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READ TO LEAD

IN THE NEWS

Lenders slash home loan rates to decadal lows

FLUSHED WITH EXCESS liquidity as general credit demand still way below the desired levels, leading home loan players SBI, HDFC, ICICI Bank and Kotak Mahindra Bank have slashed their rates to a decadal low, leaving consumers spoilt for choices, reports PTI. Banks are sitting on huge excess liquidity, which as of last week was over ₹6.5 lakh crore, according to CARE Ratings.

'Over 50k offline retailers, kiranas part of Local Shops'

AMAZON ON SUNDAY said more than 50,000 offline retailers and neighbourhood kirana stores across 450 cities in the country are now part of its 'Local Shops' programme, reports PTI. 'Local Shops' aims to enable local shopkeepers and kirana store owners to sell online.

Spectrum auction: Telcos to get demand notes

THE DoT WILL issue demand notes to telcos next week on an upfront payment for spectrum acquired in the recent auctions, reports PTI. Auctions raked in winning bids of over ₹77,800 crore, for 855.6 MHz of spectrum.

AILING DISCOMS

To give power reforms a fresh leg-up: Singh

Grants under ₹3.1L-cr scheme to become loans if targets are unmet; Bill to allow multiple discoms in same area in current session

ANUPAM CHATTERJEE
New Delhi, March 7

WITH NO AMOUNT of government largesse or fiscally expensive financial re-engineering producing the desired result of salvaging the electricity discoms from being perennial defaulters caught in debt trap, the government has decided to make the terms for the latest scheme announced in the Budget FY22 stricter and non-bendable. It is also fast-tracking a plan to usher in real competition in the electricity distribution space.

The promised grants to state-run discoms under the ₹3.1-lakh-crore scheme unveiled in the Budget would get converted into loans, unless they met the parameters aimed at reducing their sticky losses, Union power minister RK Singh told *FE*.

The minister also said he intended to introduce a Bill to amend the Electricity Act in the ongoing session of Parliament, to enable operations of multiple discoms in any area and end the current monopoly regime in the power distribution business.

Discoms in more lucrative areas will have to transfer surplus cross-subsidy to a dedicated fund.

Private discoms have as much concerns about the opening up of the sector as their state-run counterparts, but the policy is to avoid monopolies.

— RK SINGH, POWER MINISTER

Continued on Page 2

FICCI SURVEY

India Inc's business confidence highest in a decade

PRESS TRUST OF INDIA
New Delhi, March 7

FICCI'S OVERALL BUSINESS Confidence Index has witnessed a decadal high of 74.2 in the current round on account of improvement in present conditions as well as expectations, the industry body said on Sunday. The Index had stood at 70.9 in the previous survey and 59 a year ago. The survey revealed recovery of demand conditions, improved capacity utilisation and a promising outlook on various operational parameters.

With regard to the constraining factors for business, the demand situation has improved on back of the release of the pent-up demand build up during the lockdown. However, rising raw material costs is emerging as a bothersome factor for members of India Inc. The rise in fuel and other commodity prices is beginning to exert pressure on the input costs of companies, the survey noted.

Companies participating in the survey cited high input costs, weak demand conditions and lack of availability of affordable credit as top-most concerns for the year 2021.

Continued on Page 2

POLL POSITION

Prime Minister Narendra Modi with actor Mithun Chakraborty after the latter joined BJP during a public meeting ahead of West Bengal Asembly polls, in Kolkata on Sunday

States yet to restore capex pace

PRASANTA SAHU
New Delhi, March 7

ACUTE REVENUE CONSTRAINTS have resulted in a big drop in the states' capital expenditure in the current fiscal; according to an *FE* review of the budgetary spending of fifteen major states, their capex was down 16% y-o-y in April-January. The significance of the drop will be more clear in the context that the FY21 capex target for all states as per their budgets was ₹6.5 lakh crore, up 30% on year.

Detailed report on Page 2

PLI FOR TEXTILES

Turnover, investment limits to be reviewed

BANIKINKAR PATTANAYAK
New Delhi, March 7

THE GOVERNMENT IS considering an industry demand to lower the turnover and investment thresholds, and include cotton-based products in a ₹10,683-crore production-linked incentive (PLI) scheme that is meant for only technical textiles and apparel made of man-made fibre.

In a webinar on PLI on March 5, which was addressed by Prime Minister Narendra Modi, senior industry executives highlighted the limited financial muscle of an overwhelming large percentage of companies in the labour-intensive sector, especially in the wake of the Covid-19 pandemic, to seek a relaxation of the "rigid criteria", sources said.

According to the draft "focus product incentive scheme", reviewed by *FE*, the government has proposed to offer as much as 11% incentive to large companies for investments over ₹500 crore in greenfield projects in technical textiles.

Turnover criterion
₹100-500 cr
Incentives 9%*

Turnover criterion
Over ₹500 cr
Incentives 7%*

Investment criteria
Over ₹500 cr
(for greenfield projects only)
Incentives 11%*

*in first year, to drop by 100 bps each year after that

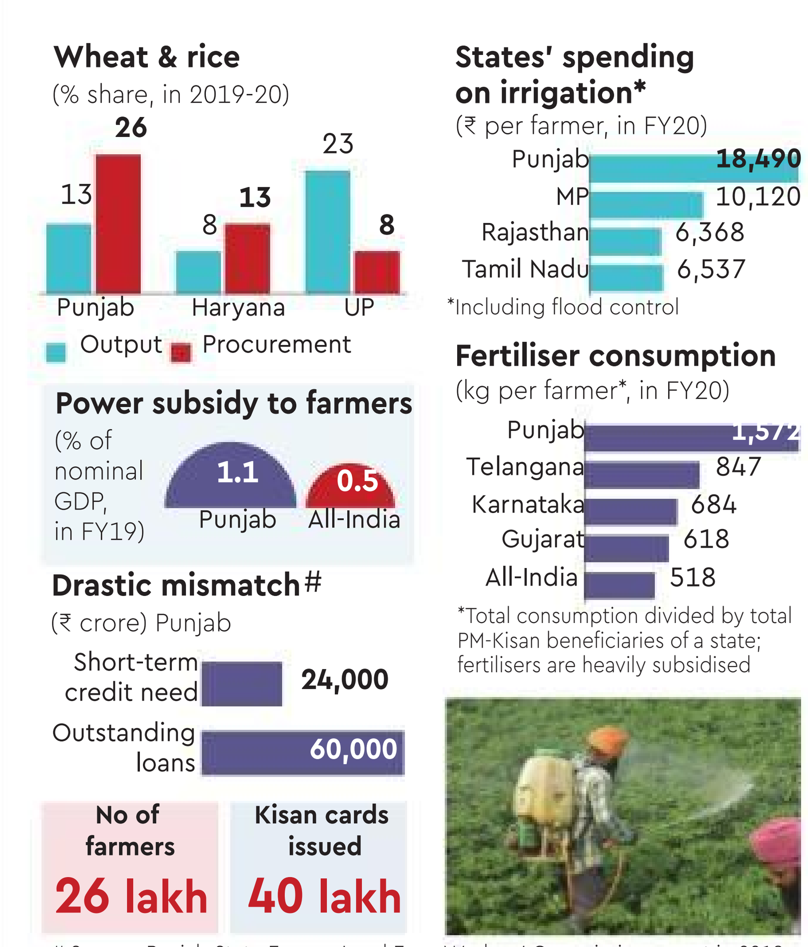
Continued on Page 2

State of the matter

FE BUREAU

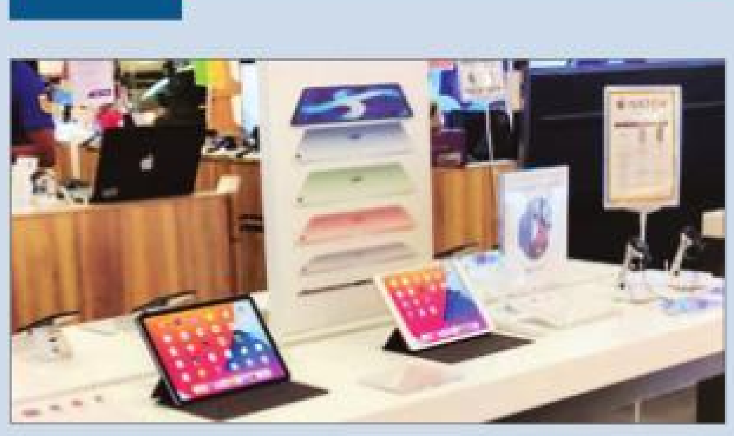
Punjab farmers a privileged lot

From disproportionate shares in grain procurement and credit disbursement to generous subsidies on electricity, irrigation and fertilisers, the Punjab farmers do enjoy costly privileges, even though they crib about the new farm laws.



Source: Punjab State Farmers' and Farm Workers' Commission report in 2018

FE SPECIALS



IN DEMAND

More jobs for blue collar workers in retail, e-commerce

SHUBHRA TANDON
Mumbai, March 7

THE DEMAND FOR courier and home delivery boys, as also account executives, has picked up nicely since January as the retail and e-commerce sectors stage a comeback.

Betterplace, a tech platform that manages the life cycles of informal and semi-formal workforces, estimates the demand for blue collar workers has shot up by 54% to eight lakhs in the January-March quarter from 5.2 lakhs in the six months to December 2020. Indeed, many more employers are in the market today, about 1,107 compared with 774 in the last six months.

Pravin Agarwala, co-founder and CEO, Betterplace, told *FE* the logistics sector has reported a surge in hiring of delivery executives, warehouse pickers and packers now that more products are being delivered to consumers' homes. Big format retailers are leveraging their hub and spoke model to deliver merchandise to make up for the drastic fall in store footfalls.

Over 1.1 lakh courier delivery executives have been hired since January, more than 32 time the numbers seen in the three months ended December 2020. Similarly, nearly 17,300 home delivery boys have been hired, an increase of 24 times.

Continued on Page 2

Job role wise growth in demand	Jan-March	% Growth (q-o-q)
Courier delivery executive	1,10,521	3,241
Retail sales associate	87,739	46
Emergency medical technician - Basic	45,079	-
Self employed tailor	28,958	65
Sewing machine maintenance mechanic	19,154	20
Accounts executive	17,628	17,282
Home delivery boy	17,426	2,410
Individual sales professional	17,318	69
Mobile phone hardware repair technician	17,158	-

Source: Betterplace

RURAL JOBS SCHEME

Demand still elevated, supply seen regulated

SURYA SARATHI RAY
New Delhi, March 7

THE DEMAND FOR work under the rural employment scheme (MG-NREGS) continues to be at elevated levels compared with the pre-Covid period. This indicates that the pick-up in economic activities hasn't created enough jobs in urban areas and that a section of migrant labourers who returned to their rural homes, has chosen to stay put. The number of persons demanding work under the popular scheme hit a nadir in April 2020 (2 crore) but jumped in May (5.2 crore) immediately after the lock-down was eased.

Detailed report on Page 2

INTERNATIONAL WOMEN'S DAY

Women empowerment: The power must come from within

VALLI ARUNACHALAM

FROM MY MARATHON journey for boardroom parity in my family's business, I know the road is lonely and riddled with challenges such as withstanding criticism and being ostracised. But with courage, passion, determination, resilience and patience, I march on. Such is the story of challenges that women face.

On International Women's Day, I feel that India has more than 50% of its population below the age of 25, and a staggering 325 million Indian women under the age of 25. I recognise the enormous contributions that these young women can make to their country, if only they had a fair chance. This momentous day, presents us with an opportunity to renew our commitment to work together to empower ourselves and our next generation of young Indian women.

I am inspired by the remarkable women who have shown by their examples that there is a way. From Kiran Mazumdar Shaw, chairman and CEO of Biocon, to Geetha Manjunath, founder and CEO of technology startup Niramai, to Supriya Paul, director & co-founder of Josh Talks (an ecosystem designed for inspiring and empowering India's youth), Indian women are blazing an indelible trail in India's economic and social landscape.

At the grassroots level, I am amazed by how women from all strata of society have exhibited enormous strength of character in the face of adversity. From the rural women who walk miles to fetch potable water and firewood at the crack of dawn for their families to the urban women who juggle everyday household demands, childcare, elder-care, and careers, their actions reflect their innate management & organisational skills and resourcefulness.

Tapping into these inner strengths is not easy. It takes tremendous courage and conviction to challenge outdated and unfair societal practices and conditioning. But, it can be done if women form their own support groups to find strength in numbers.

Continued on Page 2

Economy

MONDAY, MARCH 8, 2021

MAKING STAND CLEAR

Simon Thomson, CEO, Cairn

Our shareholders are watching. They expect India to honour its obligations... and if India do not do that, and if India delay, then our shareholders expect us to pursue our strong powers of enforcement which we have to do.

Govt proposes hike in LIC's authorised capital to ₹25,000 crore

THE GOVERNMENT HAS proposed to significantly increase the authorised capital of Life Insurance Corporation of India (LIC) to ₹25,000 crore to facilitate its listing slated for the next fiscal.

Currently, the paid-up capital of the life insurance company with over 29 crore policies is ₹100 crore. Starting with an initial capital of ₹5 crore in 1956, LIC has an asset base of ₹31,96,214.81 crore.

The authorised share capital of LIC shall be ₹25,000 crore divided into 2,500 crore shares of ₹10 each, as per the amendments proposed in the Life Insurance Corporation Act, 1956.

The amendments proposed as part of Finance Bill 2021 will lead to the setting up of a board with independent directors in line with listing obligations.

According to one of the 27 proposed amendments, the central government will hold at least 75% in LIC for the first five years post the IPO, and subsequently hold at least 51% at all times after five years of the listing.

Up to 10% of the LIC IPO issue size would be reserved for policyholders, minister of state for Finance Anurag Thakur had said last month. The government will remain the majority shareholder and will continue to retain management control, safeguarding the interest of policyholders, he had said.

— PTI

TAX REVENUE, CAPITAL SPENDING DOWN 15%

States yet to restore capex pace

The curbing of capex by the states is primarily due to the acute revenue constraints they are facing

PRASANTA SAHU
New Delhi, March 7

ACUTE REVENUE CONSTRAINTS has resulted in a big drop in the state government's capital expenditure in the current fiscal; according to an *FE* review of the budgetary spending of fifteen major states, their capex was down 16% on year in April-January.

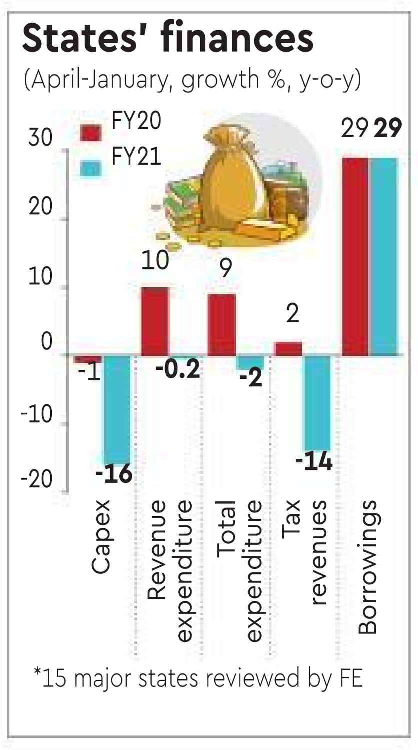
The significance of the drop will be more clear in the context that FY21 capex target for all states as per their budgets (BEs) was ₹6.5 lakh crore, up 30% on year.

State capex is believed to have a greater multiplier effect to trigger economic growth.

Budgetary capex by these fifteen state governments dropped by nearly a quarter on year in April-December FY21.

Capex undertaken by states used to be 60% of general government capital expenditure in recent years; these expenditures are generally prone to adjustments, conditional upon revenue generation.

States' finances
(April-January, growth %, y-o-y)



*15 major states reviewed by FE

In FY18 and FY19 as well, capital spending was reduced from budgeted levels, but not to the extent being seen in the current year.

Among them, these fifteen states -- Uttar Pradesh, Tamil Nadu, Madhya Pradesh, Andhra Pradesh, Karnataka, Rajasthan, Odisha, Telangana, Kerala, Maharashtra, Punjab, Chhattisgarh, Haryana, Jharkhand and Uttarakhand-- reported combined capital expenditure of ₹1.79 lakh crore in April-January of FY21, compared with ₹2.13 lakh crore in the year-ago period.

The curbing of capex by the states is primarily due to the acute revenue constraints they are facing.

While the low revenue buoyancy was evident in the last year itself, the situation has aggravated due to the pandemic.

Even after liberal transfers by the Centre from the divisible tax pool in the initial months of this fiscal, tax revenues of the 15 states declined by 14% on year during April-January.

Together, the states will be receiving about ₹5.5 lakh crore in devolution for FY21 (revised estimate) as against the budget estimate of ₹7.8 lakh crore.

The ₹2.3 lakh crore shortfall in tax transfers could further hurt capex in the remainder of this fiscal.

As compared to this, the Centre has managed to spend ₹3.62 lakh crore as budget capex during April-January, up 35% on year; the FY21 target is ₹4.38 lakh crore (up 30.8% on year).

Reacting to the Q3 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 strong capex by the Centre.

The fiscal multipliers associated with Capex are at least 3-4 times larger than government final consumption expenditure, it said.

In recent months, the Centre has indeed stepped up spending to support the economy and also successfully roped in CPSEs in the venture, but the revenue-starved state governments have been forced to slow their capex.

The Central government's budget capex grew a steep 335% on year in January, up from 63% December and 249% in November; its overall budget spending grew 49% in January, versus 29% in December and 48% in November.

In fact, if the Centre were to meet the revised budgetary expenditure estimate (RE) for FY21, it would have to more than double the spend in Q4 from the year-ago level.

A good part of this extra spending would propel growth, although large lumpy items like clearance of fertiliser subsidy arrears to industry and release of dues to FCI would have only minimal impact.

Borrowings by the fifteen states whose finances were reviewed by *FE* rose a 29% on year to about 4.19 lakh crore in April-January of this fiscal, nearly the same rate of borrowing increase was witnessed in the year ago period.

With tax devolution to come down significantly in the remaining months of this fiscal, the states are sure to further accelerate borrowings to make up partly for revenue shortfalls.

According to India Ratings, the states' fiscal deficit may come at about 4.6% of GDP in FY21.

Rural jobs scheme: Demand still elevated, supply seen regulated

SURYA SARATHI RAY
New Delhi, March 7

THE DEMAND FOR work under the rural employment scheme (MGNREGS) continues to be at elevated levels compared with the pre-Covid period.

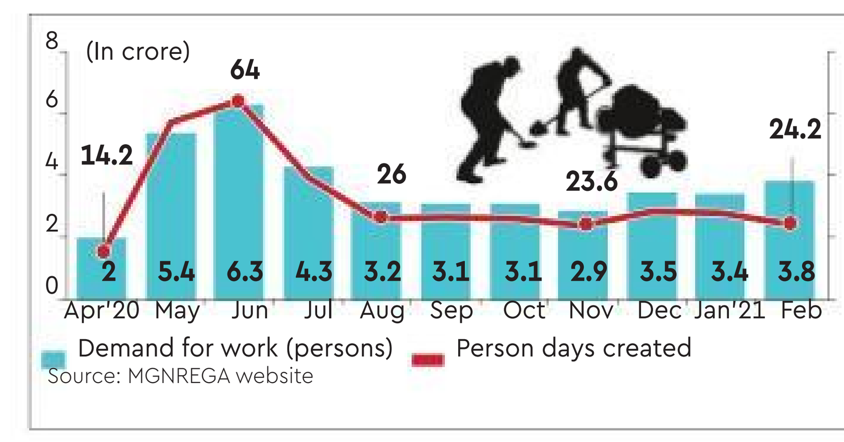
This indicates that the pick-up in economic activities hasn't created enough jobs in urban areas and that a section of migrant labourers who returned to their rural homes, has chosen to stay put.

The number of persons demanding work under the popular scheme hit a nadir in April 2020 (2 crore) but jumped in May (5.2 crore) immediately after the lockdown was eased; the demand peaked in June (6.3 crore), revealing how desperate the migrant laboures were for work during that period.

However, even in February 2021, 3.83 crore persons demanded MGNREGS work, 89 lakh persons more than in the same month last year, when the pandemic was yet to seriously impact the country.

In February 2019, 2.8 crore persons demanded the work, and throughout that year, the monthly demand was roughly at the same level.

Official data also show that the government regulating the supply of work – as measured in person days created-- after being very liberal in a few months following the lock-down (see chart).



The number of persons demanding work under the popular scheme hit a nadir in April 2020 (2 crore), but jumped in May (5.2 crore) immediately after the lockdown was eased

Generation of person days under MGNREGS this year has already surpassed the highest tally in any year of 267.96 crore recorded in 2018-19 to touch at 357.66 crore as on March 6.

The Centre has been generous with the allocations for the MGNREGS this year (The scheme's budget outlay for the current fiscal year is ₹1.11 lakh crore (revised estimate) compared with ₹68,265 crore in 2019-20).

An amount of ₹98,417 crore has been spent under the scheme so far this year. For the 2021-22 fiscal, ₹73,000 crore has been allocated under MGNREGS.

An average of 48.51 days of employment has been provided to each beneficiary household under MGNREGS so far this year, compared with of 48.4 days in the whole of last year.

As part of its relief package under Pradhan Mantri Garib Kalyan Yojana, daily wage rate under MGNREGS was hiked by ₹20 to ₹202, effective April 1 2020.

The scheme's mandate under the MGNREG Act 2005 is to provide at least 100 days of 'wage employment' in a financial year to every rural household whose adult member volunteers to do unskilled manual work.

This goal has never been met, but the achievement this year could be closer to the threshold.

From the Front Page

Ailing discoms: To give power reforms a fresh leg-up, says Singh

Also, to prevent new players from cherry-picking lucrative supply circles, the states will have to create a 'cross-subsidy fund' so that discoms do not get undue advantages owing to higher composition of industrial and commercial consumers in their respective areas, Singh said. State electricity regulators will have to clearly quantify the cross-subsidy component, while determining electricity tariffs for every category, which will determine exactly how much a discom in a 'lucrative' area will have to pay to the new fund, the minister added.

As per the Budget announcement, the new scheme, the latest in a series of four over the last two decades starting with the accelerated power development and reforms programme (APDRP) unveiled in 2001, is contingent on the discoms committing to undertake structural reforms and infrastructure creation such as feeder separation and smart meters, to address the core issues of billing-collection inefficiencies and pilferage that cripple the sector.

"As a disincentive for not complying with the agreed loss reduction targets (under the new scheme), we will bring in a provision that if the discoms fail to carry out the desired action, the grants disbursed will be converted into loans," Singh said. The new scheme is slated to reduce aggregate technical and commercial (AT&C) losses — an indicator of pilferage — after the earlier Ujwal Discom Assurance Yojana (UDAY) programme failed to achieve its target to bring down these losses to 15% by FY19-end. AT&C losses now stand at 25%.

Of the ₹3.1-lakh-core financial assistance, envisaged over five years under the scheme, 60% will be grants, 30% loans (to be facilitated by the Centre, possibly from the likes of PFC-REC), and the balance 10% will come from state governments. The new proposal is to add a caveat that the 60% grant component would be converted to loans on the discoms' books if they fail to meet the targets.

Discoms' financial losses jumped 83% annually to ₹61,360 crore in FY19 and seen to have risen further since.

Even though details of the new scheme is still being worked out, Singh said: "If loss-making discom will not access the scheme unless it works out a trajectory for loss reduction and get the respective state government's approval for the same." the minister noted. The disbursements will be linked to the adherence to the loss reduction trajectory and there will be annual reviews to assess the discoms' performance.

Regarding the delicensing of the distribution sector, the Union power ministry has already discussed the proposition with all the states, industries and power regulators. "The regulator will fix a ceiling tariff and discoms will be free to charge anything below that, so there will be competition on the basis of price and service quality," Singh said. The entity which own the distribution net work will have to be paid wheeling charges by others who use the network. The fixed charge component of the tariff payable to generators under existing power purchase agreements would be shared among the discoms in proportion to the connected load of each entity. The energy charges would have to be paid according to the volume of electricity supplied by each discom, the minister said.

Given that contingent liabilities arising out the large outstanding debt and rising losses of electricity discoms remained an intractable problem and an unmitigated risk to states' finances despite a series of financial bailout packages, 'genuine reforms' in the power sector could not wait any longer, 15th Finance Commission chairman NK Singh said recently. Unbundling of the state power utilities was still an unfinished task, he noted, and added that the issue of 'regulatory capture' – state electricity regulators being hamstrung by the political executive –, needed to be addressed on priority, along with a fast-tracking of privatisation of discoms.

Under the ₹1.25-lakh-crore liquidity infusion scheme announced last year, as much as ₹46,074 crore has been disbursed to all the discoms by PFC-REC as at the end of January 2020. The sanctions include ₹30,230 crore to Tamil Nadu, Uttar Pradesh (₹27,432 crore), Maharashtra (₹14,310 crore), Telangana (₹12,652 crore), Karnataka (₹7,247 crore) and Andhra Pradesh (₹6,835 crore).

More jobs for blue collar workers in retail, e-commerce

As retail companies start to go more local with smaller format stores in high density areas they are recruiting more sales associates and accounts executives.

"Accounts executives are responsible for the billing counters/ pos machine operations," Agarwala said adding the numbers have shot up by 172 times in the January-March period.

Again, the apparel sector is seeing a revival and companies are filling in vacancies created by the workforce who went back home. They're recruiting sewing machine operators and tailors. Right now though, there is also a huge demand for basic emergency medical technicians — about 45,079 – according to data sourced from Betterplace, as India ramps up healthcare infrastructure and rolls out one of the largest vaccination drives in the world. While 1.28 lakh people have been required in the retail sector in the March quarter so far, a 55% q-o-q increase, over 1.68 lakh people were needed in the logistics sector, a growth of 8% over the December 2020 quarter. There has also been an accompanying spurt in the need for back-end serving staff and customer care executives of 533% in the IT and ITeS space, of over 50,000 people.

PLI for textiles: Turnover, investment limits to be reviewed

The benefit, however, is linked to an incremental turnover of ₹1,500 crore in the first year and a 25% rise in turnover each year after that.

It also suggested that firms with an annual turnover of ₹100-500 crore will be eligible for an incentive of 9% for brownfield projects. This will be subject to an increase in turnover by 50% each year.

Similarly, companies with a turnover of ₹500 crore or more will be granted a 7% incentive in the first year. The benefit is tied to the condition that turnover has to be raised by 50% in the first year and by 25% each year after that.

The incentives in all the categories will be trimmed by 100 basis points each year after the first year and granted for a total of five years starting FY22.

The draft PLI scheme marks a paradigm shift in the government's decision-making on two counts. First, it earmarks big bucks for big companies, shedding its long and costly bias towards small businesses. Second, it seeks to correct India's historical policy preference for a cotton-dominated value chain, which is contrary to the global trend. The idea is to reclaim India's export markets after ceding substantial ground to Bangladesh and Vietnam in recent years.

A source said given the fragmented nature of the textile and garment sector and the absence of enough large players, the government may be forced to review the turnover or investment criteria. But inclusion of cotton in the scheme seems unlikely at the moment, he added.

Noted textiles expert DK Nair said the scheme seems to be well-intentioned, but the targets, especially for incremental turnover, will be hard to meet. More importantly, investment decisions are typically guided by the prospect of long-term returns, and at the moment, it doesn't look promising. An incentive regime for a few years can't substitute hardcore structural reforms to ensure low logistics costs, cheap credit, flexible labour laws, easy land acquisition and abolition of inverted duty structures. So, getting textile companies to undertake large-scale investments still remains an arduous task, given the structural oddities, Nair said.

Moreover, assessing incremental turnover of companies, especially the unlisted ones, will be a herculean task, given the scope for manipulation between group firms, he added.

Raja M Shanmugham, president of the Tirupur Exporters' Association, said most exporters in the country's largest garment hub, are small and medium enterprises that have already been hammered by the Covid-19 pandemic. In such a situation, there is a pressing need for setting realistic targets. Also, cotton-based products that undergo high level of value-addition must be included in the scheme, Shanmugham said.

Even before the pandemic struck, textile and garment exports shrank 8.6% year on year to $33.7 billion in FY20. As such, the sector's share in the overall merchandise exports has been sliding consistently in recent years, having dropped from as much as 13.7% in FY16 to just 10.8% last fiscal, the lowest in around a decade. Globally, while China remains the most dominant player by a wide margin in both textiles and garments, India has been beaten by both Bangladesh and Vietnam in recent years in apparel exports.

The scheme for technical textiles is part of the 13 PLI schemes that the government has announced in the aftermath of the pandemic. The total incentives under 13 such schemes, covering sectors including telecom, electronics, auto part, pharma, chemical cells and textiles, stood at ₹1.97 lakh crore over a five-year period.

The idea is to lure mainly large companies to create "global champions" out of India that have the potential to grow in size, using cutting-edge technology and can, thereby, penetrate the global value chains.

Ficci survey: India Inc's business confidence highest in decade

A near-unanimity was observed as far as input costs were concerned. This along with high interest costs on loans, higher inward and outward transport and logistics costs, greater compliance burden on the back of frequently changing statutory compliances and increased manpower costs are further pushing the cost of doing business in India, Ficci stated.

This does not bode well in the current environment wherein a shift in global supply chains is being witnessed, it added.

"In this context, respondents also added that leaving trade policy issues unaddressed will create an even bigger challenge with China as well as other countries including Vietnam regaining market share to become global suppliers.

"Lack of adequate export incentives is also making it difficult for Indian entrepreneurs to compete globally," Ficci stated.

Improvement in conditions as well as expectations have pulled the Overall Business Confidence Index value to a decadal high in the current survey, Ficci said.

The Union Budget 2021-22 has been forward looking, said Ficci. This, together with measures announced as part of the Atmanirbhar Bharat package, has infused optimism among industry members and the same is corroborated in the improved outlook for various operational parameters, it added.

Improved economic conditions and greater pricing power are likely to drive profits of corporate India over the next two quarters. The percentage of participants citing higher profits over next six months increased to 36% in the latest survey from 33% respondents stating likewise in the previous round, the survey showed.

Outlook on employment and exports also reported a discernible improvement, as about 35% respondents were optimistic about better hiring prospects over the next two quarters, up from 22% stating the same in the previous round.

Export prospects were reported to be better in the current round with 41% respondents, indicating higher outbounds shipments. The corresponding number in the previous round was 27%.

Furthermore, the proportion of respondents citing 'higher to much higher' investments in the coming six months witnessed an upswing in the current survey when compared to the previous round.

With demand situation slowly turning positive, an improvement was also noticed in capacity utilisation rates. In the current survey, around 77% participating companies reported capacity utilisation of more than 50%, compared with 68% stating likewise in the previous round.

Companies expect higher export orders in the coming months on the back of global economic recovery led by large scale vaccination drive against Covid-19 around the world.

Respondents emphasised that given the current global sentiment, India could easily become the preferred sourcing destination for western countries if adequate and timely steps taken to support this change.

In addition, companies stressed the need for reducing customs duty on imports to curtail rising domestic prices of raw materials. Commodity prices have risen drastically in the past few weeks and this is impacting profitability and viability of business.

Participants highlighted that restrictions on imports must be removed at least until India achieves some level of self reliance in production of industrial inputs such as components and parts.

The current survey drew responses from a wide array of sectors and was conducted during January and February this year. It gauges expectations for the period January to June 2021.

Women empowerment: The power must come from within

The younger generation is uniquely poised to amplify the efforts of the past generations. They are more removed from age-old societal oppression and have better and more widespread access to education and opportunities.

Recent developments give hope for Indian women. The Sebi regulation mandated at least one independent woman director in the top 1,000 listed companies by April 1, 2020. Last year, the Supreme Court has ruled that all daughters have the same rights as sons in Hindu ancestral property. These are important milestones in the journey for women's equality.

We need to build on this momentum and continue to push for positive change and create a sustainable environment where women can continue to flourish. The opportunities are vast and varied – from starting cottage industries and providing employment and skills to rural women – to cutting edge technology start-ups and breaking the boardroom glass ceilings. How high women want to climb involves choice and courage. By joining forces women can create a valuable network of resources that all women can tap into to achieve self-reliance and to take charge of their own destiny.

The choice is ours, we can take the initiative to help ourselves, or wait to be helped. On International Women's Day, let us commit to reach out to the power within us, to form our own support groups, to seek help and give help through them, and to rise up together to realize our individual and collective aspirations. In the words of Mother Teresa, "I alone cannot change the world, but I can cast a stone across the waters to create many ripples".

(The writer is Karta of MV Murugappan HUF and the elder daughter of late MV Murugappan, former chairman of the Murugappa group)

BIG AMOUNT

ArcelorMittal to invest over ₹50k crore in Gujarat: CM

PRESS TRUST OF INDIA
Ahmedabad, March 7

THE WORLD'S LEADING steel and mining company ArcelorMittal will invest more than ₹50,000 crore in Gujarat, chief minister Vijay Rupani said on Sunday, a day after its executive chairman Lakshmi Mittal called on him.

"All industrialists from India and abroad, including Lakshmi Mittal, are coming to Gujarat for making investment as they count Gujarat as the best (investment) destination. Lakshmi Mittal came to meet me yesterday (Saturday). He told me that he will make an investment of more than ₹50,000 crore in Gujarat in the coming days," Rupani told reporters.


Chief Minister Vijay Rupani

> All industrialists from India and abroad, including Lakshmi Mittal, are coming to Gujarat for making investment as they count Gujarat as the best (investment) destination

During his trip to Gujarat, Mittal met Prime Minister Narendra Modi, who attended the Combined Commanders' Conference in Kevadia in the state on Saturday, Deputy Chief Minister Nitin Patel said, adding that it was a courtesy visit.

Mittal also met the Dy CM and the CM at Vidhan Sabha.

"On Saturday, when PM Modi was in Gujarat, Mittal paid him a courtesy visit," Patel said. He said Mittal spoke about his proposed contribution for making Gujarat as an industrial leader during his discussion with the deputy CM and the CM.

Mittal also visited the world's tallest Statue of Unity at Kevadia on Friday.

He complimented PM Modi for the development of Kevadia which he said is a "pride of India.

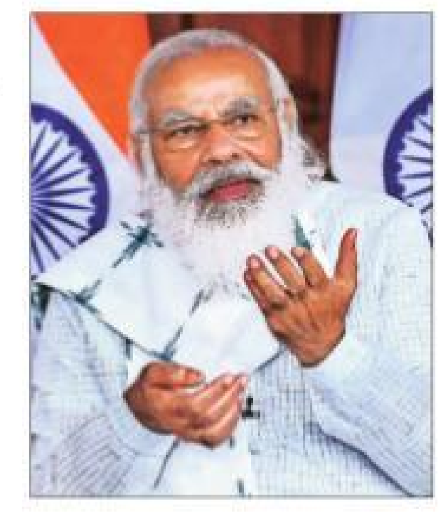
"One can see the reflection of our Hon Prime Minister Shri Narendra Modi*ji*'s far-sightedness, strong leadership and broad thinking everywhere in Kevadia," Mittal wrote in the guest book in Hindi.

"I was left wondering how in a short time the Prime Minister transformed it. Kevadia is a pride of India. Kevadia is a living symbol of the fact that India is in strong hands and India's future is secure," Mittal wrote.

PM: Health schemes, lower drug prices led to annual saving of ₹50k cr for needy families

PRESS TRUST OF INDIA
New Delhi, March 7

PRIME MINISTER NARENDRA Modi on Sunday said the poor and needy have been able to save ₹50,000 crore annually due to various health-related measures taken up by his government like providing affordable medicines, health care and reducing the prices of medical devices.



Modi, who dedicated to the nation the 7,500th Janaushadhi Kendra at North Eastern Indira Gandhi Regional Institute of Health & Medical Sciences (NEIGRIHMS) in Shillong, also said the move to provide affordable medicines through the Janaushadhi scheme is spreading across the length and breadth of the country.

In a virtual address regarding the Janaushadhi Week celebrated across the nation from March 1 to March 7 to create awareness about the 'Janaushadhi' scheme, the prime minister said it is helping the countrymen living in tribal areas in the North-East and the mountainous areas.

"Today, when the 7,500th centre has been inaugurated, it has been held in Shillong. It is clear from this how much public health centres are expanding in the North-East," Modi said.

He said that the dedication of the 7,500th centre is important as there were not even 100 centres in India six years ago and asked to achieve the target of 10,000 centres.

The Prime Minister, who also interacted with beneficiaries and people associated with the scheme at five locations — Shimla, Bhopal, Ahmedabad, Mangaluru and Maruthi Nagar in Diu, further said, "It is clear from my discussion with people who run the Janaushadhi centres at every corner of the country and some of its beneficiaries that this scheme is becoming a very big companion of poor and middle-class families. This scheme is becoming the medium of both service and employment".

Stating that poor and middle-class families are saving about ₹3,600 crore every year on expensive medicines through the scheme, Modi said it is promoting 'Aatamnirbharta' among women as more than 1,000 centres are being run by the women.

Besides, he said till now more than 11 crore sanitary napkins have been sold through these centres and under the Janaushadhi Janani mission, and important nutrition, as well as supplements for pregnant women, are being provided through the centres.

Modi further said now 75 Ayush medicines are also available in Janaushadhi centres. Patients will benefit by getting the medicines cheaply and the field of Ayurveda and Ayush medicine will also be benefitted.

He also asked state governments and officials to work towards having 75 districts in the country where there are more than 75 Janaushadhi centres on India's 75 years of independence.

Delhi Metro revamps twelve old stations of Red Line, infra upgraded

PRESS TRUST OF INDIA
New Delhi, March 7

TWELVE OLD STATIONS of Delhi Metro's Red Line have been refurbished with upgraded infrastructure and enhanced look as part of a massive renovation exercise, officials said on Sunday.

A total of 21 stations are to be renovated as part of the plan, they said.

The Red Line was the first Delhi Metro corridor to have been operationalised, with the opening of the 8.4-km Shahdara-Tis Hazari section, comprising six stations in 2012.

"A massive renovation exercise was started by the DMRC from July 2019 onwards for 21 of its stations, between Dilshad Garden and Rithala section on the Red Line, which are among the oldest in the metro network opened under its phases I and II," the Delhi Metro Rail Corporation (DMRC) said in a statement.

The exercise was aimed at giving these old stations an "enhanced aesthetic look and to upgrade infrastructure to keep pace with the changing times, and ensuring an enhanced commuting experience to its customers," it said.

The massive renovation, completed for 12 of the 21 stations, included finishing or replacing the exterior facade with contemporary easy-to-maintain material, officials said.

Other activities include internal and external painting of stations; improvement of circulating area and footpath for beautification and aesthetics of station premises; installation of new signages as per latest specifications; and replacement of analogue CCTV cameras with digital version for enhanced clarity.

Major stations where the renovation work has almost completed include Dilshad Garden, Jhilmil, Mansarovar Park, Shahdara, Welcome and Shastri Park.

The work at remaining metro stations will also be completed by May 2021, officials said.

To take stock of the ongoing renovation activities, DMRC chief Mangu Singh inspected various metro stations on the Red Line.

DoT to issue demand notes to telcos on upfront payment for spectrum bought in auctions

PRESS TRUST OF INDIA
New Delhi, March 7

THE DEPARTMENT OF telecommunications (DoT) will issue demand notes to telcos next week on an upfront payment for spectrum acquired in the just-concluded auctions, sources said.

> Billionaire Mukesh Ambani's Reliance Jio spent the most in the auction, picking up 488.35 MHz spectrum in bands such as 800 MHz, 1800 MHz and 2300 MHz for ₹57,122.65 crore

The demand note follows auctions raking in winning bids of over ₹77,800 crore, for 855.6 MHz of spectrum. Billionaire Mukesh Ambani's Reliance Jio spent the most in the auction, picking up 488.35 MHz spectrum in bands such as 800 MHz, 1800 MHz and 2300 MHz for ₹57,122.65 crore.

Bharti Airtel bid about ₹18,699 crore to acquire 355.45 megahertz (MHz) out of the total 855.60 MHz of radiofrequency acquired by all telcos, while Vodafone Idea, bought 11.80 MHz of spectrum worth ₹1,993.40 crore.

DoT sources told *PTI* that the demand notes will be sent out to the three companies this week, and entails largely the upfront payment for spectrum that is ready to be allocated.

Spectrum will be offered for assignment for a validity period of 20 years. As per the auction terms, successful bidders can pay entire bid amount in one go, or exercise an option to pay a certain amount (25% for spectrum won in 700 MHz, 800 MHz, 900 MHz bands or 50% for spectrum won in 1800 MHz, 2100 MHz, 2300 MHz, 2500 MHz bands) upfront with remaining equated annual instalments, after a moratorium of two years.

A DoT official said the demand notes together total about ₹20,000 crore, but did not provide operator-wise break-up.

About 2308.80 MHz of spectrum, that carry telecom signals in seven bands worth nearly ₹4 lakh crore at start price, was up for bidding in the auction held recently. Although the spectrum finally acquired by telcos fell woefully short of this overall kitty and bids hovered at reserve price, DoT said, and analysts concurred, that auction outcome and response had surpassed initial expectations.

Reliance Jio Infocomm has acquired the right to use spectrum in all 22 circles or zones across India, in the auctions. Jio has bagged spectrum in bands such as 800 MHz, 1800 MHz and 2300 MHz, and its spectrum footprint is up by 55% to 1,717 MHz.

According to DoT data, Vodafone Idea (VIL) has bought 5.8 MHz spectrum in 900-band and 6 MHz in the 1800-band. VIL acquired spectrum in 900 band for ₹1,274 crore and in 1800 band for ₹719 crore.

Data sharing, cybersecurity top concerns for banks, customers, says Deloitte

PRESS TRUST OF INDIA
New Delhi, March 7

DATA SHARING, CYBERSECURITY and data protection have emerged as the top concern areas for the banks as well as customers, according to a Deloitte's report on open banking.

"About 70% survey respondents feel that greater emphasis should be made towards data protection by institutions," said the report 'Open banking: Unleashing the power of data and seizing new opportunities'.

Deloitte said the insights in the paper are supported by extensive research, past work, and credentials, complemented by a survey to understand customer needs with 400 plus respondents across age groups and population codes.

The report further said more than 80% of respondents are uncomfortable in sharing the transaction history of accounts, hinting towards a need for all financial institutions (FIs) to assure customers that their data is secure.

Observing that not only banks, but even customers are wary of data sharing, it said, "Cybersecurity and data protection are the top concern areas across all age groups, followed closely by wariness towards third-party access to data and transparency on data usage".

Over the years, the value of data has reached unprecedented levels. Countries, globally, are empowering customers with access to institutions of their choice, while jurisdictions are witnessing various approaches to open banking strategy and implementation based on regulatory favourability and industry maturity.

FIs, it said, also have realised that they are now custodians and not owners of data and are trying to move to alternative revenue streams after receiving customer consent.

Sandeep Sonpatki, partner, Deloitte India, said the onset of the pandemic has given a boost to welcome digital and API-based banking in India with most salaried respondents already being highly comfortable with digital banking.

COVID ASSISTANCE

Senate passes Biden's $1.9-trn relief bill on party-line vote

REUTERS
Washington, March 7

THE US SENATE on Saturday passed President Joe Biden's $1.9-trillion Covid-19 relief plan in a party-line vote after an all-night session that was delayed repeatedly as the Republican minority tried but failed to push through around three dozen amendments.

The plan passed in a 50-49 vote with the support of every Democrat but no Republicans. It is one of the largest stimulus bills in US history and gives Biden his first major legislative victory since taking office in January. The partisan victory was made possible by Democrats winning two Senate seats in Georgia special elections in January, giving them narrow control of the chamber.


The relief plan passed in a 50-49 vote with the support of every Democrat but no Republicans REUTERS

Biden said on Saturday he hoped for quick passage of the revised bill by the House so he could sign it and start sending $1,400 direct payments to Americans. "This plan will get cheques out the door starting this month to the American people, who so desperately need the help," he said at the White House after the vote.

The final bill includes $400 billion in one-time payments of $1,400 to many Americans, with a phase-out starting for those with annual incomes above $75,000. It also includes $300 a week in extended jobless benefits for the 9.5 million people thrown out of work in the crisis. Democrats agreed to reduce those benefits from $400 a week in order to secure passage in the Senate. They want the bill signed into law before current unemployment benefits expire on March 15.

About $350 billion in aid was also set aside for state and local governments that have seen the pandemic blow a hole in their budgets. House of Representatives Majority Leader Steny Hoyer said on Twitter that the House will vote on Tuesday on the Senate-passed bill.

Democrats broke out in applause amid passage of the bill in the Senate on Saturday and liberal independent Senator Bernie Sanders fist-bumped Senate Majority Leader Chuck Schumer.

Schumer said the bill would help the country get the upper hand against the pandemic. "I want the American people to know that we're going to get through this and someday soon our businesses will reopen, our economy will reopen and life will reopen," Schumer said.

Senate Republican Leader Mitch McConnell, however, had harsh words about the measure. "The Senate has never spent $2 trillion in a more haphazard way or through a less rigorous process," he said.

Republicans had sought a new round of aid about one-third the size of Biden's plan. McConnell argued that even without this legislation, "2021 is already set to be our comeback year" because of relief bills enacted last year.

The measure comes as an increasing number of states have relaxed restrictions designed to curb the pandemic. Texas earlier this week allowed most businesses to operate at full capacity and California saying it would soon allow Disneyland and other theme parks as well as sports stadiums to reopen at limited capacity.

But even as more and more Americans get vaccinated against Covid-19, top infectious disease official Dr Anthony Fauci has said that "now is not the time to pull back".

Disagreements among Democrats over the jobless benefits and the all-night effort by Republicans to amend a bill that polls show is popular with voters illustrated the difficulty Biden will face in pushing other policies through a Senate that Democrats control by the narrowest of majorities.

The chamber set a record for its longest single vote in the modern era — 11 hours and 50 minutes — as Democrats negotiated a compromise on unemployment benefits to satisfy centrists such as Senator Joe Manchin, who walks a tightrope as a Democrat representing West Virginia, which backed Donald Trump in the November election.

Shake off ill will, UK tells EU over post-Brexit trade

REUTERS
London, March 7

THE EUROPEAN UNION should shake off its ill will and build a good relationship with Britain as sovereign equals, Britain's top EU adviser David Frost said on Sunday, promising to stand up for the country's interests.

Writing in the Sunday Telegraph, Frost again defended Britain's unilateral move to smooth post-Brexit trade between Britain and Northern Ireland, over which the EU has promised to launch legal action for breaching the terms of the Brexit deal.

Since Britain left the EU last year, relations between the two have soured, with both sides accusing the other of acting in bad faith in relation to part of their trade agreement that covers goods movements to Northern Ireland. Frost, who led Britain's negotiations to secure a trade deal with the bloc, was appointed as a minister and Prime Minister Boris Johnson's main point man for future ties with the EU earlier this year and looks set to take a firmer approach.


David Frost

"I hope they will shake off any remaining ill will towards us for leaving, and instead build a friendly relationship, between sovereign equals," he wrote in an opinion piece. "That is what I will be working towards, acting constructively when we can, standing up for our interests when we must — as a sovereign country in full control of our own destiny."

He again defended the British government's extension of a grace period for checks on some food products imported by retailers to Northern Ireland as being "lawful and consistent with the progressive and good faith implementation" of part of the post-Brexit trade deal called the Northern Ireland protocol. But he added: "Without this threat of disruption, we can continue our discussions with the EU to resolve difficulties arising from the protocol constructively — and we aim to do so."

Northern Ireland's future was bitterly contested during the Brexit negotiations. London ultimately agreed to leave the British-ruled province aligned to the EU's single market for goods to avoid a hard border between Northern Ireland and EU member Ireland, fearing it could be detrimental to the 1998 peace agreement that ended decades of conflict in the province.

This has required checks on some items arriving in Northern Ireland from elsewhere in the United Kingdom, which some businesses say has made it difficult to bring in supplies. To address that issue, the British government extended the grace period for some checks until October 1.

The EU disputes that the grace period extension was in line with the agreement, saying London should honour what it signed up to. It has promised to launch legal action, or a so-called "infringement procedure" against Britain.

Reopening schools is a step towards normality: British PM

REUTERS
London, March 7

THE REOPENING OF England's schools to all pupils on Monday will mark the first step back towards normality, and is only possible because of the efforts of the public to bring Covid-19 infection rates down, British Prime Minister Boris Johnson said.

Johnson has announced a roadmap for lifting lockdown measures that sees schools open first, followed in later stages by the gradual easing of restrictions on mixing with other people and the re-opening of non-essential shops and other venues.

In the final stage, which will take place no earlier than June 21, the government hopes to remove all remaining legal limits on contact with others.

"The reopening of schools marks a truly national effort to beat this virus," Johnson said. "It is because of the determination of every person in this country that we can start moving closer to a sense of normality — and it is right that getting our young people back into the classroom is the first step."

On Sunday, education minister Gavin Williamson also hailed the reopening of schools as "the first step towards this process of recovery and getting everyone back to the lives that we had just over a year ago."

He also told Sky News the government was looking at a whole range of proposals to help pupils to catch up on missed education, such as a five-term year and a longer school day.

Each step on the roadmap will depend on the level of Covid-19 cases, the government has said.

Protests erupt across Myanmar; official of Suu Kyi's party dies in police custody

REUTERS
March 7

AN OFFICIAL FROM the party of deposed Myanmar leader Aung San Suu Kyi died overnight in police custody, associates said, while protests were held in at least half a dozen cities in some of the most widespread action against the coup last month.

The cause of Khin Maung Latt's death was not known, but Reuters saw a photograph of his body with a bloodstained cloth around the head. Sithu Maung, a member of the dissolved parliament, said in a Facebook post that Khin Maung Latt was his campaign manager and was arrested on Saturday night in the Pabedan district of Yangon.

Police declined to comment.

Security forces cracked down on many of the protests across the country on Sunday. Police fired tear gas and stun grenades in the direction of protesters in Yangon and in the town of Lashio in the northern Shan region, videos showed. A witness said police opened fire to break up a protest in the historic temple town of Bagan, and several residents said in social media posts that live bullets were used. There was no word of any casualties.

Video posted by media group Myanmar Now showed soldiers beating up men in Yangon, where at least three protests were held despite overnight raids by security forces on campaign leaders and opposition activists.

The United Nations says security forces have killed more than 50 people to stamp out daily demonstrations and strikes since the military overthrew and detained Suu Kyi on February 1.

"They are killing people just like killing birds and chickens," one protest leader said to the crowd in Dawei, a town in Myanmar's south. "What will we do if we don't revolt against them? We must revolt."

Willing to engage with all: China

CHINA IS WILLING to engage with "all parties" to ease the crisis in Myanmar and is not taking sides, the Chinese government's top diplomat, State Councillor Wang Yi, said on Sunday. Beijing has said the situation in Myanmar was "absolutely not what China wants to see" and has dismissed social media rumours of Chinese involvement in the coup as nonsense.
— REUTERS

Yangon residents said soldiers and police moved into several districts overnight, firing shots. They arrested at least three people in Kyauktada Township, residents said. They did not know the reason for the arrests. "They are asking to take out my father and brother. Is no one going to help us? Don't you even touch my father and brother. Take us too if you want to take them," one woman screamed as two of them, an actor and his son, were led off.

Reuters was unable to reach police for comment. A junta spokesman did not answer calls requesting comment.

The state-run Global New Light Of Myanmar newspaper quoted a police statement as saying security forces were dealing with the protests in accordance with law. It said the forces were using tear gas and stun grenades to break up rioting and protests that were blocking public roads.

Well over 1,700 people had been detained under the military junta by Saturday, according to the Assistance Association for Political Prisoners advocacy group. It did not give a figure for overnight detentions.

Aston Martin to make electric cars in UK from 2025: Report

EDDIE SPENCE
March 7


REUTERS

ASTON MARTIN LAGONDA Global Holdings will build its new electric cars in the UK from 2025, the company's biggest shareholder told the Financial Times in an interview published on Sunday.

Chairman Lawrence Stroll said its battery sports car and sport utility vehicle would be produced at plants in England and Wales respectively, according to the newspaper.

The Canadian billionaire led a 535 million-pound ($740 million) rescue of the company in 2020, and holds a 22% stake, according to data compiled by Bloomberg. Daimler's Mercedes-Benz may provide batteries to the firm, Stroll said, though the British brand is looking at all options.

The firm's pledge to build cars in the UK comes at a time when the country is struggling to attract investment after Brexit. **— BLOOMBERG**

Flushed with liquidity, banks slash home loan rates to decadal lows

PRESS TRUST OF INDIA
Mumbai, March 7

FLUSHED WITH EXCESS liquidity as general credit demand still way below the desired levels, leading home loan players State Bank of India, HDFC, ICICI Bank and Kotak Mahindra Bank have slashed their rates to a decadal low, leaving consumers spoilt for choices.

The interest rate war comes as banks are sitting on huge excess liquidity which as of last week was over ₹6.5 lakh crore, according to Care Ratings. Excess liquidity is a drag on the banks bottomlines as they have to pay interest to depositors which is as low as 2.5% now, though.

The rate war also comes on the back of continuous prodding by the monetary authority which has slashed the repo rates by a whopping 200 bps since March 2020 to 4% to help revive the economy ravaged by the pandemic, but still credit demand remains under 6%.

According to the RBI data, home loan growth decelerated in FY21 due to the pandemic, though the decline in fact began in March 2020. From 17.5% in January 2020, home loan growth halved to 7.7% in January 2021.

For banks, housing loans are safe bets in the current scenario as the risk of default is minimal with a gross NPA of just 0.67% for SBI which leads the market and for HDFC too this NPA is under 1%.

Banks are hoping that the nascent economic recovery will lead to more home purchases, which has been faltering since last March. With corporates demand still a far cry and down in the dumps from an NPA point of view, for banks the biggest reason to push home loan is its risk-free nature. Unlike personal loans, housing loans involve a collateral. In case of default, banks can seize the asset and auction it off.

At ₹14.17 lakh crore as of November 2020, live housing loans account for more than half of personal loans for banks.

For consumers there are other advantages too — attractive property prices due to the pandemic and the resultant reduction in stamp duty by many states after the pandemic hit the realty sector badly.

But lenders are still choosy by pricing loans differently, depending on the risk profile and creditworthiness of borrowers. For SBI and Kotak Mahindra, the new rates of 6.7% and 6.65%, respectively, are applicable only to those borrowers with a credit score of 800 and above. Also, barring HDFC, the new rates are only up to March 31.

The rate war began on March 1 when market leader SBI, which has over ₹5 lakh crore of live home loan book and commanding a market share of 34% of the ₹14.17 lakh crore market, has even gone to the extent of waving the processing fee as well and cut the rates by 10 bps to 6.7%.

On the same day, Kotak Mahindra Bank followed suit reducing its rate by 10 basis points to 6.65%, making it the lowest in the mortgage market. Even before this, it had the lowest rate for past many months at 6.75%.

Two days later, HDFC, the pureplay mortgage leader with over 19% market share (according to an Emkay Global report), joined the race and lowered the rates by 5 bps to 6.75% to new and existing customers for unlimited period. But later it also lowered the rates by another 5 bps till March 31 and with a flat ₹3,000 processing fee.

Last month chairman Dinesh Khara said SBI's home loan portfolio crossed the ₹5 lakh crore milestone, widening its market share to 34%. He said this was led by a spectacular growth in the home loan segment in December 2020 when it had the highest sourcing, sanctions, disbursements, and growth that the bank had ever registered.

India Inc's overseas direct investment declines 31% to $1.85 billion in Feb

PRESS TRUST OF INDIA
Mumbai, March 7

INDIA INC'S OVERSEAS direct investment fell by 31% to $1.85 billion in February this year, the RBI data showed.

Domestic companies made investments of $2.66 billion in their overseas subsidiaries and joint-ventures in the year-ago month, February 2020.

Of the total investment made by Indian companies in foreign markets, $1.36 billion was in the form of loan; $297.37 million comprised as equity investment and the rest of $183.82 million was by way of issuance of guarantee, according to the RBI data on outward foreign direct investment (OFDI) — February 2021.

However, total OFDI by domestic firms in February was higher than that of $1.19 billion in January 2021.

Among the major companies who invested in their overseas ventures during the month included Tata Steel ($1 billion in its wholly-owned subsidiary in Singapore), and Sun Pharmaceutical Industries — $100 million in a joint venture in the US.

ONGC Videsh invested a total of $96.15 million in various joint ventures/wholly owned subsidiaries in Russia, Mozambique, Myanmar, Sudan, Colombia, Vietnam and Azerbaijan. JSW Steel made a collective investment of $62.85 million in its three WoS/JVs in the Netherlands and the US.

FDI in computer software, hardware jumps 4-folds

FOREIGN DIRECT INVESTMENTS (FDI) in the computer software and hardware sector jumped nearly four-times to $24.4 billion during April-December 2020-21, according to the latest data of DPIIT.

While in the year-ago period the sector received $6.4 billion FDI, the entire 2019-20 saw overseas investments of $7.7 billion, the Department for Promotion of Industry and Internal Trade (DPIIT) data showed.—**PTI**

Amazon's 'Local Shops' gets over 50,000 retailers onboard

PRESS TRUST OF INDIA
New Delhi, March 7

E-COMMERCE MAJOR Amazon on Sunday said more than 50,000 offline retailers and neighbourhood kirana stores across 450 cities in the country are now part of its 'Local Shops' programme.

Launched in April this year, 'Local Shops' aims to enable local shopkeepers and kirana store owners to sell online. In October, Amazon India had said the programme had seen participation from over 20,000 retailers in 400 cities.

More than 50,000 offline retailers and neighbourhood stores from 450 cities — from metros to tier II and tier III cities like Sangli, Osmanabad, Jamnagar, Gorakhpur, Jabalpur, Ratlam, Bikaner, Tumkur, Jalpaiguri, Kanchipuram and Dehradun have joined the Local Shops on Amazon programme, a statement said on Sunday.

They offer customers in their cities a wide range of products including fresh flowers, home and kitchen products, furniture, and toys amongst others.

"What started as a pilot, has now become a pan-India phenomenon enabling local businesses to come online and benefit from technology adoption and e-commerce. The encouraging response to the 'Local Shops' on Amazon programme reflects in the rapid scale up of the programme to over 50,000 sellers in less than one year of launch," Amazon India Vice President Manish Tiwary said.

Cairn wants India to pay $1.4 bn; shareholders to seek enforcement

PRESS TRUST OF INDIA
New Delhi, March 7

BRITISH OIL FIRM Cairn Energy plc on Sunday said its shareholders, including top financial institutions of the world, expect the use of the company's "strong powers of enforcement" to recover $1.4 billion from the Indian government should it not keep its word of honouring international arbitration tribunal awards on retrospective taxes.

Cairn has already moved courts in the US, UK, Netherlands, Canada, France, Singapore, Japan, UAE and Cayman Islands to get the December 21 international arbitration tribunal award registered and recognised — the first step before it can seek seizure of the Indian government assets such as bank accounts, payments to state-owned entities, aeroplanes and ships in those jurisdictions, in case New Delhi does not return the value of the shares seized and sold, dividend confiscated and tax refund stopped to adjust a ₹10,247 crore tax demand raised using retrospective legislation.

Cairn CEO Simon Thomson, who last month met top finance ministry officials for three straight days over the issue, said the Indian government should keep its word on honouring arbitration awards and return the $1.4 billion that an international arbitration tribunal has ordered rescinding a retrospective tax demand. "Our shareholders are watching," he said in a Twitter post. "They expect India to honour its obligations and to quickly bring this matter to a conclusion and if India do not do that, and if India delay, then our shareholders expect us to pursue our strong powers of enforcement which we have to do."

Finance Minister Nirmala Sitharaman had on March 5 indicated the government's intent to appeal against the award when she said it is her "duty" to appeal in cases where the nation's sovereign authority to tax is questioned.

Opinion

MONDAY, MARCH 8, 2021

ASOL PARIBARTAN
PM Narendra Modi

Asol paribartan means peace and development, better education, more jobs and fulfilling everyone's dreams

Important to let PSU banks reNUE their technology

Since access to new technology will be critical to their success, PSU banks must be allowed to be part of NUEs

GIVEN THE GOVERNMENT'S stated objective of encouraging technological innovation locally, it is unfortunate that state-owned lenders have been disbarred from becoming shareholders in NUEs (New Umbrella Entities). The government is apparently stalling their participation on the grounds it would amount to a conflict of interest given most PSU banks are shareholders in NPCI. This reasoning defies logic. It is irrational to believe the stakeholders in NPCI, which has had a great run, would not continue to be supportive of its endeavours given UPI is, after all, an established platform. The objective of allowing more payments platforms is to foster competition and, thereby, innovation. Depriving the largest lenders—State Bank of India and Bank of Baroda—of an opportunity to gain market share in what is going to be the world's biggest and fastest-growing digital retail payments market is patently unfair not just to the banks but also to the country.

If we deprive our nationalised banks—funded by taxpayer money—of the opportunity to be part of a second NUE, it could set them back because this is not just about profits, it is about staying relevant in a fast-changing financial system. It is about the learning to be gained by partnering with technology giants and private sector lenders. This sort of a learning opportunity must not be under-estimated.

PSU banks are already far behind their private sector peers in the digital arena, with the possible exception of State Bank of India. Frontline private sector banks are now seeing 40-50% of their business being digitally driven by their proprietary platforms and partnerships with fintechs. Even SBI cannot afford to remain complacent. Lenders today need to focus a lot more on technology if they want to grow their customer base, in much the same way the fintechs are doing. Payments is the first step to winning customers; while cash may still be popular, digital transactions are growing by leaps and bounds. Digital payments have grown ten-fold in the last five years to $450 billion and are tipped to hit $1 trillion very soon. Retail digital lending has grown at compounded 40% plus over the last seven years.

From vendors of vegetables to vehicles, everyone is embracing technology even as the population of smartphone users nudges 700 million. Fintechs have moved on from payments and are selling a range of financial products—mutual funds, insurance, etc—online and have already reached 150 million consumers. Some fintechs like Pine Labs and BillDesk are members of many consortia looking for a licence. While it is true that public sector banks today account for about 65% of bank deposits—a core ingredient for success in the financial system—this share could fall with increasing digitisation; if their value is not to be further eroded, state-owned banks must be part of the new retail payments networks. The fact that foreign tech giants like Facebook, Amazon, Google and card players Visa and Mastercard are all in the race, as are large corporations like those of the Ambanis, Tatas and Mittals, is an indication of how important a play this is. It would be unfortunate if the same banks that have been compelled to open millions of Jan Dhan accounts, which have compromised their profitability, are now not allowed to bid for an NUE licence.

Ease migrant workers' pain

NITI's draft good; supplement it with a pension scheme

THE PANDEMIC SHOWED up the gaps in governance support for migrant workers in a big way; the tragedy of the lockdown-exodus from India's top cities to the hinterland could have been avoided if the right policies to support migrants were in place and implemented effectively. To be sure, some robust-in-principle policies had been in effect at the time—the one nation, one ration card (ONORC) programme and the Jan Aarogya Yojana, among others—but the on-ground gaps perhaps presented a daunting prospect for migrant workers with regards to dealing with lockdown uncertainties in the cities they worked in. Since then, both the Centre and state governments have fast-tracked delivery/plugged holes and launched many more schemes. Now, according to *The Indian Express,* the Niti Aayog has come up with a draft national policy on migrants, which not only suggests amendments to existing Acts to redefine who is a migrant, but also envisions setting up commissions in both source and destination states to aid migrants. While the draft policy is a consolidation of schemes already launched by various governments, such as linking of Aadhaar to create a register of migrant workers, skill development programmes for workers, etc, it also envisages a shift from a dole-approach to a rights-based framework. Instead of episodic or permanent economic or social aids, the draft proposes creating enabling conditions for migrants to thrive. For instance, in the case of education, it calls for the government to create a mechanism within the Right to Education wherein it can map children of migrants and facilitate teaching in their mother-tongue in destination-states. Portability for Ayushman Bharat benefits, voting rights, etc, also build into the rights-based approach—all steps in the right direction.

How much of this vision translates into ground-level implementation will determine the success of the policy, should the government adopt it. For perspective, as per government data, only 4%, or 4,000, of the 1 lakh people registered in FY21 received skills training. Similarly, the track record of the Pradhan Mantri Kaushal Vikas Yojana speaks volume about the government's inability to push skill development the way it was intended. Also, the government needs to focus on bringing migrants under pension protection. One option could be to look at an NPS-style scheme for migrants, as Gautam Bhardwaj and Sanjay Jain had proposed in this newspaper *(bit.ly/3dX7IWn)*. Bhardwaj and Jain say that if a worker saves even ₹20 per day from the age of 18-with their contribution rising by 5% a year to adjust for inflation and the government contributing ₹5,000 per year for five years—it will lead to a pension corpus of over ₹20 lakh by the time the worker turns 60. This, in turn, could provide a monthly pension of ₹14,760 in the first year, rising to ₹29,222 at the age of 75. A 'pension-ised' society, along with a rights-based support framework, is what migrants will need, more so as employment-paradigms shift with the fourth industrial revolution.

ClimateCALL

Findings show that countries will need to drastically drop emissions if irreversible climate change is to be prevented

THE GLOBAL CARBON PROJECT (GCP) findings, published in *Nature Climate Change*, say that even in the 64 countries where CO2 emissions are falling, these would have to fall 10 times faster if irreversible climate change with disastrous effects is to prevented. The 64 countries saw carbon dioxide emissions fall by 160 million metric tonnes per year over 2016-2019, from the average 2011-2015 levels. But, in parallel, emissions shot up by an average of 370 million tonnes annually in 150 countries. While GCP researchers say fossil-fuel CO2 emissions fell by 7% last year, with the pandemic-lockdowns across nations, a comparison may not really be helpful.

The GCP's warning makes it clear that the global community has a long road to travel if the planet is to escape the worst of climate change by the turn of this century. Last week, a UN report said that going by signatories' latest goals under the Paris accord, emissions will only fall by 0.5% by 2030. Juxtapose this with the need for the world to cut emissions by 50% if warming is to be kept under 1.5oC. As per a report in Bloomberg, the upper-middle income group of economies, which includes China, saw its emissions grow by 30% between 2005 and 2019, though emissions has fallen considerably since 2016. With the US looking to rejoin the Paris climate accord—it had walked out of it under the Trump regime—there is some reason for optimism. More so, since president Joe Biden seems committed to large investment under climate-friendly policies. India, too, as pointed out in this newspaper by Arunabha Ghosh of CEEW, has been doing well on reducing the emission intensity of its growth. But the need will be for all countries to adopt a path of green growth.

ESTIMATING GROWTH

DIFFERING ACCOUNTING PRACTICES EMPLOYED BY THE GOVT AND FCI, AT A TIME WHEN PAST YEARS' SUBSIDY ARREARS ARE BEING PAID, COULD BE DISTORTING GDP ESTIMATES

The return of puzzling GDP numbers

PRANJUL BHANDARI, AAYUSHI CHAUDHARY & PRIYA MEHRISHI
Bhandari is chief economist, Chaudhary is economist & Mehrishi an associate, HSBC Securities and Capital Markets (India)

A PUZZLE OF SORTS has arisen (again) in India's GDP estimates. The statistics office is estimating that after expanding 0.4% yoy in Q3, growth will go back into contraction mode in Q4, contracting 1.1% yoy.

This should have implications for investors, who are broadly expecting that India is out of the woods and will grow positively over the next few quarters. Furthermore, a negative growth clip in Q4 does not sit well with the high frequency indicators, which continue to tick higher.

Further investigation reveals that there are some methodological issues in the calculation of growth, which are perhaps not just distorting current growth estimates, but could even leave an imprint on growth data for the next few years. It could even have distorted growth estimates in the past few years.

1. Which data points alerted us to the problem?

Q3FY21 GDP came in weaker than expected, but Q3 GVA was not as weak. There was a surprisingly sharp difference between the two measures of growth (0.4% GDP growth versus 1% y-o-y GVA growth). Note that the difference between GDP and GVA growth is generally lower, at 0.2ppt (10-year average).

This sharp difference also extended to the FY21 full-year advance estimate of the statistics office (-8% GDP versus -6.5% GVA growth). Compared to the previous advance estimate which was released in January, GVA was revised up (to -6.5% versus -7% previously), but GDP was revised down (to -8% versus -7.8% previously).

Working out the Q4FY21 estimate from the full-year one suggests that the statistics office expects GDP growth to contract 1.1%, but GVA to expand 2.5%. This got us confused. Is growth ticking up, or sliding down?

2. What explains the divergence between GDP and GVA?

We know that GDP = GVA + indirect taxes – subsidies. We also know that indirect taxes grew sharply in Q3 (GST grew +8% y-o-y; central government indirect taxes grew 33% y-o-y). So, for GDP to grow at a much slower pace than GVA, subsidies would have had to grow rather strongly. But why would that be? Because the budget on February 1, made it all too clear that over two years, the government intends to pay off past unpaid dues to FCI, the intermediary for food subsidies. To be precise, the plan is to pay 0.9% of GDP in FY21 and 0.3% of GDP in FY22. Repayment of some of these resulted in bloated subsidy growth, thereby depressing Q3, Q4 and FY21 growth estimates.

3. But shouldn't the GDP methodology have a way to take care of this?

Yes, if every economic agent used the same accounting methodology. Let us explain. For simplicity sake, let us work with two economic agents—the FCI and the central government. If both did "accrual accounting", we would not have a problem. The FCI would account for subsidies in the year they accrued, and the government would account for them in the same year too. In this situation, GDP would be a better indicator of underlying growth, rather than GVA (because it strips off the subsidy payments, which tend to inflate GVA).

The problem arises when the FCI and the government follow different accounting practices—for instance, if the FCI does "accrual accounting" while the government does "cash accounting". In this case, there could be a problem, for instance, if the subsidies in FCI's books accrued (say) last year, but the government only paid up in the current year. To arrive at the GDP number, the statistics office would end up subtracting from current GVA more subsidies than what accrues in the current year. This could lead to an underestimation.

And, indeed, this is what we think is going on. The FCI has clarified in its accounts manual that "all expenses are accounted for on an accrual basis." It has gone on to explain that "income is recognized when there is reasonable assurance for its realisation and is earned (usually when goods are transferred or services rendered), no matter when cash is received." On the other hand, we know that the Indian government records expenditures on a cash basis.

4. Were previous-year growth numbers impacted too?

Yes, likely. If we are right with our analysis so far, there is a chance that past numbers have been impacted too. The government has been owing money to the FCI over the last several years, and the amount picked up rapidly from FY18.

Over those years, the FCI would have accounted for the subsidies in its books and this would show up in GVA. However, the government did not pay up on time. As such, a smaller cash subsidy amount was deducted from GVA to arrive at GDP, thereby potentially overstating growth.

Indeed, we find that over FY18 and FY19, GDP growth was 0.6ppt higher than GVA growth (versus the 0.2ppt average in the previous five years). True, some of it could be because of other factors like a fall in fuel subsidies or a rise in indirect taxes; but, regardless, we think this deserves investigation.

5. By how much could future growth numbers be impacted?

The government plans to repay the dues for subsidies over the next two years, FY21 and FY22. Its FY21 advance estimate for GDP growth is -8%, lower than the GVA advance estimate of -6.5%.

About half of the 1.5ppt wedge, by our calculation, is because of the distortions created by the payment of past subsidy dues, and does not reflect actual weakness in economic activity.

Moreover, it ends up inflating the GDP growth number in FY22, because of a low statistical base. However, some of the base effects could be offset by the balance payment of past subsidy dues (budgeted at 0.3% of GDP in FY22), which could end up depressing GDP for the reasons explained.

We work all this out carefully and find that, on net, the positive base effect impact overshadows the negative payment of subsidy dues impact, leading to GDP growth being overstated by 1ppt in FY22. Finally, the repayment of balance dues in FY22 could impact FY23, again due to low base effects. We calculate that GDP growth may be overestimated by 0.5ppt in FY23.

6. What, then, is the 'true' economic growth in India?

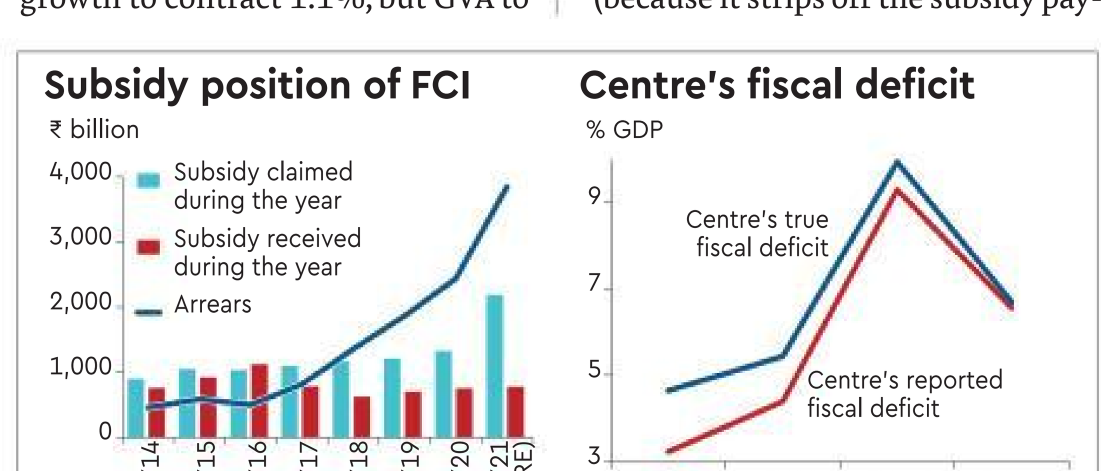
In normal times, GDP is a more wholesome indicator of economic growth than GVA, because it includes the government as well. But with GDP impacted by payment of previous-year subsidy dues, we think GVA will better reflect economic growth, not just in FY21 but also over FY22 and FY23.

7. What happens to HSBC growth estimates?

As explained above, the difference in accounting procedures by the FCI and the government may overstate GDP growth in FY22 and FY23. But it is also possible that the statistics Office corrects this problem over time. In the past, the statistics office has tried to improve its methodology, even if it means making sharp changes to GDP history. We will therefore wait and watch, at least until the next GDP release scheduled for May, when many revisions tend to happen.

For now, we will stick to our previously published forecasts of -6.3% y-o-y GDP growth in FY21, 11.2% in FY22, and 5.8% in FY23, which we think reflect the 'true' growth on the ground.

Excerpted from HSBC Global Research, Economics India report (March 4)



Source: FCI, HSBC, Budget documents (RE = revised estimate; data as of January 21, 2021)

No 'upload filter'

Both the intermediaries and OTT platforms should heave a sigh of relief that the rules may be less onerous than what may have been thought earlier

SAJAI SINGH
Partner, J Sagar Associates. *Views are personal*

THE INFORMATION TECHNOLOGY (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, framed in exercise of powers under section 87 (2) of the IT Act, 2000, supersede the earlier IT (Intermediary Guidelines) Rules 2011 and provide guidelines and a code of ethics for not just social media platforms, but also for digital media in general and OTT platforms. Both MeITY (Part- II of the rules) and ministry of information and broadcasting (Part-III relating to code of ethics and procedure and safeguards concerning digital media) have been provided an administrative role.

The rules don't come as a surprise, as there has been much debate on regulating social media platforms and OTT platforms. The global might of social media platforms is propelling various countries to sit up and take a particular position based on their purported internal policy and domestic challenges. Canada, Australia, China and Iran have in various ways taken (some withdrawn) a strong stance against certain activities and facilities of such platforms. It does seem like 2021 will be remembered as the year of social media platforms. Oddly the pandemic in 2020 made these platforms really relevant to the common man and their governments the world over; and, now, it is these very platforms that seem to pose the most imminent threat to elected governments. While ironic, this is a reality that needs to be dealt with.

In India, the rules are aimed at controlling third-party generated content, which an intermediary has little control over, which may result in recruitment of terrorists, circulation of obscene content, spread of disharmony, financial frauds, incitement of violence, public order etc. They also address the vacuum of not having an EU style data protection law or a data protection authority.

Like Australia and Canada, the Indian government also touched upon news and current affairs publishing on these platforms, referring to the journalistic conduct of Press Council of India and the programme code under the Cable Television Network Act. Though thankfully, no fees for carrying news/current affairs content has been proposed.

While provisions of due diligence and internal grievance redressal mechanism expand on the previous intermediary rules, it is the disabling access of content within 24 hours of receipt of complaints that may put pressure on platforms. I find the distinction between social media intermediaries and significant social media intermediaries to be interesting and how the Government distinguishes the due diligence requirements of both. Obviously, the significant social media intermediaries will be under a more severe scanner of the government. Those social media intermediaries who don't have a significant presence in India will need to rethink their plans. There is a need for Indian residents to be appointed as a chief compliance officer, a 24x7 nodal contact person, and a grievance officer. An address in India for contact would need to be made public. End-to-end encryption (say of WhatsApp) may be put to the test with the requirement of identification of the first originator of information. Though a three-month time frame for compliance has been provided, I am sure it will be spent in active negotiations between the government and social media intermediaries.

It is good that the current protection of an intermediary to act based on receiving actual knowledge in the form of an order by a court or being notified by the appropriate govt or its agencies through authorised officer has been recognised.

In terms of the OTT platforms, the focus on self-classification of content and censorship really follows a global trend. While there may be a debate whether a Facebook would be considered a news intermediary, at least there is clarity on what rules would be followed. The classification of content follows what several OTT platforms already use—U (Universal), U/A 7+, U/A 13+, U/A 16+, and A (Adult). Parental locks, content descriptor and age verification mechanism will need to be set up.

In many ways, both the intermediaries and OTT platforms should heave a sigh of relief that the rules may be less onerous than what may have been thought earlier, especially the pre-censorship of content with filters doesn't find its way in the rules.

LETTERS TO THE EDITOR

Domicile reservation bad for the nation

The decision of the Haryana government of 75% job reservation is nothing but a clever ploy to counter the resentment of the people due to their stand on the farm bills and the subsequent actions. By dangling the golden carrot of jobs before the youth, the government must be hoping to blunt some of the anger against it. In the attempt to hold on to power in the state, the Khattar government has forgotten all constitutional niceties, and even the 'One Nation' idea put forward by the BJP has been set aside. This move is bound to open a pandora's box of demands from the people of other states too. Given the present state of the economy, the clamour for jobs is getting louder and fiercer. The silence of the central government on the issue reinforces the fact the government speaks with a forked tongue even when it is silent.
— Anthony Henriques, Mumbai

Ease of living index

Bengaluru coming out with flying colours in the Centre's 'Ease of Living Index' survey covering 111 cities is a proud moment for the city's inhabitants. It scored an impressive 66.7, while Pune, which scored 66.27 came a close second. The distinction would inspire the stakeholders to give their best shot, leading to visible improvement on the ground.
— NJ Ravi Chander, Bengaluru

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LABOUR LESSONS

India and the coming global talent race

Multilateral global institutions, including World Bank, WTO, and ILO, need to join hands to execute a comprehensive immigration reform agenda to change the size, composition, and efficiency of global mobility

MORE THAN 3% of all people live outside their country of their birth. The share of high-skilled migrants relative to low-skilled migrants has grown dramatically, owing to the globalisation of demand for talent. And this development has a clear geographic dimension. Over 70% of software engineers in Silicon Valley in the US are foreign-born, and nearly 75% of all high-skilled migrants reside in the US, the UK, Canada, and Australia.

The top three applicants for H-1B visas in the US are Indian outsourcing firms, with Infosys applying for three times more visas than Microsoft. In Silicon Valley, immigrants lead half of engineering and technology start-ups. Ethnic inventors, who are not of Anglo-Saxon or European origin, account for more than 40% of patents from Google, Intel, and Oracle, compared with less than 20% from 3M, Boeing, and Procter & Gamble. Most large companies fall in between these extremes.

The early literature on global migration focused on the "brain drain" hypothesis, with the migration of talented individuals to developed countries draining the developing countries. However, the role of diaspora has changed, with globally-connected migrants promoting economic exchanges that promote trade, foreign direct investment, technology and knowledge diffusion with the developing countries. This has shifted the literature on global migration from "brain drain" to "brain gain". This global talent race has the potential to make today's laggards to become tomorrow's leaders.

Empirical estimates suggest that the knowledge diffusion from the Indian diaspora in the US has helped development of major advances in India more than domestic inventors there. High-skilled Indian migrants have enabled their US employers to conduct R&D-based work abroad. High-skilled Indian migrants have also played a key role in the growth of India's outsourcing industry, by providing information about economic opportunities to their home countries, and serving as reputational intermediaries. For our detailed empirical examination of online labor-sourcing platforms found evidence of U.S.-based ethnic Indians being more likely to send work to India when outsourcing tasks *(bit.ly/3v4Usb9)*.

What is driving the global talent race, and the shift in the composition of global migration flows? A key driver in this global talent race is the Fourth Industrial Revolution, along with declining transportation and communication costs (high-skilled migrants tend to travel farther to their destination countries than do less-skilled migrants). Limited educational opportunities in source countries have also promoted talents to seek education abroad.

The main cause behind the "war for talent" is the growing recognition that human capital plays a key role in today's knowledge economy. Enterprises that manage their global talent pool well are marching ahead. Most multinational corporations now insist that high-potential executives gain global experience by working in other countries, and they have made international mobility a prerequisite for senior leadership positions. Some of the global economy's most familiar players—including Google, Microsoft, Alcoa, Clorox, Coca-Cola, McDonald's, Pepsi, and Pfizer—have immigrant CEOs.

Changes in global demographics will continue to accelerate the global migration flows during the coming decade. Whereas most of the developed world is aging, developing countries have a growing share of young people. India will continue to benefit from its demographic dividend in the global talent race. In India, there are four 20-year-olds for every 65-year-old; in Western Europe, that ratio is one to one. At the same time, average earnings in developed countries are 70 time higher than in India. Combined, these demographic and wage differentials have become a strong impetus for global migration.

Since the end of World War II, trade and capital flows have been liberalised more than at any other point in history, but the global mobility of labour remains heavily restricted. This will not work in a global knowledge economy and changes in global demographics. Global migration will continue to play a key role in the growth agenda in the face of upcoming demographic changes that will result in an aging population and fewer workers in developed economies. As developed economies debate the right level of global integration, it is crucial to design the policies to spread benefits out more broadly and thereby generate the necessary political support. Countries that do not join the global talent race will fall behind. Talent has become the most valuable resource in a knowledge-intensive economy, and the global distribution of talent will shape economic growth and jobs in the future.

Policymakers have many tools to improve the global talent race. Multilateral global institutions including World Bank, World Trade Organization, and International Labor Office need to join hands to do a comprehensive immigration reform agenda to change the size, composition, and efficiency of global mobility. This has the potential to alter the total number of immigration flow each year, providing permanent status to undocumented immigrants, and promoting immigrant entrepreneurs for start-ups. Many countries have introduced targeted entrepreneur visas in the last decade.

Policy makers in high-income countries may need to remove country-level caps to employment-based permanent residency to decrease migrant uncertainty, increase worker mobility to help facilitate better employer-employee matches, and allow entrepreneurs to gain permanent residency faster and launch their ventures. Policy makers can also expand work visas, (increase the number of H-1B visas), and link future caps to economic conditions to reduce the need for multi-year debates about nominal changes in the cap level. Developed countries should also consider reforms that provide more guaranteed work time to international students after graduation, to promote size and composition of the inflow of talented students.

Policy makers in high-income countries may need to remove country-level caps to employment-based permanent residency to decrease migrant uncertainty

The multifaceted nature of the global migration agenda calls for increased partnerships between the public and private sector. Firms and universities are the frontline participants in this global talent race. Universities in developed countries can implement a reform agenda to change the size of immigration pool through their selection of international students who receive visas, and reverse the recent trends in US policy uncertainty, which has reduced foreign student interest in the US. Although American enterprises utilise an employer-driven system for the selection of migrants for work-based purposes, with the hiring firm filing the application, the mobility of migrant worker is restrained. A knowledge economy needs great talent mobility.

Global-governance organisations, multilateral development banks, and civil-society groups also have key roles to play. Technology, which now allows for virtual global talent mobility through video conferencing, digital platforms, online labor exchanges, and other applications will further accelerate the march for the global talent race, accelerate knowledge diffusion and "brain gain" for India.

DIGITAL YUAN

A threat to Bitcoin's markets

JOANNA OSSINGER

Bloomberg

Central banks' power to issue virtual money and proscribe rivals is a key risk

TROUBLE MAY BE brewing in China for Bitcoin's raucous and divisive rally as the nation pushes ahead with a world-leading effort to create a digital version of its currency. That's because the eventual rollout of the virtual yuan could roil cryptocurrency markets if Chinese officials tighten regulations at the same time, according to Phillip Gillespie, chief executive of crypto market maker and liquidity provider B2C2 Japan, which mainly works with institutional investors.

"Once a digital yuan is introduced, that's going to be one of the biggest risks in crypto," Gillespie, who previously worked in currency markets for Goldman Sachs Group Inc., said in an interview. "Panic selling" is possible if the new rules end up sucking liquidity from trading platforms for digital coins, he said.

Central banks' power to issue virtual money and proscribe rivals is one of the key risks for the crypto sector. Chinese citizens are already banned from converting yuan to tokens but the practice continues under the table using Tether, a digital coin that claims a stable value pegged to the dollar. The money parked in Tether then gets routed to Bitcoin and other tokens.

Tokyo-based Gillespie sees potential for an outright ban on Tether, which could raise the stakes for anyone minded to continue using it. A draft People's Bank of China law setting the stage for a virtual yuan includes a provision prohibiting individuals and entities from making and selling tokens. In recent days, China's Inner Mongolia banned the power-hungry practice of cryptocurrency mining.

Representatives of the People's Bank of China didn't reply to a fax seeking comment on the prospect of regulatory changes. While there's no launch date yet, the PBOC is likely to be the first major central bank to issue a virtual currency after years of work on the project.

Tether officials have downplayed the concern, saying that central bank digital currencies won't mean the end of stablecoins.

"Tether's success has provided a blueprint for how a CBDC could work," said Paolo Ardoino, chief technology officer for Tether and Bitfinex, an affiliated exchange. "Furthermore, CBDC's are unlikely to be available on public blockchains such as Ethereum or Bitcoin. This last mile may be left to privately-issued stablecoins."

Still, Gillespie points out that Tether is "this massive amount of fuel for Bitcoin purchases" and few people realize the potential for disruption. A "tremendous amount of liquidity" is coming from exchanges tapping Chinese demand, he added.

Bitcoin surged fivefold in the past year and hit a record above $58,000 last month before dropping back about $10,000. The rally has split opinion, with some arguing a new asset class is emerging and others seeing pure gambling by retail investors and speculative pros in the Wild West of finance.

Tether is an equally controversial token deep in the plumbing of the nascent cryptocurrency market. Traders use it to park money as they shift from virtual to fiat cash.

More than $18 billion of Tether moved overseas from East Asian addresses over a one-year period, including spikes suggesting Chinese origin, according to an August report from Chainalysis, which analyzes the blockchain network technology underlying tokens. The report indicated citizens may be using Tether to dodge rules that limit capital transfers abroad.

Questions about Tether continue to swirl. The companies behind it were banned from doing business in New York last month as part of a settlement with state officials who found that they hid losses and lied about reserves.

A recent report from JPMorgan Chase & Co. said there'd likely be "a severe liquidity shock to the broader cryptocurrency market" if issues arose that affected the "willingness or ability of both domestic and foreign investors to use Tether."

"All the volume goes through Tether," said Todd Morakis, co-founder of digital-finance product and service provider JST Capital. "As regulators become more and more restrictive on stablecoins, that could be very negative for the market because that could mean less liquidity."

B2C2 Japan's Gillespie said Tether is "such a risky asset" and a "massive liquidity shock" is possible if China does ban it. "What would happen is there's going to be massive panic selling," he said.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners

CREATIVE DESTRUCTION

The unicorn model for business

New Indian unicorns solved challenges during the lockdown for people & corporates

VIDYA HATTANGADI

Management thinker and blogger

IN THE VENTURE capital industry, the term 'unicorn' refers to any start-up that reaches a valuation of $1 billion; Uber, Airbnb, Snapchat and Pinterest are some well-known unicorns. The term was popularised by venture capitalist Aileen Lee, founder of CowboyVC, a seed-stage venture capital fund based in Palo Alto, California. Lee is a US-based seed venture capital investor. The firm invests in US-based seed-stage companies operating in software, hardware, media and consumer service sectors.

The phenomenon of unicorns is quite controversial. Although some professionals believe that such companies are just a result of technological progress and innovation, others believe the increasing number of unicorns is a sign of a bubble in the industry; a bubble is an economic cycle that is characterised by rapid escalation of market value.

Valuation of unicorns is complex: Each unicorn today has its own story with a list of its strengths and weaknesses. Valuing unicorns is a sophisticated process that involves the consideration of various factors and the development of long-term forecasts. Additional complications often arise due to the business models of such companies. Some companies become the first business of their kind in an industry, which makes the valuation process even more complicated.

Creative destruction: Mostly, all the unicorns have brought a disruption in the field they belong to. Uber, for example, changed the way people commute. Airbnb changed the way people plan their stay in domestic/foreign destinations economically while travelling, and Snapchat allows users to take photos and videos, exchange them with family and friends, and chat, which disrupted the usage of the social media network to a great extent. Creative destruction is a process through which something new brings about the termination of something existing before it. Creative destruction is required for the progress of society. The term is used in almost all walks of life, such as medical science, economics and information technology and almost everything. The term was coined by Joseph Schumpeter, the Austrian political economist.

Unicorns are mostly 'starters' in their respective industry. They change the way people do things and gradually create a 'habit formation' for their products and/or services. They keep innovation up and running to stay ahead of competitors.

During the Covid-19 pandemic, young Indian start-ups such as Unacademy, Pine Labs, FirstCry, Zenoti, Nykaa, Postman, Zerodha, Razorpay, Cars24, Dailyhunt and Glance became unicorns. As experts have pointed out, the core proposition of these start-ups was that these actually solved challenges for individuals and businesses during the lockdown for a large portion of the year. For example, during the pandemic, online learning continued to rise and led to a boom in valuation for Unacademy; it had already set a good pace in 2019 and had caught the venture capital firms' eyes. While students looked at catching up on test prep work, those working from home prepped their confidence. It also boosted business of other educational technology products.

Fintech apps such as Razorpay and Pine Labs boomed as online transactions for e-commerce and hyper-local services grew and contactless digital payments and even retailers jumped on to contactless payments. Digital payments saw a boom in the form of rapidly climbing UPI numbers since the lockdown in April last year. In November 2020, UPI transactions grew to 2.2 billion after crossing the 2 billion mark the month before. WhatsApp Pay processed 0.81 million UPI transactions worth ₹29.72 crore, doubling its figure. In December, PhonePe processed transactions worth ₹1.82 lakh crore, to lead the market with a 40% share. PhonePe overtook Google Pay after the latter had taken the lead in November 2020 as the most-used UPI app. The business model of unicorns is based on information technology. Uber got its model accepted by crafting a friendly app. Airbnb made the world seem a smaller place by making the best of the World Wide Web. A recent report notes that 87% of the products offered by unicorns are software, 7% are hardware, and the rest 6% are other products and services.

Unicorns adopt B2C model: 65% of the unicorns operate on the B2C business model. Their goal is to simplify and make things easy for consumers and be a part of their day-to-day life. Keeping things affordable is another key highlight of these start-ups. Spotify is a Swedish audio streaming and media services provider which made music lovers all over world cheerful because it made listening to music simple and easy.

Most of the unicorns are privately owned: Owners of the unicorns have a conviction in their idea and running the business. Most of the unicorns are privately owned, which gets their valuation bigger when an established company invests in it. India's largest brokerage Zerodha turned a decade-old in June 2020; it formally claimed the unicorn status, 'conservatively' valuing itself at $1 billion as it announced an (ESOP) employee stock options buyback plan.

Widespread: CB Insights is a private company with a business analytics platform and global database that provides market intelligence on private companies and investor activities. According to this company, as of November 2020, there are 504 unicorns globally with a cumulative valuation of $1,592 billion. The US leads with 242 unicorns; China is second at 119; India and the UK are third and fourth with 25 and 24 unicorns, respectively.

For start-ups based out of Canada, there is an exclusive term for what we call a unicorn. It is 'narwhal'—a Canadian start-up with a valuation of over $1 billion.

eFE

MONDAY, MARCH 8, 2021

TALENT CREATION

Debjani Ghosh, president, Nasscom

"Talent is the key ingredient of the new normal. Developing a fostering ecosystem for constant innovation will strengthen the digital economy. So when the world will think digital, the world will think India."

HEALTH & AI

How AI is improving cancer diagnostics

Fujifilm and Dr Kutty's Healthcare have opened an AI-enabled health screening centre for 10 common cancers along with other lifestyle diseases in Bengaluru. Plans are afoot to set up 100 more centres, starting with metro cities, and then expanding across the country

SUDHIR CHOWDHARY

Masaharu Morita, global marketing & new business manager, Modality Solution, Medical Division, Fujifilm

THE INTERNATIONAL AGENCY for Research on Cancer (IARC) estimates that globally, one in five people develop cancer during their lifetime, and one in eight men and one in 11 women die from the disease. These new estimates suggest that more than 50 million people are living within five years of a past cancer diagnosis. According to GLOBOCAN 2020 database (an online resource that provides global cancer statistics and estimates of incidence and mortality in 185 countries for 36 types of cancer) released by IARC, India sees a 5-year survival rate of about 30% of cancer patients. Early detection and early treatment with the help of regular screening plays a vital role in preventing and improving the survival rate of cancer patients in the country.

"Screening helps healthy, asymptomatic people identify previously unrecognised health risks at an early stage, allowing them to modify their lifestyle and prevent lifestyle diseases and in case of cancers, gives them the best chance of receiving effective treatment," says Mohamed Kasim, president, Dr Kutty's Healthcare, a fast-growing healthcare company.

Recently, the Japanese intelligent imaging and medical technologies major Fujifilm and Dr Kutty's Healthcare joined hands to set up 'NURA'—their first health-screening centre in the country, in Bengaluru. "With this examination centre, we aim to create awareness and an environment of opting for regular medical screening and taking preemptive healthcare measures," says Kasim.

Equipped with the best of Artificial Intelligence (AI) enabled imaging and expert healthcare, NURA centre can correctly test 10 common cancers, including oral cancer, breast cancer, cervical cancer, lung cancer, stomach cancer, colon cancer, prostate cancer, esophageal cancer, laryngeal cancer and early signs of leukemia along with other lifestyle diseases.

"We aim to bring Japan's health screening culture to India," says Masaharu Morita, global marketing/new business manager, Modality Solution, Medical Division, Fujifilm. "We use AI for three important things: high quality, low invasive and speed. The AI technology is developed in Japan and it can detect the abnormality automatically and alert the doctors and radiologists. We are using ultra low radiation CT which is 1/50 of normal CT and it's the same radiation dose as chest X-ray. AI technology enables us to sharpen the low-dose image that would be missed by the naked eye. We test for the 10 common cancers and lifestyle diseases critical illness such as chronic obstructive pulmonary disease, myocardial infarction and diabetic in 120 minutes."

In addition to 10 cancer tests, the centre will provide total medical examination services such as early detection of risks of metabolic syndrome and locomotive syndrome, lifestyle-related diseases such as chronic obstructive pulmonary disease and myocardial infarction.

According to Morita, with increased life expectancy in India, there is a shift from communicable diseases to non-communicable diseases such as cancer, myocardial infarction and diabetes. These are curable if identified at an early stage but most of these diseases are found at a later stage in India so mortality rate is high, making regular health screening necessary. "We plan to open about 100 such centres in India starting with metro cities and then expanding across entire India," he adds.

MODERN WORKPLACES

Making hybrid model work for your business

It holds the answer to the Indian workforce's diminishing productivity

Leo Joseph

INDIAN EMPLOYEES HAVE been working remotely for almost a year. Initially, the model worked well, beyond expectations, and even inspired many technology companies to look at it as a permanent model. Many IT companies announced lifelong work from home (WFH), a model that they continue to back. There are pros and cons of everything, and the WFH/ remote working model is no exception.

Recent surveys and reports are showing a decline in productivity from remote working. As normalcy returns and establishments and gatherings of all kinds get approvals, and vaccine trials gain momentum (hopefully with positive results), there is an expectation of returning to the old way of working soon. However, that may not be ideal.

The apt working environment in India lies in a hybrid model – for the employees and the employers. Some organisations have already moved to a hybrid model looking at the gaps in the WFH model. The hybrid work model will likely continue to evolve, spanning the office and remote working.

To better understand the changing working environment, Xerox conducted its Future of Work survey to uncover how IT decision-makers support hybrid working and how businesses plan to move forward as the world begins to reopen. We learned that while there is increased confidence in remote working, 82% of business decision-makers surveyed expect to be back in the office over the next year. In fact, 95% of respondents indicated that in-person, face to face communications was somewhat or a vital cornerstone of work-life and supporting talent management. The most prominent themes we have heard emerge are that people miss their co-workers and the ease of collaborating in person.

And of course, there are the logistical issues. The full working set up in offices such as a quiet, dedicated working space, ergonomic furniture, readily available IT support and the full stack of required peripherals is challenging to fully replicate at home. On average, 92% of respondents miss their printers and their ease of use. Smaller companies especially rely on them as an essential part of everyday work life.

The solution?

Businesses in India need to adapt to the rate of change, anticipate newer working models and account for human interaction. The rapid transition to remote work was difficult for most businesses and revealed technology gaps. Companies need to invest in new technologies to minimise future disruptions and seek added capability from existing tools to accelerate digitisation.

We also anticipate the rise of touchless technologies that will allow employees to use office devices with minimal or no direct physical contact and other solutions that help customers' social distancing efforts in the work environment.

We're having conversations with businesses of all sizes about digitising data, securing it in the cloud and automating workflows. While the accelerated tech infusion is Covid-driven, there is also an increased demand for long-term tech solutions from our customers across sectors. These include workflow automation, digitising invoice processing and mail management among most processes and functions ready to be fully digitised.

In a Covid-impacted world, technological investments and advancements and understanding how people connect are necessary for a hybrid working model. The modern workplace will not be solely home or office but an amalgamation of the two.

The writer is managing director, Xerox India

Tech Bytes

Addverb opens robots facility in Noida

HOMEGROWN AUTOMATION AND robotics firm Addverb Technologies has opened its manufacturing facility, Bot-Valley, in Noida with a vision to pioneer human-robot collaboration to touch human lives. With the establishment of this facility, Addverb intends to create a self-sustaining ecosystem for the robotics industry in India that can also export innovative products and disruptive technology solutions to the world. This facility is equipped with advanced electronics and mechanical machines and has a capacity to manufacture more than 50,000 robots of varied types in a year. Sangeet Kumar, founder and CEO, Addverb Technologies said, "Even with increased demand for automation, the penetration of robotics, especially in small and medium enterprises, is still low in India compared to the global average. With the new facility, we will be able to project India as a R&D epicentre of the world." The facility houses state-of-the-art equipment and compliments the benefits of Industry 4.0 including cutting-edge robotics and digitalisation technologies that enable rapid innovation, adaptation, optimisation and agile delivery of made-to-order robotics.

Creating skilled talent for digital era

NASSCOM FUTURESKILLS PRIME, in partnership with Cisco and AICTE, has launched a virtual internship programme focusing on cybersecurity. This is the first time AICTE has launched an internship online, opening a massive opportunity for students and employers. Cisco is supporting this initiative by offering 20,000 virtual internship opportunities in cybersecurity. The virtual internship programme is an extension of Cisco's Networking Academy programme and will be launched in two phases. During Phase 1, 20,000 virtual internships on cybersecurity will be offered, and during phase 2, internship opportunities on new skills will be included. To qualify for the internship, students will be required to undertake a Cisco Networking Academy course which will be aided by a series of learning content provided by Cisco via the institution's NetAcad platform or the Nasscom FutureSkills Prime platform. Upon completing the programme, applicants will be evaluated by Cisco NetAcad partners and eligible students will receive a digital certificate.

Gadgets

FIRE-BOLTT SMARTWATCH

Health monitor on your wrist

A good-looking and affordable smartwatch for SPO2, heart rate, BP, fitness and sports tracking

SUDHIR CHOWDHARY

NEW-AGE WEARABLE DEVICES, such as fitness bands, smartwatches, wireless headphones, earbuds, etc., are not the monopoly of established technology and gadgets firms anymore; a growing number of homegrown firms are dabbling in this fast-growing space, with considerable success. Take for instance, Fire-Boltt, a wearable, gaming and audio brand founded by two young and enthusiastic entrepreneurs—Arnav Kishore and Aayushi Kishore. Starting out as an audio brand, it offers a bouquet of high quality audio, fitness and fashion products, and has a pan-India presence in more than 750 cities. Its products are among the bestsellers on leading e-commerce platforms such as Amazon.

Recently, Fire-Boltt introduced its BSW001 full touch smartwatch, currently available at a special price of ₹2,999 on Amazon, Flipkart and different offline stores. In a short span, the device has climbed the popularity chart to feature among the top four most selling device in the segment on Amazon.

Company officials inform that the Fire-Boltt smartwatch is one of the first few watches in its price segment to offer SpO2 or oxygen saturation level and blood pressure monitoring. The device is further equipped with optical heart rate sensors that ensure real-time monitoring of heart rate while one is exercising. Keeping a track of the SpO2 level along with the heart rate would help keep the body fit and healthy. Apart from these, there is also a mechanism in place to measure blood pressure. Its BP monitor reads an individual's systolic as well as diastolic blood pressure. The reports for all aforementioned health-related readings can be obtained easily through the integrated app.

Another highlight of the smartwatch is its sleek and fashionable metallic body and its full touch controls. It comes in five attractive colours, with customisable and multiple watch face options. The look and feel of the smartwatch is premium and it comes with a removable strap. The intelligent watch's wrist sensor turns on the full HD touch display as and when needed. It is extremely easy to access the watch, thanks to a 1.4-inch colour display and full capacitive touch, which supports seamless taps and swipes.

The Fire-Boltt smartwatch offers seven workout modes for different activities such as cycling, walking, running, skipping, etc. It offers smart notifications and sleep tracking. The watch also has music controls, camera controls, flashlight feature and weather forecast notifications. Another USP of the device is its powerful battery life, as the watch works for eight days at a stretch following one complete charge. The watch has a standby time of 360 hours.

KEY FEATURES

- Measures heart rate, blood pressure, SpO2 or oxygen saturation level
- Sleep monitoring, sedentary reminder, sports pedometer, calorie consumption
- 7 workout modes – cycling, walking, running, skipping, badminton, football, basketball
- 1.4-inch colour display and full capacitive touch, supporting taps and swipes
- Smart notifications – SMS Alerts, Facebook/WhatsApp alert
- Estimated street price: ₹2,999

PTRON BASSBUDS VISTA

Big sound in a small and lightweight package

Bassbuds Vista are a decent pair of TWS earbuds with good audio quality and deep bass

SUDHIR CHOWDHARY

PTRON IS ANOTHER rapidly growing digital lifestyle and audio accessories brand that has been debuting some interesting gadgets at aggressive price points without compromising on quality and features. Its latest offering is the new TWS earbuds Bassbuds Vista with Bluetooth 5.1 connectivity. Priced at ₹1,299, these TWS earbuds offer easy access to multi-function button controls for overall seamless music and call user experience. The product has an enhanced ceramic microphone for clear and good call quality. Beyond all, the brand is offering a convenient induction technology wireless charging enabled case with 5W Qi wireless charger. This is the first budget segment TWS offering 5W Qi wireless charger.

The pTron Bassbuds Vista are compact and comfortable IPX4-rated earbuds for all-weather use. These are available in four classy colours—White, Grey, Blue and Black. They comprise rounded snug-fit ear tips for ambient noise reduction with Dual and Mono modes. Inside, the device has an incredibly fast, anti-jamming and stable BT5.1 chipset. Its 10mm speakers ensure pretty impressive sound and powerful bass.

In terms of actual usage, there is more power for extra performance; the Bassbuds Vista offer 12 hours combined playtime (four hours playback with earbuds, plus eight hours with charging case). There is 40mAh Li-Polymer battery in each bud and the unit requires just one hour of charging. There is a compact and portable 400mAh Li-Polymer charging Case (38g; Micro USB cable and charging pad are provided in the package. The device provides one-step out-of-the-box pairing and smart button control – answer calls, hang up, play/pause music, switch songs with Voice Assistant (Google/Siri).

Overall, the Bassbuds Vista are a decent pair of in-ear true wireless stereo earbuds with good audio quality and deep bass. pTron has managed to pack an incredible level of bass and deep sound in a small and lightweight package that's comfortable to wear for several hours.

SPECIFICATIONS

- Wearing type: Stereo Hi-Fi in-ear truly wireless earbuds
- Speaker: 10mm dynamic speakers with high bass
- Connectivity: Bluetooth 5.1
- Bluetooth range: 10 meters (Open space)
- Total playtime: 12 hours (earbuds four hours, eight hours on charging case)
- Estimated street price: ₹1,299

Investor

MONDAY, MARCH 8, 2021

EXPERT VIEW

SBI Life remains a strong play on the growth runway afforded by SBI's client base (to date <2% of SBI customer pool has been tapped)

—Jefferies

SBI LIFE RATING: BUY

New partnerships offer growth opportunities

Mgmt is optimistic about a rebound in premiums; overlap with LIC's base needs to be watched; Buy retained with revised TP of ₹1,110

SBI LIFE IS quite optimistic about a rebound in premiums led by a combination of cross-sell by SBI, penetration into new bank partners' clients and new product launches. It also sees scope for expansion in margins with better product mix & cost controls. SBI Life's targetted client base can have overlaps with LIC's target segment and that would need to be watched. We see 20% VNB CAGR over FY21-23 and ROEV of 17%. Maintain **Buy** with price target of ₹1,110.

Plan for FY22: SBI Life seems quite optimistic about premium momentum for FY21 and FY22 with a combination of (i) increased cross-sells by SBI which drove 60% + of their premiums in 9MFY21; (ii) increasing penetration into new PSU bank partnerships; and (iii) launch of new products on non-Par as well as annuity side. In the ULIP segment, SBI should be less affected by changes in tax laws as its ticket size of premiums was lower than the industry average. Margins can also expand with increasing share of pure protection over return of premium products (from 10-15% of retail protection to 25-30%). There should be scope for further expansion in margins aided by a rising share of pure protection (vs. ROPs) and some cost efficiencies.

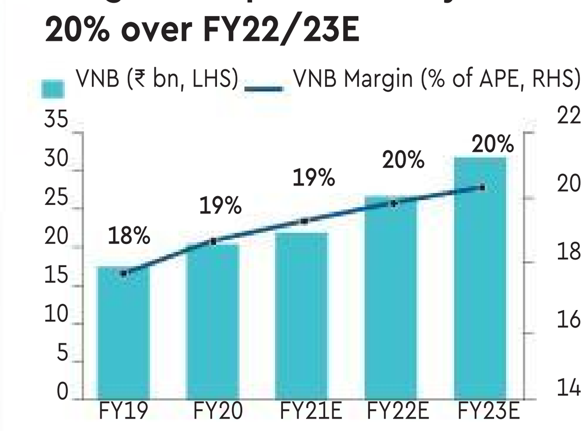
New partnerships offer growth prospects: The key opportunity for SBI Life is to deepen its partnership with non-SBI PSU banks like Uco Bank, Indian Bank/Allahabad Bank and Pvt lender South Indian Bank, which together drive just around 2-3% of the retail APE and management sees scope for stronger growth.

It has also recently forged a bancassurance partnership with Yes Bank – this should reflect in growth from FY22 onwards. We will watch for any impact of aggressive sales push by LIC, which may have higher overlap with the targetted segments and markets of SBI Life.

Maintain Buy: SBI Life remains a strong play on the growth runway afforded by SBI's client base (to date <2% of SBI customer pool has been tapped). We roll-forward our price target to ₹1,110 (from ₹1,080) based on 2.7x Mar-23 P/EV and maintain our **Buy** rating.

JEFFERIES

Margin to expand steadily to 20% over FY22/23E



Source: Company data, Jefferies estimates

SBI Life seems quite optimistic about momentum for FY21 and FY22 with a combination of (i) increased cross-sells by SBI which drove 60% + of their premiums in 9MFY21; (ii) increasing penetration into new PSU bank partnerships; and (iii) launch of new products on non-Par as well as annuity side

AIA ENGINEERING RATING: BUY

Correction in stock price is overdone

Logistics costs starting to moderate; upgrade to 'Buy' with unchanged TP of ₹2230

FREIGHT AND RAW material costs witnessed a sharp uptick since the start of Dec-20; consequently the share price has declined ~17% vs NIFTY's rise of 0.8% in the last 30 days. In our view, current prices factor in headwinds – such as the challenges the company could face in passing through higher freight costs – adequately.

Freight rates have started to moderate: The decline in freight rates is in line with our expectations. With this, we expect Ebitda margins to gradually normalise in H2FY22F, further driven by the pass-through of raw material costs.

Our deep dive on mill liners suggests long-term value accretion based on products value proposition: Research papers and patents of EE Mill Liners (unlisted), AIAE's technology partner for mill liners, suggests savings of >20% on power costs and a rise in yields on shorter mill downtime. These benefits were driven by patented mill circuit optimisation technology rather than through the use of mill liners per se. The benefits allow AIAE's entry into mines, allowing the cross-selling of products such as grinding media.

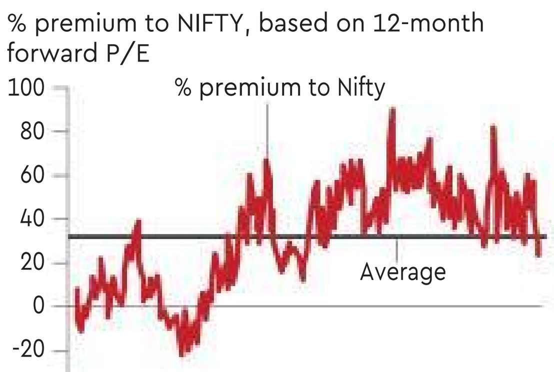
Elevated ore prices could lead to global mining capacity expansion: The prevailing high metal prices make 10-15% of marginal mining capacity economically viable. These marginal-cost mines tend to benefit more from the rise in yields and cost savings offered by AIAE's products, driving a further increase of ferrochrome as grinding media.

Upgrade to Buy: Our estimates are unchanged, and we continue to value AIAE at 28x FY23F EPS of ₹79.7 to arrive at a TP of ₹2,230, implying ~23% upside, and upgrade to **Buy**. Slower-than-expected moderation in freight rates is a key risk.

NOMURA

% premium to market at slightly below long-term average

% premium to NIFTY, based on 12-month forward P/E



Source: Bloomberg Finance LP, Nomura research

Personal Finance

INSURANCE

Better resolution of policyholders' complaints

Insurance ombudsman rules have been amended to allow policyholders to lodge complaints digitally and ensure faster resolution

SAIKAT NEOGI

IN ORDER TO improve the working of the insurance ombudsman mechanism, the government has amended the Insurance Ombudsman Rules, 2017 to facilitate resolution of complaints regarding deficiencies in insurance services in a timely, cost-effective and impartial manner.

Policyholders can make complaints electronically and track their status online, insurance brokers have been brought within the ambit of the ombudsman and the scope of complaints to ombudsman widened from only disputes earlier to deficiencies in service on the part of insurers, agents, brokers and other intermediaries. The Ombudsman mechanism has been renamed as the Council for Insurance Ombudsmen.

Amendments have been made for securing the independence and integrity of the ombudsman selection process and securing impartiality of the appointed persons serving as ombudsmen. The selection committee will include an individual with a track record of promoting consumer rights or advancing the cause of consumer protection in the insurance sector.

ILLUSTRATION: SHYAM KUMAR PRASAD

Digital complaints

Under the amended rules, policyholders can make complaints electronically to the ombudsman and a complaints management system will be created to enable policyholders to track the status of their complaints online. Moreover, the ombudsman will use video-conferencing for hearings. Supporting documents have to be provided, the nature and extent of the loss caused and the relief sought from the ombudsman will have to be mentioned. The complainant will have to mention the name of the branch or office of the insurer against whom the complaint is made. The complaint will have to be filed within one year after the order of the insurer rejecting the representative's claim is received. Also, the policyholder can file the complaint to the ombudsman after expiry of a period of one month from the date of sending the written representation to the insurer if the company fails to furnish a reply to the complainant.

The insurer has to comply with the decision of the ombudsman within 30 days from the date of receipt. If it does not accept the ombudsman's decision, it can then approach the consumer forum. The ombudsman will provide both the parties reasonable opportunity of being heard before an award is passed.

Role of ombudsman

The ombudsman acts as a counsellor and mediator and arrives at a fair recommendation based on the facts of the dispute. If the policyholder accepts the decision of the ombudsman, then it will inform the company which will comply with the terms. Insurers will have to provide contact details of the insurance ombudsman in every policy document issued by them. The award passed by the insurance ombudsman is binding on the insurer.

However, there are instances where courts have allowed appeals by insurers on the orders passed by the ombudsman in exercise of their constitutional powers. Each ombudsman can redress customer grievances in respect of insurance contracts on personal lines where the compensation amount sought is less than ₹30 lakh. Currently, there are 17 insurance ombudsmen in the country.

According to the FY20 annual report of Insurance Regulatory and Development Authority (Irdai), though there is an increase in number of complaints against life insurers in 2019-20 compared to 2018-19, the share of complaints related to Unfair Business Practices (UFBP) dropped to 26.30% in 2019-20 from 30.36% in 2018-19. The number of UFBP complaints registered against private life insurers dropped to 39,450 in 2019-20 from 45,294 in 2018-19. The number of misspelling complaints have reduced from 47,503 in 2017-18 to 35,178 in 2019-20. Also, the incidence of mis-selling complaints per 10,000 policies sold has reduced over the years. Analysis of channel wise mis-selling complaints of private life insurers reveals that banks and broker channels received the maximum complaints.

Decoding return on equity with Dupont Multiplier

Analysis of the trend and magnitude of return on equity and its components is certainly an effective investment filter

YOUR MONEY

N SIVASANKARAN

RETURN ON EQUITY (ROE) is a key variable to be looked at while assessing the financial performance of a company. ROE is a measure of the overall financial performance of a firm.

ROE

ROE of a firm is computed by dividing its profit after tax (net income) by the amount of shareholders' funds (owners' equity). Let us take a hypothetical firm Abhinandan Ltd (AL). Its PAT for Q3 of FY 2021 is ₹50 crore and its shareholders funds on December 31, 2020 is ₹250 crore. Therefore, its ROE is 20%, i.e, (50/250)*100. If the firm's average ROE in the last five years is 16% and its ROE is in the increasing trend over the past five years, it indicates the firm is performing better, and it may continue to do so in the future.

Decomposing ROE using Dupont Multiplier

A rational investor needs to decompose ROE of a firm into five components; namely, operating profit margin, interest burden, tax burden, asset turn and equity multiplier in order to get more insights on the financial performance of a firm. This is known as Dupont Analysis. According to Dupont multiplier, ROE is the output of the product of these five variables.

Operating Profit Margin: It is computed by dividing operating income by the operating revenue. This component is the most significant among the five variables. Therefore, investors should look at the movement in the EBIT margin. A firm with a double-digit EBITM with a rising trend is to be shortlisted for investment.

Interest Burden: It is computed by dividing earnings before taxes (EBT) by the EBIT. For instance, interest burden of AL for current year is 0.75 while it is 0.70 in the previous year. This indicates the firm has reduced its interest expenses in the current year compared to the previous year.

ILLUSTRATION: SHYAM KUMAR PRASAD

Tax Burden: It is computed by dividing the profit after tax (PAT) by EBT. For example, the tax burden of the firm is 0.70 in the current year while it is 0.65 in the previous year. This reflects that the firm has reduced its tax expenses this year.

Asset Turn: It is calculated by dividing operating revenue of the firm by its total assets. Higher the asset turnover of a firm, better is its asset utilisation efficiency. For example, AT of AL is two times in current year while it is 1.75 in the previous year. We can infer the firm is utilising its assets better in the current year.

Equity Multiplier: It is obtained by dividing the total assets by the owners' equity. This reflects the impact of financial leverage on the performance of a firm. Higher the equity multiplier, better the financial performance of a firm provided the firm is profitable.

Investors should analyse the financials of a firm before investing their funds. Analysis of the trend and magnitude of ROE and its components is certainly an effective investment filter.

The writer is associate professor of finance, XLRI School of Management, Jamshedpur

TELECOM

Prospects of hikes in tariff recede

Jio may sell capacity given spectrum deals; Bharti eyes share gain; 'Hold' retained on Bharti with TP of ₹590

RELIANCE JIO'S HEFTY spectrum spends of ₹571 bn and Bharti's approach of acquiring more spectrum in its weaker markets do not bode well for the tariff environment. Jio may prioritise selling excess capacity created due to its spectrum purchase, thus delaying tariff hikes. Further, with Bharti acquiring over 50% spectrum in B-circles where its market share is low, its focus on market share gains is clear. We lower our PT to ₹590 and maintain **Hold** on Bharti Airtel.

$11 bn of spectrum sold in auctions

Spectrum auctions concluded with operators bidding for 1211MHz of spectrum (unpaired basis) worth ₹778 bn/$10.6 bn. Among bands, 800MHz and 2300MHz bands were the most sought after as 65-89% of spectrum available in these bands were sold. The 900MHz and 1800MHz bands also witnessed decent demand with 39-43% spectrum being sold. Operators will have to pay ₹276 bn upfront while the remaining ₹502 bn can be paid over the next 18 years but will attract an interest of 7.3%.

Reliance leading spectrum spends

Reliance Jio acquired 697MHz of spectrum (on unpaired basis) for ₹571 bn. Since this was disproportionately higher than Bharti and Vodafone Idea, Reliance Jio's spectrum market share has increased from 20% to 25%. While its focus on renewals and boosting 1800MHz spectrum was in line with expectations, further acquisition of 2300MHz to take its holding to 40MHz pan India came as a surprise.

Bharti Airtel focusing on share gains

Bharti Airtel acquired 491MHz spectrum for ₹187 bn, which helped it increase its spectrum market share to 29.5% – the highest in the industry. The spectrum spends were largely in line with our expectations with the company securing 5MHz spectrum in sub-1 GHz spectrum bands across 20 of 22 markets. This along with its focused spends on B-Circles where its market share is lower at 28% reflects its strengthening network in weak markets to gain market share.

Limited participation by Vodafone Idea

Vodafone Idea acquired 24MHz spectrum for ₹20 bn, with its spends primarily focused on regaining its renewal spectrum in 900MHz band. The company also completed 5MHz blocks in 1800MHz band in three circles to be able to use this spectrum for 4G. As a result of its limited participation, the company has lost 5ppt spectrum market share to 25% – in line with Jio.

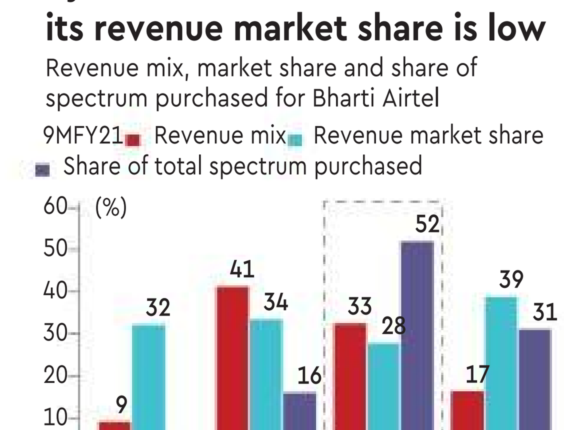
Tariff hikes are unlikely

Given that Jio has the highest tower and fibre on network, spectrum purchase will enhance its capacity. Jio is likely to focus on selling excess capacity as marginal cost of unit data/voice is negligible for telcos. Moreover, Bharti Airtel's spectrum acquisitions in sub 1GHz in Maharashtra and MP – the key markets of Vodafone Idea – and focus on B-circles reflect its focus on gaining share. We maintain our **Hold** rating and lower our PT for Bharti Airtel to ₹590 to factor in the spends in the current auctions.

JEFFERIES

Over 50% of spectrum purchased by Bharti was in B-Circles where its revenue market share is low

Revenue mix, market share and share of spectrum purchased for Bharti Airtel



Source: DOT, TRAI, Jefferies

BrandWagon

MONDAY, MARCH 8, 2021

NUMEROLOGY

Factors that would encourage consumers to try new F&B products:
- **41%** - recommendation from friends/ family
- **40%** - launched by a well-known brand
- **38%** - social media review

— Mintel report

PERSONAL DEVICES

Tablets back in business

Tablet brands focus on bigger displays and higher specs to cater to surge in demand

DEVIKA SINGH

THE TABLET SEGMENT, which had been de-growing for the last four years, is making a comeback. The pandemic has provided a shot in the arm to the tablet market in the country — according to a recent report by IDC, the tablet category recorded a 14.7% y-o-y growth in 2020, with the total shipments amounting to 2.8 million units. This is significant, considering that even in the fourth quarter of 2019, as per data from CMR, the segment had declined 18% y-o-y.

Nilesh Gupta, director, Vijay Sales, says the company had "written off tablets". However, the shift towards digital last year, for learning as well as entertainment, has brought them back in demand, he says.

Although consumer sales of these products had hit a slump, they were witnessing robust sales from institutional channels in the pre-Covid period. This trend reversed in the wake of the pandemic. Consumer shipments recorded a 59.8% rise over 2019, states the IDC report, while commercial shipments for the segment fell 14.3% y-o-y.

Brands operating in the segment have now renewed their focus on B2C by adding new products to their range and strengthening distribution.

IDC's *India Tablet Market* report names Lenovo as the largest player in the tablet segment, commanding 39% share of the market in 2020. Samsung comes in second at 32%, followed by Apple at 13%.

B2C beckons

Given the low uptake of tablets previously, manufacturers had stopped reviving their products. In fact, there were no new product launches between January and March 2020. Brands started to up their game only post lockdown, after witnessing heightened demand for these products. Lenovo, for instance, has introduced three new tablets since March 2020. Its new devices, such as Lenovo Tab P11 Pro and Lenovo Smart Tab M10 HD, have bigger screens.

"Consumers are now seeking 10-inch and 11-inch displays, as against the earlier 7-inch, as tablets are being used by children for online classes or as a productivity device," says Pankaj Harjai, director – tablets and smart devices, Lenovo India.

Acer, too, launched the Acer One 10 (10.1-inch display, priced at ₹13,000) to cater to the demand for tablets with larger screen sizes. "We also introduced better specifications such as higher storage of 64 GB, 4GB RAM and 4G connectivity," says Sooraj Balakrishnan, head of marketing, Acer.

The demand for feature-heavy, affordable tablets is on the rise. According to data from IDC, the $100-200 segment constitutes more than half of the total tablet shipments in India

The demand for feature-heavy, affordable tablets is on the rise. According to IDC, the $100-200 segment constitutes more than half of the total tablet shipments in India. Most companies are launching products in this sought-after price range. Vijay Sales, which had stopped stocking tablets pre-Covid, now has six SKUs of the product in the ₹10,000-20,000 price range in its stores.

Tablet companies also rejigged their marketing and distribution strategies in the past year. Lenovo, for instance, expanded its presence to 2,500 outlets; before the pandemic hit, its retail presence was limited to 500 stores. Acer, meanwhile, brought tablets to the forefront of its marketing initiatives, and increased its marketing spends for the segment by 25%.

Stuck in the middle

The smartphone market in India — teeming with feature-heavy, affordable devices — poses a big threat to the tablet industry. "Smartphone displays have been increasing rapidly, and now stand at over 6 inches. In the pre-pandemic times, consumers would often opt for smartphones instead of entry-level 7-inch tablets," says Jaipal Singh, associate research manager, client devices, IDC India.

With competition from smartphones in the value segment and from laptops in the higher price segment, tablets could find themselves on a sticky wicket.

Menka Kumari, analyst — intelligence group, CMR, says tablet manufacturers would need to differentiate themselves by bringing in new features and use-cases beyond e-learning to keep the momentum going.

Experts are hopeful that the demand from institutional sectors, especially healthcare, BFSI and the government, could drive the growth of this segment in future. Singh of IDC says there has been an increased adoption of tablets among small-town consumers, offering another growth avenue for companies in the segment.

FMCG

Booster shot

A new range of immunity products has hit the health and wellness segment

VENKATA SUSMITA BISWAS

THE CONVERSATION AROUND health and wellness seems to have shifted from 'turmeric in everything' to 'long-term habits that build immunity'. According to a study by Mintel India conducted in May 2020, 57% consumers said they would increase their expenditure on healthcare products — not just masks and sanitisers, but also traditional immunity boosters and other herbal health supplements — as a result of the pandemic. Consider this: in the October-December quarter of 2020, Dabur registered a 34.7% y-o-y growth in its health supplements business.

FMCG brands are now eyeing a larger share of the immunity market and launching nasal wash and oil pulling products, among others.

Business of immunity

Dabur has introduced new products in its health supplements category over the past year, including two variants of apple cider vinegar. The Dabur Himalayan Apple Cider Vinegar is priced at ₹370 for a 500 ml pack, while the organic version costs nearly twice as much. "There is enhanced awareness about health and wellness best practices now, compared to the pre-pandemic period," says Rajat Mathur, AGM – consumer marketing, Dabur India.

GSK decided to launch a nasal wash because "people have now become extremely cautious about their hygiene," says Vijay Sharma, area marketing lead, OTC and expert marketing ISC, GSK Consumer Healthcare. Otrivin Breathe Clean, its saline nasal wash, is available in a 100 ml pack, for ₹335. GSK is positioning it as a daily use product.

Meanwhile, Colgate Palmolive has launched Colgate Vedshakti Oil Pulling product, aimed at improving oral hygiene and overall health. A 200 ml pack of the oil costs ₹350.

Too niche?

The price points of each of these products may make it tough for brands to drive mass adoption. Rajat Wahi, partner, Deloitte India, says, "Pricing is very critical for the health and hygiene category. It is doubtful whether people will shell out a premium for a product for which there is an inexpensive solution available at home."

A Mintel study conducted in May 2020 found that 57% Indians planned to increase spends on healthcare products

Although not a very well-known technique, people have been practising oil pulling with cooking oils such as coconut oil. However, Colgate Palmolive's VP – marketing, Arvind Chintamani, says the right oil concoction can do a much better job than one oil alone. "There is a long way to go in building awareness about oil pulling," he says, adding that the company will be undertaking a nationwide campaign to educate consumers.

GSK has kickstarted an influencer marketing campaign, with celebrities Mandira Bedi and Rannvijay Singha, to promote Otrivin Breathe Clean.

WOW Skin Science, a personal care brand, launched apple cider vinegar as a health drink in 2013. The company now has a range of skincare and haircare products with apple cider vinegar as an ingredient. "Apple cider vinegar has gained popularity because it is a wonder ingredient that is good for the skin, hair and body. It improves gut health and aids weight management," says Manish Chowdhary, co-founder, WOW Skin Science.

Betting on a product that has multiple uses could promote wider adoption, say analysts. For example, a cold-pressed coconut oil that could be used in cooking and for oil pulling could be a winning combination.

E-commerce is an important part of their retail strategy. Dabur's apple cider vinegar is on sale only on e-commerce portals; Otrivin Breathe Clean, Sharma says, has been witnessing demand on Amazon and 1mg, apart from pharmacies in the top metros.

Wahi points out that with people becoming lax about protocols like wearing masks and washing hands, their health and hygiene practices may have returned to pre-Covid levels. Hence, he says, while consumers may experiment with these products, they may not become repeat users.

In The News

Havas Creative bags two new businesses

HAVAS CREATIVE HAS bagged the creative communication mandate of Dabur Vedic Suraksha Tea. This includes the FMCG brand's green tea and black tea variants, and all its extensions. The business will be managed out of the agency's Delhi office. It has also won the digital communication mandate of ITC's salty snacks portfolio under Bingo! The account will be handled by Havas's Mumbai office.

NxtGen Datacenter & Cloud Technologies partners with Madison BMB

DOMESTIC CLOUD SERVICES provider NxtGen Datacenter & Cloud Technologies has roped in Madison BMB as its marketing communications partner. The agency has been tasked with developing an overarching global positioning for the company through integrated campaigns across touchpoints.

Indigo Consulting's digital marketing teams merged with PWW

PUBLICIS GROUPE HAS integrated Indigo Consulting's digital marketing teams with Publicis Worldwide. The resulting 300-member agency will provide the entire suite of brand building communication services. According to the official statement, Indigo Consulting, under the leadership of Rajesh Ghatge (CEO) and Jose Leon (COO), "will continue to build on its core strengths and further invest in our deep tech capabilities".

Zenith India has a new national buying head

ZENITH INDIA HAS appointed Ramsai Panchapakesan as its national buying head. He will be in charge of the company's pan-India media operations. He was formerly the agency trading lead for m/SIX.

WPP acquires NN4M

WPP HAS ANNOUNCED that Wunderman Thompson has acquired NN4M, a global mobile technology provider that offers connected, experience-driven solutions across mobile and in-store channels.

In10 Media Network launches Hindi GEC

IN10 MEDIA NETWORK has entered the Hindi general entertainment market with its channel Ishara. The programming line-up includes shows across genres such as family drama, love story and mythology.

Motobahn

CAR REVIEW: MERCEDES-BENZ A-CLASS LIMOUSINE

A limousine in a world full of SUVs

In the luxury car segment there are so many SUVs around that a sedan is what will stand out

VIKRAM CHAUDHARY

OVER THE LAST few years car buyers have been opting for SUVs because these are unique; in a world full of sedans and hatchback cars, SUVs stand out. Perhaps now the tables have been turned, at least in the luxury car segment—there are so many entry-level SUVs around that a sedan is what will stand out, like this new A-Class Limousine. We drove it on the highways, city roads and even rural roads.

Perhaps Mercedes-Benz has a reason to launch an entry-level sedan, because 53% of the vehicles it sold in India in 2020 were a sedan. The A-Class Limousine (which replaces the CLA sedan) is the longest car in its segment (at 4,549 mm) and has a wheelbase of 2,729 mm.

Like the CLA, the A-Class Limousine is also an eye candy. It's compact, looks like it won't get dated even 10 years down the line (the CLA still looks contemporary), and has a coupe-like sloping roof.

The huge interactive screen on the dashboard is a joy to operate. The air vents look like jet engine turbines. The inside door handle is like a piece of art.

Specifications

Model	A 200	A 200d
Fuel	Petrol	Diesel
Engine	1332cc	1950cc
Power	161bhp	148bhp
Torque	250Nm	320Nm
0-100 km/h	8.3 seconds	8.2 seconds
Gearbox	7G-DCT	8G-DCT
Drive	2WD	2WD

(Its price will be announced on March 25)

There is no entry-level model; the A-Class Limousine will be available only as a fully loaded variant.

Legroom and headroom on all four seats is good. However, because there is a huge central tunnel on the floor between the seats, at the rear only two adults can sit comfortably, not three.

There are two engine options. The 1332cc petrol (161bhp; 250Nm) and the 1950cc diesel (148bhp; 320Nm). The petrol gets the 7-speed DCT gearbox and the diesel the 8-speed DCT. The claimed 0-100 km/h acceleration times are 8.3 seconds (petrol) and 8.2 seconds (diesel). Both are available only as two-wheel-drive.

The petrol variant has a super quiet cabin, and the engine is responsive even to a slight touch of the accelerator pedal. While its acceleration time is a millisecond slower than the diesel, it feels faster.

The cabin is spacious; rear is comfortable for two adults, not three

The diesel variant has that noticeable sound inside the cabin when idling; as the car picks up speed that sound almost disappears.

Both the variants handle very well on well-paved highways, and especially on sharp turns the car maintains its line; the tyres just don't seem to lose grip. The steering feedback (mechanical signals the front tyres send to the steering wheel) is so accurate that you will feel all bumps and dips on the road, and even a pebble under the tyre, through the steering wheel. On bad roads or loose gravel, however, the ride turns rough.

Mercedes-Benz India will launch the A-Class Limousine on March 25, and if it is able to price it in the ₹35 lakh range, it can well turn out to be a 'volume' car for the company in 2021.

Infrastructure

EXPERT VIEW

Prices of Petrol and Diesel reached an all-time high in February 2021, rising by ₹4.9/litre and ₹5/litre, respectively, by the end of the month. Taxes now account for around 59% of the retail price of petrol and 54% of the price of diesel

—CARE Ratings

BUDGETARY PROPOSALS

Execution on the ground will be key

With Budget 2021-22 meeting most of the expectations on infrastructure financing, there is need to hammer out proper mechanisms to realise the ambitious agenda

ARINDAM GUHA

UNION BUDGET 2021-22 has clearly met most of the expectations around infrastructure development and financing. In addition to an over 25% increase in the budgetary outlay for infrastructure development, it has announced the setting up of a Development Finance Institution (DFI), backed by government support and initial capital contribution. As a next step to the National Infrastructure Pipeline (NIP), an initiative to create a National Monetisation Pipeline has been launched and specific asset categories for monetisation like the Indian Railways-promoted dedicated freight corridors called out. Separately, a special purpose vehicle (SPV) for land monetisation has also been announced. These measures clearly have the potential to address most of the challenges being faced in infrastructure financing today. However, a lot will depend on how effectively they are implemented on the ground.

Let us start with the DFI announcement in the Budget. As per the NIP, DFIs funded 20-25% of the annual infrastructure spend of around ₹7-12 lakh crore during 2013-2018. DFI financing has, however, been focused on specific sectors like power and railways, where institutions like PFC, IRFC, etc. have contributed 40-50% of total investments. Also, while 30% of NIP investments are in sectors under State (even local) Government jurisdiction, the number of DFIs at the State level have been quite limited. To address these limitations, the proposed DFI(s) may need specific focus on sectors like urban infrastructure, agriculture/irrigation, health and education. A regional or state-specific construct may need to be explored, with suitable governance arrangements and financial participation from State governments through mechanisms like land monetisation.

Coming to asset monetisation, the focus to date has been largely on sectors like power and roads/highways, with financing models and structures like toll-operate-transfer (ToT) and infrastructure investment trusts (InvITs) being deployed. Going forward, these models will have to be extended to sectors like the railways and urban infrastructure/transport (Metro railway projects for example). Accordingly, the right asset monetisation model would need to be selected, with a potential re-examination of the underlying regulatory & tariff framework, bid process-related activities and terms of concession/contract. Also, for InvITs promoted by government agencies, as in the case with Power Grid Corporation and NHAI, it would be important to appoint professional investment managers backed by an appropriate governance structure.

Finally, the SPV for land monetisation announced in the Budget would need to have suitable financial, management and institutional structures if individual ministries, Central PSUs, and State and local governments are to be effectively supported. The SPV would need to be backed by a transparent policy framework outlining its mandate, together with guidelines on the entire land monetisation lifecycle, from identification of surplus land and determination of optimum end use to bid process management and creation of the underlying contractual framework. The initiative may need to be part of a scheme wherein the services of the SPV as well as specific financing support (guarantees or long term loans for infrastructure projects) are made available to participating State governments. The proceeds from land monetisation could go to a separate fund for infrastructure development and be used by State governments to meet targetted budgetary outlays in infrastructure development.

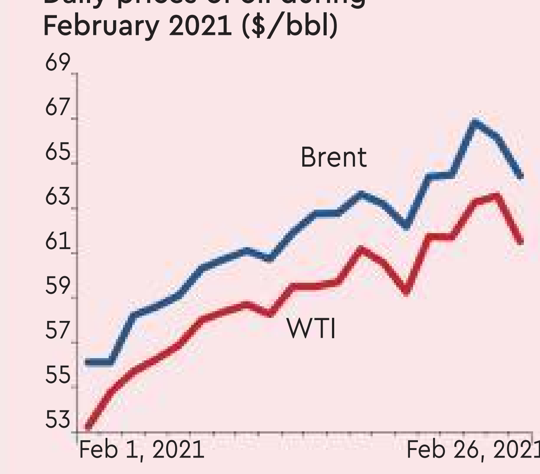
As we can conclude from the above, while Budget 2021-22 does set the right direction for infrastructure financing, it is the actual implementation of the proposals which will be key to success.

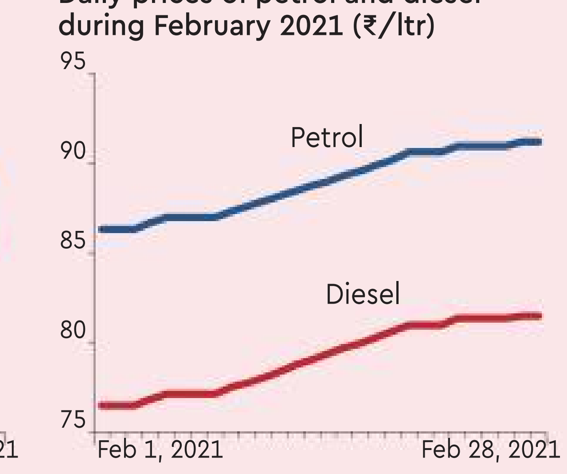
The writer is Partner and Leader – Government & Public Services, Deloitte India

DATA MONITOR

Oil prices nearing pre-pandemic levels

The price of Brent Crude and WTI increased sharply by 11.6% and 13.4% m-o-m in February, and by 11.3% and 17.4%, respectively, on a y-o-y basis. Brent Crude oil price breached the $60/bbl mark after 13 months in February. Oil prices have been on a rise due to restrained US oil production and deployment of vaccination drives across economies, among other factors. The y-o-y recovery denotes that crude oil prices have recovered from the initial pandemic days and are nearing the pre-COVID range.





Price build-up of petrol and diesel at Delhi (₹/ltr)

As on March 1, 2021	Petrol	Diesel
Price charged to dealers (excluding excise duty and VAT)	33.5	35.2
Excise duty	32.9	31.8
Dealer commission	3.7	2.5
VAT (includes VAT on dealer commission)	21	11.9
Retail selling price	91.2	81.5

Source: Bloomberg, ICE, PPAC and IOCL

Quick View

Discoms' outstanding dues up 24% y-o-y to ₹1.36 trn in December

THE TOTAL DUES owed by electricity distribution companies to power producers rose by nearly 24% y-o-y to ₹1,36,966 crore in December 2020, reflecting stress in the sector. The discoms owed a total of ₹1,10,660 crore to power generation firms in December 2019, according to portal PRAAPT. In December 2020, the total overdue amount, which was not cleared even after 45 days of grace period offered by generators, stood at ₹1,27,498 crore, as against ₹97,835 cr in the year-ago period. According to latest data on the portal, the total outstanding dues in December dipped on a month-on-month basis. The total outstanding dues of discoms stood at ₹1,40,741 crore in November 2020. The overdue amount in December 2020 has decreased from ₹1,27,539 cr in November 2020.

BPCL sells its 61.65% stake in NRL for ₹9,876 crore

AHEAD OF THE privatisation of Bharat Petroleum Corporation (BPCL), the board of the fuel-retailer-cum-refiner approved last Monday the sale of the company's 61.65% stake in Numaligarh Refinery (NRL) for ₹9,876 crore. The company sold its stake to a consortium of state-owned Oil India, consultancy firm Engineers India Ltd (EIL) and the Government of Assam. The transaction is expected to fetch the Centre, which holds 52.98% in BPCL, about ₹5,232 crore as special dividend. The stake sale clears the way for the privatisation of India's second-largest fuel retailer.

Rail freight loading up 10% y-o-y in February

RAILWAY FREIGHT OPERATIONS maintained the momentum in February, with loading of 112.25 MT in the month representing a rise of 10% over the previous year. Freight earnings stood at ₹11,096.89 crore, up 7.7% over February 2020. Improvement in the speed of freight trains and a number of concessions/discounts given by the Indian Railways (IR) to make freight movement attractive have given its performance a boost. The average speed of freight trains in February 2021 stood at 46.09 kmph, as against 23.01 kmph a year ago.

Startups

OKCREDIT

Bookkeeping made simple, paperless and secure

OkCredit is a digital bookkeeping solution for small business owners and their customers to enable recording of credit/payment transactions

SUDHIR CHOWDHARY

Harsh Pokharna, co-founder & CEO, OkCredit

THE "BAHI-KHATA" OR ledger book has been an intrinsic part of businesses in India since times immemorial. While large businesses deploy expensive software to manage their accounts, small shop owners did not have such tools available, making them resort to registers. The manual process of record keeping not just requires effort, but also has a high margin of error.

Harsh Pokharna, Gaurav Kunwar and Aditya Prasad, the three co-founders at OkCredit, understood this through their own experience with a neighbourhood grocery store. Settling the credit every month with the storeowner was a painful exercise, as he would go through scraps of paper and registers to sum up the outstanding. Often there was a mismatch, leading to a spoilt customer experience. That's when OkCredit was born, the idea being to help small store owners manage their bookkeeping function through technology and thus improve customer experience.

"The app helps small businesses keep track of credit transactions – both payments and receivables," says Pokharna, co-founder & CEO, OkCredit. "It enables merchants to record transactions digitally and send timely reminders to their frequent customers every time a credit purchase happens, thereby solving problems of mismatch between customer's and shopkeeper's accounts."

The app also allows the end-customer to view his/ her outstanding balance with a particular merchant via a web page link which provides a monthly breakdown of credit purchases, says Pokharna. "This improves transparency in business transactions and facilitates a higher degree of trust among the participating individuals, making it easier for merchants to collect and settle balance amounts quickly."

In 2020, OkCredit captured 0.5% of India's $2.6 trillion GDP in terms of the total value of the transaction, says Pokharana. This has been achieved through 800 million transactions on the OkCredit platform and amounted to $40 billion worth of transactions. "With a reach across 95% pincodes in India, we are helping small shop owners expand their business by assisting them to keep a track of their borrowers and get their credit back on time, without having to leave the shop. This has played a huge role in bringing the small and medium business (SMB) community back on their feet during the Covid times by helping them get back their outstanding business," he says.

OkCredit currently has over 2.4 crore registered users, of which 5.5 million customers are recording transactions on the platform daily. These customers include over 100 types of businesses such as kirana store owners, mobile recharge shops, medical stores, apparel amongst others.

OkCredit has raised $83 million from investors including Lightspeed Venture Partners, Tiger Global, and Y Combinator. According to Pokharna, SMBs are increasingly exploring digital solutions to meet their business objectives. "Towards this, we aim to become a 360-degree business solution for SMBs by empowering them with tools in the form of OK apps. We have scaled up from a single product company to a multi-product company solving problems for different segments of the diverse SMB base. In 2020, we bolstered our solutions for SMBs by launching two more products—OkStaff and OkShop. OkShop helps a merchant to create his own digital shop while OKStaff acts as a means to manage its employees," he adds.

The fact that SMBs are looking for digital solutions that make key business tasks simpler, digitised, and secure will form the crux of increased demand for OkCredit's solutions going forward.

THE EPLANE COMPANY

Flying taxis for a roof-to-roof commute

A student-academician venture, it aspires to make city-commuting fast and easy with its electric planes

SRINATH SRINIVASAN

The ePlane Company co-founder & CEO Pranjal Mehta (L) with co-founder & CTO Satya Chakravarthy

INCUBATED BY IIT incubation cell at IIT Madras Research Park, The ePlane Company started by IIT Madras professor Satya Chakravarthy and his student, Pranjal Mehta, aims to make electric planes for civilian transportation within cities, enabling door-to-door, or rather roof-to-roof, travel. The company is set to begin testing initial models from July 2021 and has recently raised an undisclosed amount in seed funding from investors such as Speciale Invest, IIM Ahmedabad's CIIE.CO, FirstCheque, JavaCapital and Sharechat co-founder Farid Ahsan.

"When the final product is out, it can reduce intra-city travel to 10-15 minutes. The cost initially will be ~1.5x the road taxis but will eventually come down to a similar rate as road taxis," says Mehta, co-founder & CEO, The ePlane Company. Today, there are very few companies globally working on a similar idea.

"We are not building yet another drone that hovers. We want to replace combustion engine with an electric engine, and the aircraft will have wings which will ensure long, efficient and safe flight," says Chakravarthy, co-founder & CTO, who is overseeing the key design of the aircraft. The vehicle is expected to have a 200-km range which and a design that suits the Indian conditions. "The design and technology will be 100% localised and in-house. We will also try to localise sourcing materials and manufacturing as much as possible," adds Chakravarthy.

The air taxis will need a pilot and will not be autonomous right from the first launch. It will also be in a two-seater configuration, keeping the size compact and enabling rooftop landings. "Air travel requires trust. Making it autonomous will make people tense and for that reason we will have a trained pilot. It is also possible to explore autonomous options but we will stay away from it for a really long time in transporting civilians," says Chakravarthy.

While the applications of this technology is much wider than civilian transportation, the company is not looking to venture into other areas as of yet, for instance, the military. "Military applications need power and performance and sizing it down to civilian applications will be difficult. The cost of having electric drives in military applications is also huge," shares Chakravarthy. Thestartup aims to bring multiple vendors, supply chains and disciplines together in building the vehicle, which will be a first in the country.

Quick View

ArcelorMittal plans steel plant in Odisha with spend of ₹50k cr

INDIA-BORN BILLIONAIRE Lakshmi Mittal is revisiting a plan to set up a large greenfield steel plant in the mineral-rich Odisha. ArcelorMittal-Nippon Steel India (AM/NS India), a 60:40 joint venture between ArcelorMittal, the world's largest steelmaker, and Japan's Nippon Steel, on Thursday inked an agreement with the Odisha government to set up a 12-MT integrated steel plant in the state's Kendrapada district with an investment of ₹50,000 crore, according to a statement issued by the Odisha government. AM/NS India had acquired Essar Steel's 9.6-MT Hazira plant for ₹42,785 crore in December via the insolvency route after a protracted process. After signing an MoU with the Odisha government, Mittal had abandoned a plan to set up a 12-MTPA steel plant in Odisha in 2013, over issues concerning land acquisition and iron-ore mining lease.

APSEZ to buy 31.5% stake in Gangavaram port

THE COUNTRY'S LARGEST ports and logistics company, APSEZ, on Wednesday said it is acquiring Windy Lakeside Investment's 31.5% stake in Gangavaram Port Ltd for ₹1,954 crore. The company also looks to acquire another 58.1% share in GPL, the Adani Ports and Special Economic Zone said in a statement. Gangavaram Port Ltd (GPL) is located in the northern part of Andhra Pradesh, next to Vizag Port in Visakhapatnam. According to the statement, GPL is the second largest non major port in Andhra Pradesh with a 64-MMT (metric million tonne) capacity, established under concession from the Government of Andhra Pradesh (GoAP) that extends till 2059.

Highway construction rate touches 30 km/day

DESPITE THE PANDEMIC, the rate of highway construction touched 30 km/day in the April-January period of this fiscal, as against 28 km/day in 2019-20. This speed has been reached in the past only once, in 2018-19. The February-March period of the current fiscal is seen witnessing even speedier construction. Road Transport and Highways Minister Nitin Gadkari has said the ministry is confident of achieving a construction pace of 40 km/day soon.

Education

MONDAY, MARCH 8, 2021

ONBOARDING A NEW SYSTEM

Arvind Kejriwal, Delhi chief minister

"Schools will be selected after discussion with principals, teachers & parents. We hope that all schools will voluntarily get affiliated to this Board within 4-5 years"

SKILL DEVELOPMENT

The right kind of schooling

Technology is the only option to ensure learning continuity for millions of students

ASHOK PANDEY & AMIT KUMAR

THE TASK, POST-COVID-19, is to create a resilient education system keeping three imperatives in mind: future skills, future schools and future world.

However, the future will depend upon the extent to which we address the emergent needs of high-quality education, skill development and new learning opportunities. A reasonable measure of skilling and reskilling is to assess the future of work and integrate it into schools. Intentional, sustained and seamless connectivity between schools and industry and between schools and higher education institutions (HEIs) can catalyse the process of human capital formation. A failure to achieve this will result in a degradation of employable talent, as highlighted in the India Skills Report 2021.

Schools, thus, need a redesigned curriculum to incorporate those skills to equip the students for the future. In India, we have relied on encouraging rote memorisation and perpetuating a system of education focussed on examinations.

Acquisition of competencies such as creativity, analysis, interpretation of data—all building blocks of higher cognitive skills—are entirely ignored.

Moreover, that has also led to a misplaced emphasis on competing for the highest percentile and not on what incredible contribution students can make to the world through service, project initiative, design thinking and dreaming of making a difference in society. Therefore, schools must recognise the importance of collaboration, communication, caring, valuing relationships, and multiculturalism as future skills.

The universal learning design also rests on examining the standard and expectations of learning, redesigning pedagogy to make it flexible and inclusive. A resilient education system must be student-driven, fostering moral imagination and student agency, expanding possibilities for each child, and embracing new technologies.

Fast-forward 2030—the year of global goals attainment—and beyond, technology seems to be the only option to ensure learning continuity for millions of students. New technologies also hold promise to solve human problems. The integration of technology is essential for children to become digitally fit for the new world's ever-evolving paradigm. The new technology is advancing at a swift pace, making it difficult to predict which technologies our students will be using a decade later.

Debayan Gupta, assistant professor, computer science, Ashoka University, puts it succinctly, "Young professionals are aware of the dynamic nature of technology and future of work. They rate reskilling opportunities and flexible hours above all else when it comes to job preferences." We cannot afford to push our youngsters into colleges hoping that critical life and digital skills and job-specific credentials will come automatically. Nor can we shift the responsibility to the industry to upskill them.

As the school-goers reach their twenties, they will find themselves amid massive advances in AI, mass adoption of AR, VR, 3D printing, quantum computing and a surprisingly continued digitisation of everything. This scenario calls for competencies to design transformative technologies—the capability to analyse and confidently handle complex data. Essential digital learning, including coding and programming skills, should form part of the early school curriculum like all other foundational skills.

Implementing strategies strewn in isolation will achieve little unless accompanied by creating a solid foundation at the school level. We need to recognise education as a service (EaaS), learners as valued beneficiaries and school education as a central pillar supporting the national economy and growth.

Ashok Pandey is director, Ahlcon Group of Schools, and Amit Kumar is founder-director, Shabda. Views are personal

STEM for growth

Move children, especially, girls to STEM-based careers

VINEET NAYAR

INDIA HAS A population of 158 million children—74% live in rural India. But that doesn't necessarily indicate that education, opportunities and livelihood cannot be made accessible to them.

With the NEP 2020 and FY22 Budget, which focuses on transforming the education landscape through the creation of local pedagogy, a substantially increased investment in research, and skill development of women, we have re-iterated the non-negotiables of our country's development vision and moved closer to an 'Atmanirbhar Bharat'.

While English is one of our official languages, the use of the mother tongue for conceptual clarity and cognitive growth is important. Research proves that a child's first language has an important role in shaping one's life and helps them learn better.

While most parents in rural India want their children to be proficient in English, it remains a pipe dream. It's time we shift the focus from English-medium to 'locally-relevant-medium schools'. And with advancements in technology, the market is flooded with ed-tech solutions supporting a multilingual learning approach.

When I finished school, there were limited options for higher education, but some of my friends chose unique career paths. Just like organic farming has gained fame as a profitable business model, there are other entrepreneurial ideas that the current generation can embrace. But for these alternate career options to become available, we need to equip today's youth with relevant skills.

Imagine meeting a 12-year-old who has can develop a mobile app that re-sells items available online. While we still struggle with digital transactions, today's youth is developing technologically advanced software. To that accord, coding has emerged as a much-needed skill for the 21st century, and we need to catch-up with other countries in including these skills as a part of the school curriculum. I believe Coding is a basic skill in the digital age, and enabling children to work with technology will boost their confidence & basic communication skills. Additionally, we need to develop innovative and interesting Math and Science modules to motivate children, especially girls, to move to STEM-based careers.

Quoting our PM from a recent webinar, "We need to work in mission mode to ensure that the talents of those from rural areas are not allowed to die but are rather given opportunities to bloom". In entirety, we need to guarantee that children feel confident about their education, skills and knowledge. And building foundational skills in local languages, equipping children with culturally relevant pedagogy will encourage talent.

It is our duty as educational leaders, entrepreneurs, pedagogues and teachers to break linguistic barriers and include our nation's youth to learning new skills to prepare them for the future.

Founder chairman, Sampark Foundation and former CEO, HCL Technologies

Upskilling for senior citizens

Building a successful career post-retirement

HARI KRISHNAN NAIR

OFTEN, RETIREMENT IS considered the end of one's career. But should age be a limiting factor for those who wish to take a fresh guard? Many organisations are now more than open to leveraging the experience of senior professionals, provided they are up to speed with industry trends and equipped with latest skills. For senior citizens looking to get back into professional roles, it is crucial to bank on digital training.

Networking: Catching up with the right people can instil creative energy and help you to stay updated. Senior professionals should attend conferences and webinars to expand their reach and meet people with diverse backgrounds. Covid-19 has increased the number of webinars and virtual events, making it more accessible for senior citizens to attend conferences from the comfort of their homes.

Upgrade your skills: Staying relevant can never go out of fashion. Organisations want professionals who can marry their experience with new-age skills in domains like artificial intelligence, machine learning, data analytics and digital marketing to come up with efficient business solutions. If, for example, you were earlier a pharmaceuticals supply chain expert, by adding new skills you can find employment with IT companies that design for pharmaceutical products and need understanding of how their supply chain works.

Build digital presence: Platforms like LinkedIn, Twitter and Facebook have become the preferred networking forums and also the hunting grounds for the right talent. Being active on the social media helps you gather knowledge about current trends and build a brand for yourself. Actively documenting your professional ideas on platforms and engaging with others can unlock career opportunities for senior talent.

Share your experience: You can share personal/professional milestones and mentor young guns. It also gives an opportunity to showcase your new expertise and be seen as an industry leader in your domain. You can do this by posting relevant content on platforms. In addition, you should also actively seek speaking and teaching opportunities as a way to demonstrate your capability.

Co-founder of Great Learning

Testbook partners with IITs & others

FE BUREAU

EDTECH PLATFORM Testbook.com has signed an MoU with three IITs—IIT-Madras, IIT Ropar, and IIT Gandhinagar—to impart professional skills training. The company has also partnered with other colleges in the country to enhance the skills of engineering graduates. The latest step comes on the back of the company announcing a National Skills Quiz competition, which it expects, will have participation from 50,000 students across 150 colleges in the county. Currently, the company boasts of 70,000 student enrollments in its training programmes.

Science & tech

Privacy or safety

Traceability of the first originator will require private messaging apps to retain more data

Kanishk Gaur

THE DATA SOVEREIGNTY debate seems to be taking a new path with the government announcing new guidelines for intermediaries, making it compulsory for messaging platforms and digital publishers, aggregators of content with a significant presence in India (fifty lakh plus registered users) to comply to these guidelines. The timing seems timid given the social media battle between the state and protestors of three farm bills.

While the government intends to tackle fake news, misinformation, and online harms seriously, storage of information will create new security and third party risks. The guidelines aim to bring a sense of ownership, responsibility, and accountability for those aggregating news.

The new guidelines will also impact messaging, with new rules mandating platforms to trace the first originator. However, traceability may be tougher to implement than envisaged.

Traceability of over 40 crore messaging platform users could open a pandora's box? Given that the country has no privacy laws in place, any breach of consumer data held by intermediaries would expose Indian consumers' metadata, making them vulnerable to device-level hijacking by unknown state or state-sponsored actors?

While the government mandates intermediary to periodically, at least once a year, inform its users of rules and regulations, privacy policy, user agreements, it will be interesting to see how the government implements this, especially for platforms with no legal presence in India.

While the mandate to intermediaries to deploy technology-based measures to fight online harms is a welcome move, the real challenge will be to get platforms like Telegram and Signal to implement these, given they don't collect any form of metadata or incorporate AI to detect material.

Another key challenging aspect for intermediaries will be changing the current end-to-end encryption standard. Complying to guidelines will require fingerprinting of messages without compromising users' chat content?

Traceability of the first originator will require private messaging apps to retain more data on users' texts, including metadata about messages that many platforms currently delete. They would now need to store hash values of messages for a large number of users. All of this will require intermediaries to implement new-age monitoring, big data analytics tools which use AI and machine learning algorithms; this could mean significant operational costs. The timeline set by the government are unreasonable to set up an infrastructure to monitor such large user content.

The general principles of online curated content for publishers are vague. Publishers also need to determine whether the content can be detrimental to India's friendly relations with foreign countries. Which means online curated content needs to be aligned to government foreign policy objective? This will have serious repercussions as the government's foreign policy objective is more dependent on the ruling party in power. Curbing freedom of expression of digital media could mean the government advocating its policy objectives through state-controlled media.

Content classification for a publisher of online curated content is a welcome step, however, how the government makes digital content publishers implement this will be an area to watch out for.

The author is founder, India Future Foundation. Views are personal

EAVESDROPPER

Birds of a feather, FLoC together

Does user privacy mean more power for Google?

ISHAAN GERA

PRIOR TO EARLY 2000s, the best way to trace consumer preferences was to run ads and then measure the sales response or conduct elaborate surveys. The ingenuity of modern day tech giants has been to reduce this to a few clicks and cookies. Internet browsers allowed websites to drop cookies to understand who the consumer is and what all she is buying. If you are more digitally attuned as a company, you can enable cross-site tracking and know more about the consumer. However, when internet was developing, little attention was paid to consumer privacy.

Consumers still have little choice but to agree to a website deploying cookies, otherwise, access is denied. Most websites do not allow users to deploy ad blockers either. However, with an increased focus on user privacy, behaviour and attitude towards user tracking has been changing. Browsers have been deploying mechanisms to limit consumer tracking. Apple in 2017 announced that it would deploy intelligent tracking protection to avoid websites to have cookies that are operational beyond 24 hours, Firefox followed it up in 2018 with a complete ban on third-party cookies. While Google had announced a similar initiative in 2019 under its privacy sandbox, it will be fully deploying its solution in 2022.

Last year, the company announced limiting cross-site tracking, which helps build elaborate user profiles for ad targeting. Google may be the last to the game, but given that it controls 64% of the market, as per Statcounter data—in contrast, Apple's Safari has 20%, and Mozilla's Firefox has 4% market share—it would mean crumbling of the cookie business. In place of this, Google is trying to introduce Federated Learning of Cohorts (FLoC) model. In a blog, last month, Google said that FLoC can provide "effective replacement of third-party cookies" by allowing "at least 95% of the conversions per dollar spent when compared to cookie-based advertising." Under the new system, instead of tracking individual users, Google's AI & ML algorithms would create groups of people or cohorts based on search preferences. For instance, while, at present, tracking history is based on individual data—if one browses airfare from destination A to B, all ads change to this—the new system would focus on defining a specific cohort, like people looking at airfare or people searching for restaurants in a specific area, and then display ads. The user data and browsing history, in this case, would be saved on the user's system and would not be available to advertisers. Google has also been instituting changes like IP protection and fraud protection to save users from illegal tracking and ad fraud schemes.

As revolutionary as FLoC may sound, it comes with its own set of issues. The dependence of advertisers on Google will certainly increase, and even though Google has said that the system would be open-access, it has been facing criticism from the industry on the way it has been conducting trials. Besides, this doesn't mean that companies would not be able to track users. Requiring logins or pushing newsletters may become a common feature for most companies. They may also initiate collaborations with other companies to share user data, but that would fall under data protection laws. So, browsing will surely become more privacy-focused.

Not just browsers, Google is trying to do the same for its Android-OS based devices. While Apple has already instituted this change in its new iOS 14—this is also a point of contention with Facebook—Google is contemplating something similar. However, the privacy focus can only work if the process is participative, and even the smaller advertisers have a say and are not burdened by prohibitive costs, which would be a case if they have to create one mechanism for Google and another for Apple. Users also need to be given a choice. Brave, a new browsing service rewards users for opting-in to watch advertisements. The move towards privacy also entails consumers, big data and companies not creating walled gardens.

ishaan.gera@expressindia.com

NEWS BRIEF

IIM Calcutta' 2021 batch records 100% placement

XLRI, last week announced a 100% placement for its batch of 358 students. IIM Calcutta is the latest college to join the bandwagon. The college announced that 467 students of the 2021 batch had received 530 placement offers leading to 100% placement. The consulting sector was the top recruiter, and the average salary was ₹29 lakh.

Pearl Academy's future-proofs its courses

Keeping employability and future skills in mind, Pearl Academy has unveiled additional credits future-proofing its courses. The Academy will provide internship exposure to its students with an NGO in the first year, a start-up or small entrepreneur in the second and industry in the third year. It has also designed an array of interdisciplinary courses different ways of thinking, working with technology like AI, ML, critical thinking, problem solving and communicating.

Maharashtra govt's online certification course on tourism

The directorate of tourism, Maharashtra has adopted an 'Online IITF Tourism Facilitator Certification Programme (Guide Training)' designed by the ministry of tourism (MoT), India. The online learning programme will have a registration fee of ₹2,000 and an examination fee of ₹500. The programme will have seven modules and post the exam, the candidates will have to attend 7-days behavior skill training conducted by IITTM. IITF Basic Certificate would be awarded to the candidates who successfully undertake the mandatory internship of seven working days with tour operators approved by tourism ministry, GoI. Candidates can provide guide services at any services any tourist destinations (except ASI sites) in Maharashtra.

IIT Madras launches 'Women Leading IITM' programme

IIT Madras has launched 'Women Leading IITM'(WLI) programme to boost women leadership in science and technology. The institute plans to raise a $2 million endowment by the end of 2021, which will provide annual grants to support programs taken by women students, faculty and researchers.

FE BUREAU

KEEPING TRACK

Six states reporting high daily Covid cases

PRESS TRUST OF INDIA
New Delhi, March 7

The Centre has deputed high-level teams to Maharashtra and Punjab that are showing a steep increase in daily new cases

SIX STATES INCLUDING Maharashtra, Kerala, Punjab and Gujarat are reporting high daily Covid-19 cases, accounting for 84.71% of the 18,711 new cases, the Union health ministry said on Sunday.

Maharashtra continues to report the highest daily new cases at 10,187. It is followed by Kerala with 2,791 while Punjab reported 1,159 new cases.

The Centre is continuously engaging with the states and Union Territories reporting higher caseload of active cases and those showing a rise in the daily new Covid cases, the ministry said.

It has deputed high-level teams to Maharashtra and Punjab, that are showing steep increase in the daily new cases.

The other states reporting high daily Covid-19 cases are Karnataka and Tamil Nadu.

Eight states are displaying an upward trajectory in daily new cases, the ministry highlighted.

India's total Covid-9 active cases increased to 1.84 lakh (1,84,523) which now consists of 1.65% of the total infections.

According to the data, 100 deaths were reported in a span of 24 hours. Six states account for 87% of the new deaths. Maharashtra saw the maximum casualties (47). Kerala follows with 16 daily deaths. Punjab reported 12 deaths.

In the past two weeks, 10 states have not reported any Covid-19 deaths while 12 states reported between 1 and 10 deaths.

Nineteen states and UTs have not reported any Covid-19 deaths in a span of 24 hours. These are Rajasthan, Uttar Pradesh, Chandigarh, Uttarakhand, Goa, Odisha, Himachal Pradesh, Jharkhand, Sikkim, Lakshadweep, Ladakh (UT), Manipur, Meghalaya, Nagaland, Daman and Diu, Dadra and Nagar Haveli, Tripura, Mizoram, Andaman and Nicobar Islands and Arunachal Pradesh.

More than 2 crore vaccine doses have been administered through 3,39,145 sessions, as per the provisional report till Sunday 7 am.

These include 69,82,637 health care workers (HCWs) who have been administered the first dose, 35,42,123 HCWs who have been given the second dose, 65,85,752 frontline workers (FLWs) who have taken the first dose and 2,11,918 FLWs (second dose), 4,76,041 beneficiaries aged more than 45 years with specific co-morbidities (1st Dose) and 31,23,873 beneficiaries aged more than 60 years.

As on Day-50 of the vaccination drive (March 6), more than 14 lakh vaccine doses were given. Of which, 11,71,673 beneficiaries were vaccinated across 17,654 sessions for 1st dose (HCWs and FLWs) and 2,53,020 HCWs and FLWs received 2nd dose of vaccine.

The 11,71,673 beneficiaries include 7,45,639 aged over 60 and 1,29,295 aged 45 to 60 with comorbidities.

MFs' selling spree in Feb continues

PRESS TRUST OF INDIA
New Delhi, March 7

MUTUAL FUNDS PULLED out ₹16,306 crore from equities in February, making it the ninth consecutive monthly outflow as small investors booked profit amid a rally in stock markets.

Gopal Kavalireddi, head of research at FYERS, said this trend of redemptions could continue till the time stock market rally slows down and consolidates, giving investors the opportunity to deploy their profits into longer time frame instruments like mutual funds.

Overall, mutual funds withdrew a net amount of over ₹56,400 crore in 2020, data available with Securities and Exchange Board of India (Sebi) showed.

"Whenever the markets surge after a big fall, investors pull out. Investors — who had seen losses in the last two years before COVID — had seen profits in the last few months and have booked their profits, resulting in the mutual funds to pull out from equities," Divam Sharma, co-founder of Green Portfolio, said.

Besides, many investors had started to directly participate in equity markets by opening their Demat accounts. Initial success in the rising markets and the poor performance of many mutual funds over the last few years have further induced them to withdraw from equity mutual funds, he added.

Also, many large companies have gone expensive on valuations, resulting in fund managers to sell and increase the cash allocation, Sharma noted.

According to the data, MFs have been continuously withdrawing money from equities since June 2020 and pulled out over ₹1.24 lakh crore till February.

On a month-on-month basis, MFs withdrew ₹16,306 crore from equities in February, 13,032 crore in January, ₹26,428 crore in December, ₹30,760 crore in November, ₹14,492 crore in October, ₹4,134 crore in September, ₹9,213 crore in August, ₹9,195 crore in July and ₹612 crore in June. However, they have invested over ₹40,200 crore in the first five months (January-May) of 2020. Of this, ₹30,285 crore was invested in March last year. Nifty 50 has risen 73% from its lows of March 2020 till date, with the S&P BSE Midcap index rising by 95% and S&P BSE Smallcap index delivering 120% return in the same period.

RINL expects ₹1,000 cr from sale of 22-acre land in Vizag

ABHISHEK SONKAR
New Delhi, March 7

STATE-OWNED RINL EXPECTS to garner ₹1,000 crore from the sale of its 22.19-acre land located in the heart of Visakhapatnam city, a popular tourist destination in Andhra Pradesh.

On Thursday, state-run construction company NBCC had announced signing an MoU with Rashtriya Ispat Nigam (RINL) for redevelopment and monetisation of its 22.19 acres in Visakhapatnam.

"The company expects to get around ₹1,000 crore as the market price of land is around ₹1 lakh per square yard. The amount raised would be utilised to pay back portion of debt of the company," a source in the company told *PTI*.

According to available data on RINL's website, the company had a net debt of ₹19,592 crore in financial year 2018-19.

The company without any captive iron ore mine produces over 19,000 tonne of hot metal per day from its three fully operational blast furnaces at the plant.

The per tonne steel production cost of a company with captive iron ore and coking mine is less compared to a steel maker buying raw materials from the open market, an expert said.

Sharing details with respect to the land parcel, the source said it is at Maddilapalem which is a prime location situated about 3-4 km from the beach. NH-16 which connects Howrah in West Bengal to Chennai in Tamil Nadu passes at a distance of about 2 km from the site. Besides, the land is in the proximity of tourist attractions like zoo, Simhachalam temple, stadium etc.

However, the value of the project would be ascertained after the preparation and finalisation of a Detailed Project Report (DPR). NBCC would conduct the DPR and submit it to RINL.

The redevelopment and monetisation would be undertaken on a self-sustainable model. —PTI

EASTERN GASES LIMITED-IN LIQUIDATION

SALE NOTICE FOR ASSETS OF EASTERN GASES LIMITED- In Liquidation (a company under liquidation Vide Hon'ble NCLT order dated 21.08.2018) having registered office at 43, Palace Court, 1 Kyd Street, Park street area, Kolkata – 16

Public Announcement for e-auction to be held on 25.03.2021 from 12:00 noon till 06 PM for sale of following assets of Eastern Gases Limited-In Liquidation **AS IS WHERE IS BASIS, AS IS WHAT IS BASIS, WHATEVER THERE IS BASIS AND NO RECOURSE BASIS"**, THORUGH E-Auction service provider MSTC Limited.

Details of Assets	Lot	Reserve Price (Rs)	EMD (Rs)
Claim of Corporate Debtor in the matter of Punjab National Bank vs Bhushan Power & Steel Limited in C.P. (IB)-202(PB)/2017 towards admitted claim of the Corporate Debtor as per the approved Resolution Plan by Hon'ble NCLT vide order dated 05.09.2019, presently pending with Supreme Court	Lot-1	16,74,18,419	85,00,000
Actionable claims in the matter of Eastern Gases Limited Vs Usha Martin Limited bearing case No. 315 of 2014 was disposed off vide order dated 03.02.2017 passed by West Bengal State Micro Small Enterprises Facilitation Council under Section 31 of Arbitration and Conciliation Act, 1996. The case is presently pending with Calcutta High Court	Lot-2	67,67,737	3,50,000
Actionable claims in the matter of Eastern Gases Limited Vs Viks Gears(India) Limited bearing case No. 327 of 2014 was disposed off vide order dated 26.02.2018 passed by West Bengal State Micro Small Enterprises Facilitation Council under Section 31 of Arbitration and Conciliation Act, 1996.The case is presently pending with Calcutta High Court.	Lot-3	2,04,09,148	10,00,000
Old Assets (Office equipments and Furniture) at the Registered office including an old motor Car (The Car is in the name of the relative of erstwhile Director)	Lot-4	2,38,089	10,000
Miscellaneous assets (Old Immovable Plant & Machinery on the leasehold land owned by third party) at Mauza-Talkui, JL No.-190, District Paschim Medinipur, NH-60, West Bengal-721101	Lot-5	33,92,868	1,50,000
Miscellaneous assets (Old Immovable Plant & Machinery on the leasehold land owned by third party) at Koyla More, Near Mankur More, Mankur Road, Kanchrapara, Bagnan, West Bengal-711303	Lot-6	2,90,063	15,000

Last date for receipt of EOI is 15.03.2021. All EOIs are subject to Invitations uploaded on http://kuldeepverma.in. All communication to be addressed to kuverma@gmail.com

Kuldeep Verma
Liquidator of Eastern Gases Limited
Regn no. IBBI/IPA-001/IP-P00014/2016-17/10038
46 BB Ganguly Street, 5th Floor, Unit No. 501, Kolkata-700012
Email: kuverma@gmail.com,
Date: 08.03.2021, Place: Kolkata

ITI LIMITED आईटीआई लिमिटेड

(A Government of India Undertaking)
ITI Limited, Mankapur, Gonda UP-271308

TENDER NOTICE

Work title: Survey, Design, Fabrication, Supply, Installation, Testing and Commissioning of 1200 KWp Grid Connected Solar PV Power Plant under ROOFTOP/GROUND MOUNTED Net-Metering Policy with Zero Export Policy with 05 Years of Comprehensive Operation & Maintenance Contract at ITI LIMITED, MANKAPUR PLANT GONDA-271308 UP, INDIA

OEM/ODM of SOLAR PLANT willing to 'Survey, Design, Fabrication, Supply, Installation, Testing and Commissioning of 1200 KWp Grid Connected Solar PV Power Plant under ROOFTOP/GROUND MOUNTED Net-Metering Policy with Zero Export Policy with 05 Years of Comprehensive Operation & Maintenance Contract at ITI LIMITED, MANKAPUR PLANT GONDA-271308 UP, INDIA' at ITI Limited, Mankapur, may participate through Tender ID E521010 published at website http://tenders.itiltd-india.com

Chief Manager (CS)

For details please log on to website www. itiltd-india.com,http://eprocure.gov.in/epublish/app
Last date of tender : 24.03.2021 at 11:00 Hours

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TAURUS ASSET MANAGEMENT COMPANY LIMITED
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Head Office & Regd Office : Ground Floor, AML Centre-1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (E), Mumbai - 400 093. Tel: 022 - 6624 2700
Email: **customercare@taurusmutualfund.com** A copy of CSID, SAI and CKIM along with application form may be obtained from Fund's Website: **www.taurusmutualfund.com**

TAURUS Mutual Fund

NOTICE CUM ADDENDUM TO THE STATEMENT OF ADDITIONAL INFORMATION ('SAI'), SCHEME INFORMATION DOCUMENTS ('SIDs') AND KEY INFORMATION MEMORANDUM ('KIMs') OF ALL SCHEMES OF TAURUS MUTUALFUND ('THE MUTUAL FUND')

Change in Base Total Expense Ratio of Scheme(s) of Taurus Mutual Fund

NOTICE IS HEREBY GIVEN and it is proposed to change the base Total Expense Ratio ("TER") (i.e. TER excluding additional expenses provided in Regulation 52(6A)(b) and 52(6A)(c) of SEBI (Mutual Funds) Regulations, 1996) for the following scheme offered by Taurus Mutual Fund ("the Fund") w.e.f March 15, 2021.

Scheme Name(s)	BASE TER	
	Direct Plan Existing	Direct Plan Proposed
Taurus Tax Shield	1.95	1.30
Taurus Ethical Fund	2.15	1.15

Investors may also visit our websitewww.taurusmutualfund.com for disclosure(s) relating to TER appearing under sub-section titled "Total Expense Ratio of Mutual Fund Schemes" appearing under Section "Statutory Disclosures". The said information about change in base TER is provided in accordance with SEBI Circular no. SEBI/HO/IMD/DF2/CIR/P/2018/18 dated February 05, 2018 for **"Total Expense Ratio - change and disclosure"**.

For **Taurus Asset Management Company Ltd.**
(Investment Manager for Taurus Mutual Fund)
Sd/-
Authorised Signatory

Place: **Mumbai**
Date: **March 05, 2021**
Notice cum Addendum No. 25/2020-21

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

Shriram epc
Engineering the future

Shriram EPC Limited

4th Floor, BASCON FUTURA SV IT Park, Venkatanarayana Road, Parthasarathy Puram, T. Nagar, Chennai – 600017; Ph.: 044-49005555; Fax: 044-49015655; Email: suresh@shriramepc.com
Website: www.shriramepc.com Corporate Identification Number: L74210TN2000PLC045167

NOTICE

Pursuant to Regulation 29 read with Regulation 47 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, (Listing Regulation), Notice is hereby given that a meeting of the Board of Directors of the Company is scheduled to be held on Wednesday the 10th day of March, 2021, to, *inter alia*, consider and approve the issuance and allotment of Redeemable Preference Shares to the Lenders of the Company in lieu of their Loans up to Rs.350 crores.

The said Notice may be accessed on the Company's website at **http://www.shriramepc.com/** and the intimation may also be accessed on the Stock Exchange websites at **http://www.bseindia.com/** and **http://www.nseindia.com/**

By order of the Board
K. SURESH
Vice President & Company Secretary

Place : Chennai - 600 017
Date : 06.03.2021

NMDC Limited

(A Government of India Enterprise)
DONIMALAI IRON ORE MINE

PO: Donimalai Township, PIN-583 118. Taluk - Sandur, Dist: Bellary - Karnataka.
Regd. Office: Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028.

TENDER NOTIFICATION

Sealed tenders in two bid system are inviting from the competent, experienced and financially sound contractors for the following work:

Sl. No.	Tender No & Date	Name of Work	Cost of Work	Sale / Download Period From-To	Last Date of Submission upto 15.00 Hrs
1	DIOM/Job contract/2021 Date: 08/03/2021	"Housekeeping works at Mining Department (HT) and Grass Cutting at Magazine on Job Contract Basis for a period of 180 days"	₹14.67 Lakhs	08/03/2021 to 07/04/2021	07/04/2021
2	CE/W/10 (143)/2020 Dated:08/03/2021	"Providing Bore well, Pump and Pipe line for Drinking Water at Mallapura Village under CSR Activity"	₹11.01 Lakhs	08/03/2021 to 07/04/2021	07/04/2021
3	DNM/PPT/ CIVIL/2021 Date: 08/03/2021	"Transportation of 2,50,000 Tons of LG Fines /Fines Through Integrated Weigh bridge in Kargil /PP from Loading Plant / Kargil /Pellet Plant Stockpile to Fines/LG Fines Stockpile in Pellet Plant Area"	₹64.02 Lakhs	08/03/2021 to 07/04/2021	07/04/2021

For further clarification; For **Sl. No. 1** may contact by e-mail to **surajkumar@nmdc.co.in** / fax No. 08395-274601, For **Sl. No. 2** may contact by e-mail to **diomcivil@nmdc.co.in** / **fax No. 08395-274644** and For **Sl. No.3** may contact by e-mail to **kpsingh@nmdc.co.in.**

Detailed NIT and tender documents can be viewed and /or downloaded from NMDC's website **https://www.nmdc.co.in/nmdctender/default.aspx** or Central Public Procurement Portal **https://www.eprocure.gov.in.**

Further, for any corrigendum, amendments, clarification etc may please follow the above website.

For and on behalf of **NMDC Limited General Manager** (Production)

हर एक काम देश के नाम

ADVERTISEMENT IN ACCORDANCE WITH REGULATION 18(7) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 (AS AMENDED) ("SEBI (SAST) REGULATIONS") AND CORRIGENDUM TO THE DETAILED PUBLIC STATEMENT ("CORRIGENDUM") WITH RESPECT TO THE OPEN OFFER TO THE PUBLIC SHAREHOLDERS OF

TIMEX GROUP INDIA LIMITED

Registered Office: E-10, Lower Ground Floor, Lajpat Nagar-III, New Delhi -110 024.
Tel: +91 11-41021297; **CIN:** L33301DL1988PLC033434; **Fax:** NA

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 advertisement is being issued by JM Financial Limited ("**Manager to the Offer**"), for and on behalf of the Acquirer and PACs, pursuant to and in accordance with Regulation 18(7) of the SEBI (SAST) Regulations in respect of the Offer ("**Offer Opening Public Announcement cum Corrigendum**").

This Offer Opening Public Announcement cum Corrigendum should be read in continuation of and in conjunction with:

(a) the public announcement in connection with the Offer, made by the Manager to the Offer on behalf of the Acquirer and PACs, to BSE on November 23, 2020 ("**PA**");

(b) the detailed public statement in connection with the Offer, 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) ("**DPS**"); and

(c) the letter of offer dated February 26, 2021, in connection with the Offer ("**LoF**").

For the purpose of this Offer Opening Public Announcement cum Corrigendum:

(a) "**Identified Date**" means February 23, 2021, being the date falling on the 10th (Tenth) Working Day prior to the date of commencement of the Tendering Period; and

(b) "**Tendering Period**" means the following period: Tuesday, March 9, 2021 to Tuesday, March 23, 2021 (both days inclusive).

Capitalised terms used but not defined in this Offer Opening Public Announcement cum Corrigendum shall have the meaning assigned to such terms in the LoF.

1. **Offer Price:** The Offer Price is INR 24.54 (Rupees Twenty Four and Fifty Four Paise) per Equity Share (which includes a price per share of INR 24.26 (Rupees Twenty Four and Twenty Six Paise) and an enhancement of INR 0.28 (Twenty Eight Paise) per Equity Share (representing a rate of 10% per annum for the period between the date in India when PAC 2 executed the SPA and the date of publication of the DPS)). There has been no revision in the Offer Price. For further details relating to the Offer Price, please refer to Paragraph 5 on Page 26 of the LoF.

2. **Recommendations of the committee of independent directors of the Target Company:** The committee of independent directors of the Target Company ("**IDC**") published its recommendation on the Offer on March 2, 2021 in the same newspapers where the DPS was published. The relevant extract of the recommendation of the IDC is given below:

Members of the Committee of Independent Directors (Please indicate the chairperson of the Committee separately)	1. Ms. Gagan Singh 2. Mr. Bijou Kurien 3. Mr. Pradeep Mukherjee Ms. Gagan Singh is the Chairperson of the IDC
Recommendation on the Open offer, as to whether the offer is fair and reasonable	The IDC is of the opinion that the Offer Price of INR 24.54 offered by the Acquirer vide LOF dated February 26, 2021: (a) is in accordance with the Regulations prescribed under SEBI (SAST) Regulations; and (b) appears to be fair and reasonable.
Summary of reasons for recommendation (IDC may also invite attention to any other place, e.g. company's website, where its detailed recommendations along with written advice of the independent adviser, if any can be seen by the shareholder)	The IDC has perused the PA, DPS, DLOF and LOF issued on behalf of the Acquirer. The IDC draws the attention of the Public Shareholders of the Target Company to the closing price of the Equity Shares of the TC on the BSE Limited (BSE) as on February 26, 2021 which was INR 28.95, and therefore more than the Offer. Based on the perusal of the PA, DPS, DLOF and LOF and Fairness Opinion Report on Takeover Open Offer to Equity Shareholders dated February 27, 2021 and Valuation Report of Equity Shares dated February 17, 2021, commissioned by the IDC and issued by M/s Navigant Corporate Advisors Limited, SEBI Registered Category I Merchant Banker, the IDC is of the opinion that the offer price of INR 24.54 Offered by the acquirer: a) is in accordance with the regulations prescribed under the SEBI (SAST) Regulations; and b) Appears to be fair and reasonable. However, the shareholders of the Target Company are advised to independently evaluate the open Offer and take informed decision in their best interest.
Details of Independent Advisors, if any.	Navigant Corporate Advisors Limited (SEBI Regd Category – I Merchant Banker) 423, Bonanza, A Wing, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri East, Mumbai – 400059 SEBI Registration Number: INM000012243

3. **Other details of the Offer:**

3.1. The Offer is being made under Regulation 3(1), Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company.

3.2. The Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations. There was no competing offer to the Offer and the last date for making such competing offer has expired. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

3.3. The dispatch of the LoF to all the Public Shareholders of the Target Company holding Equity Shares as on the Identified Date (being February 23, 2021) has been completed (either through electronic or physical mode) by March 2, 2021. Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom this Letter of Offer is dispatched. It is clarified that all Public Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PACs, the persons deemed to be acting in concert with the Acquirer and the PACs, the parties to the Underlying Transaction and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to paragraph 7.14 (*Statutory and Other Approvals*) of the LoF. A copy of the LoF (which includes the Form of Acceptance and SH-4) is also available on the websites of SEBI at https://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, from which the Public Shareholders can download / print the same.

4. **Instructions to the Public Shareholders:**

4.1. 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 in paragraph 8.10.2 (page 35) of the LoF.

4.2. 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 in paragraph 8.9 (page 34) of the LoF.

4.3. In case of non-receipt of the LoF, the Public Shareholders holding the Equity Shares may download the same from the webistes of SEBI at https://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. Alternatively, they 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 and other relevant documents as mentioned in Paragraph 8.10 to 8.12 (Page 35) of the LoF.

Public Shareholders have to ensure that their order is entered in the electronic platform of BSE which will be made available by BSE before the closure of the Tendering Period.

5. In terms of Regulation 16(1) of the SEBI (SAST) Regulations, the draft Letter of Offer was submitted to SEBI on January 4, 2021 ("**Draft Letter of Offer**"). SEBI, vide its letter no. SEBI/HO/CFD/DCR/-III/OW/4436/1 dated February 18, 2021 ("**Observation Letter**"), issued its comments on the Draft Letter of Offer. These comments and other key changes (occurring after the date of the Public Announcement) have been incorporated in the LoF. These changes in the LOF include the following: (i) on page 2, updates to the schedule of major activities of the Open Offer, and consequential updates to the dates mentioned in the LoF ; (ii) in para 2.2.13, 3.1.17, 3.2.14, 3.3.13, 3.4.17 and 4.14 on pages 13, 15, 16, 17, 22 and 26 respectively, confirmation provided by the Target Company, Acquirer, PACs and Manager that there are no directions subsisting or proceedings pending against them as on the date of the LoF under SEBI Act, 1992 and regulations made there under, also by any other regulator (except as disclosed in paragraph 4.14 of the LoF with respect to the Target Company); (iii) in para 3.1.15 and 4.15 on pages 15 and 26 respectively, confirmation provided by the Target Company and Acquirer that they are not wilful defaulters and fugitive economic offenders; (iv) in para 3.1.16, 3.2.13, 3.3.12 and 3.4.16 on pages 15, 16, 17 and 22 respectively, confirmation provided by the Acquirer and PACs that that there are no instances of non-compliances or delayed compliances under Chapter V of the SEBI (SAST) Regulations, with respect to the Acquirer and PACs; (v) in para 4.12 on page 24, changes to the shareholding pattern of the Target Company to reflect the position as of the Identified Date; (vi) in para 4.16 on page 26, confirmation by the Target Company that it is not registered with RBI/NHB or any other sectoral regulator and to that extent does not fall under the regulatory purview of RBI/NHB except SEBI; (vii) in para 4.17 on page 26, confirmation that as on the date of the Public Announcement i.e. November 23, 2020, the closing market price of the equity shares of the Target Company on BSE Limited was Rs 25.25 per equity share; (viii) in para 4.18 on page 26, confirmation by the Target Company that it has been in compliance with the listing requirements and no punitive action has been taken against it by BSE Limited; (ix) inclusion of Form of Acceptance-cum-Acknowledgement and SH-4 to the LoF; and (x) other drafting edits required for the LoF.

6. **Material Updates** There are no material changes since the date of the Public Announcement save otherwise disclosed in the DPS, DLOF and LOF. Certain changes were made to the Draft Letter of Offer, which were reflected in the LoF, pursuant to the observations provided by SEBI in the Observation Letter, which are summarized in paragraph 5 above.

7. **Status of Statutory and Other Approvals:**

7.1. As of the date of the LoF, to the best of the knowledge of the Acquirer and PACs, there are no statutory or other approvals required to complete the Offer.

7.2. However, in case any statutory approvals are required by the Acquirer / the PACs at a later date before closure of the Tendering Period, the Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals.

7.3. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including but not limited to, the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), if applicable, and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory body) at the time of the original investment, in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered pursuant to this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under such general permission and whether such Equity Shares are held on a repatriable basis or a non-repatriable basis.

8. **Revised Schedule of Activities:** The schedule of major activities under the Offer is set out below:

No.	Name of Activity	Original Schedule of Activities (Day and Date)	Revised Schedule of Activities (Day and Date)
1.	Issue of Public Announcement	Monday, November 23, 2020	Monday, November 23, 2020
2.	Date of completion of Underlying Transaction	Monday, December 21, 2020	Monday, December 21, 2020
3.	Publication of the Detailed Public Statement in newspapers	Tuesday, December 29, 2020	Tuesday, December 29, 2020
4.	Filing of the Draft Letter of Offer with SEBI	Monday, January 04, 2021	Monday, January 04, 2021
5.	Last date for public announcement for competing offer(s)*	Tuesday, January 19, 2021	Tuesday, January 19, 2021
6.	Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer) and the date of receipt of comments from SEBI in the revised schedule	Monday, January 25, 2021	Thursday, February 18, 2021
7.	Identified Date#	Thursday, January 28, 2021	Tuesday, February 23, 2021
8.	Last date for dispatch of the Letter of Offer to the Shareholders of the Target Company whose names appear on the Register of Members on the Identified Date	Thursday, February 04, 2021	Tuesday, March 2, 2021
9.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Offer (as per the original schedule) and actual date of providing recommendations (in the revised schedule)	Tuesday, February 9, 2021	Tuesday, March 2, 2021
10.	Last date for upward revision of the Offer Price and/or Offer Size	Tuesday, February 9, 2021	Friday, March 5, 2021
11.	Date of publication of Offer opening public announcement cum corrigendum, in the newspapers in which the Detailed Public Statement has been published	Wednesday, February 10, 2021	Monday, March 8, 2021
12.	Date of commencement of the Tendering Period ("**Offer Opening Date**")	Thursday, February 11, 2021	Tuesday, March 9, 2021
13.	Date of closure of the Tendering Period ("**Offer Closing Date**")	Thursday, February 25, 2021	Tuesday, March 23, 2021
14.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Shareholders of the Target Company	Friday, March 12, 2021	Thursday, April 8, 2021
15.	Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	Friday, March 19, 2021	Monday, April 19, 2021
16.	Last date for filing the post Offer report with SEBI	Friday, March 19, 2021	Monday, April 19, 2021

** There was no competing offer*

 # Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom this Letter of Offer is dispatched. It is clarified that all Public Shareholders (registered or unregistered) of Equity Shares (except the Acquirer, the PACs, the persons deemed to be acting in concert with the Acquirer and the PACs, the parties to the Underlying Transaction and the persons deemed to be acting in concert with such parties) are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to paragraph 7.14 (Statutory and Other Approvals) of the LoF.

9. **Other Information:**

9.1 The Acquirer and the PACs including their respective directors accept full responsibility for the obligations of the Acquirer and the PACs as laid down in terms of the SEBI (SAST) Regulations and for the information (other than such information as has been provided or confirmed by the Target Company) contained in this Offer Opening Public Announcement cum Corrigendum.

9.2 In this Offer Opening Public Announcement cum Corrigendum all references to "Rs." Or "INR" are references to the Indian Rupee.

9.3 This Offer Opening Public Announcement cum Corrigendum would also be available on websites of SEBI at https://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.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM FINANCIAL **JM FINANCIAL LIMITED** 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India. **Tel:** +91 22 6630 3030/ +91 22 6630 3262 **Fax:** +91 22 6630 3330 **Email:** fairchem.openoffer@jmfl.com **Website:** https://www.jmfl.com **Contact person:** Ms. Prachee Dhuri **SEBI Registration Number:** INM000010361 **CIN:** L67120MH1986PLC038784	LINKIntime **LINK INTIME INDIA PRIVATE LIMITED** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083,Maharashtra, India **Contact Person:** Mr. Sumeet Deshpande **Tel:** +91 22 4918 6200; **Fax:** +91 22 4918 6195 **E-mail:** timexgroup.offer@linkintime.co.in **Website:** www.linkintime.co.in **SEBI Registration Number:** INR000004058; **Validity Period:** Permanent **CIN:** U67190MH1999PTC118368

Date: March 8, 2021

Place: Mumbai

PRESSMAN

ANUPAM RASAYAN INDIA LIMITED ®

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ANUPAM RASAYAN INDIA LIMITED

Our Company was initially formed as a partnership firm as "Anupam Rasayan" with effect from April 1, 1984 at Surat, Gujarat, India. The firm converted into a joint stock company and was registered as a public limited company under the Companies Act 1956 under the name of "Anupam Rasayan India Limited" with a certificate of incorporation dated September 30, 2003, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. We received our certificate of commencement of business, issued by the Assistant Registrar of Companies, Gujarat, on November 20, 2003. For further details, see "*History and Certain Corporate Matters*" on page 157 of the Red Herring Prospectus ("**RHP**") dated March 05, 2021 and filed with the RoC.

Corporate Identity Number: U24231GJ2003PLC042988

Registered and Corporate Office: 8110, GIDC Industrial Estate, Sachin, Surat 394 230, Gujarat, India; **Tel:** (+91 261) 239 8991; **Contact Person:** Ms. Suchi Agarwal, Company Secretary and Compliance Officer; **Tel:** (+91 261) 239 8991;
E-mail: investors@anupamrasayan.com; **Website:** www.anupamrasayan.com

OUR PROMOTERS: MR. ANAND S DESAI, DR. KIRAN C PATEL, MS. MONA A DESAI, KIRAN PALLAVI INVESTMENTS LLC AND REHASH INDUSTRIAL AND RESINS CHEMICALS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ANUPAM RASAYAN INDIA LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ 7,600.00 MILLION (THE "ISSUE"). THIS ISSUE INCLUDES A RESERVATION OF UP TO 220,000 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION (CONSTITUTING UP TO [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE CONSTITUTES [•]% AND [•]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), IS OFFERING A DISCOUNT OF ₹ 55.00 ON THE ISSUE PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

QIB Category: Not more than 50% of the Net Issue | Retail Category: Not less than 35% of the Net Issue
Non-Institutional Category: Not less than 15% of the Net Issue | Employee Reservation Portion: 220,000 Equity Shares

PRICE BAND: ₹ 553.00 TO ₹ 555.00 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH.
THE FLOOR PRICE IS 55.30 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 55.50 TIMES THE FACE VALUE OF THE EQUITY SHARES.
BIDS CAN BE MADE FOR A MINIMUM OF 27 EQUITY SHARES AND IN MULTIPLES OF 27 EQUITY SHARES THEREAFTER.

ASBA* | **Simple, Safe, Smart way of Application!!!**

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For further details, check section on ASBA below.
Mandatory in public issues from January 1, 2016. No cheque will be accepted.

UPI UNIFIED PAYMENTS INTERFACE

UPI-Now available in ASBA for Retail Individual Investors ("RIIs")**.

Investors are required to ensure that the bank account used for bidding is linked to their PAN.
UPI – Now available in ASBA for Retail Individual Investors applying through Registered Brokers, DPs & RTAs. Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account.

*ASBA has to be availed by all the investors except Anchor Investors (as defined in the RHP). UPI may be availed by RIIs.
*For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the section "Issue Procedure" beginning on page 311 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("**AIBI**") and Stock Exchanges in the General Information Document. ASBA Forms can be downloaded from the websites of BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.*
***List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. HDFC Bank Limited has been appointed as Sponsor Bank for the Issue, in accordance with the requirements of the SEBI Circular dated November 1, 2018. For offer related grievance investors may contact: Axis Capital Limited - Mr. Ankit Bhatia (+ 91 22 4325 2183) (complaints@axiscap.in); Ambit Private Limited – Mr. Miraj Sampat (+ 91 22 6623 3000) (customerservicemb@ambit.co); IIFL Securities Limited – Mr. Aditya Agarwal/ Mr. Shubham Tantia (+ 91 22 4646 4600) (ig.ib@iiflcap.com) or JM Financial Limited – Ms. Prachee Dhuri (+ 91 22 6630 3030) (grievance.ibd@jmfl.com). For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and Mail Id: ipo.upi@npci.org.in.*

Risks to Investors:

- **The four Book Running Lead Managers associated with the Issue have handled 27 public issues in the past 3 years out of which 9 issues closed below the issue price on listing date.**
- **The Price/Earnings ratio based on diluted EPS for Fiscal 2020 for the Company at the upper end of the Price band is as high as 79.97 as compared to the average industry peer group PE ratio of 42.81.**
- **Weighted Average Return on Net Worth for Fiscals 2020, 2019 and 2018 is 10.18%.**
- **Average Cost of acquisition of Equity Shares of our Promoters Mr. Anand S Desai, Ms. Mona A Desai, KPI LLC and RIRCPL is ₹ 5.83, ₹ 0.19, ₹ 125.52 and ₹ 1.32 respectively and the Issue Price at the upper end of the Price Band is ₹ 555.00 per Equity Share.**

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is 55.30 times the face value at the lower end of the Price Band and 55.50 times the face value at the higher end of the Price Band. Investors should refer to "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 132, 189 and 248, of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are:

• Strong and long-term relationships with diversified customers across geographies with significant entry barriers; • Core focus on process innovation through consistent R&D, value engineering and complex chemistries; • Diversified and customized product portfolio with a strong supply chain; • Automated manufacturing facilities with strong focus on environment, sustainability, health and safety measures; • Consistent track record of financial performance; and • Experienced promoters and strong management team.

For further details, see "*Risk Factors*" and "*Our Business*" on pages 27 and 132, of the RHP, respectively.

Quantitative Factors

Some of the information presented below relating to our Company is based on the on the Restated Financial Statements. For details, see "*Financial Statements*" on page 189 of the RHP.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS") at face value of ₹ 10 each:

As per Restated Financial Statements:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2020	6.94	6.94	3
March 31, 2019	6.60	6.60	2
March 31, 2018	6.59	6.59	1
Weighted Average	**6.77**	**6.77**	
Nine months ended December 31, 2020(1)	6.03	6.03	

(1) *Not annualised*

Notes:

Basic EPS = Restated consolidated net profit after tax for the year / period attributable to the equity Shareholders of the Company / Weighted average number of equity shares and potential equity shares outstanding during the year / period

Diluted EPS = Restated consolidated net profit after tax for the year / period / Weighted average number of diluted equity shares and potential equity shares outstanding during the year / period

2. Price/Earning ("P/E") ratio in relation to price band of ₹ 553.00 to ₹ 555.00 per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2020 on Restated Financial Statements	79.68	79.97
Based on diluted EPS for Fiscal 2020 on Restated Financial Statements	79.68	79.97

Industry Peer Group P/E ratio

Based on the peer group information (excluding our Company) given below in this section, the highest P/E ratio is 65.72, the lowest P/E ratio is 30.58 and the average P/E ratio is 42.81.

	P/E Ratio	Name of the company	Face value of equity shares (₹)
Highest	65.72	PI Industries Limited	1
Lowest	30.58	SRF Limited	10
Industry Composite	42.81		

Note:

(1) The highest and lowest industry P/E shown above is based on the peer set provided below under "Comparison with listed industry peers". The industry average has been calculated as the arithmetic average P/E of the peer set provided below. For further details, see "- Comparison with listed industry peers" herein.

(2) P/E figures for the peer are computed based on closing market price as on March 1, 2021 on BSE, divided by Basic EPS (on consolidated basis) based on the annual report of the company for the Financial Year 2020.

3. Return on Net Worth ("RoNW")

Period/Year ended	RONW (%)	Weight
March 31, 2020	9.62	3
March 31, 2019	10.21	2
March 31, 2018	11.78	1
Weighted Average	**10.18**	
Nine months ended December 31, 2020(1)	6.78	

(1) *Not annualised*

Notes:

Return on Net Worth (%) = Restated consolidated net profit after tax for the year / period attributable to the equity Shareholders of the Company / Restated consolidated average net worth for the year / period

4. Net Asset Value per Equity Share (Face Value of ₹ 10 each)

NAV	Consolidated (₹)
As on December 31, 2020	95.64
After the Issue	
- At the Floor Price	158.50
- At the Cap Price	158.57
At Issue Price	[•]

Notes:

Net Asset Value per share = Restated consolidated net worth as at the end of the year / period / Number of equity shares and potential equity shares outstanding during the year / period

5. Comparison with listed industry peers

Following is the comparison with our peer group companies listed in India:

Name of the Company	Total Revenue (₹ in million)	Face Value (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Anupam Rasayan India Limited	5,393.87	10	[•]	6.94	9.62%	76.00
Listed Peers						
PI Industries Limited	34,154.00	1	65.72	33.08	17.43%	189.64
Navin Fluorine International Limited	10,948.82	2	32.20	82.60	28.93%	285.38
Astec Lifesciences Limited	5,345.39	10	42.73	24.29	19.25%	126.17
SRF	72,584.60	10	30.58	177.29	20.66%	858.26

Source: All the financial information for listed industry peers mentioned above are on consolidated basis and are sourced from the annual reports of the companies for the year ended March 31, 2020.

Source for Anupam Rasayan India Limited: Based on the Restated Financial Statements for the year ended March 31, 2020.

Notes:

(1) P/E Ratio has been computed based on the closing market price of equity shares on BSE on March 1, 2021, divided by the Basic EPS.
(2) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth.
(3) Net worth has been computed as sum of paid-up share capital and other equity.
(4) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

6. The Issue Price is [•] times of the Face Value of the Equity Shares.

The Issue Price of ₹ [•] has been determined by our Company in consultation with the BRLMs, on the basis of demand from investors for the Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*" and "*Financial Statements*" on pages 27, 132 and 189, of the RHP, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" on page 27 of the RHP and you may lose all or part of your investments.

For further details, please see the chapter titled "BASIS FOR ISSUE PRICE" beginning on page 101 of the RHP.

BID/ ISSUE PERIOD

BID/ ISSUE OPENS ON(1) FRIDAY, MARCH 12, 2021 | BID/ ISSUE CLOSES ON(2) TUESDAY, MARCH 16, 2021

(1) *Our Company in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.*
(2) *Our Company, in consultation with the BRLMs, may decide to close the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

In case of a revision in the Price Band, the Bid/Issue Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and will also intimated to SCSBs, the Registered Brokers, RTAs, CDPs and the Sponsor Bank. However, in case of revision in the Price Band, the Bid Lot shall remain the same.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the "**SCRR**") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). The Issue is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations, where not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (other than Anchor Investor Portion). Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors ("**NIIs**") and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors ("**RIIs**"), in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Issue Price. All Bidders (other than Anchor Investors) shall mandatorily participate in this Issue through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account (including UPI ID for Retail Individual Investors using UPI Mechanism) in which the Bid Amount will be blocked by the SCSBs or the Sponsor Bank, as the case may be. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, specific attention is invited to "*Issue Procedure*" on page 311 of the RHP.

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for RIIs bidding through UPI mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "*History and Certain Corporate Matters*" on page 157 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, see "*Material Contracts and Documents for Inspection*" on page 346 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares.

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 1,250,000,000 divided into 125,000,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹ 862,068,960 divided into 86,206,896 Equity Shares of ₹ 10 each. For details of the capital structure, see "*Capital Structure*" beginning on page 77 of the RHP.

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association are Hansaben Desai, Soniya Desai, Anand Desai, Mona Desai, Purnima Desai, Ashwin Desai, Rohan Desai and Aman Desai who subscribed to 76,000 equity shares, 4,000 equity shares, 70,000 equity shares, 50,000 equity shares, 50,000 equity shares, 70,000 equity shares, 40,000 equity shares and 40,000 equity shares, respectively. For details of the share capital history and capital structure of our Company see "*Capital Structure*" beginning on page 77 of the RHP.

LISTING: The Equity Shares offered through the RHP are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated January 20, 2021 and January 29, 2021, respectively. For the purpose of this Issue, BSE is the Designated Stock Exchange. A signed copy of the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/ Issue Closing Date, see "*Material Contracts and Documents for Inspection*" on page 346 of the RHP.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities stated in the Issue Document. The investors are advised to refer to page 290-291 of the RHP for the full text of the Disclaimer Clause of SEBI.

DISCLAIMER CLAUSE OF BSE (The Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 296 of the RHP for the full text of the Disclaimer clause of the BSE Limited.

DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 296 of the RHP for the full text of the Disclaimer Clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "*Risk Factors*" on page 27 of the RHP.

RISKS IN RELATION TO THE FIRST ISSUE: This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Issue Price (as determined and justified by our Company in consultation with the BRLMs), Floor Price and the Price Band (as decided by our Company, in consultation with the BRLMs), in accordance with the SEBI ICDR Regulations, and as stated in "*Basis for Issue Price*" on page 101 of the RHP, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

BOOK RUNNING LEAD MANAGERS

AXIS CAPITAL
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E-mail: anupam.ipo@axiscap.in
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Investor grievance E-mail: complaints@axiscap.in
Contact person: Mr. Ankit Bhatia
SEBI Registration No.: INM000012029

AMBIT Acumen at work
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Investor grievance E-mail: customerservicemb@ambit.co
Contact person: Mr. Miraj Sampat
SEBI Registration No.: INM000010585

IIFL SECURITIES
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E-mail: anupam.ipo@iiflcap.com
Website: www.iiflcap.com
Investor grievance E-mail: ig.ib@iiflcap.com
Contact person: Mr. Aditya Agarwal/ Mr. Shubham Tantia
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E-mail: anupam.ipo@jmfl.com
Website: www.jmfl.com
Investor grievance E-mail: grievance.ibd@jmfl.com
Contact person: Ms. Prachee Dhuri
SEBI Registration No.: INM000010361

REGISTRAR TO THE ISSUE

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Tel: (+91 40) 3321 1000
Email: anupamrasayan.ipo@kfintech.com
Website: www.kfintech.com
Investor grievance E-mail: einward.ris@kfintech.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No: INR000000221

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Suchi Agarwal
ANUPAM RASAYAN INDIA LIMITED
8110, GIDC Industrial Estate, Sachin,
Surat 394 230 Gujarat, India.
Tel: (+91) 26123 98991
E-mail: investors@anupamrasayan.com
Website: www.anupamrasayan.com

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "*Risk Factors*" beginning on page 27 of the RHP before applying in the Issue. A copy of the RHP is available on the website of the SEBI at www.sebi.gov.in, the websites of the BRLMs at www.axiscapital.co.in, www.ambit.co, www.iiflcap.com and www.jmfl.com and the Stock Exchanges at www.bseindia.com and www.nseindia.com.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered and Corporate Office of Company, **ANUPAM RASAYAN INDIA LIMITED:** Tel: (+91 261) 239 8991; **BRLMs: Axis Capital Limited**, Tel: (+ 91 22) 4325 2183; **Ambit Private Limited**, Tel: (+ 91 22) 6623 3000; **IIFL Securities Limited**, Tel: (+ 91 22) 4646 4600 and **JM Financial Limited**, Tel: (+ 91 22) 6630 3030; **Syndicate Member: Ambit Capital Private Limited**, Tel: (+91 22) 662 33000 and **JM Financial Services Limited**, Tel: (+91 22) 613 63400 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Issue. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Achievers Equities Limited; Almondz Global Securities Limited; Ambit Capital Private Limited; Amrapali Capital & Finance Services Limited; Anand Rathi Share & Stock Brokers Limited; Anand Share Consultancy; ANS Pvt Limited; Ashika Stock Broking Limited; Ashwani Dandia & Co; Axis Securities Limited; Bonanza Portfolio Limited; Centrum Broking Limited; Centrum Wealth Management Ltd; Dalal & Broacha Stock Broking Pvt Limited; Edelweiss Broking Limited; Eureka Stock & Share Broking Services Limited; G Raj & Co. (Consultants) Limited; Globe Capital Market Limited; Gold Rock Investments; HDFC Securities Ltd.; ICICI Securities Limited; IDBI Capital Markets & Securities Limited; Jhaveri Securities; JM Financial Services Limited; Kalpataru Multiplier Limited; Keynote Capitals Limited; KJMC Capital Market Services Limited; Kotak Securities Limited; Lakshmishree Investment & Securities Pvt Limited; LKP Securities Limited; Lohia Securities; Marwadi Shares & Finance; Motilal Oswal Financial Services Ltd.; Nirmal Bang Securities Pvt Limited; Ohm Securities; Patel Wealth Advisors Pvt Limited; Prabhudas Lilladher P. Ltd; Pravin Ratilal Share & Stock Brokers Limited; Religare Broking Ltd.; RR Equity Brokers Pvt Limited; SBICap Securities Limited; Sharekhan Limited; SMC Global Securities Ltd.; Systematix Shares and Stocks (India) Ltd.; Tanna Financial Services; Tradebulls Securities Limited; Urja Investment Pvt Limited; Viren M Shah; Way2wealth Brokers Pvt Limited; Yes Securities (India) Limited and Zerodha Broking Ltd.

ESCROW BANK/ REFUND BANK: Axis Bank Limited | **PUBLIC ISSUE ACCOUNT BANK/ SPONSOR BANK:** HDFC Bank Limited. | **UPI:** Retail Individual Investors can also Bid through UPI mechanism.

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For **ANUPAM RASAYAN INDIA LIMITED**
On behalf of the Board of Directors
Sd/-
Company Secretary & Compliance Officer

Place: Surat, Gujarat
Date: March 7, 2021

ANUPAM RASAYAN INDIA LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make a further public issue of its equity shares (**"Equity Shares"**) and has filed a RHP with the RoC and thereafter with SEBI and the Stock Exchanges. The RHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, Axis Capital Limited, Ambit Private Limited, IIFL Securities Limited and JM Financial Limited at www.axiscapital.co.in, www.ambit.co, www.iiflcap.com and www.jmfl.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to such risks, see "*Risk Factors*" on page 27 of the RHP.

The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as "U.S. QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering in the United States.

CONCEPT

RUSSIA BLAMED

Aerials show huge blaze after strike at oil facility in Syria

ASSOCIATED PRESS
Beirut, March 7

A SUSPECTED MISSILE strike on an oil-loading facility used by Turkey-backed opposition forces in northern Syria sparked a massive blaze across a large area where oil tankers are normally parked, aerial and satellite images show.

Syrian opposition groups and at least one war monitor blamed Russia for the strike on Friday night near the towns of Jarablus and al-Bab, near the border with Turkey. In a report, the Syrian Observatory for Human Rights, based in Britain, said Russian warships in the Mediterranean had fired three missiles that struck primitive oil refineries and tanker trucks in the region.

It said more than 180 trucks and tankers were burned in the massive blaze, and at least four people killed and 24 wounded.

Photos and videos from the air taken by the Syrian opposition's civil defence group known as the White Helmets showed scores of workers struggling to extinguish a massive fire resulting from burning oil tanker trucks in an open field, as black and grey smoke covered the area.

Satellite images by Planet Labs analysed by The Associated Press on Sunday also showed the aftermath of a large fire that tore through an area near Jarablus between Friday and Saturday morning.

Past satellite photos of the site, some 75 km northeast of Aleppo, showed hundreds of tanker trucks in the area.

An image from Saturday showed char marks across the entire area where the trucks once were. NASA's fire satellite monitoring, which watches for flashes associated with blazes or explosions, showed fires at the site in the early morning hours of Saturday.

The reports of missiles fired from a Russian warship — a rare occurrence — could not be independently verified and Russia, which is a main supporter of Syrian President Bashar Assad in the country's 10-year civil war, has not commented on the accusations.

Turkey's state-owned Anadolu news agency reported they were ballistic missiles, but said it was not clear who carried out the attacks. Turkey and allied Syrian opposition fighters control large parts of northern Syria.

Civil defence workers extinguish burning oil tanker trucks after a suspected missile strike around the towns of Jarablus and al-Bab, in western Aleppo province, Syria. AP

Traders look towards ECB verdict on bond selloff

TODD GILLESPIE
AND JAMES HIRAI
March 7

INVESTORS LOOKING FOR a more definitive signal of what the European Central Bank really thinks about the latest bond selloff are likely to get one in the coming week.

Data on the central bank's debt purchases are due on Monday and will cover the week through March 5, when a global rout in bonds hit fever pitch. While several ECB Governing Council members have attempted to soothe nerves over the recent rise in yields, the institution's bond-buying programme hasn't shown an acceleration to match.

Adding to the unease among investors is the near silence on the topic from President Christine Lagarde. While ECB Executive Board member Fabio Panetta showed that there is some concern when he said the current rise in yields is "undesirable" and "must be resisted," some of his colleagues have been notably more sanguine.

Markets probably won't get another vocal steer until after Thursday's rate decision, as policy makers have now entered a quiet period.

"It's all very well, voicing dissatisfaction," Richard McGuire, head of rates strategy at Rabobank, said of ECB officials' comments. "But the markets appear to be, given the limited response to this concerted rhetorical campaign, looking for the ECB to put its money where its mouth is."

The most recent data on the ECB's pandemic bond-buying programme showed it settled 16.9 billion euros ($20.1 billion) of purchases in the week through February 26, the least in four weeks. The net amount was even lower at 12 billion euros because of large redemptions, despite the fact that the ECB would have known those redemptions were coming.

The peak of the selloff arrived two days later, with yields on Treasuries and European debt hitting levels last seen during the March 2020 turmoil.

Louis Harreau, a strategist at Credit Agricole, called the PEPP purchase amount "ridiculous." "I grew up with the motto 'don't fight the ECB' and it is like today, the market is fighting the ECB," Harreau added.

German yields have been pulled higher by their US and UK counterparts, which are far ahead in the vaccine race, suggesting investors might be getting ahead of the continent's lagging recovery.

Italian 10-year bond yields doubled off a record low to 0.84% in the second half of February. Their premium over German peers, a key gauge of risk in the region, is 17 basis points above a six-year low set on February 12.

While investors have heard a lot from ECB officials in the past week, they've been pulled in varying directions.

A day after Panetta's remarks, Vice President Luis de Guindos said bond spreads are "very calm," and Bundesbank President Jens Weidmann said the rise in yields is "not such that this is a particularly worrisome development."

Those remarks are in line with the broad view of Governing Council members, according to officials familiar with internal discussions, who say policy makers believe they can manage the risk from rising yields with verbal interventions — including a pledge to act if needed.

Lagarde last commented directly on bond markets on February 22, saying the central bank is "closely monitoring" nominal bond yields. In a pre-recorded speech to German business last week, she simply reiterated the ECB's standard line that it won't let financing conditions tighten prematurely.

That stance is arguably reminiscent of a year ago, when the president sent Italian bonds into a tailspin by saying the ECB's job isn't to rein in yield spreads.

Now, bond investors are waiting for bond-buying to match the Governing Council's rhetoric. Frederik Ducrozet, global strategist at Banque Pictet & Cie, expects Monday's data to show that the pace of weekly net purchases rose above 20 billion euros.

"It is only fair to expect the Executive Board to walk the talk by temporarily increasing the pace of PEPP purchases," Ducrozet said.

— BLOOMBERG

Data on the ECB's debt purchases are due on Monday and will cover the week through March 5, when a global rout in bonds hit fever pitch REUTERS

China hopes US will lift 'unreasonable' curbs on cooperation

GABRIEL CROSSLEY
Beijing, March 7

CHINA URGED THE United States on Sunday to remove "unreasonable" curbs on cooperation as soon as possible and work together on issues like climate change, while accusing Washington of bringing chaos in the name of spreading democracy.

Last week US President Joe Biden singled out a "growing rivalry with China" as a key challenge facing the United States, with his top diplomat describing the Asian country as "the biggest geopolitical test" of this century.

Speaking at his annual news conference, the Chinese government's top diplomat, State Councillor Wang Yi, struck a tough line even as he outlined where the world's two biggest economies could work together.

Questioned about recent US-China frictions over Taiwan, Xinjiang and the disputed South China Sea, Wang said Beijing "will never accept baseless accusations and smears".

The United States had used democracy and human rights as a basis for arbitrarily interfering with other countries' affairs, he said. "The US should realise this as soon as possible, otherwise the world will continue to experience instability."

Wang added that differences between China and the United States must be managed carefully, the two sides must advocate healthy competition not zero-sum finger-pointing, and that areas like climate change and fighting the pandemic were where they could cooperate.

"It is hoped that the United States and China will meet each other halfway and lift the various unreasonable restrictions placed on Sino-US cooperation to date as soon as possible, and not create new obstacles artificially."

The United States and China are at odds over influence in the Indo-Pacific region, Beijing's economic practices, Hong Kong, Taiwan and human rights in China's Xinjiang region. The Biden administration has indicated it will broadly continue the tough approach to China taken by former President Donald Trump, but do so in coordination with allies.

Wang warned that on Chinese-claimed Taiwan there was no room for compromise, urging the new US government to change the previous administration's "dangerous acts of playing with fire".

Biden's team says the US commitment to democratic Taiwan is "rock solid". During Trump's administration, the US levied a series of sanctions against China and its officials over Xinjiang, Hong Kong and Beijing's economic policies, which have not been lifted under the new administration.

Secretary of State Antony Blinken agrees with his predecessor Mike Pompeo's determination that genocide against Muslims is under way in Xinjiang. Activists and UN experts say one million Muslim Uighurs are held in Chinese camps.

China denies abuses and says its camps provide vocational training and are needed to fight extremism.

— REUTERS

The United State had used democracy and human rights as a basis for arbitrarily interfering with other countries' affairs, China's State Councillor Wang Yi said

Aramco's $75-bn payout not a problem, says BofA

MATTHEW MARTIN
March 7

THE RALLY IN oil prices has all but expunged any likelihood that Saudi Aramco will fail to meet its $75-billion dividend payout next year, according to Bank of America.

Far from missing the payment, the company may even boost it in 2022 as it increases production and benchmark crude prices head back toward $70 a barrel, the bank said.

Aramco's pledge to pay an annual $75 billion to shareholders during its first five years as a publicly traded company was thrown into doubt last year as oil tumbled amid the Covid-19 pandemic, prompting the company to slash spending and increase borrowing.

It also put an additional strain on Saudi Arabia's finances. The government, which owns 98% of Aramco after selling shares in a December 2019 initial public offering, has depended on the dividend to help plug its budget deficit.

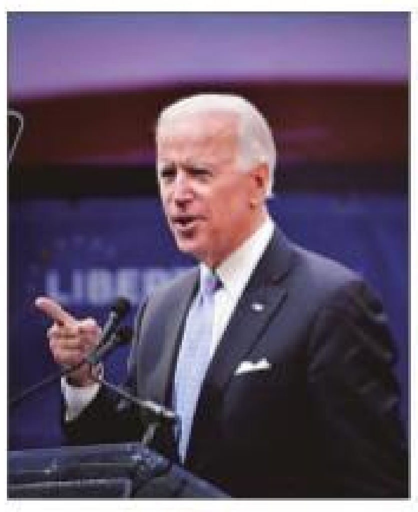
"Aramco would be well-placed to implement its higher dividend distribution guidance given during the IPO and even increase dividends beyond its minimum $75 billion pledge," Bank of America analysts including Doug Leggate and Karen Kostanian said in a report. "Aramco is one of the few companies globally that can substantially boost output without committing additional capex."

— BLOOMBERG

EXPRESS Careers

Biden marks Selma anniversary with order to expand voting access

REUTERS
Washington, March 7



US PRESIDENT JOE Biden issued an executive order on Sunday designed to make it easier for Americans to vote, the White House said, as Republicans across the country seek to limit voting rights in the wake of the 2020 election.

Biden's order comes on the 56th anniversary of the 1965 "Bloody Sunday" when state troopers and police attacked civil rights marchers in Selma, Alabama, who were protesting racial discrimination at the voting booth.

"The legacy of the march in Selma is that while nothing can stop a free people from exercising their most sacred power as a citizen, there are those who will do everything they can to take that power away," Biden said in pre-taped remarks to the "Martin & Coretta Scott King Unity Breakfast" released on Sunday.

Last week Democrats in the House of Representatives passed sweeping legislation to update voting procedures and require states to turn over the task of redrawing congressional districts to independent commissions. That bill faces tough chances of passing the Senate.

Biden urged the Senate to pass the bill.

His executive order directs federal agencies to submit plans within 200 days that outline steps to expand voter registration and distribute election information to voters. It also directs the US chief information officer to modernise federal websites and digital services that provide such details.

The push by Democrats to make it easier to vote comes as Republican lawmakers in dozens of states have moved to restrict voting access after former President Donald Trump's loss in the November election.

Trump falsely claimed the 2020 election was rigged and criticized vote-by-mail efforts put in place during the coronavirus pandemic. On January 6, after a rally in which Trump urged them to fight, his supporters stormed the US Capitol as lawmakers were meeting to certify Biden's win.

Biden cited the historic turnout in the 2020 election in the midst of the deadly coronavirus pandemic.

"Yet instead of celebrating this powerful demonstration of voting — we have seen an unprecedented insurrection in our Capitol and a brutal attack on our democracy on January 6," he said. "And to think that it's been followed by an all-out assault on the right to vote in state legislatures all across the country happening right now."

More than 250 bills with provisions that restrict voting access have been introduced in 43 states during the current legislative session, a senior administration official told reporters, citing a report from the Brennan Center for Justice.

Biden's executive order will also direct federal agencies to assist states with voter registration, push the General Services Administration to submit a plan to modernise the website Vote.gov, and mandate measures to increase voting access for federal employees, overseas voters and active-duty military members.

Opec+ surprise sees oil soar past Gulf's budget-balancing levels

ABEER ABU OMAR
March 7

BRENT CRUDE NOW trades above fiscal breakeven prices for the four biggest oil producers in the Middle East after Saudi Arabia convinced fellow Opec+ members to keep output largely unchanged.

The shock moves by Opec+ triggered a rally in Brent prices, which rose to almost $70 a barrel. That's higher than annual average levels needed for the cartel's largest producers, including Saudi Arabia, to balance their budgets this year.

If oil prices stay at current levels, "we would see fiscal surpluses for the larger Gulf Cooperation Council economies," said Monica Malik, chief economist at Abu Dhabi Commercial Bank. "This provides more fiscal space to support economic activity and recovery."

Analysts at Goldman Sachs Group Inc. and JPMorgan Chase & Co. raised their price forecasts for Brent after the Opec decision, while Citigroup said crude could top $70 before the end of this month.

Budget deficits in the Arab Gulf, where economies are reliant on oil, widened after prices crashed in 2020. Opec+ agreed last year to take about 10% of global supply off the market to stem the plunge and while the group has slowly rolled back some of those cuts, it is curtailing more than 7 million barrels of daily production.

Still, Brent prices have averaged just over $59 so far this year — below the breakeven level for most gulf countries. Saudi Arabia, the Arab world's largest economy and Opec's biggest producer, has posted successive budget shortfalls in the past seven years, a trend expected to continue into 2024, according to projections from the IMF.

Despite higher oil prices, "key non-oil sectors will continue to be impacted by the pandemic," Malik said. "It will also be a balancing act for oil producers to manage the tightening in the oil market, whilst not halting the global recovery outlook."

—BLOOMBERG

'Peace more powerful than war', Pope Francis says in Iraq's ruined city of Mosul

POPE FRANCIS HEARD Muslim and Christian residents in the ruined Iraqi city of Mosul tell of their lives under brutal Islamic State rule on Sunday, blessing their vow to rise up from ashes and promising them "fraternity is more durable than fratricide."

Francis, on a historic first visit by a pope to Iraq, visited the northern city to encourage the healing of sectarian wounds and to pray for the dead of any religion.

The 84-year-old pope saw ruins of houses and churches in a square that was the old town's thriving centre before Mosul was occupied by Islamic State from 2014 to 2017. He sat surrounded by skeletons of buildings, dangling concrete staircases, and cratered ancient churches, most too dangerous to enter.

"Together we say no to fundamentalism. No to sectarianism and no to corruption" the Chaldean archbishop of Mosul, Najeeb Michaeel, told the pope.

Much of the old city was destroyed in 2017 during the bloody battle by Iraqi forces and an international military coalition to drive out Islamic State.

Francis, who flew to Mosul by helicopter, was visibly moved by the earthquake-like devastation around him. He prayed for all of the city's dead.

"How cruel it is that this country, the cradle of civilization, should have been afflicted by so barbarous a blow, with ancient places of worship destroyed and many thousands of people - Muslims, Christians, Yazidis and others - forcibly displaced or killed," he said.

"Today, however, we reaffirm our conviction that fraternity is more durable than fratricide, that hope is more powerful than hatred, that peace more powerful than war."

—REUTERS

Iran frees British-Iranian aid worker from house arrest

IRAN HAS RELEASED British-Iranian aid worker Nazanin Zaghari-Ratcliffe from house arrest at the end of her five-year prison sentence, but she has been summoned to court again on another charge, her lawyer said on Sunday.

Zaghari-Ratcliffe, a project manager with the Thomson Reuters Foundation, was arrested at a Tehran airport in April 2016 and later convicted of plotting to overthrow the clerical establishment.

Zaghari-Ratcliffe, who served out most of her sentence in Tehran's Evin prison, was released last March during the coronavirus pandemic and kept under house arrest, but her movements were restricted and she was barred from leaving the country. On Sunday, the authorities removed her ankle tag.

"She was pardoned by Iran's supreme leader last year, but spent the last year of her term under house arrest with electronic shackles tied to her feet. Now they're cast off," her lawyer Hojjat Kermani told an Iranian website. "She has been freed."

Iran's judiciary was not immediately available to comment about the release. Her family and the foundation, a charity that operates independently of media firm Thomson Reuters and its news subsidiary *Reuters*, deny the charge.

Kermani said a hearing for Zaghari-Ratcliffe's second case has been scheduled on March 14.

"In this case, she is accused of propaganda against the Islamic Republic's system for participating in a rally in front of the Iranian Embassy in London in 2009 and giving interview to the BBC Persian TV channel at the same time," Kermani said.

—REUTERS

Biggest players in the short-selling game are getting a pass

BRANDON KOCHKODIN & ERIK SCHATZKER
March 7

IT'S IN THE air again, on Reddit, in Congress, in the C-suite: Hedge funds that get rich off short-selling are the enemy. The odd thing is, the biggest players in the game are getting a pass.

Those would be the asset managers, pension plans and sovereign wealth funds that provide the vast majority of securities used to take bearish positions. Without the likes of BlackRock and State Street, the California Public Employees' Retirement System and the Kuwait Investment Authority filling such an elemental role, investors such as Gabe Plotkin, whose Melvin Capital Management became a piñata for day traders in the GameStop Corp. saga, wouldn't have shares to sell short.

"Anytime we short a stock, we locate a borrow," Plotkin said February 18 at the House Financial Services Committee hearing on the GameStop short squeeze.

There's plenty to choose from. As of mid-2020, some $24 trillion of stocks and bonds were available for such borrowing, with $1.2 trillion in shares — equal to a third of all hedge-fund assets — actually out on loan, according to the International Securities Lending Association.

It's a situation that on the surface defies logic. Given the popular belief that short sellers create unjustified losses in some stocks, why would shareholders want to supply the ammunition for attacks against their investments? The explanation is fairly straight forward: By loaning out securities for a small fee plus interest, they can generate extra income that boosts returns. That's key in an industry where fund managers are paid to beat benchmarks and especially valuable in a world of low yields.

The trade-off is simple: For investors with large, diversified portfolios, a single stock plummeting under the weight of a short-selling campaign has little impact over the long run. And in the nearer term, the greater the number of aggregate bets against a stock — the so-called short interest — the higher the fee a lender can charge.

In the case of GameStop, short interest was unusually high and shares on loan were generating an annualized return of 25% to 30%, Ken Griffin testified at the February 18 hearing. Griffin operates a market maker, Citadel Securities, as well as Citadel, one of the world's largest hedge funds.

"Securities lending is a way for long holders to generate additional alpha," said Nancy Allen of DataLend, which compiles data on securities financing. "Originally, it was a way to cover costs, but over the last 10 to 15 years it's become an investment function."

Not everyone is comfortable with the inherent conflict. In December 2019, Japan's $1.6 trillion Government Pension Investment Fund stopped lending its international stock holdings to short sellers, calling the practice inconsistent with its responsibilities as a fiduciary. At the time, the decision cost GPIF about $100 million a year in lost revenue.

The US Securities and Exchange Commission has regulated short-selling since the 1930s and polices the market for abuses such as naked shorting, which involves taking a short position without borrowing shares. Proponents of legal shorting argue that its use enhances liquidity, improves pricing and serves a critical role as a bulwark against fraud and hype.

Chief executives, whose pay packages often depend on share performance, routinely decry short sellers as vultures. More recently, shorting has come under fire in the emotionally charged banter on Reddit's WallStreetBets forum. Some speculators ran up the prices of GameStop, AMC Entertainment Holdings Inc. and other meme stocks in January to punish the hedge funds that bet against them, and they delighted when the rampant buying led to bruising losses at Melvin, Maplelane Capital and Citron Research.

—BLOOMBERG

ADVERTORIAL

Happy Women's Day

Women Entrepreneurship can Empower Women Greatly

Given the current trends, it has been seen that the best way forward to empowering women is by promoting entrepreneurship among them, which will not only provide women with jobs but also give them a sense of individuality and identity in our society

EMPOWERING WOMEN is the fundamental right of every woman. In some societies, women are still discriminated based on their gender. Women's empowerment is the most crucial point to be noted for the overall development of a country. Empowerment includes the action of raising the status of women through education, raising awareness, literacy, and self-defence training. Women's empowerment is all about equipping and allowing women to make life-determining decisions through the different problems in society. Women's economic empowerment refers to the ability of women to enjoy their right to control and benefit from the resources, assets, income and their own time, as well as the ability to manage risk and improve their economic status and well-being. Once empowered, they can have equal rights to participate in education, society, economics and politics.Women Empowerment

In India, Government of India (GoI) and NGOs are working fervently towards empowering women through education and providing them an opportunity to earn their livelihood on their own giving them a chance to own a dignified life for themselves. In the recent past, GoI has launched many schemes and initiatives favouring the girl child. Of late, increasing domestic and international pressure to improve the condition of women and gender issues has enhanced the ability of NGOs to widen their scope of work. There are NGOs working on forming a gender-just society by empowering young girls, educating the youth and lobbying with the state to create a safe city for women. To facilitate this, they have initiated many programmes such as providing free education, scholarships, and capacity-building workshops for girl child to help them break out of their circle of poverty.

Some NGOs are focusing on creating cultures of equality and inclusion in organizations and systems to change deep-seated power structures of discrimination and social norms by supporting individuals and groups in systems. GoI and NGOs have launched many initiatives in transforming the lives of orphan girls through the power of education, believing education uncovers options for a brighter future. Many of these programmes are aimed at adaptive learning and skill development to provide quality education to girls. Today, many of these initiatives and programmes are aimed towards betterment of their social and professional life and take action to continue breaking down barriers.

Women Entrepreneurship

Despite significant strides, India's growth story seems to have ignored women. As of 2019, the World Bank estimated that 75% of working-age women (35% of India's working-age population) did not have paid work. Only 59% of women had access to mobile phones, with an abysmally low internet penetration rate of 19%, and only 35% of women actively used their bank accounts, further limiting their opportunities. This limits women's individual economic advancement and constrains India's social and economic progress. The potential of women remains an untapped resource in India.

Now, this untapped potential of women further translates into how it affects their entrepreneurial dreams and successes. As per a research report published in 2019, "India will have the largest working-age population in the world with over 1 billion people in this decade. This demographic dividend, when combined with an increasingly educated population, has the potential to transform India's economic and social development. However, the private and government sector alone have not been sufficient in generating the required jobs. Entrepreneurship among women is a vital component of the overall solution. It not only boosts the economy through job creation, but also delivers transformational social and personal outcomes for women."

As of 2019, India had 13.5–15.7 million women-owned enterprises, representing 20% of all enterprises. However, many of these are single-person-owned enterprises, providing direct employment to an estimated 22 to 27 million people. The report further states, "a number of enterprises reported as women owned are not in fact controlled or run by women. A combination of financial and administrative reasons leads to women being "on paper" owners with little role to play."

India needs to take a non-traditional approach to promote women entrepreneurship. Apart from job creation by private and public sectors, "entrepreneurship is a powerful, and largely untapped, opportunity for working-age women in India. By creating jobs, fuelling innovation and furthering investment in health and education, entrepreneurship among women could transform of India's economy and society."

When provided with equal access to inputs, women-led ventures produce equally strong economic results when compared with men-owned enterprises. Entrepreneurship among women will enable them to play a pivotal rather than a peripheral role in the economic sphere as well as in the society. Women are more likely to hire other women and are less influenced by gender stereotypes.

Employing women in jobs have major social outcomes as well, for example, women invest most of their income on children's health and education, benefitting future generations. About 59% of women believe working for themselves reduces their dependence on a spouse or family, while 46% view it as a means to break through the glass ceiling.

Today, many women entrepreneurs are venturing into new markets and fulfilling untapped customer needs through their innovative business models. Examples of such Start-ups include platforms for beauty products, women-focused business schools, eco-friendly sanitary products and innovative kitchen products. These Start-ups/businesses are promoting product innovation and addressing unmet and often neglected needs in the market.

As per sources, India has more women-owned enterprises than many other countries, with an estimated 13.5 million to 15.7 million MSMEs and agribusinesses. Over the past decade, women-owned enterprises have increased from 14% to 20%, as per government sources. In recent years, both government and private entities have launched a wide range of initiatives to provide some impetus to promote entrepreneurship among women. These interventions seek to address gender-specific financing challenges, providing skills training and mentorship access, and building market linkages. Overall, it can be said that there is a huge opportunity to expand and sharpen the role of the government in transforming the entrepreneurial landscape for women in India through a comprehensive and coordinated effort.