital in about five years.

Bandhan-Konnagar still exists as an NGO and is committed to running developmental interventions across healthcare, education, livelihood promotion, financial literacy and employment generation.

—FE BUREAU

ADVERTORIAL

60th Anniversary of Yuri Gagarin's First Human Space Expedition

Introductory message by the Russian Ambassador to India H.E. Mr Nikolay Kudashev on the 60th anniversary of Yuri Gagarin's first human space expedition

Dear friends,

Today we mark the 60th anniversary of the first human space journey. On April 12, 1961 Soviet cosmonaut Yuri Gagarin aboard the spacecraft Vostok-1 for the first time ever had made a heroic 108 minute flight around the Earth orbit. According to the UN General Assembly's resolution adopted in 2011, this day is celebrated worldwide as the International Day of Human Space Flight.

Having proved the man's unlimited abilities, Gagarin became a path breaker making the mankind's dream of space travel to come true. His flight was a triumph for the entire world space program, and opened a new era in the history of space exploration. Many followed his footsteps, forming a cohort of astronauts, who visited the Earth orbit. It is worth remembering that upon reaching space, when asked about the Earth's appearance, Yuri Gagarin replied: "It looks just like on the pictures of Nikolas Roerich", the famous Russian artist, whose oeuvre was inspired by magnificent India, where he had lived for the last decades of his life.

Today it is also the 60th anniversary of the Gagarin's visit to India. In November 1961 he traveled across the country being greeted by millions of Indians. Nowadays you still can find his traces here – a statue at the Birla Planetarium in Kolkata, monument at the Nehru Science Centre in Mumbai, bust at the Russian Science and Culture Centre in Trivandrum. There is even Yuri Gagarin Path in Durgapur, West Bengal.

The first Prime Minister of India Jawaharlal Nehru said that the first man's space flight is "an outstanding achievement of science" calling it "a genuine triumph of mankind". Gagarin during his visit to Delhi said: "I think sometime Soviet and Indian cosmonauts will research unexplored areas of space together". That prophesy came true.

Our engagement in this sphere goes back to 1975, when the Soviet Union assisted to launch Aryabhata – the India's first satellite. The second Indian satellite Bhaskara was launched by the Soviet Union in 1979. Rakesh Sharma became the first Indian to enter outer space when he joined commander Yuri Malyshev and flight engineer Gennady Strekalov on the Soyuz T-11 spacecraft.

Nowadays, the Russian-Indian cooperation in space and space technologies is one of the strongest symbols of the bilateral special and privileged strategic partnership. It provides a concrete example of how countries can work together to transform the potential of space into tangible benefits. Our countries interact actively in the field of satellite navigation through the Russian Satellite Navigation System GLONASS and the Indian system – NavIC, as well as in the development of GSLV (Geosynchronous Satellite Launch Vehicle) Launch Vehicle, which powers the Chandrayaan-2 and upcoming missions of ISRO by providing the Cryogenic rocket technology. Four Indian astronauts had successfully accomplished their training in Russia in the framework of the Gaganyan project – the first India's manned space flight. We can state with confidence that even the sky is already not the limit for the future joint achievements of Russia and India.

Importantly, our collaboration is growing in the framework of dedicated multilateral platforms, first of all the UN and its dedicated bodies. We maintain in-depth dialogue on the issues of how to promote responsible behavior to prevent arms race in outer space, including various confidence building measures, non-placement of weapons and unacceptability of unilateral and confrontational approaches. This is also part of our agenda in BRICS, where we are working on the initiative of a remote satellite constellation.

We are looking forward to continue this multidimensional Russian-Indian partnership and bring it further to new levels based on our proud achievements for the benefit of the people of the two nations!

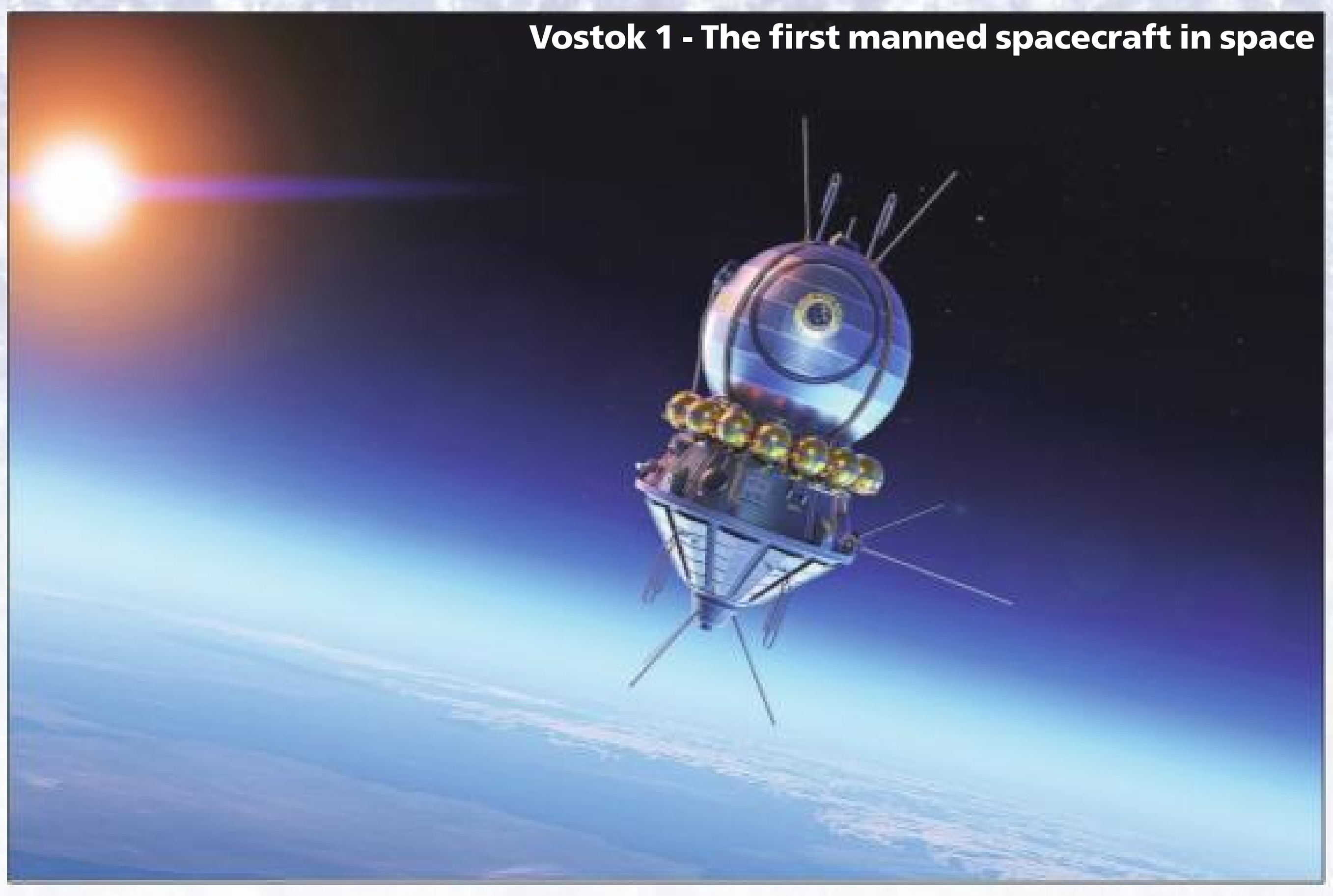
ON November 29, 1961, seven and a half months after Gagarin made history by becoming the first man to travel to outer space, he visited India. During eight days, Gagarin met Jawaharlal Nehru, addressed a huge gathering in Mumbai's Shivaji Park and received a raucous welcome from an adulating public across India. This was before the television age, so a lot of people felt it worth their time to try and get a glimpse of their hero.

"I was 12 years old at that time and I remember not sleeping before the night Gagarin would hold a rally at Shivaji Park," says Ramesh Borkar, who attended the event. "Gagarin spoke in Russian and there was a simultaneous translation. I wasn't even this excited when Indian won the (cricket) World Cup in 1983."

Others at the rally recalled the cosmonaut's attire and charisma.

"He was wearing his uniform and was handsome, humble and friendly," told Prakash Reddy, who was 10 at that time, "And the atmosphere on the ground was magnetic."

Before coming to Mumbai, the cosmonaut visited Delhi. Being accompanied by his wife Valentina Goryacheva he was warmly greeted at the airport and presented with flower bouquets and garlanded in Indian style. Even Soviet schoolchildren were part of the crowd at the airport. Then he was hosted by Jawaharlal Nehru at his Teen Murthi residence, attended a rally and some cultural program. Gagarin was shown snake charmers but he apparently did not see any elephants on his trip.



Vostok 1 - The first manned spacecraft in space

"Thousands of people greeted Gagarin warmly," Nikolai Kamanin, a Russian aviator and war hero who accompanied the cosmonaut on the trip, wrote. "I was reminded of my naïve childhood impression of Christ meeting his people. He needed a miracle with five thousand loaves and fishes, but our Gagarin satisfied the people's hunger with his appearance alone." Kamanin wrote that he had anticipated that Gagarin would become world famous, but added that he could have "never predicted the scale of the clamour."

During the trip, which was full of official engagements and functions, the cosmonaut also visited Lucknow and Hyderabad. The fact that he had been on display for months was starting to take a toll on Gagarin after a while. One Russian author claimed that humidity and 40 degree heat exhausted the cosmonaut, but it's hard to imagine that anyplace in India could have been that hot in the first week of December. There were just too many expectations placed on Gagarin.

"Gagarin became an instant hero with his space flight, but his trip to India made many in my generation identify with him personally," Ramesh Borkar adds. "I personally knew of three people who named their sons Gagarin in the 1960s. Such was the legend of the man and the way he touched people, that his surname became a first name in India."

From Yuri Gagarin's message before the historic flight

"**DEAR** friends, both known and unknown to me, fellow countrymen, and people of all countries and continents! In a few minutes a mighty spaceship will carry me into the far-away expanses of space. What can I say to you in these last minutes before the start? The whole of my life seems to be condensed into one wonderful moment. Everything I have experienced and done till now has been in preparation for this moment… You realize that it is hard to express my feeling now – when the moment for the test, for which we have been training long and passionately, is so close. I don't have to tell you what I felt when it was suggested that I should make this flight, the first in history. Joy? No, it was something more than that. Pride? No, it was not just pride. I felt great happiness. To be the first to enter the cosmos, to engage single handed in an unprecedented duel with nature - could anyone dream of anything greater than that? But immediately after that I thought of the tremendous responsibility I bore: to be the first to do what generations of people had dreamed of; to be the first to pave the way into space for mankind".

Monument in Mumbai, Nehru Science Center

Statue at the Birla Planetarium, Kolkata

He was the right choice for the mission

YOUNG YURI GAGARIN lived on the territory occupied by the Nazi German army. Once, he witnessed a dogfight between Soviet Yak fighters and Messerschmitts. One aircraft from each side was shot down, and the Russian pilot ejected just outside Klushino. The villagers rushed to pick up the downed pilot and brought him inside. Curious, Yuri went to visit the pilot and was captivated by the man's persona. As the Russian rescue crew arrived and the injured pilot took off in another aircraft, Yuri knew what he wanted to become – a fighter pilot.

Gagarin was good-looking and charismatic. German Titov, who narrowly failed to become the first man in space, said 59 years later that his superiors had made the right decision choosing Gagarin: "Yuri turned out to be the man that everyone loved. Me, they couldn't love. They were right to choose Yuri," he told the authors of Starman, The Truth Behind the Legend of Yuri Gagarin.

As Lev Danilkin writes in Gagarin: Man and Myth: "It is not clear exactly who first decided that on the evening following the dawn of the space age Gagarin should go travelling and pay a few visits but, in any case, all the countries of the world started vying with each other to invite him to come and see them."

Gagarin's accomplishment still reverberates around the world. Without his audacious leap into space, NASA may not have gone for the moon shots. The Space Shuttle would have remained in the realm of science fiction.

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Opinion

MONDAY, APRIL 12, 2021

HYGIENE PARAMOUNT
PM Narendra Modi

This Tika Utsav is a beginning of second big fight against Covid-19. We have to give special emphasis on personal hygiene as well as social hygiene

Test-track-treat is good, vaccination is even better

PM Modi asking CMs to focus on conventional means to control Covid vital, but vaccine supply needs to be hiked

GIVEN THAT IT took 99 days for the country to get to the first one lakh Covid-19 infections and that number is exceeded in less than a day now, prime minister Narendra Modi did well to tell various state chief ministers that they needed to get back to the traditional test-track-treat. With the nation dealing with Covid-19 for more than a year, massive fatigue has set in, not just among the citizens, but also within the official machinery; it is not just in street corners and markets that you see people wearing just chin-masks, even massive election rallies addressed by people like the prime minister and the home minister had people without masks or any form of social distancing. Daily tests that had risen to over a million per day in September and October last year were down to less than eight lakh in January and seven lakh in February. Within this, as the Union health ministry pointed out, the share of the unreliable—but fast—Rapid Antigen Tests are very high; 85% in the case of Telangana, 80% for Odisha, 64% for Kerala, etc, versus the ceiling of 30% prescribed by the Centre.

And if testing levels suffered badly, contact tracing all but collapsed in most states as the numbers kept getting bigger; with the total number of case crossing 1.2 crore, it is very difficult to do detailed tracing. Indeed, as the Mid-Day investigation showed, a simple bribe makes it easy to avoid the mandatory institutional quarantine for those coming in from abroad; the main reason for the sudden jump in cases could well be the new and fairly virulent UK (807) and South African (47) strains that would clearly have come in from overseas travellers. As a result, hospitals are over-run and, to the extent there is a delay in testing, more patients are being admitted in a critical stage where they need either ICUs or ventilator support. In Mumbai, for instance, between March 30 and April 8, the number of vacant ICU beds fell from 336 to 72 and ventilators from 213 to 28.

While the prime minister did well to remind the chief ministers of the need to refocus their efforts, understandably, he underplayed the role of vaccines in both reducing the spread as well as the intensity of the disease. India beat Covid-19 the first time around, he was right, when there was no vaccine; but this was done by massive lockdowns to break the transmission chain. Given the enormous loss to lives and livelihood, as the PM recognised, such lockdowns are to be avoided now. And both he and some in his party missed the point when they argued that it was important to focus on those about the age of 45 as their fatality is higher. To the extent, vaccinations slow the spread, the young also need to be vaccinated quickly. Nor is the vaccination just about reducing the fatality; less than 1% of the population has been infected so far and, of those, 1.3% die. Given its role in both reducing the spread and the intensity, the vaccine is an integral part of India getting back to normal; after two shots, with the appropriate level of masking and personal hygiene, if Indians can go back to work, millions will get their jobs back. The PM downplayed the role of vaccines because they are in short supply, but given their criticality, he needs to do everything he can to allow producers like Serum Institute and Bharat Biotech—and others doing bridging trials—to quickly expand production. No amount of testing and tracing, difficult as that is, can possibly substitute for a vaccination-led campaign.

Immunise against doubt

Messaging on AstraZeneca safety needs to be much clearer

THE MESSAGING ON the safety of AstraZeneca's Covid-19 vaccine needs to get a lot more clear if nations that have approved it for use—India is using it, licensed to SII as Covishield—are to effectively battle vaccine-hesitancy. Vaccine-hesitancy has emerged as a potent threat, against the backdrop of Covid-19 vaccine development being, understandably, rushed and turnaround times for regulatory approval being significantly shorter than usual. But, the guidance from the European Medicines Agency (EMA) seems to clear very few doubts surrounding the vaccine. Reports of coagulatory disorders—blood clots and low platelet levels that could cause haemorrhage—in a few recipients had prompted many countries, chiefly in Europe, to suspend the deployment of the vaccine for a few days last month. At the time, the EMA had said that it had no evidence linking the vaccine to the disorders, and that the matter was being reviewed by its experts. One of its top officials had even said that the incidents reported till then were not in a greater number or frequency than that reported for the general population.

On April 7, the EMA stated that there was "a possible link" between the vaccine and the disorders, but maintained that the overall benefit-risk ratio remains overwhelmingly in favour of benefit. The EMA's safety committee looked at all available evidence, and considered advice from "an ad hoc expert group" before making its view public. Yet, the EMA's statement doesn't do much to allay fears, in terms of what cohort of vaccine-recipients could be at risk. Studying 86 such coagulatory disorder cases—from a pool of 25 million who received the shot in the European Economic Area and the UK—with 18 fatalities, the EMA concluded that the disorders were a "very rare side-effect" of the vaccine. Bear in mind, the absolute numbers have grown since the EMA's review, reaching 222 among 34 million vaccinated. While it spoke of a "plausible" cause—an immune response, leading to a condition similar to one seen sometimes in patients treated with heparin, an anticoagulant—it stated that there was not enough evidence to identify the risk factors. It, though, did well to put out a list of symptoms that vaccine-recipients need to watch for and seek immediate medical assistance if they experienced any of these. It did point out that most cases reported were in women under 60 years and had occurred within two weeks of the person receiving the first dose.

Absent comprehensive risk guidance, countries have chosen disparate approaches—while Italy has restricted the vaccine to only those aged 60 and above, the UK ha advised its 18-29-year-olds to opt for other vaccines. Such mixed messages from governments is likely to stir further apprehensions among the public, not just in Europe but in other jurisdictions where the vaccine is being given to people. The core messaging needs to focus on the extremely small number of people affected in the total pool of those vaccinated while the experts work on identifying a larger set of risk factors, assuming 'women under 60' is a risk-label. Else, if trust in the vaccine dips significantly, global vaccination efforts will take a big hit since it is the second most-commonly-used Covid-19 vaccine globally.

WeakSHOT

With protection against Covid-19 from Chinese vaccines being poor, will China pivot towards foreign vaccines?

CHINA'S ADMISSION THAT its vaccines don't offer enough protection against Covid-19 is certainly a rare admission of weakness, if not the first. Last week, Gao Fu, the director of the China Center for Disease Control and Prevention, said Chinese vaccines don't have very high protection rates and "it's now under formal consideration whether we should use different vaccines from different technical lines for the immunisation process." For perspective, against 90-plus percent efficacy reported for many vaccines developed elsewhere, Sinovac's vaccine has reported a low 50% efficacy—that is the threshold efficacy prescribed by the WHO for approving vaccines—in Brazil. What this means for China's "vaccine diplomacy" isn't difficult to imagine. China had inked supply agreements for its vaccines with many nations, and even used jabs as a tool to force countries to toe its line. Turkey and Singapore had placed significantly large orders while Indonesia had used Chinese vaccines to cover its medical and frontline workers, apart from its elderly population. A third dose of a Chinese vaccine has been offered to many in UAE, but against Fu's statement, this may not be seen as much.

The bigger problem for China is perhaps the fact that it has not yet approved any foreign vaccine, which means many in its population who have been vaccinated could still be at risk. Now, whether the country pivots towards foreign vaccines or goes for, as reported by *The Guardian*, "mixing vaccines" remains to be seen.

FROM PLATE TO PLOUGH

THE SECOND WAVE BRINGS WITH IT THE THREAT OF LOCKDOWNS; THE GOVT MUST ENSURE PORTABILITY OF WELFARE SCHEMES TO AVOID THE MISERY OF LAST YEAR'S LOCKDOWN

Lockdown, migrants & misery: Learn from the first wave

ASHOK GULATI, SHYMA JOSE & BB SINGH

Gulati is Infosys Chair professor for agriculture, and Jose is research fellow, ICRIER. Singh is CEO, ISSRF

WITH SINGLE-DAY SPIKES in Covid-19 cases surpassing 1.45 lakh last week, India's second wave is likely to be longer and more intense than the first one. Many states have announced partial lockdowns and more are likely to follow. The fear of full lockdown has already triggered some migrant workers moving back from industrial centres and cities to their native villages.

The Centre and the state governments have failed to learn from the previous lockdown, which resulted in disrupted supply-chains, considerable decline in output growth, significant increase in unemployment and reduced earnings and savings, threatening food and livelihood security of millions of workers in the country. The worst-hit were the migrant workers.

These migrant workers, who faced the brunt of the pandemic, have not fully recovered from the previous lockdown. In a recent study by ICRIER in collaboration with the Inferential Survey Statistics and Research Foundation (ISSRF), we examined the impact of the pandemic on migrant workers using a survey of 2917 migrants in six states, namely, Bihar, Chhattisgarh, Jharkhand, Odisha, Uttar Pradesh, and West Bengal, which accounted for two-third of the reverse migrants during the first lockdown. We conducted the survey in three phases: Phase-1 between June and August 2020; Phase-2 between November and December 2020; and Phase-3 during the last week of February 2021, to capture the varying degrees of vulnerabilities among the migrants prior to, during, and after the first lockdown.

The study found that the sudden imposition of first lockdown had a severe impact on the earnings and savings of the migrants once they reached back to their villages. More than a third of the reverse migrants (38.6%) reported having no work after returning to their native place. With no proper employment opportunity for these migrants in their native places, their household incomes fell by as much as 85% during the first wave *(see graphic)*.

With the revival of economic activities post-first lockdown, we found that on an average 63.5% of migrants from these six states had returned to the destination areas by February 2021, while 36.5% were still in their villages at their native places. Notably, remigration to the destination post-lockdown was the highest from Bihar (92.5%), followed by Uttar Pradesh and Odisha (65% each). In comparison, the migrants from West Bengal (40.3%) and Jharkhand (31.2%) were hesitant to return to the destination area post-lockdown.

Although the migrants' household income has increased after remigration to their destination places, there is still a contraction of 7.7% in their income relative to the pre-lockdown level. However, the fear of another lockdown can devastate the momentum of this recovery. Besides, if the migrants decide to return to their native place, their household income will again drop by as much as by more than 80%, as it happened after the first lockdown.

Interestingly, the study also finds out that while some relief and welfare measures announced by the Centre and state governments did reach the migrants, many other measures bypassed them. For example, survey showed that almost 74% migrants had access to some form of subsidised cereal (rice or wheat) but only 12% got access to subsidised pulses. Moreover, only 7.7% of migrants in their native place reported being engaged in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) or any other public work. Further, the demand-driven skills-training under Garib Kalyan Rozgar Yojana (GKRY) has not reached most of these migrants. For instance, only 1.4% of migrants reported getting any skill upgradation or training at the native place in our survey. These employment schemes, including GKRY, have either neglected these migrants or migrants did not want to be engaged in MGNREGA work. Notably, many migrant workers reported a fall in the quality of food consumed during the lockdown and post-lockdown compared to the pre-lockdown level.

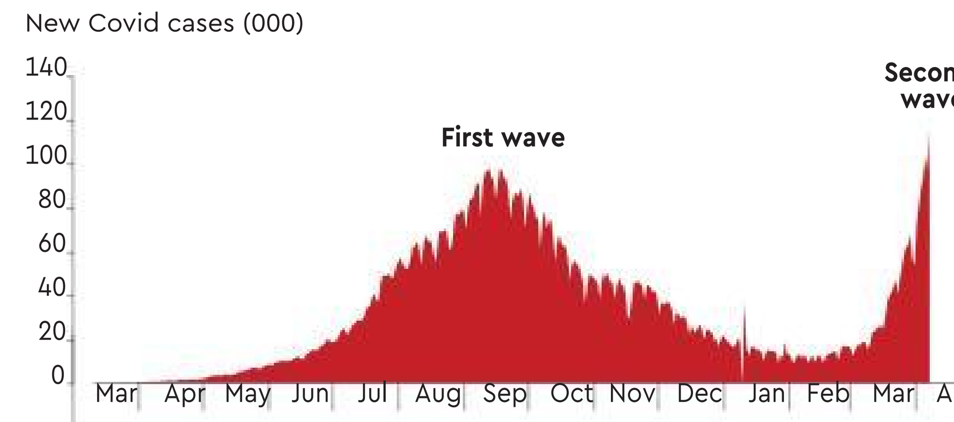
The examination of the first wave of Covid infection offers important policy lessons for the administration of the ongoing second wave. Firstly, we need to digitise all the data on migrants to formulate any action-plan in case another mass exodus starts. This needs to be backed by a periodic database on migrant workers, say, updated every five years, for any meaningful policy and action-plan based on this data.

Second, the portability of entitlements and social safety nets needs to be prioritised, be it food with 'One-nation, one-ration card' with an option to receive cash or grain in kind, or health insurance and treatment at any place, and a universal social protection programme for the vulnerable sections against such a pandemic.

Third, the scale of permissible work under MGNREGA could be broadened to absorb the wide range of skilled and unskilled migrants. A local digital platform can be created at the Gram Panchayat level to register and connect the migrant workers and employers so that they get an opportunity to work closer to their home. The skill mapping of the migrants could be conducted through this portal at Gram Panchayat or block-level to provide employment on a demand-driven basis under GKRY. The eastern states also need a massive reconstruction programme-like Roosevelt's New Deal during the Great Depression in the US, to build infrastructure, agricultural markets and rural housing, alleviating distress migration in the medium to long run. Lastly, amid the rising cases, vaccine production needs to be ramped up to inoculate the most vulnerable population.

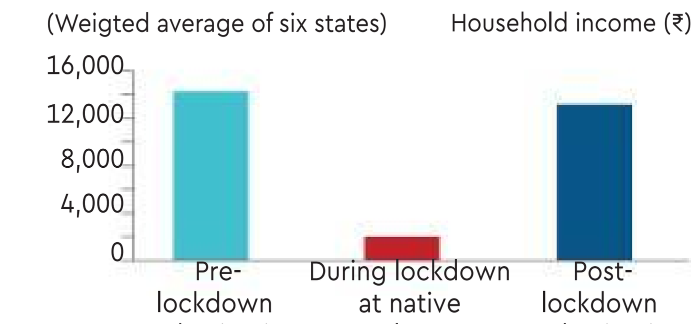
However, there remains a big question on the table: With our political and religious leaders flouting all norms of Covid-appropriate-behaviour during election rallies and religious congregations, how can we bring discipline amongst general public? The moral credibility of our leaders to impose lockdowns has surely eroded. India may have to pay a heavy price for this, surpassing Brazil and the US in number of Covid cases in the coming months. A sad story indeed.

Covid infection in India
New Covid cases (000)



Source: WHO Covid-19 Global data

Impact of the pandemic on the migrants' household income
(Weigted average of six states) Household income (₹)



Note: The figure includes only those migrants who have returned to the destination
Source: Survey findings from our forthcoming paper

Travel won't rely on vaccine passports

The best way to reopen borders fast is for rich countries to send vaccines to poor ones

STEPHEN L CARTER

Bloomberg

THE WORLD HEALTH ORGANIZATION has stepped into the controversy over vaccine passports, announcing its opposition. Not enough is known about whether the vaccines prevent transmission, says the WHO. And vaccine passports wouldn't be fair to poorer countries where vaccination has been slow. They might discriminate against people who can't be vaccinated. Although the agency has been consistently late to the Covid party, this time, the WHO is probably right, albeit not entirely for the reasons it gives.

Yes, it's true that vaccine passports would surely entrench the inequality caused by the initial distribution of inoculations. Wealthier countries, as one might expect, have purchased the lion's share of available doses. The poorer nations are scrambling. To demand some sort of biometric or QR code as proof of vaccination as a condition of international travel would be a poor advertisement for the West's supposed commitment to equity. However, the claim of inequality might be overcome if such passports are really necessary to economic recovery — as the travel and hospitality industries insist they are. But are they correct?

Maybe not. Consider *Godzilla v. Kong*. Seriously.

The film earned close to $50 million domestically in its opening weekend, a figure nobody expected at a time when, supposedly, audiences are too scared to go to the movies. Around the world, the monster flick had close to $300 million in receipts in its first week of release.

But maybe we shouldn't be surprised. Evidence is growing that the public is a lot less scared than it was a few months ago. As restaurants reopen, people are dining out in droves. Shopping malls are crowded. Popular demand for freedom to live life is at last wearing down the restriction-by-fiat that has characterized so much of the response to the pandemic. I say this not in criticism of public health officials but to point out that people can often make risk-versus-reward decisions on their own. It's true, as many suggest, that our acceptance of risk might pose risks for others. But the burden of showing that these externalities are worth the burdens of special passports rests on the supporters. They may have a hard time making their case.

For as long as vaccines have existed, people have worried about how to show that someone's had one. Back in 1880, a letter to a medical journal complained that it was impossible to know for sure whether the smallpox vaccination worked because the only "proof of vaccination" was the scar left by the shot—a scar that the onset of disease might render invisible. Yet the world survived.

For over a century, we've accepted as evidence of vaccination for schoolchildren a scrap of paper with a scrawled signature, or even, at one time, the simple declaration of the child's parents. Overseas travelers have long been familiar with the yellow International Certificate of Vaccination, typically filled out in an inscrutable hand. If proof of vaccination matters, why do we now need a fancy QR code? Yes, the little CDC-approved cards that show one had received the Covid-19 vaccine look easy to forge. Or even to steal: At the site where my wife and I received our shots, I noticed a package of new, unmarked cards on an unguarded shelf near the rear exit.

But the fact that it's possible to forge or steal the cards doesn't prove that there exists an epidemic of forgery or theft. Here I feel the same way I do about voter ID laws: Before we march any further down the road toward a society where we're constantly proving our identities, supporters should at least be able to show with something more than anecdotes that a problem actually exists. Yet even though we've survived for over a century with relatively simple proofs of vaccination against a variety of dangerous viruses, I've been unable to find a single reported case involving their forgery.

True, in the current crisis, fake certificates have been offered for sale on the dark web for $250 or more, but we don't know how many takers there have been, and it's hard to imagine that whatever demand they are sopping up will survive the widespread availability of the vaccine itself, which is free.

This in turn suggests that distributing more doses globally (estimated worldwide cost $27 billion—scarcely a drop in the US bucket these days!) is the cheapest and easiest way to prevent any potential forgery. And that would have the not-insignificant benefit of helping poorer countries defeat the pandemic.

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LETTERS TO THE EDITOR

Time for lockdown?

The second wave of Coronavirus is causing too much havoc. Although the state governments are not in favour of complete lockdown, if the corona epidemic continues to rise, then the complete lockdown may be inevitable. Maharashtra, Delhi, Haryana, Punjab, Madhya Pradesh, Gujarat and other states have started adopting strict measures. The economy of India returning on track will have to face further bad effects. The labourers have started migrating. Maintaining the social distancing at railway stations, trains, buses and in markets is somewhat difficult. Relaxations in organising the religious festivals, political and social events etc has shown the carelessness of people. Given the magnitude of the Covid-19 crisis, a need has arisen to increase the production of vaccines. Serum Institute of India has further demanded a grant of ₹3,000 crore to increase vaccine production. The Serum Institute of India is facing difficulties in accelerating the vaccine supply, for it is already engaged into international contracts under the Covax programme. The advisory of following social distancing is a welcome move, but the government, doctors and society should leave no stones unturned to save people from Covid-19.
— Yugal Kishore Sharma, Faridabad

Support pvt sector

Private sector vaccine developers need to be supported. The sooner the government realises this and acts accordingly, the better it will be for India's chances to beat Covid.
— Sumona Pal, Kolkata

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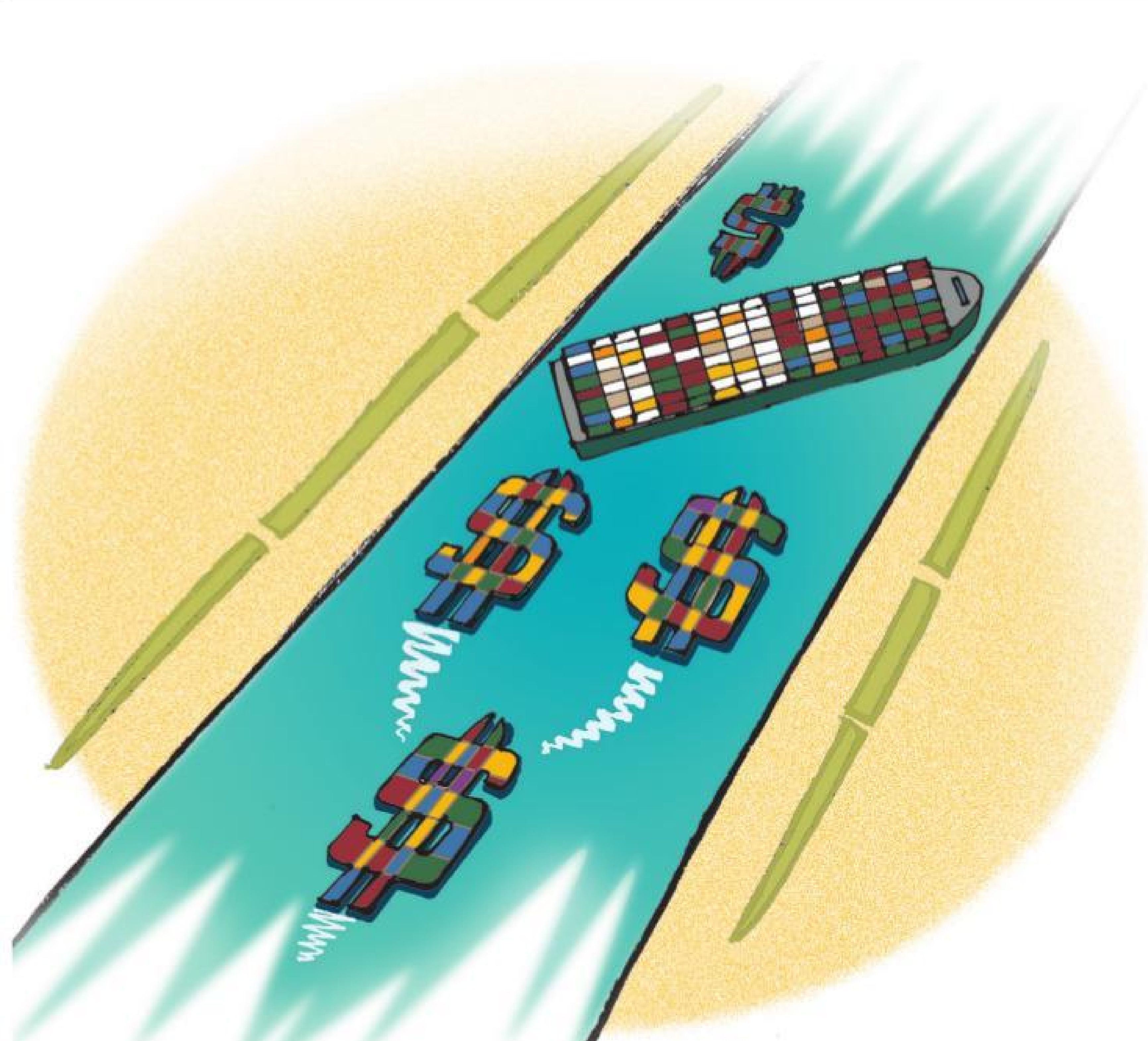

ILLUSTRATION: ROHNIT PHORE

MICHAEL PINTO

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Dealing with giant vessels

Fees on extremely large vessels can be exponentially hiked, and the same can apply to vessel-related charges at ports. The most drastic step would be to ban vessels above a particular size from using narrow waterways such as the Suez Canal

AFTER BLOCKING THE Suez Canal for more than a week and hugely disrupting the movement of goods by sea, the *Ever Given*—the monster container vessel 400 metres long and nearly 60 metres wide—was finally moved to the Great Bitter Lake for full inspection. During this period, about 100 ships of various sizes queued up on either side of the Canal, waiting for a chance to pass through. World trade took a huge beating and the ripples of this incident will continue to reverberate across the globe for some time to come.

The trend towards huge container vessels actually started about 15 years ago when the *Emma Maersk*, the first of these vessels, was pulled from the Danish shipyard, in which it was built, by five tugs and escorted slowly to sea. But the *Emma Maersk*, with a carrying capacity of about 11,000 TEUS (twenty-foot equivalent unit, based on the volume of a 20-foot-long shipping container), was herself a baby compared with the modern giants. The *Ever Given* can carry up to 20,000 TEUs, and is correspondingly larger than the *Emma Maersk*. Today, there are close to 100 such ships either plying the oceans or under construction in different shipyards. So, is it time to prepare a balance sheet and see how much we benefit from such vessels?

It has always been assumed that larger container carriers add to efficiency and reduce transactional costs of foreign trade. So, if occasionally such vessels run aground in a narrow channel and cause serious disruption to world commerce, it is looked at as a price we pay for lower freight and speedier transport of goods across the world. This assumption is now being challenged.

Given their humungous size, there are only a limited number of ports where such vessels can call. When they do, the strain placed on the port is enormous. Because these vessels are so wide, they can only be serviced by special Post-Panamax cranes, with a boom that extends 60 metres across the ship. Not only are such cranes extremely expensive, but they also require a high level of skill to operate. Pilots escorting these vessels through the approach channel of the port need a very high degree of skill to ensure that no part of the ship comes in contact with the side of the channel. Such pilots take a long time to acquire the necessary skills and replacing them is difficult. The port must ensure availability of a large number of powerful tugs to escort such large vessels. In spite of being escorted by four tugs, the *Ever Given's* bow got stuck on one side of the waterway.

Given their humungous size, there are only a limited number of ports where such vessels can call. When they do, the strain placed on a port is enormous

Once the ships are berthed and the special cranes are used, the port must cope with the rush of containers that would normally have come in on several smaller ships in a staggered manner. Huge numbers of import containers must be offloaded and stacked in such a way that they can be loaded easily on trains or large trucks. Loading and unloading as many as 10,000 containers at one time on a vessel puts immense pressure on ports. But things do not stop there. Difficulties in evacuating huge consignments of import cargo from ports can seriously affect the reliability of the domestic supply chain. Delays are inevitable when cargo is bunched up in large quantities, and these delays affect industries that depend for their inputs on imported cargo.

All this would have been acceptable if it led to an increase in the business of the port and a rise in its profitability. However, the increased parcel size of each vessel is entirely neutral to the earning capacity of the port. Cargo coming in large parcels does not mean an increase in cargo handled. That remains unchanged because it is a function of the trade policy of a country. How much you import or export depends on how closely you are linked to the global economy. Having one or two large vessels or several smaller ones makes no difference.

What about the freight that customers pay for their cargo? After all, the incremental cost of carrying an extra container falls when more containers are loaded on the same vessel. So, if customers benefit from cargo carried by large vessels, there could be a strong argument for supporting them. Unfortunately, this does not happen. Ship-owners themselves admit that though slot costs (the cost of carrying an individual container) are much smaller on large vessels, this does not translate into lower freight rates because these are a function of demand and supply and have nothing to do with slot costs.

During the early stages of the pandemic when demand was low, freight rates fell dramatically. In the last six months, demand has boomed, and with it freight rates. In fact, the fear is that the *Ever Given* incident will give a handle to shipping lines to raise freight rates because of the delays caused by bunching of vessels and the consequent pressure on offloading cargo at ports and dispatching it to the hinterland. This will negatively impact the efficiency of the supply chain and the profitability of manufacturing. It has prompted the Secretary General of the Global Shippers Forum to remind the shipping companies that the Suez is a canal in Egypt, and not an excuse to price gouge customers.

It is becoming increasingly clear that such vessels help only their owners who benefit from lower slot costs and higher freight. International trade suffers because the smooth flow of goods is heavily dependent on free passage through a number of tiny, vulnerable and highly-congested waterways like the Suez Canal, the Panama Canal and the Strait of Malacca and the Strait of Hormuz. If large vessels that cannot be easily manoeuvred in such narrow confines block these waterways, the whole world suffers. When the Suez Canal was being built, Ferdinand de Lesseps was accused of overdesigning it. Now, at 300 metres in width, it struggles to accommodate modern vessels.

Since all countries have a stake in the efficiency of the global supply chain, there should be a concerted move, perhaps at the International Maritime Organisation, to protect sensitive waterways from the possibility of disruption. For one, fees for such large vessels can be exponentially hiked. The same can apply to vessel-related charges at ports. Already, such charges vary with the GRT (gross register tonnage) of a vessel—a higher GRT leading to higher costs. But there could be an exponential rather than a proportionate increase for vessels above a certain size. Huge opposition from ship-owners will naturally follow such steps, but it is likely to be restricted to those who own such ships, and the bulk of ship-owners do not. The most drastic step would be to ban vessels above a particular size from using the Suez Canal. This would mean going around the Cape of Good Hope to access the East from Europe, an increase in sailing time by 10-15 days. Drastic solutions undoubtedly, but desperate times call for desperate measures.

Towards better urban growth

KK PANDEY

The author is coordinator, Centre for Urban Studies, IIPA, New Delhi. Views are personal

Urban allocation & the follow up of FFC

THE FIFTEENTH FINANCE Commission (FFC) has duly recognised the role of urbanisation in national economic development with a specific focus on air quality, water and sanitation, health emergencies (diagnostic infrastructure), incubation of new towns on a pilot basis, and shared data centres. The all-time high allocations include ₹1,21,055 crore (against ₹87,144 crore by the Fourteenth FC) for urban local bodies (ULBs) for 2021-26, along with additional allocation for the urban sector on account of health emergencies (₹26,123 crore), incubation of towns (₹8,000 crore) and shared service centres (₹450 crore).

The ULB allocations are twofold: the Million-Plus Cities Challenge Fund of ₹38,196 crore for 44 urban agglomerations (UAs) with 67 one-lakh-plus towns and 1,048 towns that have population less than 1 lakh, and ₹82,859 crore for other towns with population under 1 lakh including 1,048 towns already covered under the Challenge Fund giving special focus on the city region to stimulate the economy.

The division of funds for UAs covers ambient air quality (32%) and service-level benchmark for drinking water and solid waste management (68%). Other towns with under 1 lakh population will get untied funds (40%) for 18 subjects as provided in Schedule XII except for salaries and tied funds (60%) for sanitation and solid waste management (30%) and drinking water, rainwater harvesting and water recycling (30%). UAs are also expected to follow performance assessment as year-wise plan (for quantification of year-wise improvement as per the Air Quality Index). In case of non-achievement, 50% of unutilised balance shall be allocated to better performing towns according to improvement levels. Funds for health emergencies are meant for urban health and wellness centres (₹24,028 crore) and urban PHCs (₹2,095 crore). Incubation of cities is meant for eight cities at ₹1,000 crore per city to be given on the basis of inter-state competition to eight states for one city each.

FFC allocations must be used as seed capital and have synergy with other allocations for urban sector by Centre and states

This quantum jump in allocation will go a long way in minimising gaps (needing eight time increase in per capita municipal expenditure by 2030: McKinsey report) in the urban infrastructure provided it is used as seed capital and has synergy with other allocations for the urban sector by the government of India, states and other stakeholders. Accordingly, a well-planned follow-up agenda should be adopted by states enabling (1) ULBs to utilise the grants as intended and (2) linking allocation with funds available from other sources. The agenda should include:

- Enable ULBs to qualify entry-level benchmarking and performance assessment. Dispensation should be made by states for accounting and asset management reforms as per Article 243Z of the Constitution to keep the auditing, budgeting and financial statements ready as per requirements. In addition, prepare SOPs, guidelines and checklists using Mission Karmayogi/urban digital portal of the government;
- Synchronise NCAP (National Clean Air Programme) funds and central government missions for air quality and water and sanitation which are interconnected (such as construction and demolition waste and drainage plants). The Jal Jeevan Mission provides funds for water and sanitation covering rejuvenation of water bodies to augment transit supply, green spaces, reduce floods, circular economy of water, water balance plan and 20% of water demand from reuse;
- The role of extra-budgetary resources at the ULB level should be duly recognised to enhance the availability of funds for all the components with a special focus on health emergencies, shared services and processing of waste. Corporate social responsibility (CSR) funds should also be looked into. Local elasticity at the ULB level has a vast potential as is already being seen in several forward-looking cities such as Bengaluru, Pune and Nagpur (for waste processing) and Ahmedabad for C&D waste, etc;
- As many ULBs do not carry out own water supply, tied funds for towns without the responsibility of water supply should be diverted for better solid waste management and water harvesting/revival of water bodies;
- New city incubation grants and competition should be used to develop other cities in less urbanised areas in states.

The four Vs of management

Organisational growth is driven by four operational processes—volume, variety, variation and visibility

VIDYA HATTANGADI

The author is a management thinker and blogger

ORGANISATIONS THAT deliver the highest quality of service or products are the ones that attract the most customers. Prominence is, therefore, important. But ability is also important; if prominence brings customers to an organisation, ability helps organisations to retain customers. Ability of the organisation tells who they are.

Eminence and ability consist of four operational processes: volume, variety, variation and visibility. Organisations survive and flourish when operations management lies in the hands of able managers to manage core activities that transform key resources into deliverable products or services. The process of creating products and services is based fundamentally on creating value in each operations management process.

Volume: It refers to how much production of a specific product is required to satisfy its overall demand in the market. This refers to the physical number of units or items produced. A high volume manufacturing service example would be a fast-food joint like Domino's Pizza. It sells quite literally millions of pizzas and other related food items every day around the world, and one of the known characteristics of Domino's Pizza is that the chain has a very high degree of consistency in all of its products and service delivery.

Alternatively, a low-volume example might be an artist who produces specially made commissions and pieces of artwork. These are unique, which are likely to take a very long time to produce and which cannot be easily replicated or repeated exactly, if at all. This is highly resource intensive and often a long-term process. Scarcity is often used to boost sales, but it can also be used to create massive brand lift. It plays on the customer's fear of missing out. Please remember this fact that marketers use limited-time offers like daily deals, limitations on quantities, or one-time only promotions to create a sense of urgency and leverage scarcity.

Volume, in fact, is a significant tool because it shows the confidence of buyers in a product or service. Although volume should never be used alone to determine price or selling patterns, it is a base to gain insights into the markets and determine the next strategies.

Variety: It relates to the variety of goods/services to be produced and sold to customers. This V is all about diversity. Selling a variety of products or services helps organisations increase sales and profit potential, and reduces their dependence on only one or two products, which can lead to business closure if demand for that product(s) ends or wanes out.

For example, HUL sells 44 brands spanning 14 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, and the company is a part of everyday lives of millions of consumers across India. Its portfolio includes leading household brands such as Lux, Lifebuoy, Surf Excel, Rin, Wheel, Glow & Lovely, Pond's, Vaseline, Lakmé, Dove, Clinic Plus, Sunsilk, Pepsodent, Closeup, Axe, Brooke Bond, Bru, Knorr, Kissan, Kwality Wall's and Pureit. HUL has a product to offer for each segment of the society. In a given product category, it has maintained variety.

High variety gives more flexibility to produce goods and services to match a customer's requirements. Variety and volume correlate—the higher the variety, the lower the volume of products or services.

Variation: It refers to how much the level of demand changes over time due to external factors. However, several factors make it difficult to predict variation. For example, a natural disaster such as the Covid-19 pandemic made the entire world go topsy-turvy in all walks of life. Most business processes do not exist as singular entities, but rather as a plurality of variants that need to be collectively managed. Most of these approaches are built on the assumption that variation points and variation drivers are given as inputs.

The question of how process variation is drawn and conceptualised in the first place has received relatively little attention. It takes a lot of experience and maturity of managers to fill the gaps. When processes fail to follow a precise pattern, it causes quality issues, both in transactional and production processes.

Visibility: It refers to value chain of a company's all processes put together. Customers need to experience the company's products/services. Service industries have a high level of visibility compared to manufacturing industries. For example, Amazon has track-and-trace software on its website that enables its customers to have visibility of where the packages are at any given time. It is important that potential customers can locate the company they are looking for. Most people have had the experience of being lost. It is frustrating driving around unable to find the location a customer is searching—may be it is a company's workshop, warehouse, retail store, head office, customer care centre, anything. Organisations must make sure that their signage is clear and visible so that visitors can easily locate. Otherwise, the experience can turn into a negative one. High-visibility signage has already helped easy-to-find repeat customers.

Unilever's operations management is responsible for keeping the four Vs integral with high productivity throughout the global organisation. Operations managers develop procedures and processes to support the organisation in achieving higher volume, variety, variance and visibility. The operations team of Unilever directly supports marketing, sales, financial and HR performance. It addresses concerns in all the strategic decision areas to maintain high productivity. As a leading consumer goods firm, Unilever has evolved operations management approaches to keep all four Vs highly productive.

eFE

MONDAY, APRIL 12, 2021

ON VIRUS VARIANTS

Bill Gates, Co-founder, Microsoft

The best way to prevent new variants from emerging is by stopping transmission of the virus altogether.

BREACH OF TRUST

Cybersecurity can make or break a brand

Findings from Infosys and Interbrand suggest that poor brand image and broken trust are added costs of poor cybersecurity

SRINATH SRINIVASAN

TOP BRANDS ACROSS sectors and geographies are investing heavily in digital with an aim to improve customer experience. This endeavour necessitates collection of consumer data. In addition, it becomes necessary for brands to safeguard the data that is collected. A significant shift to digital increases the vulnerability of brands online. Vishal Salvi, chief information security officer and head of cyber security practice, Infosys, says, "A decade ago, cybersecurity spends of organisations would typically be 4-5% of the IT budget. In recent years, this has increased to 8-10%."

Citing a major US retailer's cyber breach in 2013 which cost $79.5 million in addition to immediate costs, Ameya Kapnadak, chief growth officer, India, Interbrand, says, "Studies demonstrate 65% consumers lose trust in a business in the event of a data breach and 85% of them don't want to deal with that business again." He adds: "If, by some quirk of fate, the world's 100 most valuable brands have to experience a data breach, the collective value they might lose could be $93 billion on the lower end and $223 billion on the higher end. This represents between 4% and 9.6% of their cumulative value."

According to Salvi, organisations looking to have a successful cybersecurity strategy should begin with a CISO. "The CISO's role today is a very strategic one. It needs to have a seat on the business leadership table because 'security' needs to be built by design and for that to happen, a CISO must be involved in the decision-making process."

To develop a security strategy, the business goals of the organisation must be considered first. Next, the current and future cybersecurity risks that can impact these business goals must be considered by the CISO. "Once these are identified, a robust security strategy can be designed based on factors that would help counter or manage the risks," he explains. Beyond this point is creating relevant cybersecurity programmes or a framework that would help execute the strategy.

As suggested by Salvi, certain aspects that may be considered while creating the security strategy could be to figure out the investments an organisation would like to make to remediate and improve its security maturity, what maturity state would it want to reach on a year-on-year basis, what level of commitment does the organisation possess to reach the decided state of maturity, and finally what kind of tone needs to be set within the organisation.

> If, by some quirk of fate, the world's 100 most valuable brands have to experience a data breach, we estimate that the collective value they might lose could be $93 billion on the lower end and $223 billion on the higher end.
>
> — VISHAL SALVI, CHIEF INFORMATION SECURITY OFFICER & HEAD OF CYBER SECURITY PRACTICE, INFOSYS

In addition, Salvi believes that automation will aid this cause and help identify outliers and take required actions on them. "Technologies like Security Information and Event Management, User and Entity Behaviour Analytics or various analytical tools have been using several AI and ML models for quite some time. Automation has the ability to collect and correlate security data, detect already-existing compromises, generate and implement protections more rapidly than humans can. In the future, we will see an increase in its usage," he says.

In order to execute a successful security strategy and secure brand reputation, brands may need to think of aspects like making conversations about cybersecurity common at C-suite level and inculcating a "culture of security". "Cybersecurity is no longer just the CISO's remit, it's also the CMO's or the CEO's remit," says Kapnadak. He urges brands to make cybersecurity a topic that's central to brand experience, right from the person who manages SEO and PPC marketing to the one who builds the experience for the customer. "Because, only when cybersecurity is in-bred, can it make a difference," says Kapnadak.

NEW WAYS OF WORKING

Gearing up for a new mix of workers in the digital era

In the gig economy, skills would carry a premium and steady jobs would no longer be the attraction

Uma Ganesh

DIGITAL ERA AND automation have brought in their wake the urgency to redesign work definitions and rethink roles people are currently performing. AI, sensors and cloud technologies have been invading the workspaces and have begun to disrupt the processes and workflows. Almost half the workforce is made up of millennials who have familiarity with digital technologies. This would mean readying the organisation and the current talent pool to work differently and acquire new skills and capabilities.

It would be important for employees not only to be able to learn how to adapt to digital technology and the changing flavour of the roles currently being performed but it would also be important to learn how to work along with the robots as co workers instead of humans as has been the case until now. Every employee would require to be digitally savvy and have good appreciation of digital technologies like IoT, cloud, AI and analytics and how to embed them in their work areas.

HR managers would require to find new ways of attracting and retaining talent with the required skill-sets. The traditional approach of finding employees with 'loyalty' factor will not be applicable as a large number of millennials would expect to work in the mobile work environment and prefer to work for a specific period of time with an organisation on the strength of their specific skills. It is also possible that career growth or career ladder would no longer be of interest to this workforce. Instead, companies need to build a strategy around creating career experience to attract talented personnel as this would determine the primary reason for association with the company.

In the gig economy, skills would carry a premium and steady jobs would no longer be the attraction. Individuals today have easy access to what and how they want to learn and are not necessarily guided by or restricted by what their organisations can offer. As individuals take charge of their learning paths and career goals, L&D function would not be expected to direct and provide learning opportunities but would need to act as facilitators for learning – curating learning experiences based on dynamic needs of the stakeholders.

New work and social contracts would emerge and businesses would need to cope with diverse set of workers – full time, part time, freelancers, virtual workers, assignment based workers and robots. As a result the new work culture towards work and organisation require to be managed very differently from the culture built over a period of time, thus giving way to more transparency and democratic decision-making and priorities for quality of life and personal values as the basis for the choice of organisation workers prefer to be associated with. With the diverse type of resources becoming the new norm for most businesses, it is imperative to empower the workforce to think and act together with the help of digital tools—with more emphasis on collaboration—thus enabling them to co-evolve a new culture in the organisation.

As businesses try to rethink their paradigm and build resilience in their strategy, this is also the time when employees have to be coached to recognise that success as defined in the past would no longer be relevant and they need to adapt to the new normal defining new metrics for success.

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

Tech Bytes

A helping hand for women entrepreneurs

YES ESSENCE Plus is an accelerator programme announced by YES Bank in partnership with SHEROES (the women-only social network), to support women-led startups. Over a 10-week period, the cohort startups will receive customised training through virtual workshops conducted by industry experts. The curriculum will focus on building skills such as financial management, legal, fundraising, marketing, and effective leadership. The accelerator culminates with a final Demo Day, where the startups will then present their ideas to venture capital partners, Bharat Innovation Fund, CIIE A and 3one4 Capital. Leading accelerators like the GAIN, Strategy Garage and WSquare will support in outreach as ecosystem partners. Jasneet Bachal, chief marketing officer, YES BANK, said, "This cohort of supportive mentors, coaches, corporates and investors will play a crucial role in empowering entrepreneurs through their expertise – right from initial product development, go to market to growth phase."

Seagate sets new record in data storage

SEAGATE TECHNOLOGY announced it has shipped three zettabytes of hard drive storage capacity in March 2021. It had previously taken Seagate 36 years to ship its first zettabyte in total. It then took less than another four years to reach a total of two zettabytes shipped, and just over two more years to accomplish a total of three zettabytes shipped since the company's founding. According to IDC, the sum of data generated globally by 2025 is set to accelerate exponentially to 175 zettabytes. Put another way, more data is created in a single hour now than in an entire year just two decades ago. Seagate's Rethink Data report found that, on average, only 32% of data available to enterprises is being put to work, while the remaining 68% goes unleveraged.

Seagate is leading with innovations like Heat Assisted Magnetic Recording (HAMR) which will help it continue to increase the capacities of HDDs and enterprise storage systems long into the future. To capture the full potential of data at the zettabyte scale, Seagate is innovating with its open standards-based storage systems and software and Lyve edge-to-cloud mass storage platform to help enterprises overcome the cost and complexity of storing, moving, and activating data at scale.

Gadgets

ALEXA-ENABLED SPEAKERS

Smart speakers for the smarter audiophiles

Alexa built-in speakers for easy, hands-free control of your music, smart home devices and more

SUDHIR CHOWDHARY

A COUPLE OF years ago, Indian consumers and audiophiles got introduced to the world of Alexa—and therefore adapted to the world of smart speakers with voice assistance. Smart speakers backed with voice assistance has enabled consumers to do more with their smart speakers than just listening to music. With the help of Alexa (a virtual assistant AI technology developed by Amazon, first used in the Amazon Echo smart speakers), they could now manage their daily life activities like listening to news, getting match updates, weather forecasts, set alarms, etc.

Taking cue from the trend, consumers started demanding premium sound experience with the goodness of voice assistance for hands-free music listening experience. We take a look at some of the smart speakers with built-in Alexa (available on Amazon.in) from various brands that allow users to enjoy music at voice command.

boAt Stone 201A (₹1,599)

The compact and trendy smart speaker with built-in Alexa is the most affordable far-field speaker in the market. You can ask Alexa to play music, set reminders, control Smart Home devices and so on. Its compact body fits perfectly into any room, one can also groove to the powerful music offered by Alexa on the boAt Stone smart speaker. It is also water, dust, and shock-resistant, making it the perfect speaker for an adventure getaway. You can get this Bluetooth, portable smart speaker for ₹1,599.

Bose Home Speaker 300 (₹22,865)

The Bose Home Speaker 300 delivers room-rocking bass and 360-degree, lifelike sound in a space-saving size. Built-in voice assistants such as Alexa and the Google assistant, let you enjoy millions of songs, Internet radio stations, playlists and more—hands free. Just tell your voice assistant to start listening. And when the music is playing loud, the Bose Home speaker 300 will still hear you. Just under the top is a custom-designed six-microphone array for superior voice pickup. Plus, an elegant light bar will help visually indicate when your voice assistant is listening, thinking or speaking.

Sony SRS-XB402M Wireless Speaker (₹19,000)

The Sony SRS-XB402M is a smart wireless speaker that offers both Internet connectivity for online services, as well as portability and flexibility through Bluetooth. It has a strong dust and water resistance, decent battery life, and has the flexibility of being in its element whether inside the house or outside. With in-built Alexa, one can groove to the powerful music offered by Alexa on the Sony smart speaker. Buy this portable smart speaker for ₹19,000.

Marshall Stanmore II Wireless Speaker (₹31,999)

Stanmore II voice is the most versatile speaker in the Marshall line-up and is perfect for any room, big or small. It produces clean and precise audio, even at the highest levels, due to advanced components such as two 15 watt class D amplifiers that drive its subwoofer. These speakers are also known for responding to voice commands, so you can listen to your favourite hard rock music to enjoy the bass of the speaker by just asking Alexa.

Yamaha Audio YAS-209 Sound Bar (₹33,690)

Alexa, turn the volume up in the lounge room. With Alexa voice control integration, all you have to do is ask. The YAS-209 offers built-in Alexa voice control for easy control of your sound bar, smart home devices, music and more. The sound bar's virtual 3D surround sound, wireless subwoofer, and Bluetooth streaming gives you crystal clear audio with a sleek-looking set-up. Connecting your sound bar to your Wi-Fi network enables you to browse and stream music from all your connected smart devices including a PC, laptop or smartphone.

Lumiford GoFash Broadway (₹1,998)

Priced at ₹1,998, Lumiford GoFash Broadway is a 16W portable Bluetooth speaker that delivers a well-balanced sound range with deep lows with its unique Dual Bass Dynamic Diaphragms, clear mids, and a distort-free high frequency. This budget-friendly speaker is also built-in with Alexa voice commands and is designed in a way that makes it easy to hold, carry and place on different surfaces with stability. A high quality 2200mAh Li-ion battery allows the wireless speaker to play up to 10 hours when LED light is off, 8 hours when LED light is active.

Investor

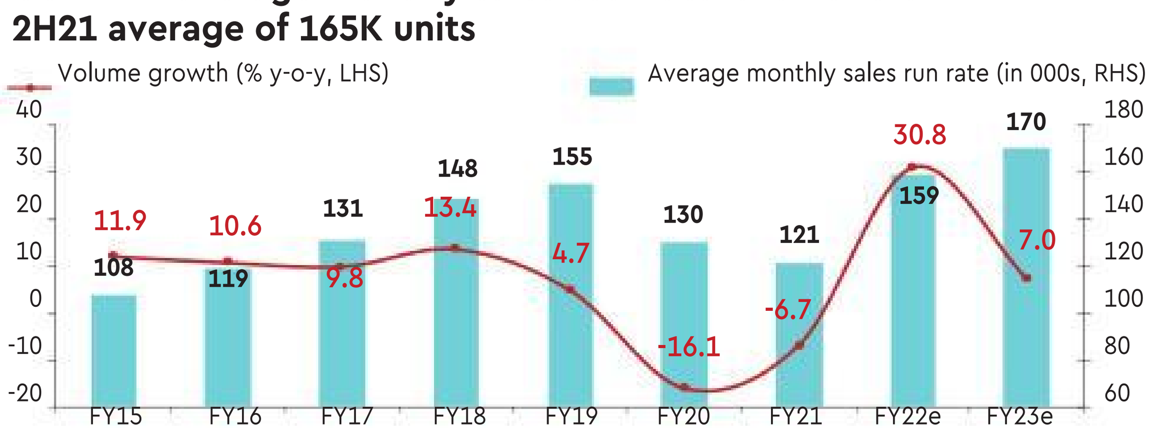
MONDAY, APRIL 12, 2021

EXPERT VIEW

Maruti Suzuki's margins continue to track much lower than at the last peak (10% vs 15%). For margins to return to the 12-13% range (street expectation), new launches remain the key

—HSBC

Our FY22 average monthly sales estimate is lower than 2H21 average of 165K units



Source: Company data, HSBC estimates

● MARUTI SUZUKI RATING: **BUY**

Market share loss in FY21 was contained

Margins likely to remain weak in Q4; FY22 is expected to be strong; new launches will be key; 'Buy' maintained

MARUTI SUZUKI ENDED the year on a strong note with a wholesale figure of 168K in March, leading to a full-year volume decline of 7%. However, in our view, Retail volumes were nearly flat y-o-y, despite the lockdown. Inventory remains extremely low and we continue to expect a strong FY22, with volume growing c30% y-o-y. In terms of wholesale market share, MSIL ended at 46% in both March and in Q4, with 48% in FY21. However, adjusted for the decline in inventory and sales to Toyota, the market share decline is under 100bps (MSIL entered the year with decent inventory due to the early BS VI transition). A positive for Maruti is that competition has peaked of late and we think it is unlikely to increase further materially. All the key competitors TTMT, M&M, Renault, Kia, Nissan and Hyundai have had strong recent launches.

New launches are key now for MSIL: MSIL successfully restricted its market share loss in FY21, thanks to the strong brand, distribution and marketing. However, margins continue to track much lower than at the last peak (10% vs 15%). For margins to return to the 12-13% range (street expectation), new launches remain the key. New launches lead to higher volumes, but more importantly pricing power and a better variant mix. The last upcycle in margins (FY15/16) for MSIL coincided with a strong launch pipeline as well.

So, we think it's logical to assume some major product action from Maruti in the coming months/quarters. An upgraded Brezza, Baleno, Jimny and a large SUV are some of the potential products that could help volumes, margins and sentiment in the stock over the next 12-24 months.

Margins likely to remain weak in Q4FY21: MSIL raised prices in January (average of c1.5%) and we expect it to do so again in April (2-3%). However, commodity headwinds are huge and the lack of new product launches is always a constraint on profitability. On a positive note, the JPY has depreciated and discounts have reduced. Factoring in all this, we cut our margin estimates for Q4FY21 and FY22. We still expect Ebitda margins to grow to c13% in FY23, on new launches and operating leverage. We retain **Buy** rating and ₹8,400 TP.

HSBC

● PNC INFRATECH
RATING: **BUY**

GAEPL deal will unlock value for firm

Stock is the top pick in the mid-cap EPC space; 'Buy' retained with TP of ₹364

PNCL HAS ANNOUNCED that the company along with other partners has reached an agreement with Cube Highways (unlisted) to divest the GAEPL (Ghaziabad Aligarh Expressway Pvt Ltd, unlisted) asset for an enterprise value of up to ₹16 bn. We note that a deal was reached with Cube Highways earlier (in May 2019) for an EV of up to ₹18.3 bn which was subsequently called off around May 2020 after the COVID-19 outbreak. We believe the re-opening of the economy and subsequent improvement in toll collections have revived the interest in the deal from Cube Highways.

Despite a lower EV valuation for the asset, we note that cash inflows for the deal at ₹3.8 bn for PNCL is largely similar to that of the earlier deal. We view that the GAEPL asset deal eliminates the need for further equity infusions that may have resulted in a drag on standalone balance sheet. According to CARE Ratings, the toll collections of this asset is inadequate for debt servicing. This would have required PNCL and its partners to infuse capital in the form of equity or sub-debt on an ongoing basis.

Our cash proceeds estimate of ₹3.8 bn is adequate in our view to meet equity obligations of HAM assets for FY22, which management had estimated at ₹3.5 bn. Thus, the deal is not only value-accretive but also prevents a build-up in leverage.

PNC remains our top pick in the mid-cap EPC space: We maintain **Buy** rating with TP of ₹364, implying 41% upside. The stock is currently trading at 9.7x FY23F EPS (underlying EPC PE at 8.0x). Key risks: slowdown in ordering by Centre and States and a sharp rise in working capital levels.

NOMURA

GAEPL has shown strong toll revenue recovery in Q3FY21

With rising toll collections, we view it is highly unlikely that the deal can be called off this time

GAEPL toll collections (₹ mn)	FY18	FY19	FY20	FY21
Q1	478	522	556	277
Q2	444	504	505	527
Q3	512	546	548	631
Q4	500	532	485	—
Total	**1,934**	**2,104**	**2,094**	**1,435**

Source: Bharat Road Networks Ltd (BRNL IN, NR), Nomura research

Personal Finance

● GENERAL INSURANCE

No differential rates for similar risks: Irdai

Premiums should ensure the product or add-on is viable, generating a reasonable margin without any cross-subsidisation from any other product or add-on

SAIKAT NEOGI

ILLUSTRATION: SHYAM KUMAR PRASAD

IN ORDER TO protect the interest of policyholders, Insurance Regulatory and Development Authority of India (Irdai) has issued draft regulations for the designing and pricing of general insurance products. The non-life insurance products will be classified into retail and commercial products on the basis of who buys them or on the basis of sum insured as specified by the regulator. The retail and commercial products shall be distinguished from one another with a suitable name change or prefix or suffix as the case may be and need to have a separate Unique Identification Number (UIN).

Product design & pricing

The draft guidelines note that the design of general insurance products will have to consider policyholders' interests in terms of suitability and affordability while catering to their changing needs through evolving risk coverage. The product or the add-on cover must cover an insurable risk involving a real risk transfer and adhere to the basic principles of insurance.

The pricing of products will be based on appropriate data and technical justification and insurers will have to factor in risk exposure, claims/loss experience, expenses, reinsurance, solvency requirement, and factor in a reasonable amount of surplus and economic cost of capital. The premium rates will neither be excessive nor inadequate and should aim at ensuring that the product or add-on is viable, generating a reasonable margin without any cross subsidisation from any other product or add-on.

The regulator has underlined that pricing will be based on sound actuarial principles with supportive data and the discounts or loadings offered should be on objective basis with appropriate justifications and duly certified by the appointed actuary. Insurers cannot apply differential rates to similar risks. In case the rates are based on the generally prevailing market level of premium rates, the insurer must demonstrate the reasonableness of the variation from the currently prevailing level of rates and viability with respect to its own underwriting and risk management standard.

For insurance products sponsored fully or partially by the state and Central government, insurers will have to adhere to the conditions of the scheme notified by the appropriate government. They are also required to modify the conditions as per the changes notified by the government from time to time. All packaged products will have to comply with the relevant guidelines regarding accounting of premium, connected expenses, claims and expenses issued under by the regulator.

All pilot products have to explicitly mention "Pilot Product" as a prefix or suffix to the product name. A pilot product may be converted into a regular product based on the experience gained. However, if a product is withdrawn, existing policyholders will be allowed to choose another existing product which may or may not be comparable to the pilot product.

Add-ons

The draft regulations say add-on should follow the base product, its classification, filing and approval procedures. The add-on to a base policy, however, shall not change the fundamental nature of the base product. The add-on may have its own limits and deductibles. The aggregate premium of all add-on plus premium under optional covers built into the base product will not exceed 100% of the premium for the base product. The optional covers included as part of the base product will not fall under the category of 'add-ons.'

Insurers can withdraw a product or add-on and submit to Irdai with justification for such a proposal. The existing annual and long-term policies which are already issued before withdrawal of an existing product shall be allowed to remain in force till their respective expiry dates.

Insurers will bear the final responsibility for any deficiency in service or complaint arising from add-ons. They will have to address the grievances of policyholders relating to these assistance services.

What EBITDA & EBIT tell about a firm's performance

We need to know the application of EBITDA & EBIT to arrive at a correct valuation of firms

● YOUR MONEY

N SIVASANKARAN

WHEN ASSESSING THE financial performance of their target investment firms, investors get stuck with two profit margins; namely, Earnings Before Interest and Tax (EBIT) and Earnings Before Interest Tax Depreciation and Amortization (EBITDA). Let us understand the meaning of these two margins along with their application in the investment context.

Let us assume the operating revenue of Trivikram Ltd (TL) in its recent financial year is ₹1,500 crore; other income is ₹250 crore; raw material consumed is ₹300 crore; purchase of stock in trade is ₹100 crore; change in inventory of FG and WIP is ₹20 crore; Depreciation and Amortization is ₹200 crore; employee benefit expenses is ₹200 crore; finance cost is ₹80 crore and other expenses is ₹200 crore.

EBITDA Margin (EBITDAM)

It is computed by dividing EBITDA by the operating revenue of a firm. Operating revenue refers to the portion of total revenue (sum of operating revenue and other income) that is generated by a firm from its core operating activities while other income refers to the revenue generated by a firm from its non-operating activities such as revenue from investments in stocks and bonds of other firms and from the sale proceeds of investments. The operating revenue for TL is ₹1,500 crore.

EBITDA is the excess of operating revenue over the operating expenses excluding depreciation and amortization (D&A) of a firm in a specific accounting period. In addition to D&A, we do not consider finance costs. Hence, operating expenses exclusive of D&A for TL is ₹820 crore (sum of raw material consumed, purchase of stock in trade, change in inventory of FG and WIP, employee benefit expenses and other expenses).

ILLUSTRATION: SHYAM KUMAR PRASAD

EBITDA for TL is ₹680 crore, i.e., ₹1,500 crore less ₹820 crore. Therefore, EBITDA margin is 45.33%, i.e., 680/1500 *100. This indicates that TL is earning EBITDA of ₹45.33 for every ₹100 of its operating revenue. EBITDA margin is applicable for firms with a significant amount of D&A in their P&L statement. It is quite useful in assessing the financials of firms operating in manufacturing and capital-intensive (higher proportion of tangible assets) sectors.

EBIT Margin (EBITM)

Also known as Operating Profit Margin (OPM), it is computed by dividing operating income (or EBIT) by operating revenue of a firm. EBIT can be computed by subtracting D&A from EBITDA profit figure. For TL it is ₹480 crore, i.e., EBITDA of ₹680 crore less D&A of ₹200 crore. OPM for TL is 32%, i.e., 480/1500 *100. Thus TL is earning ₹32 as operating profit for every ₹100 of operating revenue. OPM or EBITM is to be computed for every firm irrespective of the sector in which it is operates.

Both EBIT & EBITDA profits are used vastly in valuation of firms. Hence, an understanding of their meaning and application is a pre-requisite in arriving at the value of the stocks for young investors.

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

● EQUITY STRATEGY

Covid wave likely to affect the recovery

Activity levels felt limited impact in March; OW on IT firms, UW on Fin; RIL, PGRD, Tata Steel among top picks

JEFFERIES RECOVERY TRACKER (JRT) averaged 102% in Mar'21, -1ppt MoM, partly as urban activity tapered down somewhat on rising COVID cases. Localised lockdowns are getting more stringent, and we believe near term economic activity trajectory could dip somewhat. We have turned defensive to build in near term lockdown risks. OWT IT Svcs, UWT Fin. Other top picks – RIL, Tata Steel, Concor, PGRD, GPL, Colgate, Dr Reddy's & Maruti.

Activity levels show limited impact in March: We track 20 economic high-frequency activity indicators to formulate our India economic activity indicator. March month activities averaged 102%, -1ppt MoM. We note that the recent week (ending 4th April) has shown significant activity dip but an accurate diagnosis of the dip is limited by a couple of public holidays.

Some sluggishness in urban/metro activity: The activity sluggishness MoM in March was on account of some weakness in urban indicators, which partly reflects the impact of rising COVID cases and some restrictions. Congestion levels declined 13ppt to 80% and travel & hotel bookings were -6ppt MoM. Workplace mobility and transit data was flat. Real estate activity levels continued their rising trend. Suburban rail traffic also improved MoM by 5ppt.

Broader data points maintain trend: The low base kicking in for several data points (national lockdown from late Mar20) makes direct data comparison difficult. A look at underlying trend (2 year CAGR proxy) makes us believe that broader economic activity in March, was at levels similar to February. Electricity consumption was flattish (2 year CAGR basis) at +6%. Rail freight (2 year CAGR) was +4% vs. +6% in Feb. Petrol consumption was +5% y-o-y in Mar'21 vs. Mar'19. Diesel consumption for same period was -5%. Domestic demand indicator imports (ex petro, ex Gold, 2 year CAGR) grew 2% y-o-y in Mar vs. 4% pace in last month. Auto sales data from OEMs shows PV/2W sales up 4%/2% YoY on 2 year CAGR basis. The e-way bill generation was +14% y-o-y (2 year CAGR) vs. 13% in Feb.

Vaccination pace is at c.3m/day. At about 20% of 45+ people getting at least 1 dose, India may have to wait a couple of months before resuming its recovery process

Real estate, construction activity higher: Property registrations in Mumbai and Delhi were at multi-year highs. Steel consumption was +40% y-o-y in March but down on 2 year basis.

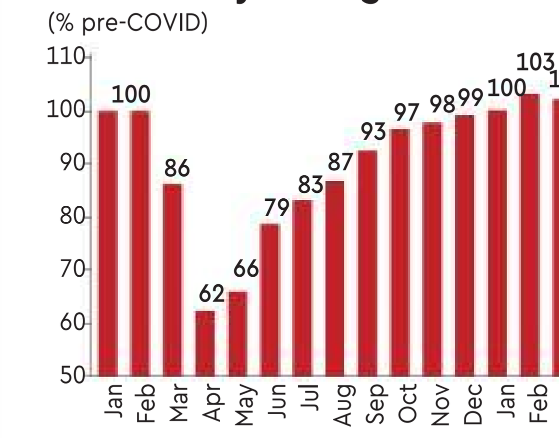
Rising tax collection: GST collections for March (Feb activity) were up 27% y-o-y. This prompted govt. to disburse higher than budgeted funds to states in Mar21.

COVID trends worrying: COVID cases addition run-rate has now exceeded 2020 peak. Deaths are also rising (~5x from low); while still less than half the previous peak, could spike much higher. COVID surge in Maharashtra has already prompted a restrictive lock-down and several other states are also incrementally restricting economic activity. Vaccination pace has risen to c.3m/ day. At about 20% of 45+ population getting at least 1 dose, India may have to wait a couple of months before resuming its recovery trajectory.

JEFFERIES

JRT monthly average

(% pre-COVID)



Source: Jefferies

BrandWagon

MONDAY, APRIL 12, 2021

NUMEROLOGY

Top influencer marketing platforms in 2021-22 according to brand custodians:

- Instagram - 94%
- MX TakaTak - 52%
- YouTube - 52%

— Buzzoka report

FMCG

Detergents get a makeover

As consumers seek convenience, brands launch new forms of dishwashing and fabric care products

VENKATA SUSMITA BISWAS

THE LOCKDOWN PERIOD saw consumers veering towards washing machines and dishwashers in their quest for self-reliance and convenience, opening up the market to new forms of detergents and fabric care products. The past year saw P&G introduce its pod technology in India through Tide Pods and Ariel Pods, and HUL add a range of products for automatic dishwashing (for machines) under its Vim brand.

The hand dishwashing market in India was worth ₹3,653 crore in 2020, as per Euromonitor International. Among the automatic dishwashing products, powders have a market size of ₹7.5 crore. The laundry detergent market is worth ₹28,514 crore, of which liquid detergents account for ₹819 crore.

Could niche detergent products gain scale in India?

Get a load of this

Until 2020, brands such as Finish, Crystale, Fortune, and others from dishwasher manufacturers like IFB and Bosch were available on e-commerce platforms. Reckitt's distribution muscle ensured that Finish was the only branded product in the segment that occupied shelf space in modern and general trade stores.

In March 2021, HUL debuted in the machine dishwashing detergent market with Vim Matic. The powder is priced at ₹425 per kg, same as Finish. "When consumers considered adopting a machine dishwasher due to lockdown-related concerns, it was the responsibility of Vim as a brand to partner with consumers in this upgrade," says the spokesperson from HUL.

Vim's entry into this market — it has a significant presence in the soap cake and liquid gel segments — is being seen as a signal that there is a sizeable market for dishwashing machine detergents in India.

Vim Matic and Voltas Beko have partnered to market the dishwashing machine and detergent together. The company is also in talks with other leading dishwasher manufacturers for similar tie-ups. Reckitt has a partnership with Bosch.

P&G, internationally known for making gel pod laundry detergents since 2012, brought the product to India in the middle of the pandemic. "The launch of Ariel and Tide pods in India is aimed at simplifying our consumers' lives," says Sharat Verma, CMO and VP – fabric care, P&G India. Pods are pre-dosed single-use laundry capsules that release three separate concentrate liquid detergents to clean, remove stains and brighten fabrics.

Convenience at a cost

India's fabric care market is yet to make a significant move towards liquids and value-added products like fabric conditioners. A study by Mintel India on fabric care found that only 19% of Indians use liquid detergents for machine washing laundry, whereas 40% use powders. As per Euromonitor International, the fabric softeners market in India is worth only ₹115.8 crore, while the spot and stain removers market is significantly larger at ₹413.6 crore.

Pods are positioned as products that address multiple concerns in one go, thereby replacing detergents, stain removers and whitening agents. "It is unlikely that Indian consumers who mostly have staff to perform household chores will value the convenience of a product like this over price," says Subhendu Roy, partner, consumer and retail practice, Kearney.

A kilo of laundry detergent powder costs about ₹160-200 and could last a family a month — about ₹5-7 per wash — whereas a pod costs about ₹22 per wash.

"Unlike the fabric care market, liquids have witnessed significant uptake in the dishwashing segment," says Roy. Over the last 15 years, there has been a steady move towards liquid gels because they are considered to be milder on the skin compared to soap cakes, and also because these can be dispensed in a hassle-free manner.

The move to automatic dishwashing products may not be easy, as this category is completely dependent on the penetration of dishwashing machines. While convenience is a big draw, experts say the high entry barrier — a basic dishwasher costs about ₹23,000 — and space constraints in homes could come in the way.

Rajat Wahi, partner, Deloitte India, says, given that consumers are overly sensitive to pricing in the detergent category, "brands need to introduce large pack sizes and discounts to propel consumers to try these products."

For now, both P&G and HUL are following an e-commerce-heavy retail strategy to test the market before hitting the store shelves.

PERSONAL CARE

Organic growth

'Clean beauty' is the new trend brands are riding on

DEVIKA SINGH

THE ORGANIC SKINCARE market has piqued the interest of several new and established companies. Lingerie brand Clovia entered this segment in January with Clovia Botaniqa. In March, cosmetics company Lotus Herbals introduced its D2C brand Lotus Botanicals, while Myntra launched a 'natural' personal care range under its private label Taavi.

Clean beauty products are made using natural ingredients, and are touted as being environment-friendly. Over the last few years, this segment has seen the entry of several new brands — Mamaearth, Plum Goodness, WOW Skin Sciences and Juicy Chemistry to name a few — most of which have already crossed the ₹100 crore revenue mark.

According to a recent report by Avendus Capital, beauty and personal care will be a $30 billion market in India by 2025, out of which digital-first brands could command $10-15 billion. Experts foresee the organic or natural products segment constituting 5-10% of the overall category. Globally, the clean beauty market is growing rapidly, and is expected to reach over $54 billion by 2027, according to Statista.

The D2C way

Analysts credit the direct-to-consumer channel for fuelling the clean beauty movement in the country. Newer brands, too, are taking the same route. Clovia is adopting a digital-first approach, and banking on its lingerie consumers to sample and spread the word about its skincare range. Over time, Clovia plans to launch these products in over 205 retail touchpoints. "We are already selling about 1,000 bottles a day of our spot corrector cream," says Neha Kant, its founder.

Lotus Herbals has made Lotus Botanicals available on the company's website and other marketplaces. Mother Sparsh, which started off as a baby care brand, has launched 15 products in the organic category so far, and claims 20-25% of its sales comes from these. While the company has launched these products in about 300 retail touchpoints, the focus is still on D2C. It is also giving existing customers new product samples to drive trials.

Globally, the clean beauty market is growing rapidly, and is expected to reach over $54 billion by 2027, according to Statista

Digital marketing, especially influencer marketing, is being employed in a big way to spread awareness. "We have roped in about 3,000-4,000 micro-influencers for the newly launched products," says Himanshu Gandhi, co-founder and CEO, Mother Sparsh.

The clean beauty ranges from these companies are priced in the mass to mass-premium range. Manohar Kamath, CXO and chief of Myntra Fashion Brands, says its products fall in the ₹250-350 range, and that the company is "geared to scale it up to the mass premium category in the next few months."

Mother Sparsh's products are available in the ₹349-599 price range, while Clovia's are priced between ₹100 and ₹2,000, with small pack sizes available at ₹50.

Urban phenomenon?

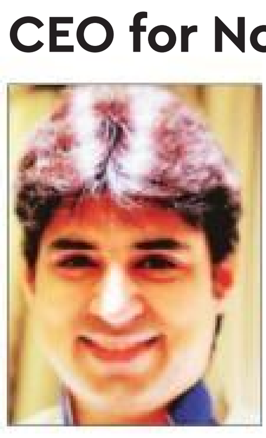
While this is a growing category, most of its sales, about 80-90%, comes from the metro and tier I markets, experts say. "Consumers in tier II cities and beyond still like to use traditional beauty treatments such as haldi ubtan, and brands are yet to figure out a way to tap them," says Ankur Pahwa, partner and national leader – e-commerce and consumer internet, EY India.

Getting past top FMCG brands, the likes of HUL, P&G and ITC, and personal care brands such as L'Oréal, could be a challenge for these brands, considering their mass positioning. Moreover, online as the primary sales channel could be limiting for these companies for scaling up, analysts say.

Relying on digital outreach alone to create a brand connect may not yield the desired impact, says Ankur Bisen, senior vice president, retail and consumer products, Technopak. "Brands from across categories are trying to grab eyeballs on digital, and it is becoming an expensive proposition," he adds.

In The News

iTV Network appoints CEO for North region



ITV NETWORK HAS appointed Deepak Arora as CEO – Northern region. He will head India News Haryana, India News Punjab, Andy TV & Aaj Samaaj. Arora was previously the CEO of Janta TV.

Colors Bangla has a new business head

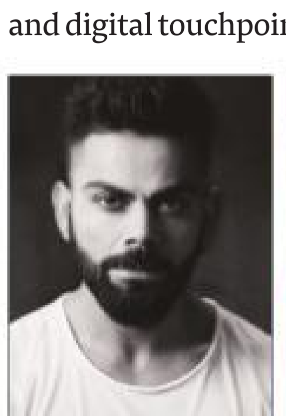
VIACOM18 HAS APPOINTED Sagnik Ghosh as the business head of Colors Bangla. He will be taking over from Rahul Chakravarti, and report to Rajesh Iyer, head – regional entertainment, Viacom18. Sagnik most recently worked with Star India as executive VP and business head, Star Jalsha and Jalsha Movies.

Dhunji Wadia launches ad agency

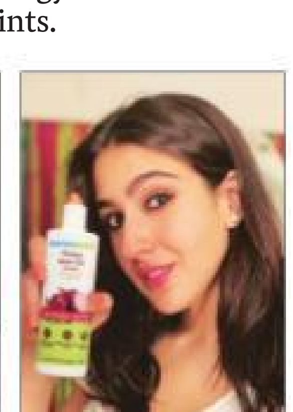
DHUNJI WADIA ANNOUNCED on social media that he has launched a new advertising agency called Shift Axis. Wadia was formerly the CEO of Handloom Picture Company, a venture founded by filmmaker Ram Subramanian. Prior to that, he was president of Rediffusion Group.

Wondrlab bags a new account

WONDRLAB HAS WON the creative mandate of Ovenstory Pizza. The agency will craft and execute the pizza chain's communication strategy across mainline and digital touchpoints.



Vivo ropes in cricketer Virat Kohli as its brand ambassador



Actor Sara Ali Khan is the new face of Mamaearth's haircare range

Chingari onboards actor Salman Khan as its global brand ambassador

Motobahn

MOTORCYCLE REVIEW: HONDA CB500X

Priceless, but needs to be priced less

It's a great motorcycle, but ₹6.87 lakh is a little too much for this Honda

VIKRAM CHAUDHARY

Specifications

- Engine: 471.03cc, parallel-twin
- Power: 35kW (47bhp)
- Torque: 43.2Nm
- Weight: 199 kg
- Seat height: 830 mm
- Fuel tank: 17.7 litres
- Gearbox: 6-speed manual
- 0-100 km/h: Under 6 seconds
- Price: ₹6,87,402 (ex-showroom)

THE CB500X, AN entry-level superbike, has a big bike feel to it—it looks expensive, it accelerates like a superbike, it's supremely comfortable, and the build quality is matchless. The digital instrument cluster displays gear positions, engine temperature, ABS indicator and the fuel level in litres, among other features, and both headlamp and tail-lamp are LEDs, which look premium.

It's powered by a 471.03cc, parallel-twin petrol engine (47bhp; 43.2Nm), mated to a 6-speed manual gearbox.

Riding position is good—the 830mm seat height (coupled with narrow seat shoulders) make it easy to put feet down. At 199kg, the CB500X isn't too heavy, and so constantly putting your feet on the road to balance the motorcycle in stop-and-go traffic doesn't tire the rider.

The power delivery of the engine, from any speed to any speed (in the right gear, of course), is surprisingly good. Mention must be made of the gearbox; it's so smooth that there is almost no gearshift feel. The front 310mm and rear 240mm disc brakes (with dual channel ABS) work well—and it's got the smart Emergency Stop Signal that detects sudden braking and automatically activates front and rear hazard lights, which flash to warn nearby vehicles.

I rode it on tarmac, gravel, and a little bit on sand as well—on all terrains it feels at home. The exhaust pipe is upswept (directed upwards)—this not only makes the CB500X look 'adventurous', but also makes sure navigating water-filled trails won't be much of a challenge.

All in all, the CB500X has a premium, big bike feel to it. At the same time, even though it's being assembled in India (as a completely knocked down kit), it's priced ₹6,87,402 (ex-showroom), which, I think, is a bit too steep for a sub-500cc motorcycle, no matter how excellent it is.

HYUNDAI ALCAZAR

Hyundai aims to expand the 6-, 7-seat SUV segment

The Alcazar will have two engine options: the 2.0-litre petrol (157bhp) and the 1.5-litre diesel (113bhp)

VIKRAM CHAUDHARY

ONE OF THE previous decade's most successful cars in India has been the Creta (of which over 6 lakh units have been sold since 2015), and with the Alcazar, Hyundai Motor India Ltd (HMIL) wants to tap into the existing Creta customer base who may wish to upgrade.

SS Kim, MD & CEO, HMIL, told *FE* during the unveiling of the Alcazar last week that Indian buyers tend to change the car (usually upgrade) every 4-5 years, and in "our case the price difference between the Creta and the Tucson is substantial." He added that the Alcazar will be slotted between the Creta and the Tucson (the Creta is priced, ex-showroom, from ₹9.99 lakh to ₹17.54 lakh, and the Tucson from ₹22.55 lakh to ₹27.33 lakh).

"Because the Alcazar is an SUV with six and seven seat options, it is expected to attract customers from other segments as well, in addition to those who wish to upgrade from the Creta and/or premium sedans," Kim added.

> We have seen a rising share of SUVs within our portfolio—from 22.3% in 2018, to 42.5% in 2020. With the Alcazar, we may touch 50% SUV share (in our portfolio) this year.
>
> —SS KIM, MD & CEO, HYUNDAI INDIA

These segments include the Toyota Innova Crysta and the new Tata Safari, among others.

"With the Alcazar, HMIL expects to expand the 6-, 7-seat SUV segment in India," Kim said. "We have seen an increasing share of SUVs within our portfolio—from 22.3% in 2018, to 42.5% in 2020. In the first quarter of 2021 SUVs formed 45.9% of our total sales. With the Alcazar added to the portfolio, we may touch 50% SUV sales within our portfolio some time later this year."

The Alcazar, which shares its platform with the Creta, will have two engine options: the 2.0-litre petrol (157bhp) and the 1.5-litre diesel (113bhp), and both the engines will be offered with 6-speed automatic and 6-speed manual transmission options.

Brief drive experience

I drove the Alcazar for 10-odd km, and it comes across as one of the most refined cars in its segment. For instance, like the Creta, there is minimal body roll in the Alcazar; it drives like a sedan; the petrol engine is fast (0-100 km/h acceleration in less than 10 seconds); the cabin is very quiet; and like the Creta it also gets driving modes such as Eco, City and Sport. However, unlike SUVs such as the Jeep Compass, the Alcazar will not have an all-wheel drive option.

It will be launched by end-April.

Infrastructure

EXPERT VIEW

A significant reason for the increase in NHAI awards in FY21 was the revival in HAM projects, whose share in the overall cost of projects awarded went up to 70%+, as against 32% in FY20 and 42% in FY19

—Edelweiss

URBAN WATER SUPPLY

Smart solutions the way forward

Avoiding the drawbacks of past schemes, JJM-Urban would do well to follow an ecosystem-centric approach

ABHAYA AGARWAL & MAANSI SHAH

THE SEVEN-YEAR programme Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched in 2005, for 65 mission cities, as one of the first interventions in urban infrastructure development, in which water supply and sewerage projects took precedence. With a wide-ranging agenda, it focussed on improving service delivery through increased accountability of the states and urban local bodies (ULBs). The JNNURM disbursements were reform-linked. But arising from pressures of the political economy, this approach was rescinded, and focus turned to progress on disbursement against target sanctions for projects. Service-level benchmarks were developed, but monitoring of progress was inadequate, limiting the overall impact.

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) programme was launched in June 2015, casting a wider net of 500 mission cities, but reducing the number of reforms to be achieved. The disbursement of the Central Government's grant funding is guided by the scheme formulae in which the latter instalments are conditional on achieving previous stage project milestones and utilisation of at least 70% of the previous tranche release. While these were linked to reform conditionality, the framework of linkage has been diluted with the pressure to reach financial disbursement targets against sanctioned projects.

The key learning from both schemes is that overarching reforms are difficult to accomplish all at once. So AMRUT later altered its approach from penalisation to incentivisation, with 10% of funds to be given on the basis of the credit-rating of ULBs. Weighting the reforms, professionalisation of municipal cadre, land titling law and policy for value capture finance were visualised to have far-reaching impact. But again, the progress on these reforms is primarily a self-certification validated by State-level committees, essentially diluting the robustness of the scheme. But unlike JNNURM where the Centre would appraise all the projects, AMRUT rightly stoked cooperative federalism by devolution of necessary power to the States and ULBs.

The recently announced five-year Jal Jeevan Mission-Urban (JJM-Urban) has subsumed the AMRUT Mission. It aims to provide water connections to all statutory towns and sewer connections to all AMRUT cities. The total outlay proposed for JJM(U) is ₹2,87,000 crore which includes ₹10,000 crore for continuing financial support to AMRUT Mission and will be disbursed in tranches on achieved outcome basis. Private partnership has been encouraged by mandating cities with a million-plus population to undertake PPP projects worth a minimum 10% of the allocated fund. Improved monitoring of progress through digital technology-based platform, and monitoring of beneficiary response are envisioned to support reform-linked fund disbursal.

Various challenges hinder the urban water infrastructure schemes: unplanned settlements and encroachments; loss of revenue due to incomplete metering and billing; distribution losses which account for a significant chunk of the non-revenue water; poor maintenance affecting the longevity of the distribution system; unviable groundwater dependency; high cost of water production due to distant sources.

Earlier schemes have also demonstrated that infrastructure development in silos will not yield the desired outcomes. Thus, JJM-U looks at a more ecosystem-centric approach with integration of water management into city-wide planning. It draws focus on sustainable urban drainage, lake rejuvenation, circular economy, rainwater harvesting and aquifer management.

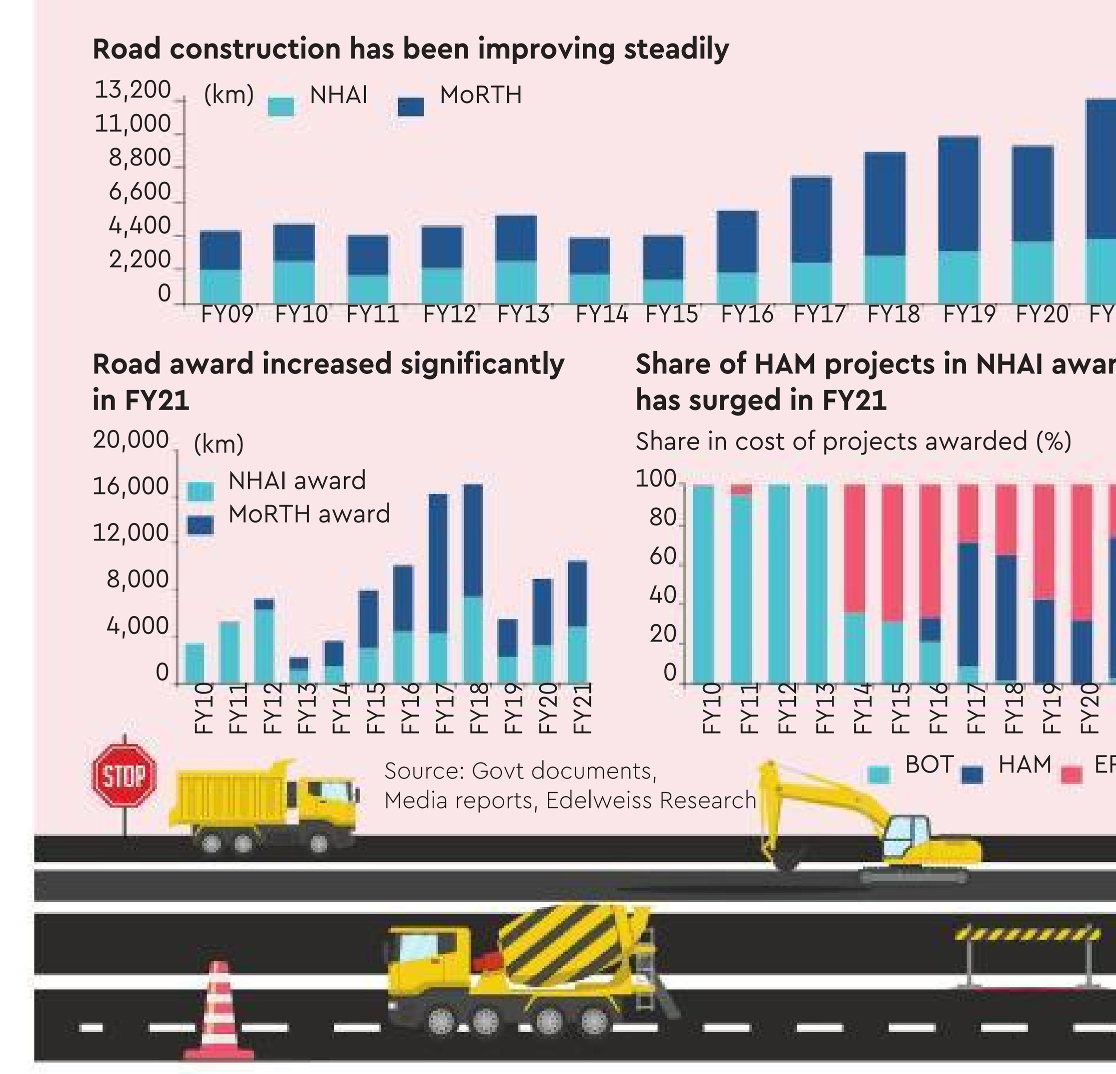
Many challenges may be addressed by exploring decentralised solutions, in place of capital-intensive, centralised approaches. Rationalised pricing policy for self-sustenance, capacity-building for adequate utilisation of investments and maintenance of services, convergence and synergy with other schemes, alternative financing mechanisms are undeniably the way forward.

Abhaya Agarwal is Partner-Strategy and Transaction, Infrastructure practice, EY India. Maansi Shah is senior professional, Strategy and Transaction, EY

DATA MONITOR

FY21 a stellar year for the highway sector

With the pandemic rearing its ugly head towards the end of FY20, FY21 was expected to be another forgettable year for the road sector. However, the actual figures have confounded one and all. As much as ~13,300 km of National Highways were built in FY21 compared with around 10,240 km in FY20, up around 30% y-o-y. Similarly, project awards (NHAI + MoRTH) were up 17% y-o-y to ~10,500 km. The NHAI awarded/opened bids for projects worth ~₹1.4 trn and spanning ~4,800 km during the fiscal.



Source: Govt documents, Media reports, Edelweiss Research

Quick View

Discoms' dues up nearly 17% y-o-y to ₹1.02 lakh cr in Feb

THE TOTAL OUTSTANDING dues of electricity distribution companies to power producers rose nearly 17% y-y to ₹1,02,684 crore in February this year, reflecting persistent stress in the sector. Discoms owed a total of ₹87,888 crore to power generation firms in February 2020, according to portal PRAAPTI. However, the total outstanding dues of discoms to power generation firms in February dipped slightly from ₹1,03,116 crore in January this year and ₹102,676 crore in December 2020. The total overdue amount, which was not cleared even after 45 days of grace period offered by generators, stood at ₹91,549 crore in February 2021, as against ₹73,867 crore in the same month a year ago. The overdue amount stood at ₹92,120 crore in January 2021 and ₹93,599 crore in December 2020.

Reliance, other majors form hydrogen coalition

LED BY DOMESTIC energy giant Reliance Industries, many global energy and industrial players on Tuesday came together to form a new energy transition coalition, called the India H2 Alliance (IH2A), to help commercialise hydrogen technologies and build net-zero carbon energy pathways in the country. The alliance will work together to build the hydrogen economy and supply-chain and also help develop blue and green hydrogen production and storage, apart from building hydrogen-use industrial clusters and transport use-cases with hydrogen-powered fuel cells, a statement from the alliance said. However, it did not name the other founding members of the coalition.

Domestic air traffic fell to 10-year low in FY21

INDIA'S DOMESTIC AIR traffic slipped to a 10-year low, at an estimated 53.4 million, in the last financial year, an ICRA report has said. This constituted a fall of 62% over the preceding fiscal. The figure needs to be seen against the backdrop of there being no passenger flight operations for almost two months due to the pandemic-induced lockdown. Domestic traffic in March 2021 had been estimated at 77-78 lakh, a decline of about 1% over February when airlines had flown around 78.30 lakh passengers, the ratings agency said.

Startups

WELLTHY THERAPEUTICS

Tapping the power of digital tech

This digital therapeutics startup supplements/complement doctors in improving the quality of life for their patients

SUDHIR CHOWDHARY

DIGITAL HEALTHCARE IS a proactive approach to healthcare that drives multiple customer touchpoints via real-time channels, so customers can make well-informed choices and build better habits, ultimately leading to a better quality of life. This is exactly what Wellthy Therapeutics, a digital therapeutics company with a presence in Asia and Europe, is working towards.

This digital therapeutics company was established by people with rich experience in the health industry, who had witnessed the gaps present in the process of treating chronic conditions like diabetes or hypertension. Both the co-founders' parents had also been managing chronic conditions, which gave Abhishek Shah (CEO) and Prayat Shah (vice-president) a personal perspective on the state of healthcare.

The overarching goal was to catalyse the evolution of the healthcare space from the traditional method of episodic care—patient interactions only during physician visits or hospital stays—to continual care which can be achieved by enabling condition-specific, clinically validated digital infrastructure which, in turn, allows healthcare to do more for the patient.

"A major part of continual care would be giving the patient more power to leverage the toolkit in her hands to manage her conditions and seek help if it is required—something that Wellthy Therapeutics focuses on," says Shah. "By allowing people to become accountable and actively tackle their condition, the platform would change the face of outcomes and ultimately lead to better outcomes."

Wellthy Therapeutics focuses on how better patient outcomes can be translated into better economic outcomes for all stakeholders by way of a lower rate of hospitalisation, fewer ER visits, and more productivity. With remarkable health outcomes, Wellthy Therapeutics inspires and enables patients to reverse, control or prevent chronic conditions such as Type-2 Diabetes, hypertension, women's health, etc.

> By allowing people to become accountable and actively tackle their condition, the platform would change the face of outcomes and ultimately lead to better outcomes.
>
> — ABHISHEK SHAH, CEO & CO-FOUNDER, WELLTHY THERAPEUTICS

Living up to its initial driving thought, Wellthy Therapeutics has been creating patient-focused clinically validated solutions for its healthcare partners. By plugging in its solutions at different stages of the patient journey, Wellthy Therapeutics then shares a fraction of the new revenue based on proven outcomes through a B2B2C channel. It also helps pharmaceutical and medical device companies with Real World Evidence, to enhance health and economic outcomes.

The company's digital therapeutics platform, Wellthy Care, helps to prevent, manage or treat complex clinical conditions by working closely with pharmaceutical companies, medical devices, life insurers, health insurers, and healthcare systems to achieve real-world clinical and business outcomes across multiple therapeutic areas.

The platform has witnessed consistent growth over the past five years, forging partnerships with leaders of the healthcare ecosystem, like Roche, Intas, Cipla, and more. The DTx platform is currently live in 636 cities worldwide, operating in four major languages.

On the back of its unique value proposition that bridges glaring gaps in the healthcare space, Wellthy Therapeutics has received $8,500,000 from various investors including Cipla, Family Office of the founder of Manipal Hospitals + Manipal Cigna, Saama Capital, Beenext Ventures, GrowX Ventures, Bayer Pharma AG. The platform's latest round of funding was completed in April 2020.

Headquartered in Mumbai with a base in Bengaluru, Wellthy Therapeutics has partnered with leading players from pharma, health insurance, medical devices, and hospitals.

ASTRA SECURITY

Enterprise security at the click of a button

This Delhi-based startup looks to secure online businesses with its ready-to-use solutions, enabled by humans

SRINATH SRINIVASAN

DELHI-BASED ASTRA SECURITY is one of the few Indian startups to specialise in cybersecurity and offer ready-to-use solutions. Its solutions range from firewall to fixing hacks to offering specific customised solutions based on the client's requirements. The firm, which is a team of around 20 people, runs a cash positive business with a runway of 9-10 months of cash reserve to tackle tough situations like the recent pandemic. This has been possible because of two key factors.

"One important reason to have a strong business is our customers usually pay us for a whole year and so we have a strong base," says Shikhil Sharma, co-founder and CEO, Astra Security. "The other one is, co-founder Ananda Krishna and I like to automate a lot of processes internally which saves time and cost."

Interestingly, the first ever lead and paying customer for the company came in as a result of automation. "We wrote a twitter bot to search tweets globally for the words 'hacked' and 'website'. We would then jump into the conversations and offer them to clean up the hack. This way one such conversation converted into a paying customer," shares Sharma.

Shikhil Sharma, co-founder and CEO, Astra Security

Being a cloud-first company, the idea of automation reflects in the products and services the company offers. For instance, it claims to clean up hacks and secure websites in a matter of 1-4 hours with 100% success rate and simple integration.

According to Sharma, in today's cyberspace, this is not just a differentiator for its business but also an essential for online businesses. "Typically, online businesses today have 4-5 vendors. Their websites are not solely built and maintained by one party. Beyond the security offered by the cloud platforms, it becomes important for these businesses to have checks and security at every stage across every vendor. This is where we help them," explains Sharma. Currently, with more and more online businesses coming up, there is a huge scope for cybersecurity companies to capture the mid and small segments with affordable solutions.

During the beginning of the Covid-19 pandemic, some of these businesses closed. "At that stage we saw a sudden dip in our business as well. However, when things stabilised, the business bounced back and multiplied. The demand for security also went up," says Sharma. As observed by the startup, hackers used the panic caused by Covid-19 to come up with new ways of attacks which continue to date, touching upon sensitive issues like vaccine campaigns and remote work. Sharma believes with the help of exponential technologies like AI and ML, the new ways can be spotted quickly and stopped before it's too late.

Quick View

₹4,500-cr PLI scheme for solar equipment production approved

THE UNION CABINET on Wednesday approved a ₹4,500-crore production-linked incentive (PLI) scheme to boost domestic manufacturing capacity for solar PV modules. The PLI scheme is aimed at adding 10,000-MW manufacturing capacity for integrated solar PV modules, entailing direct investment of ₹17,200 crore. The Cabinet has approved the proposal for implementation of the PLI scheme 'National Programme on High Efficiency Solar PV (Photo Voltaic) Modules' for achieving manufacturing capacity of Giga Watt (GW) scale in high-efficiency solar PV modules with an outlay of ₹4,500 crore, an official statement said. Solar energy capacity addition depends largely upon imported solar PV cells and modules at present. The government is expected to invite bids for the PLI scheme for solar module manufacturing in the next two weeks and beneficiaries will be identified in July, *FE* reported on Friday.

APSEZ buys remaining 25% stake in Andhra port

ADANI PORTS AND Special Economic Zone (APSEZ) said last Monday it had acquired the 25% stake of Vishwa Samudra Holdings in Krishnapatnam Port for ₹2,800 crore. This will result in APSEZ increasing its stake in the port from 75% to 100%. Krishnapatnam Port, located on the east coast of India in Nellore district of Andhra Pradesh, is an all-weather, deep-water port with a current capacity of 64 million tonne per annum (MTPA). With a waterfront of 20 km and 6,800 acres of land, Krishnapatnam Port has a master plan capacity of 300 MTPA and a 50-year concession, it said.

Govt to slap recovery notice on Cairn after HC order

THE OIL MINISTRY will seek tens of millions of dollars from Vedanta's Cairn Oil & Gas after the Delhi High Court held that the firm was liable to pay a higher profit share to the government in lieu of its Rajasthan oil and gas block licence being extended beyond the initial term, a top official said recently. In the interim, the firm's Barmer basin block licence, whose initial 25-year term ended on May 15, 2020, has been given an eighth interim extension, the official, who wished not to be identified, said.

Education

EXPERT VIEW

Our aim aligns with the government's Digital India vision and plans to advance e-learning post-pandemic. Not only we are aiming to provide quality education to children, but BYITC will also provide employment opportunities to teachers through our Teacher's Training Program.

—Rashmi Mantri, founder & chairperson, BYITC (edtech firm)

Professionals must embrace lifelong learning

The six skills you need to power ahead in the post-Covid-19 business world

HARI KRISHNAN NAIR

WHILE THE WORLD is still recuperating from the pandemic, businesses, large and small, which banked on technology, were able to move on quickly with their operations. This has led to a rise in demand for tech-based job roles such as data analyst, data scientist, cloud architect, and security engineer, among others. This year will drive huge growth for such roles as organisations are looking to create a skilled talent pool for a better digital continuity. For those of you looking to ride the digital wave, equipping yourself with new-age skills is the key to powering ahead in your careers. If you are interested in building a career in information technology, here are the top skills you must have on your wish-list while selecting a course post-class 12. If you have started working or have just graduated, it becomes even more important to build expertise in these areas.

Data analytics

Most organisations are making hefty investments into analysing and extracting insights from the large volume of data generated daily to drive business decisions. Despite the downfall in the job market brought about by the pandemic, the demand for skilled talent in data science and analytics in India continues to remain high. BFSI, e-commerce, edtech and logistics are the top sectors that are still hiring tech talent for lucrative roles such as data scientists, analytics specialists, decision science managers, analytics managers, business analysts and operations analytics managers. Such positions are seen amongst the most promising jobs of the future, and professionals can earn median salaries ranging ₹13-15 lakh.

Cloud computing

Cloud computing has become one of the most in-demand skills now. The ease and security that cloud offers has led many organisations to migrate to the cloud. Experts report that India is expected to see more than 10 lakh cloud computing job roles by 2022, with a major shift of operations to cloud infrastructure. Roles including cloud application developer, cloud automation engineer, cloud network engineer and cloud security manager have been driving major attention in the job market. Cloud professionals can earn anywhere between ₹12 lakh and ₹35 lakh per annum as per their experience and skills.

Artificial intelligence

The huge growth of AI companies and automation of jobs has made a robust AI talent ecosystem the need of the hour. According to a report by NASSCOM, India will need over 8 lakh AI professionals by 2021. That said, there is a major skills gap in the domain, as we are expected to have just 5.7 lakh professionals with the knowledge of these skills this year. This gap indicates an opportunity for AI professionals who are already drawing a median salary of ₹14.7 lakh in the country, owing to the shortage of skilled talent in the domain.

Information security

Information security has been a fundamental requirement for any organisation in the internet age. With the growing internet penetration across the globe, securing confidential company and user information has become a key for every enterprise. According to the McAfee Threats Report, detections of pandemic-related cyberattacks grew by a whopping 605% in the second quarter of 2020. With major risk of data breaches and cyber-crimes, organisations are looking for skilled information security professionals to build a sturdy security wall. Leading organisations including Deloitte, KPMG, EY, PwC, Walmart, Amazon, Paytm and Accenture, among others, are hiring for roles such as security engineers, security analysts and pentesters (penetration testers, a kind of ethical hacking), and offering an average salary hike of 15-20%.

Digital marketing

The growing shift in consumer behaviour has compelled organisations to have an active digital presence. This has enhanced the significance of digital marketing across all spheres. Most of the brands are tapping their target group through digital initiatives to increase brand awareness. This has led to a demand for skilled professionals, leading to massive growth of digital marketing programmes amongst graduates and working professionals. Digital marketing is a viable career choice for professionals with a background in creative, technical, marketing, advertisement and content writing. With the help of industry-relevant training from accomplished faculty, digital marketing can lead to a rewarding and lucrative career option. On average, professionals earn a salary of ₹6-8 lakh per annum.

Blockchain

Blockchain was first introduced as the technical backbone of the digital currency. The integration of blockchain is witnessing major demand across sectors including banking, insurance, logistics, healthcare and public administration. Although India is still at a nascent stage of exploring blockchain technology, it holds immense potential for blockchain applications. There is a growing demand for roles like blockchain developers, blockchain software engineers and blockchain system architects. Corporates like IBM, Oracle, JPMorgan Chase, Microsoft, Amazon and American Express are on a hiring spree for blockchain experts. In India, a blockchain developer earns a median salary of ₹8 lakh per annum, and it can go up to ₹45 lakh.

With the technology cycle shortening constantly, only those that learn regularly will be able to stay ahead in their careers. They will have disproportionate advantage, both in terms of career opportunities as well as remuneration. Smart professionals must embrace lifelong learning and upskill regularly.

The author is co-founder, Great Learning. Views are personal

The time to upskill yourself is now

Three professional courses to further career prospects

SANJEEV GOEL

THE COVID-19 PANDEMIC notwithstanding, advancement of skills is essential to survive and thrive in today's non-stop world. For an organisation to remain relevant today, it needs people who are keen to adopt new skills and keep up with the ever-changing business demands and landscape. With technology causing a tectonic shift in the workplace and creating new opportunities that can be fully realised only through a modern workforce, there is a dire need for professionals to learn new skills that are essential in the evolving job market.

If you're looking to improve outcomes in your current role or preparing to make a career shift, it is imperative to start thinking about which courses will be most beneficial and which fields will see the most growth. In more ways than one, this crisis has shown us the power of technology, visible cybersecurity threats, and facilitated businesses to develop new ways to use data efficiently. It's time for professionals to up their game and consider upskilling in those courses that lend to their professional growth.

Data analytics

Data analytics proficiencies are in high demand amongst businesses that are looking to use their collected data to generate useful business insights. The pandemic and the subsequent new-normal of remote work are fuelling the demand for data skills. Several working professionals and students are opting for advanced learning courses in data analytics which will help them stand out and move ahead in their careers.

Professionals across the country are choosing to learn newer skills and acquire higher education through professional courses amid economic uncertainty, and health and safety concerns

Cybersecurity

Today, with the growing instances of cyberattacks, cybersecurity has become a lucrative career choice for professionals. According to NASSCOM, by the year 2025, the data protection and privacy laws are estimated to lead to a $35-billion revenue opportunity and job opportunities for millions of Indian professionals. One of the factors cited by the industry body was that, by 2025, India's IT sector alone would reach a size of about $350 billion, and more than 10% of this would include cybersecurity. To help organisations keep their data safe, enterprises need specialists who are a step ahead of cybercriminals. Hence, now is the right time to get a degree in advanced cybersecurity technology.

Design strategy and innovation

Enterprises need to reimagine business, reengineer systems and recreate value all the time. Design strategy is a catalyst for innovation at all levels. Now, more than ever, every industry needs fresh value creators who can help organisations learn, adapt and seize new opportunities. A course in design strategy and innovation gives critical thinkers the skills and knowledge to utilise design thinking and to leverage design for strategic organisational change and enhancement. With the changing industry trends, job opportunities in design strategy are set to witness continued demand in India.

Professionals across the country are choosing to learn newer skills and acquire higher education through professional courses amid economic uncertainty, and health and safety concerns. With the changing landscape of Indian enterprises, it would prove immensely useful for the current and future workforce to be better prepared and take challenges head-on, armed with a professional education.

The author is business head, CG&O, UNext Learning

NEWS BRIEF

HOSMAC to design SMRT at IIT Kanpur

IIT Kanpur has selected HOSMAC, the healthcare management and planning consultancy, to design the School of Medical Research & Technology (SMRT) at IIT Kanpur. It will be a full-fledged medical school with centres of excellence and first-of-a-kind super-specialty teaching hospital. "Combining medicine with engineering, the SMRT will promote development of tech-based interventions for diagnosis, surveillance, mitigation, management and prevention of diseases," IIT Kanpur said.

Pearson launches Click Code Connect

Pearson India has launched a computer science series, Click Code Connect, for students of grades 1-8. Pearson said it will equip students with technical skills, as also inculcate analytical and logical thinking in them.

Suraasa expands into multiple cities

Suraasa, a higher education edtech and job-tech platform focused on school teachers' career growth, has announced expansion of its physical centres starting from Bangalore, into Mumbai, Delhi and other metros.

Grand Slam starts fitness curriculum

Grand Slam Fitness has started a six-month long International Fitness Training. Through this, it aims to train at least 1,000 trainers to help them become micro-influencers for fitness brands.

Edtech major GuruQ launches its app

Edtech start-up GuruQ has started its app to provide online classes to students. The curriculum of GuruQ includes live classes, one-on-one personal attention, doubt-clearing sessions, and budget-friendly tutors for all subjects. Post this app launch, GuruQ said it is providing a digital platform where kids from diverse backgrounds can seek mentors as per their budget. The company claims to have more than 10,000 downloads and aims 50,000 downloads by the end of the year.

TIME's GATEQuest test on April 18

The Triumphant Institute of Management Education (TIME) is holding GATEQuest scholarship test on April 18 (open for aspiring students of GATE 2022), and will be conducted in two slots (10 AM and 6 PM) and only through online mode. It will have MCQs, and the duration of the test will be 1 hour.

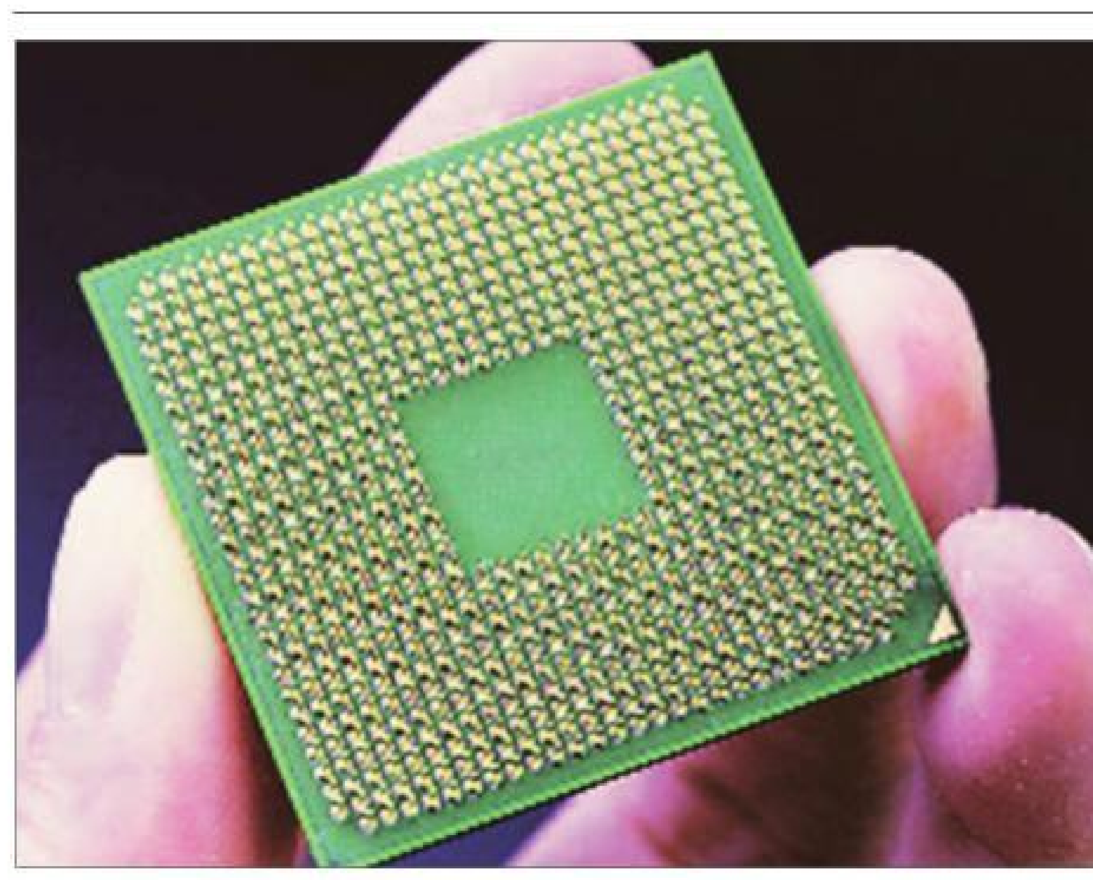
FE BUREAU

Science & tech

Chip industry's giant carbon footprint

Industry leaders must ensure that advances made possible by semiconductors are sustainable

ALAN CRAWFORD, IAN KING AND DEBBY WU



DAY AND NIGHT, trucks arrive at the Southern Taiwan Science Park to pour concrete for what will become the world's most advanced chip factory.

It is a giant undertaking that befits the out-sized ambitions of Taiwan Semiconductor Manufacturing Co., the world's go-to chipmaker. The TSMC facility's estimated cost of $20 billion (b) is about three times that of Elon Musk's Tesla Inc. gigafactory near Berlin. **It'll have a carbon footprint to match.**

Demand for semiconductors is surging as life becomes increasingly digital, with chips the key component of applications from washing machines to AI

But all that computing power comes at a cost. Silicon Valley talks a lot about sustainability, yet the reality is that chip-making is a hugely resource-intensive business.

In an October 2020 paper, researchers led by Udit Gupta of Harvard University used publicly available sustainability reports from companies including TSMC, Intel Corp. and Apple Inc. to show that as computing becomes increasingly ubiquitous, "so does its environmental impact."

Information and computing technology is expected to account for as much as 20% of global energy demand by 2030, with hardware responsible for more of that footprint than the operation of a system, they found. "Chip manufacturing, as opposed to hardware use and energy consumption, accounts for most of the carbon output," the researchers concluded.

As implied by the title of the paper—"Chasing Carbon: The Elusive Environmental Footprint of Computing"—that's a little-known fact, and an uncomfortable one for governments pushing high-end chip making.

President Joe Biden's drive to set up cutting-edge fabrication plants, or fabs, in the US risks colliding with his climate friendly agenda, while the European Union's plans to build chip production could test its commitment to be the first climate-neutral continent by 2050.

Semiconductor companies broadly acknowledge there's a footprint issue, although stress the actions they are taking to mitigate their emissions.

There's a paradox at play. The industry touts technological advances that have enabled chips to become incredibly powerful while operating with far greater efficiency, slashing energy use during their lifetime. Yet with billions of transistors now crowded on to a single chip, producing them is increasingly elaborate work.

It takes three to four months for a disc of silicon to go through the multiple stages required to process them into the finished product. The wafers make their way along rows of machines that layer on microscopic materials, burn in patterns and scrape off the unneeded portions in procedures that are fully automated. Rinsing with huge amounts of ultrapure water is a key component. And with each new generation, more electricity, water and green-houses gases are required.

The upshot is that the most advanced chipmakers now have a larger carbon footprint than some traditionally more polluting industries. In 2019, for example, company disclosures show that Intel's factories used >3x as much water as Ford Motor Co.'s plants and created more than twice as much hazardous waste.

"The general trend is the energy consumption is increasing, the water consumption is increasing as all chips become more and more complex," said Marie Garcia Bardon, a senior researcher at the Imec nanotechnology center in Belgium who does pioneering work estimating aspects of the industry's carbon footprint.

Taiwan, with its finite resources, is on the horns of the dilemma for industry and government. TSMC is a major driver of the economy as well as a key player in efforts to overcome a global shortage of chips, hence a strategic asset as Taiwan seeks to keep China, which claims the democratically-governed set of islands at its own, at bay. At the same time, signs of environmental strain raise questions over Taiwan's vulnerability to climate change —and that of the global semiconductor supply chain.

Chip plants in Taiwan called in water trucks earlier this year to ensure supply during a drought caused by the absence of monsoons. TSMC's water consumption has increased almost 5x in the last decade, and in 2019 amounted to the equivalent of 79,000 full Olympic swimming pools.

Power use is more dramatic still: TSMC's annual electricity consumption is estimated by Greenpeace at 4.8% of Taiwan's entire usage, and more than that of the capital, Taipei. Greenpeace says that will rise to rise to 7.2% once commercial production comes online of TSMC's newest fabs that will shrink the process further from the current leading-edge of 5 nanometers to 3nm chips.

"For the future of Taiwan's economic development, the biggest challenge that the electronics industry faces is whether it can bear the weight of its carbon emissions and electricity consumption," researchers led by Kuei-tien Chou of the National Taiwan University wrote in a paper published in October 2019.

TSMC is a key supplier to Apple, and it's the iPhone maker's commitment to become carbon neutral by 2030 that is driving much of the change throughout the supply chain. TSMC has pledged to be using 100% renewable energy by 2050, and in July last year signed a deal to buy the full output of a 920MW offshore wind farm to be built in the Taiwan Strait by Orsted AS of Denmark as part of Taiwan's transition from coal. "TSMC continues to develop more advanced and efficient technologies to reduce energy/resource consumption and pollution per unit during the manufacturing process," as well as during product use, the company said, adding that it will continue to increase its renewable energy use and reduce its GHG emissions. The advent of environment, social and corporate governance, or ESG, is forcing chipmakers to respond, according to Kyle Harrison, an analyst at *BloombergNEF*. For many of them, "the risk is they could lose significant sources of revenue if they don't start taking ESG reporting and decarbonisation more seriously," he said.

The industry is keen to show how hard it's working to address its emissions. Samsung Electronics Co., which with Intel is TSMC's only rival at the cutting-edge of chip making, said in a statement that it went 100% renewable for all operations in the US, Europe and China, and is adding solar arrays and geothermal power generation to its South Korean campuses at Pyeongtaek and Hwaseong. It's improving energy efficiency and reducing the use of harmful substances, CEO Kinam Kim said in March. SK Hynix Inc., also of S. Korea, issued a $1 b green bond earlier this year.

Intel, the world's largest chipmaker, said that it was already among the top three users of renewable energy in the U.S., and that chip manufacturers have voluntarily reduced carbon emissions for more than 20 years. Intel treats and returns some 80% of the water it uses and has a goal to raise that to 100%.

The risk, however, is the overall environmental impact still grows, as chips become a geopolitical pawn in US-China tensions and countries rush to build more advanced fabs to increase self reliance.

TSMC said on April 1 that it plans to spend $100 b over the next three years to expand its fabrication capacity, while Samsung is committing $116 b over a decade on its foundry business. Intel plans to build two more fabs at a cost of $20 b in Arizona. China is pumping billions into trying to catch up, and many chipmakers don't report their emissions. Both the industry and governments stress that semiconductors are key to cutting emissions through innovations such as efficient energy grids and electric vehicles. Digital technology can help reduce global emissions by 15% "and outweigh the emissions caused by the sector," according to a spokesperson for the European Commission, the EU's executive. A senior Biden administration official said the US wants new chip facilities to be built where the energy they consume is clean power, such as solar or wind. The president has made his commitment to tackling the climate crisis clear, the official said, citing $35 b for innovation to help establish the US as a global leader in clean-energy technology.

Still, it's far from easy for big industry players to clean up chip making all the way down the chain. ASML Holding NV, which has a virtual monopoly on the lithography machines required to etch out the most advanced chips, is tackling its direct emissions by using renewable energy for its plants, recycling parts and making technological advances that boost efficiency. It still projects its overall carbon footprint will grow through 2025 since most of its emissions are so-called scope 3, meaning a large proportion come from the use of its products by customers. In a candid assessment, ASML said in its 2020 annual report that meeting energy savings targets for its latest machines depend on overcoming "strategic technical challenges" that "are particularly tough to solve."

Gary Dickerson, CEO of California-based Applied Materials Inc., the world's largest maker of chip equipment, said the responsibility lies with industry leaders to ensure that advances made possible by semiconductors are sustainable.

The world is "at the biggest inflection of our lifetimes," he said, contrasting developments with the industrial revolution powered by coal and oil. "It had a very meaningful, positive impact on the world," he said in an interview. "But the legacy is not so great from a climate change point."

With assistance from Natalia Drozdiak, Jenny Leonard, Sohee Kim and Justin Chin
—Bloomberg

SBI

State Bank Of India,
AML/CFT Department, Corporate Centre,
4th Floor, Administrative Office Building, A-5, Nehru Place,
Tonk Road, Jaipur – 302015.

REQUEST FOR PROPOSAL

State Bank of India has issued a Request for Proposal (RFP) for engagement of a Consultant for: **(i)** Reviewing the Bank's compliance with FATF (Financial Action Task Force) recommendations and **(ii)** Carrying out a Money Laundering/ Terror Financing Risk Assessment Exercise for the Bank (RFP No. AML-CFT/001/ 2021-22 dated 12.04.2021).

Kindly visit Bank's website **https://bank.sbi** & check "Procurement News" section and e-Procurement agency portal **https://etender.sbi/SBI** for details.

Place: Jaipur (Rajasthan) DGM (AML-CFT)
Date: 12/04/2021 (Projects & Process Improvement)

बैंक ऑफ़ बड़ौदा Bank of Baroda

www.bankofbaroda.in

NOTICE

Bank of Baroda invites, technical and commercial bids, from eligible PR Agencies for empanelment as Bank's PR Agency. Bank proposes to empanel one PR Agency for its PR activities for a period of three years.

Interested agencies may access the detailed tender documents under the Tenders section of Bank's website: **www.bankofbaroda.in**

Any Addendum / Corrigendum including modification in the Tender / RFP shall be notified only on Bank's website, under tenders section.

Last date for submission of tender is: **03.05.2021 before 4.00 PM**

Place: Mumbai **Deputy General Manager**
Date: 12.04.2021 **Head - Marketing & Branding**

(5/21-22)

ASSAM CANCER CARE FOUNDATION

3rd floor, V.K. Trade Centre, G.S. Road, Opp. Downtown Hospital, Guwahati – 781022, Assam. Email: procurement@accf.in

12.4.2021

Notice Inviting e-Tenders

Assam Cancer Care Foundation (ACCF) invites bids/proposals for **Interior fit out and loose furniture work** from experienced OEMs/Agencies for its under-construction hospitals of ACCF in the State of Assam.

Details of EMD, bid schedule etc. are mentioned the bid document. Bid documents for above tenders shall be uploaded within next 1-4 days.

Interested OEMs/Agencies/Consultants may download & online submit the tender documents at www.accf.procure247.com. Bid document can also be downloaded from **www.assamcancercarefoundation.org**

Chief Operating Officer, ACCF

"IMPORTANT"

Whilst care is taken prior to acceptance of advertising copy, it is not possible to verify its contents. The Indian Express (P) Limited cannot be held responsible for such contents, nor for any loss or damage incurred as a result of transactions with companies, associations or individuals advertising in its newspapers or Publications. We therefore recommend that readers make necessary inquiries before sending any monies or entering into any agreements with advertisers or otherwise acting on an advertisement in any manner whatsoever.

"Form No. INC-25A"

~~Advertisement to be published~~ in the newspaper for Conversion of Public Company into a Private Company

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

In the matter of the Section 14 of the Companies Act, 2013 and Rule 41 of the Companies (Incorporation) Rules, 2014

AND

In the matter of

RAM BAN JEWELLERS LIMITED
(CIN: U71290DL1993PLC053836)
having its Registered Office at
1152 KUCHA MAHAJANI,
CHANDNI CHOWK, DELHI-110006
........Applicant

NOTICE is hereby given to the General Public that the company is intending to make an application to the Central Government (powers delegated to Regional Director) under section 14 of the Companies Act, 2013 read with aforesaid rules and is desirous of Converting itself into a Private Limited company in terms of the special resolution passed at the Extra Ordinary General Meeting held on **Saturday, 20th March, 2021** to enable the company to give effect for such conversion.

Any person whose interest is likely to be affected by the proposed change / status of the company, may deliver or cause to be delivered or send by registered post of his objections supported by an affidavit stating the nature of his / her interest and grounds of opposition to the concerned **Regional Director, Northern Region, B-2 Wing, 2nd Floor, Pandit Deendayal Antyodaya Bhawan, CGO Complex, New Delhi-110003** within Fourteen days from the date of publication of this notice with a copy to the applicant company at its Registered Office address mentioned below :-
1152 KUCHA MAHAJANI,
CHANDNI CHOWK, DELHI-110006

For & on behalf of Applicant
RAM BAN JEWELLERS LIMITED
Sd/-
PARIKSHIT AGGARWAL
(Director)
DIN: 07086752

Date : 10.04.2021
Place : Delhi

FORM B
PUBLIC ANNOUNCEMENT
(Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

FOR THE ATTENTION OF THE STAKEHOLDERS OF UNITY INFRAPROJECTS LIMITED

PARTICULARS

1.	Name of Corporate Debtor	**UNITY INFRAPROJECTS LIMITED**
2.	Date of Incorporation of Corporate Debtor	09 April, 1997
3.	Authority under which Corporate Debtor is Incorporated/Registered	Registrar of Companies (Mumbai) under Companies Act, 1956
4.	Corporate Identity No. / Limited Liability Identification No. of Corporate Debtor	L99999MH1997PLC107153
5.	Address of the registered office & principal office (if any) of Corporate Debtor	1252, Pushpanjali Apartments, Old Prabhadevi Road, Mumbai – 400 025, Maharashtra
6.	Date of closure of Insolvency Resolution Process	08th April, 2021
7.	Liquidation commencement date of Corporate Debtor	08th April, 2021
8.	Name & Registration Number of Insolvency Professional acting as Liquidator	**Mr. Alok Kailash Saksena** **Regn. No:** IBBI/IPA-001/IP-P00056/ 2017-18/10134
9.	Address and Email of the liquidator as registered with the Board	**Alok Kailash Saksena** **Address:** 1st Floor, Laxmi Building, Sir P M Road, Fort, Mumbai, Maharashtra-400001 **Email:** aks@dsaca.co.in
10.	Address and e-mail to be used for correspondence with the liquidator	**Address:** 1st Floor, Laxmi Building, Sir P M Road, Fort, Mumbai, Maharashtra-400001 **Email:** liqunity@dsaca.co.in
11.	Last date for submission of Claims	**8th May 2021**

Notice is hereby given that the National Company Law Tribunal Mumbai Bench has ordered the commencement of liquidation of the **Unity Infraprojects Limited on 08th April, 2021.**

The stakeholders of **Unity Infraprojects Limited** are hereby called upon to submit their claims with proof on or before **8th May, 2021**, to the liquidator at the address mentioned against item No. 10.

The financial creditors shall submit their claims with proof by electronic means only. All other creditors may submit the claims with the proof in person, by post or by electronic means.

Submission of false or misleading proof of claims shall attract penalties.

Sd/-
Alok Kailash Saksena
Liquidator, Unity Infraprojects Limited
Date : 10.04.2021
Place : Mumbai
Regn. No.: IBBI/IPA-001/IP-P00056/2017-18/10134

INTEGRAL COACH FACTORY

TENDER NOTICE No. ICF/PCMM/EOT/14/2021 Dated: 09.04.2021.

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

Sl. No.	Tender No	Tender Title	QTY	Due Date/Time
1	07211347A	INTERIOR FURNISHING OF AC-SPIC	27 Sets	23/04/2021
2	06211166	UNF ONE COACH SET OF PU PAINT ANUBUTI	22 Sets	05/05/2021
3	02210035	ONE SET OF STAINLESS STEEL FOOT STEP ASSEMBLY FOR LSLRD	800 Sets	05/05/2021
4	02211108	LACCW-3MM LAVATORY SIDEWALL	600 Sets	07/05/2021
5	02211124	END WALL COMP LWACCW/EOG	1100 Nos	10/05/2021

GREEN ICF ! CLEAN ICF !

POST OFFER ADVERTISEMENT UNDER REGULATION 18 (12) IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF

TIMEX GROUP INDIA LIMITED

Registered Office: E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi-110024;
Corporate Identity Number (CIN): L33301DL1988PLC033434;
Tel. No.: +91 11-41021297.

OPEN OFFER FOR ACQUISITION OF UP TO 25,304,900 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 1 EACH ("EQUITY SHARES"), REPRESENTING 25.07% OF THE VOTING SHARE CAPITAL OF TIMEX GROUP INDIA LIMITED ("TARGET COMPANY") FROM THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY BY TIMEX GROUP LUXURY WATCHES B.V. ("ACQUIRER"), TOGETHER WITH BP HOROLOGICAL INVESTORS, L.L.C. ("PAC 1"), BP HOROLOGICAL HOLDINGS, L.L.C. ("PAC 2") AND TANAGER GROUP B.V. ("PAC 3") (TOGETHER, THE "PACs") IN THEIR CAPACITY AS PERSONS ACTING IN CONCERT WITH THE ACQUIRER, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SEBI (SAST) REGULATIONS AT A PER EQUITY SHARE PRICE OF INR 24.54 (RUPEES TWENTY FOUR AND FIFTY FOUR PAISE) ("OPEN OFFER" / "OFFER").

This post offer advertisement ("**Post Offer Advertisement**") is being issued by JM Financial Limited (hereinafter referred to as "**Manager to the Offer**") in respect of the Open Offer on behalf of Acquirer and the PACs in compliance with Regulation 18(12) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI (SAST) Regulations**"). This Post Offer Advertisement should be read in continuation of, and in conjunction with:

a) Public Announcement dated November 23, 2020 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and filed with BSE Limited, SEBI and the Target Company in accordance with the SEBI (SAST) Regulations ("**PA**");
b) Detailed Public Statement dated December 28, 2020, which was published on December 29, 2020 in Financial Express (English – All Editions), Jansatta (Hindi – All Editions, including New Delhi Edition) and Pratahkal (Marathi – Mumbai Edition), issued by the Manager to the Offer, on behalf of the Acquirer, in compliance with the SEBI (SAST) Regulations ("**DPS**");
c) the letter of offer dated February 26, 2021 in connection with the Offer ("**LoF**"); and
d) the offer opening advertisement and corrigendum dated March 8, 2021, which was published on March 8, 2021 in Financial Express (English – All Editions), Jansatta (Hindi – All Editions, including New Delhi Edition) and Pratahkal (Marathi – Mumbai Edition) ("**Offer Opening Public Announcement cum Corrigendum**").

Capitalized terms used in this Post Offer Advertisement, but not defined, shall have the same meaning assigned to them in the LoF.

1. Name of the Target Company : Timex Group India Limited
2. Name of the Acquirer and PACs : Timex Group Luxury Watches B.V. ("**Acquirer**"); BP Horological Investors, L.L.C. ("**PAC 1**"), BP Horological Holdings, L.L.C. ("**PAC 2**") and Tanager Group B.V. ("**PAC 3**")
3. Name of the Manager to the Offer : JM Financial Limited
4. Name of the Registrar to the Offer : Link Intime India Private Limited
5. Offer Details:
   a. Date of Opening of the Offer : Tuesday, March 9, 2021
   b. Date of Closure of the Offer : Tuesday, March 23, 2021
6. Date of Payment of Consideration : Monday, April 5, 2021
7. Details of Acquisition:

Sr. No.	Particulars	Proposed in the LoF		Actuals	
7.1	Offer Price (INR) (per Equity Share)	24.54		24.54	
7.2	Aggregate number of shares tendered	25,304,900(1)		700	
7.3	Aggregate number of shares accepted	25,304,900(1)		400	
7.4	Size of the Offer (INR) (Number of shares multiplied by the offer price per share)	620,982,246(1)		9,816	
7.5	Shareholding of the Acquirer and PACs before Agreements/ Public Announcement (No. & %)	Acquirer – 75,645,100 (74.93%) PAC 1 – Nil (0.00%) PAC 2 – Nil (0.00%) PAC 3 – Nil (0.00%)(2)		Acquirer – 75,645,100 (74.93%) PAC 1 – Nil (0.00%) PAC 2 – Nil (0.00%) PAC 3 – Nil (0.00%)(2)	
7.6	Shares Acquired by way of Agreements • Number • % of Fully Diluted Equity Share Capital(3)	Refer to Note 4 below		Refer to Note 4 below	
7.7	Shares Acquired by way of Open Offer • Number • % of Fully Diluted Equity Share Capital(3)	up to 25,304,900 Equity Shares(1) up to 25.07%(1)		400 Equity Shares 0.0004%	
7.8	Shares acquired after Detailed Public Statement • Number of shares acquired • Price of shares acquired • % of the shares acquired	Nil Not Applicable 0.00%		Nil Not Applicable 0.00%	
7.9	Post offer shareholding of Acquirer and PACs • Number • % of Fully Diluted Equity Share Capital(3)	up to 100,950,000 Equity Shares(1) up to 100.00%(1)		75,645,500 Equity Shares 74.93%	
7.10	Pre & Post offer shareholding of the Public • Number • % of Fully Diluted Equity Share Capital(3)	Pre Offer 25,304,900 25.07%	Post Offer NIL(1) 0.00%(1)	Pre Offer 25,304,900 25.07%	Post Offer 25,304,500 25.07%

(1) Assuming full acceptance under the Open Offer

(2) PAC 3 does not directly hold any Equity Shares in the Target Company. However, PAC 3 holds 100% of the issued share capital of Timex Nederland B.V. which holds 100% of the issued share capital of the Acquirer. The Acquirer directly holds 75,645,100 Equity Shares in the Target Company constituting 74.93% of the Voting Share Capital. Therefore, PAC 3 indirectly holds 75,645,100 Equity Shares in the Target Company, constituting 74.93% of the Voting Share Capital.

(3) Fully Diluted Equity Share Capital means the total number of Equity Shares of the Target Company. The Target Company does not have partly paid-up Equity Shares or warrants, fully convertible securities, partly convertible securities or employee stock options.

*(4) Pursuant to the stock purchase agreement between PAC 2, BP Horological Group, L.L.C., Eagleville Group B.V., Fred. Dessen & Company Limited and Petruvius Limited (together, "**Sellers**"), dated November 18, 2020 ("**SPA**"), PAC 2 has acquired 65% of the issued share capital of PAC 3 on December 21, 2020. Simultaneously, PAC 1 has also subscribed to certain senior secured notes issued by PAC 3 on December 21, 2020 pursuant to a note purchase agreement dated November 18, 2020 ("**NPA**"). BP Horological Group, L.L.C., Sellers, PAC 2, and PAC 3 have also executed a shareholders' agreement dated December 21, 2020 ("**SHA**") in relation to the terms of the participation of PAC 2 and Sellers in PAC 3. The SHA also sets out certain governance rights in relation to the subsidiaries of PAC 3, including the Acquirer and Target Company. Since the Acquirer directly holds 75,645,100 Equity Shares, representing 74.93% of the Voting Share Capital, the transaction contemplated by the SPA and the NPA has resulted in an indirect acquisition of 75,645,100 Equity Shares, representing 74.93% of the Voting Share Capital in the Target Company, by PAC 2.*

8. The Acquirer and PACs and their respective directors/ general partners accept full responsibility for the information contained in this Post Offer Advertisement and shall be jointly and severally responsible for the fulfillment of their obligations laid down in the SEBI (SAST) Regulations in respect of the Open Offer.
9. A copy of this Post Offer Advertisement would also be available on websites of SEBI at www.sebi.gov.in, Target Company at www.timexindia.com, Registrar to the Offer at www.linkintime.co.in, Manager to the Offer at www.jmfl.com, and BSE at www.bseindia.com.

ISSUED FOR AND ON BEHALF OF THE ACQUIRER AND PACs, BY THE MANAGER TO THE OFFER:

JM FINANCIAL

JM FINANCIAL LIMITED
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400025,
Maharashtra, India.
Contact Person: Ms. Prachee Dhuri
Tel.: +91 22 6630 3030; +91 22 6630 3262
Fax: +91 22 6630 3330
E-mail: timex.openoffer@jmfl.com
SEBI Registration Number: INM000010361
CIN: L67120MH1986PLC038784

For and on behalf of the Acquirer and the PACs

Timex Group Luxury Watches B.V.	BP Horological Investors, L.L.C.	BP Horological Holdings, L.L.C.	Tanager Group B.V.
Sd/-	Sd/-	Sd/-	Sd/-
Authorized Signatory	**Authorized Signatory**	**Authorized Signatory**	**Authorized Signatory**

Date : April 11, 2021
Place : Mumbai

PRESSMAN

Pre- Offer Advertisement under Regulation 18(7) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, and Corrigendum to the Detailed Public Statement for the attention of the public shareholders of

MODERN CONVERTERS LIMITED

(Corporate Identification Number: L01132WB1946PLC013314)
Registered Office: 56E, Hemanta Basu Sarani, Old 4 BBD Bagh East, Room No-14A, Kolkata, West Bengal - 700 001;
Tel. No.: 033-65035876; Email: info@modernconvertors.com; Website: www.modernconvertors.com;

Open Offer by Mr. Jashandeep Singh ("Acquirer") along with Mr. Shashikant Bhoge ("PAC 1"), Mrs. Vaishali Mulay ("PAC 2") and Jetra Infrastructure Private Limited ("PAC 3") to acquire upto 12,36,000 Equity shares of Rs. 10/- each for cash at a price of Rs. 11/- aggregating upto Rs. 1,35,96,000 /- (Rupees One Crore Thirty Five Lacs Ninety Six Thousand only), to the Public shareholders of Modern Converters Limited ("Target Company") in accordance with the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations") ("Open Offer").

This Advertisement in accordance with Regulation 18(7) of the Takeover Regulations and Corrigendum to the Detailed Public Statement ("DPS") and is to be read together with: (a) the Public Announcement dated February, 03, 2021 ("PA"); (b) the Detailed Public Statement published on February 10, 2021 in Financial Express (English daily) all editions, Jansatta (Hindi daily) all editions, Mumbai Lakshdeep (Marathi daily) Mumbai edition and Arthik Lipi (Regional language newspaper (Bengali, Kolkata) where the Registered Office of the Target Company is situated) ("DPS") (d) the Letter of Offer dated April 01, 2021 ("LOF") is being issued by Saffron Capital Advisors Private Limited, on behalf of the Acquirer and Persons acting in concert in respect of the Open Offer ("**Pre Offer Advertisement cum Corrigendum**").

The shareholders of the Target Company are requested to kindly note the following:

1. Offer Price is **Rs. 11**/- (Rupees Eleven Only) per Equity Share. There has been no upward revision in the Offer Price.
2. Committee of Independent Directors (hereinafter referred to as "**IDC**") of the Target Company has recommended that the Offer is fair and reasonable and in line with the SEBI (SAST) Regulations. Further, IDC is of the view that the Offer Price is in line with the parameters prescribed by SEBI in the SEBI (SAST) Regulations. The IDC's recommendation was published on April 09, 2021 in the same newspapers in which the DPS was published.
3. The Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
4. The dispatch of the LOF to all the Public Shareholders of the Target Company holding Equity Shares as on the Identified Date (being March 26, 2021) has been completed on April 05, 2021.
5. Public Shareholders are required to refer to the Section titled "**Procedure for Acceptance and Settlement of the Offer**" at page 35 of the LOF in relation to inter alia the procedure for tendering their Equity Shares in the Open Offer and are required to adhere to and follow the procedure outlined therein.
6. A copy of the LOF (which includes the Form of Acceptance) will also be available on the websites of SEBI (https://www.sebi.gov.in), the Target Company (www.modernconvertors.com), the Registrar to the Offer (www.cameoindia.com), the Manager (www.saffronadvisor.com), BSE (www.bseindia.com) from which the Public Shareholders can download / print the same.
7. Instructions for Public Shareholders:
   In case the Equity Shares are held in physical form: Public Shareholders holding Equity Shares in physical form may participate in the Open Offer through their respective Selling Broker by providing the relevant information and documents as mentioned on page 36 and page 37 of the LOF along with Form SH-4.
   In case the Equity Shares are held in dematerialised form: Public Shareholders who desire to tender their Equity Shares in the electronic / dematerialized form under the Offer would have to do so through their respective Selling Brokers by giving the details of Equity Shares they intend to tender under the Offer and as per the procedure specified on page 36 of the LOF. **The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance.**
   In case of non-receipt of the LOF, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in the LOF. Public Shareholders have to ensure that their order is entered in the electronic platform by the Selling Broker which will be made available by BSE before the closure of the Tendering Period.
8. Status of Statutory and Other Approvals: As of the date of the LOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the Offer.
9. Material Updates (from the date of the PA): Following are the material updates post issuance of the Public Announcement dated February 03, 2021:
   i. The Acquirer and PACs have deposited a sum of Rs. 1,35,96,000 (Rupees One Crore Thirty Five Lacs Ninety Six Thousand only) in the Escrow Cash Account, which represents 100% of the total consideration payable to the Equity Shareholders under this Offer. In terms of Regulation 22 (2) of SEBI (SAST) Regulations, 2011, the acquirer has acquired 67,011 equity shares constituting 2.17% of the paid-up share capital from the sellers in accordance with the SPA dated February 03, 2021 on April 06, 2021.
   ii. As on date, the Acquirer and PACs holds following shares in the Target Company:

Details	Number of Shares	% of Share Capital
Acquirer	*3,38,256	10.95
PAC 1	1,47,240	4.77
PAC 2	1,53,858	4.98
PAC 3	1,53,250	4.95

**Acquirer shall not exercise voting rights on the shares acquired in terms of the SPA dated February 03, 2020, till the completion of the Open Offer process.*

   iii. Pursuant to regulation 24(1) of the SEBI (SAST) Regulations, 2011, Mr. Sukhdeep Singh was appointed on the Board of Directors of the Target Company on April 07, 2021 as an Additional Non - Executive Director, representing the acquirer on the Board of Directors of the Target Company.
10. In terms of Regulation 16(1) of the SEBI (SAST) Regulations, the Draft Letter of Offer was submitted to SEBI on February 17, 2021. All observations received from SEBI by way of their letter no. SEBI/HO/CFD/DCR-III/OW/6895/1 dated March 24, 2021 in terms of Regulation 16(4) of the SEBI (SAST) Regulations have been incorporated in the LOF.
11. **Schedule of Activities:**

Activity	Original Day and Date	Revised Day and Date
Issuance of Public Announcement (PA)	Wednesday, February 03, 2021	Wednesday, February 03, 2021
Publication of DPS in the newspapers	Wednesday, February 10, 2021	Wednesday, February 10, 2021
Filing of the draft letter of offer with SEBI	Wednesday, February 17, 2021	Wednesday, February 17, 2021
Last date for a competitive bid	Thursday, March 04, 2021	Thursday, March 04, 2021
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, March 12, 2021	Wednesday, March 24, 2021
Identified Date*	Tuesday, March 16, 2021	Friday, March 26, 2021
Letter of Offer to be dispatched to Eligible Shareholders	Tuesday, March 23, 2021	Tuesday, April 06, 2021
Last date for revising the Offer price/ number of shares	Tuesday, March 30, 2021	Monday, April 12, 2021
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Friday, March 26, 2021	Friday, April 09, 2021
Date of publication of Offer Opening Public Announcement	Tuesday, March 30, 2021	Monday, April 12, 2021
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, March 31, 2021	Thursday, April 15, 2021
Date of Expiry of Tendering Period (Offer Closing Date)	Friday, April 16, 2021	Thursday, April 29, 2021
Last Date for completion of all requirements including payment of consideration	Monday, May 03, 2021	Friday, May 14, 2021
Last date for issue of post-offer advertisement	Monday, May 10, 2021	Friday, May 21, 2021

** Identified Date is only for the purpose of determining the Equity Shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the Acquirer, Persons acting in concert, Sellers and Promoter and Promoter group of the Target Company) are eligible to participate in this Offer any time before the closure of this Offer.*

Capitalised terms used but not defined in this Pre Offer Advertisement cum Corrigendum Advertisement shall have the same meanings assigned to such terms in the Public Announcement and/or DPS and/or LOF. The Acquirer and PACs accepts full responsibility for the information contained in this Advertisement and also for the obligations of the Acquirer and PACs as laid down in SEBI (SAST) Regulations. This Advertisement will also be available on SEBI's website at www.sebi.gov.in.

Issued on behalf of the Acquirer and PACs by the Manager to the Offer	Registrar to the Offer
SAFFRON energising ideas **SAFFRON CAPITAL ADVISORS PRIVATE LIMITED** 605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059, India; **Tel. No.:** +91 22 4082 0906; **Fax No.:** +91 22 4082 0999; **Email id:** openoffers@saffronadvisor.com; **Website:** www.saffronadvisor.com; **Investor grievance:** investorgrievance@saffronadvisor.com; **SEBI Registration Number:** INM 000011211; Validity: Permanent **Contact Person:** Varsha Gandhi	CAMEO **CAMEO CORPORATE SERVICES LIMITED** "Subramanian Building", No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India. **Tel. No.:** + 91 44 4002 0700 ; **Fax:** + 91 44 2846 0129 **Email id:** investor@cameoindia.com; **Website:** www.cameoindia.com **Investor Grievance:** investor@cameoindia.com **SEBI Registration Number:** INR000003753; Validity: Permanent **Contact Person:** Sreepriya. K

Place: Mumbai, Maharashtra
Date: April 11, 2021

Sanjeet Comm.

UNSC ATTEMPTS BLOCKED

EU diplomat says China, Russia undermine Myanmar response

KATE ABNETT
Brussels, April 11

THE EUROPEAN UNION'S top diplomat said on Sunday that Russia and China were hampering a united international response to Myanmar's military coup and that the EU could offer more economic incentives if democracy returns to the country.

"It comes as no surprise that Russia and China are blocking the attempts of the UN Security Council, for example to impose an arms embargo," EU foreign policy chief Josep Borrell said in a blog post. "Geopolitical competition in Myanmar will make it very difficult to find common ground," said Borrell, who speaks on behalf of the 27 EU member states. "But we have a duty to try."

Demonstrators pose with a banner with the symbolic three-finger salute in Yangon on Sunday AP

Borrell said security forces have killed more than 550 unarmed protesters, including 46 children, in a bloody crackdown since the military seized power from the elected government of Aung San Suu Kyi in a February 1 coup. "The world watches in horror, as the army uses violence against its own people," he said.

China and Russia both have ties to Myanmar's armed forces, as the first and second largest suppliers of weapons to the country, respectively. The UN Security Council last week called for the release of Suu Kyi and others detained by the military but stopped short of condemning the coup.

The EU is preparing fresh sanctions on individuals and companies owned by the Myanmar military. The bloc in March agreed a first set of sanctions on 11 individuals linked to the coup, including the commander-in-chief of the military.

While EU economic leverage in the country is relatively small, Borrell said the EU could offer to increase its economic ties with Myanmar if democracy is restored. That could include more trade and investments in sustainable development, he said. EU foreign direct investment in Myanmar totalled $700 million in 2019, compared with $19 billion from China.

The military says it staged the coup because a November election won by Suu Kyi's party was rigged. The election commission has dismissed the assertion. — REUTERS

Record penalty for Alibaba marks tumultuous stretch for Jack Ma

TONY MUNROE
Beijing, April 11

ONCE SEEMINGLY UNTOUCHABLE, Alibaba founder Jack Ma has endured a tumultuous run that saw his Chinese e-commerce giant hit with a record 18 billion yuan ($2.75 billion) anti-trust fine on Saturday, resolving a key uncertainty even as others persist for him and his business empire.

The reversal of fortune for the 56-year-old, who has all but disappeared from public view since an October speech blasting China's regulatory system, has been striking for an entrepreneur whose transformation of commerce in China — and his relentless optimism — commanded cult-like reverence.

Ma, who stepped down from Alibaba in 2019 but looms large in the corporate psyche and in the eyes of investors, had revelled in pushing boundaries with audacious statements, taking a high profile even as most peers kept their heads down. Friends in high places, and pride in Alibaba's success, had protected Ma, sources have said.

That was until his Shanghai speech triggered a backlash that led to the scuppering of a blockbuster $37 billion IPO for Alibaba financial technology affiliate Ant Group, as well as a clampdown by authorities on the e-commerce giant itself and the wider "platform economy", which continues to reverberate.

Ant, whose rapid growth and freewheeling lending practices drew regulatory concern about financial risk, remains subject to an enforced restructuring that is expected to rein in some of its most profitable businesses and slash its valuation. "Entrepreneurship has to be disruptive. But being provocative to the government has its limits," said Duncan Clark, chairman of Beijing-based tech consultancy BDA China and author of a book on Alibaba and Ma.

Saturday's settlement, he said, "should draw a line" under the matter for Alibaba. "But for Ant and Jack, there's no line drawn yet," he said.

Alibaba declined to comment on Ma, and his foundation did not respond to a request for comment on Sunday.

Ma's absence from public view became conspicuous until he surfaced for the first time in three months in late January, speaking to a group of teachers by video, which sent Alibaba shares surging. He has continued to keep an extremely low profile. "He's playing a lot of golf and improving his handicap," said one person who knows him.

Franklin Chu, president of Sage Capital in Rye, New York, said Alibaba shares are trading at a 30% discount to their 52-week high. "I call this the 'Jack Ma arrogance discount,' combined with the recent round of China-bashing coming out of Washington," he said.

Alibaba, he said, "needs to work hard to re-establish an accommodative relationship with its regulatory handlers."

"It's crucial for Chinese entrepreneurs to be low-key. Don't speak casually. And don't say anything wrong," Edward Chen, chairman of Shanghai-based fintech consultancy China Rising Group, said in a social media video post. "Prudence in words and action is the No. 1 priority so that Chinese entrepreneurs can live longer." — REUTERS

HSBC MUTUAL FUND

NOTICE

Merger of HSBC Global Consumer Opportunities Fund with HSBC Asia Pacific (Ex Japan) Dividend Yield Fund and introduction of provisions for creation of segregated portfolio under HSBC Asia Pacific (Ex Japan) Dividend Yield Fund

Notice is hereby given that the Board of Directors of HSBC Asset Management (India) Private Limited **("HSBC AMC")** and Board of Trustees **("the Trustee")**, of HSBC Mutual Fund **("HSBC MF")**, have approved the merger of **HSBC Global Consumer Opportunities Fund,** an open ended fund of fund scheme investing in HSBC Global Investments Fund - China Consumer Opportunities Fund (hereinafter referred to as **"HGCOF" / "Transferor Scheme")** into **HSBC Asia Pacific (Ex Japan) Dividend Yield Fund,** an open ended fund of fund scheme investing in HSBC Global Investments Fund - Asia Pacific Ex Japan Equity High Dividend Fund (hereinafter referred to as **"HAPDYF" / "Transferee Scheme").**

Further, in order to ensure fair treatment to all investors in case of a credit event and to deal with liquidity risk, SEBI, vide its circular no. SEBI/HO/IMD/DF2/CIR/P/2018/160 dated December 28, 2018 (read with SEBI circular no. SEBI/HO/IMD/DF2/CIR/P/2019/127 dated November 07, 2019), has allowed segregated portfolio of debt & money market instruments by mutual fund schemes, in case of credit event. Accordingly, it is proposed to introduce provisions for creation of segregated portfolio in the Scheme Information Document (SID) & Key Information Document (KIM) of the Transferee Scheme (HAPDYF). In case a need arises in future, such provisions will allow segregation of security in case of a credit event at issuer level. This will help ring fence an impaired asset and will restrict cascading effect of illiquidity on the rest of the portfolio. Hence, an enabling clause in the SID and KIM for creation of segregated portfolio is in the interest of investor as this will ensure fair treatment to all unit holders. Additionally, it is proposed to reword investment strategy section in the SID of HAPDYF.

HSBC AMC proposes to give exit option to the unitholders of both Transferor Scheme and Transferee Scheme. Accordingly, as unitholder of Transferor Schemes and/ or Transferee Scheme, if you are not in agreement with the aforesaid proposals then you may exercise an option to redeem/ switch your investment from the Transferor Schemes and / or Transferee Scheme without payment of any exit load, during the notice period indicated herein.

The Securities and Exchange Board of India ("SEBI") has also granted it's no objection to the aforesaid merger of HGCOF with HAPDYF and introduction of provisions for creation of segregated portfolio & rewording of investment strategy section under HAPDYF.

A. Rationale for Merger

HGCOF's objective is to provide long term capital appreciation by investing predominantly in units of HSBC Global Investment Funds (HGIF) China Consumer Opportunities Fund (Underlying Scheme). The Scheme may, also invest a certain proportion of its corpus in money market instruments and / or units of liquid mutual fund schemes, in order to meet liquidity requirements from time to time. It has been decided by the Board of Underlying Scheme to liquidate the same and it will cease to exist by May 2021. Accordingly, post liquidation of the Underlying Scheme, HGCOF will not be able to comply with the asset allocation pattern as per SID. Thus, the Board of HSBC AMC and Trustees have approved merger of HGCOF into HAPDYF.

B. Effective date

The aforesaid proposals shall be effective from May 13, 2021 ("Effective Date"). Further, pursuant to merger of HGCOF with HAPDYF, the Transferor Scheme (HGCOF) would cease to exist from May 13, 2021.

C. Consequences / impact of the aforesaid proposals

a) Pursuant to the proposed merger, the sale of units in the Transferor Scheme (HGCOF) will be suspended effective from April 13, 2021 (Start Date of Exit option) i.e. no fresh subscription including switch-ins and registration for Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) will be accepted in the Transferor Schemes with effect from April 13, 2021 (Start Date of Exit option).

b) Merger of schemes is considered as a change in the fundamental attributes of the transferor scheme as per SEBI Circular No. SEBI/MFD/Cir No. 05 / 12031 / 03 dated June 23, 2003. As per Regulation 18(15A) of the SEBI (Mutual Funds) Regulations, 1996 ("MF Regulations"), a change in fundamental attributes can be carried out only after the unitholders of the concerned scheme have been informed of the change via written communication and an option to exit the scheme within a period of 30 days at the prevailing NAV without any exit load is provided to them. Accordingly, unitholders in the Transferor Scheme and Transferee Scheme are given 30 days written notice of the aforesaid proposals and provided an option to exit from the respective schemes with no exit load during the notice period.

c) Consequent to the aforesaid merger, except for introduction of the provisions related to creation of segregated portfolio and rewording of investment strategy section, there will be no change in the investment objective, asset allocation, investment pattern, annual scheme recurring expenses, risk-o-meter or any other provisions as contained in the SID of the Transferee Scheme and no new scheme will come into existence.

d) Unitholders of Transferor Scheme and Transferee Scheme may note that no action is required in case they are in agreement with the aforesaid proposals. The offer to exit at no exit load during the notice period is not compulsory and exercise is at the discretion of the unitholder.

D. Exit Option for unitholders of the Transferor Scheme and Transferee Scheme

a) In case the unitholders are not in agreement with the aforesaid proposals then they may switch their investments held in the respective schemes to any other scheme(s) of HSBC MF or redeem their investments, within a period of 30 days starting from April 13, 2021 to May 12, 2021 (both days inclusive), at the applicable NAV (as on the date and time of receipt of your application for switch/redemption at any of the designated Official Points of Acceptance), without payment of exit load, if any. The applications can also be made through the website of the fund https://invest.assetmanagement.hsbc.co.in. or through the website of the Fund's Registrar & Transfer Agent (CAMS), i.e. www.camsonline.com. Additionally, website / mobile application of MFUI shall be eligible to be considered as 'official points of acceptance' for all financial and non-financial transactions in the schemes of HSBC Mutual Fund electronically. For further information, kindly refer to the website of MFUI at www.mfuindia.com. Unitholders of HGCOF who do not exercise the exit option before 3.00 p.m. on May 12, 2021, shall be deemed to have consented to the proposed merger and will be allotted units under the respective plans/options of the Transferee Scheme at the NAV declared as at close of business hours on the Effective Date, as under:

Plan/Option in the Transferor Scheme (HGCOF)	Plan/Option under which Units will be allotted in the Transferee Scheme (HAPDYF)
Growth	Growth
Growth - Direct	Growth - Direct

b) The redemption payment will be made within 10 Business Days of receipt of valid redemption request to those unitholders who choose to exercise their exit option. Unitholders who have pledged / marked lien on their units will have the option to exit only if they submit a release of their pledges / lien prior to submitting their redemption / switch requests during the exit option period. In case a lien is marked on units held by a unitholder or units have been frozen / locked pursuant to an order of a governmental authority or a court, redemption / switch-out can be executed only after the lien / order is vacated / revoked within the exit option period specified above.

c) Unitholders who have registered for Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) in the Transferor Scheme and / or Transferee Scheme and who do not wish to continue their future investments/installment in the respective schemes are required to provide a written request to the HSBC MF and it will take at least 21 calendar days to process such requests. Intervening installments will continue to be processed.

d) Unitholders should ensure that change in address / pay–out bank details, if any required by them, are updated in HSBC MFs records before exercising the exit option. Unitholders holding units in dematerialised form may approach their Depository Participant for such changes.

e) In accordance with Notice – cum – Addendum dated February 14, 2020 on process for investment made in the name of a Minor through a Guardian, unitholders are requested to review the Bank Account registered in the folio and ensure that, at the time of exercising the exit option, the registered Bank Mandate is in the name of the minor or minor jointly with registered guardian in the folio. In case this requirement is not complied with, redemption payout shall be kept on hold till the time bank account details are updated as above.

f) It is mandatory to update Know Your Customer (KYC)/ PAN in the folio for processing of transactions, hence unitholders are requested to ensure that PAN and other KYC details is updated in the folio at the time of exercising the exit option. In case this requirement is not complied with, redemption payout or switch-out transaction shall be kept on hold till the time PAN and other KYC are updated in the folio.

E. Steps to operationalise the merger

a) On the Effective Date of the merger, the Transferor Scheme will cease to exist and the unitholders of the Transferor Scheme, as at the close of business hours, will be allotted units under the corresponding option of the Transferee Scheme at the last available applicable Net Asset Value ("NAV"). In case of any pledge / lien / other encumbrance marked on any units in the Transferor Scheme, the same shall be marked on the corresponding number of units allotted in the Transferee Scheme.

b) A fresh account statement reflecting the new units of Transferee Scheme allotted will be sent to the unitholders of the Transferor Scheme. It may be noted that, all provisions under the Transferee Scheme will apply including exit load, if any will be applicable to the units allotted. The period of holding for the purpose of taxation / exit load will be computed from the date of allotment of such units in the Transferor Scheme.

c) Subject to compliance with provisions under section IV. (e) & (f), unitholders of the Transferor Scheme who have registered for Systematic Investment Plan (SIP) / Systematic Withdrawal Plan (SWP) / Systematic Transfer Plan (STP) facility, the said registration will continue under corresponding Plan/Option of the Transferee Scheme from the Effective Date. The registered SIP/SWP/STP will be deemed to be registered in the Transferee Scheme from the Effective Date.

F. Tax implication

Under the provisions of the Income-Tax Act, 1961 ("Act"), implications of the proposed merger of HGCOF into HAPDYF, which are non-equity oriented mutual fund schemes are:

a. After the amendment in the Finance Act, 2015, under section 47(xviii) of the Act, consolidation/ merger of two or more equity oriented mutual fund schemes or two or more non-equity oriented mutual fund schemes has been made tax neutral.

b. Consequently, the allotment to unitholder of units in Transferee Scheme in exchange for cancellation of units held in Transferor Scheme is not treated as a taxable transfer.

c. Also, the cost of acquisition and the period of holding of units held by the unitholders in the Transferor Scheme shall, respectively, be the cost of acquisition and the period of holding in the Transferee Scheme.

d. Securities Transaction Tax (STT) on account of merger, if any, shall be borne by AMC.

e. Stamp duty on account of merger, if applicable, shall be borne by AMC.

f. In case of NRI investors, Tax Deducted at Source (TDS) shall be deducted in accordance with applicable tax laws for redemption / switch-out of units from Transferor Scheme during the exit period and the same would be required to be borne by such investors only.

g. Please note that the aforesaid tax neutrality on consolidation/merger of mutual fund schemes is subject to the following:

- Consolidation/merger should be in accordance with SEBI (Mutual Funds) Regulations, 1996.
- Units are held as 'Capital assets'. The amendment is silent where the units are held as 'stock-in trade'.

In view of individual nature of tax consequences, Unit holders are advised to consult a professional tax advisor with respect to tax and other financial implications arising out of participation in the merger of the scheme.

G. Communication to unitholders of Transferor Scheme and Transferee Scheme

Communication will be sent to the all existing unitholders of the Transferor Scheme and Transferee Scheme informing about the details of aforesaid proposals including (i) Features of the HGCOF and HAPDYF (ii) Portfolio of HGCOF and HAPDYF as at March 31, 2021 (iii) Performance of the HGCOF and HAPDYF as at March 31, 2021 (iv) Percentage of total exposure to securities classified as below investment grade or default and percentage of total illiquid assets to net assets as at March 31, 2021 (v) Total expense ratio as at March 31, 2021 (vi) Details on unclaimed dividends and redemptions under HGCOF and HAPDYF (vii) Basis of allocation of Units in HAPDYF (viii) Total Asset Under Management (AUM) along with number of folios of HGCOF and HAPDYF as on March 31, 2021 (ix) NAV details of all the plans/options of HGCOF and HAPDYF as on March 31, 2021 and (x) details on introduction of provisions for creation of segregated portfolio and rewording of investment strategy section under HAPDYF. Unitholders who do not receive the said communication can contact any of the ISCs of HSBC Mutual Fund to obtain the same.

The unitholders of the Transferor Scheme are requested to read the detailed features of the Transferee Scheme (i.e. HSBC Asia Pacific (Ex Japan) Dividend Yield Fund) provided in the Scheme Information Document which is available on the website of the Fund.

For any queries or clarifications in this regard, please contact our Customer Service Number - 1800 200 2434 / 1800 258 2434 or write to us at hsbcmf@camsonline.com. Investors calling from abroad may call on +91 44 39923900 to connect to our customer care center. You may also visit any of the Investor Service centers (ISC) of the Fund, details of which are available on our website www.assetmanagement.hsbc.co.in

For & on behalf of HSBC Asset Management (India) Private Limited
(Investment Manager to HSBC Mutual Fund)

Sd/-
Authorised Signatory
Mumbai, April 09, 2021

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Investors may obtain the Statement of Additional Information, Scheme Information Document and Key Information Memorandums along with application forms from the Investor Service Centres of HSBC Mutual Fund or call on the aforesaid telephone numbers.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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