OPINION, P6

BIBEK DEBROY & ADITYA SINHA
Insolvency resolution in India could **benefit** from pre-packs

SUNIL JAIN
By simply agreeing to Trai recommendations, govt has once again failed in helping telecom grow

ECONOMY, P2

FARM BILLS
Tomar may meet protesting farmers in a day or two: Shah

NATION, P3

OIL MAP
Pradhan dedicates ONGC field in West Bengal to nation

NEW DELHI, MONDAY, DECEMBER 21, 2020

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READ TO LEAD

IN THE NEWS

Six suitors submit bids for acquiring Reliance Home Fin

SIX SUITORS, INCLUDING Kotak Special Situations Fund and Asset Reconstruction Company (India), have submitted bids for Reliance Home Finance, part of the Anil Ambani-promoted Reliance Group, reports **PTI**. Only two bidders submitted compliant and binding bids while four bids are non-binding and not compliant with bid conditions, sources said.

EPFO net new enrolments rise 56% in October

NET NEW ENROLMENTS with retirement fund body EPFO rose 56% to 11.55 lakh in October compared to 7.39 lakh a year ago, according to its latest payroll data, reports **PTI**. Net payroll additions, however, registered a slight dip in October compared to 14.19 lakh in September this year, according to a labour ministry statement.

Delhi records season's lowest temperature

COLD WAVE CONDITIONS continued across north India on Sunday, with most places in J&K and Himachal Pradesh experiencing sub-zero temperatures and Delhi recording the season's lowest at 3.4 degrees Celsius, reports **PTI**.

ECONOMY 2021

Bigger govt spend is the vaccine, but not a sure shot

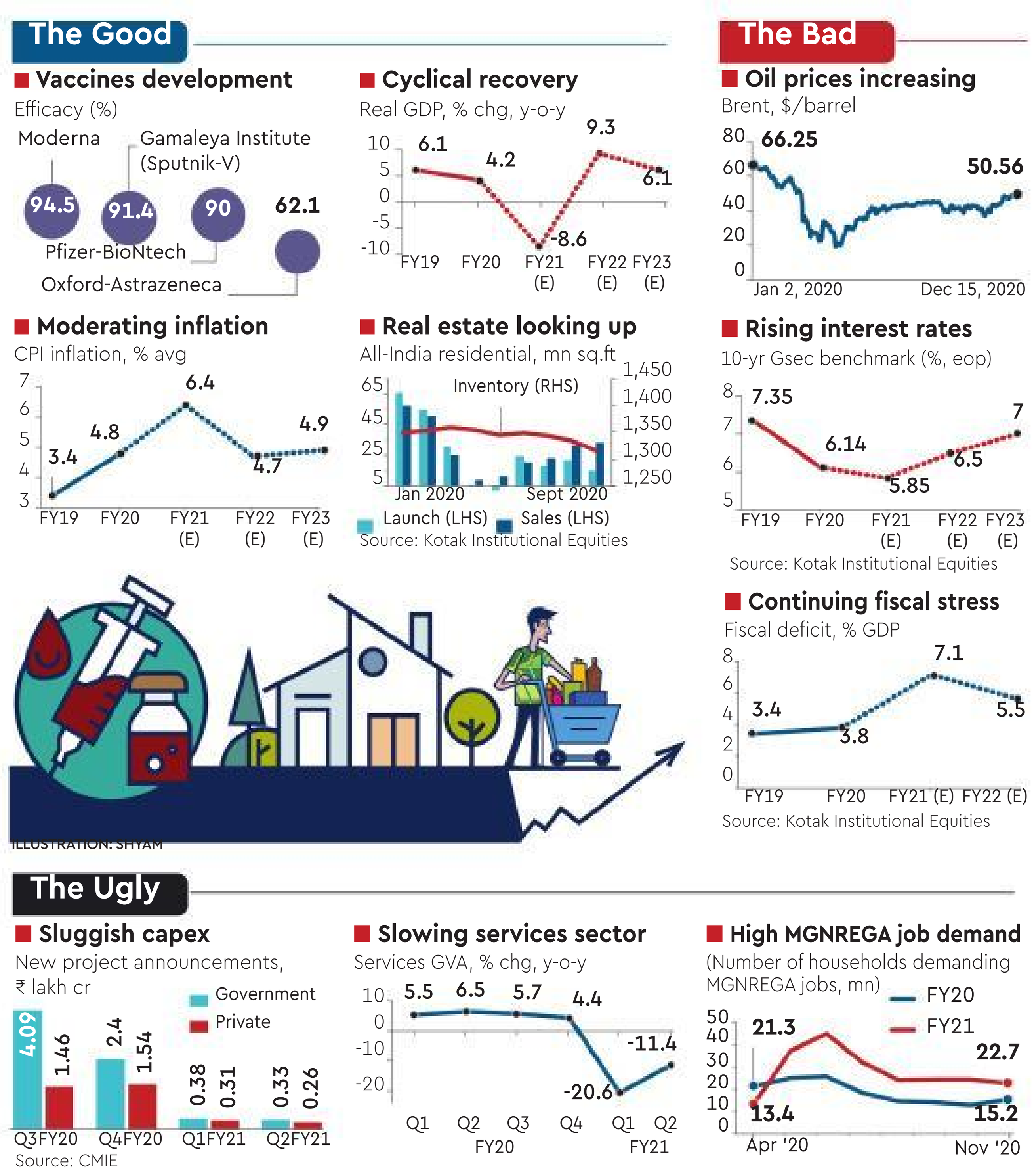
FE BUREAU
New Delhi, December 20

THE VACCINE MAY boost consumer confidence and speed up business activity but the next few years are going to be a difficult time for most Indians, in particular those earn a livelihood in the informal economy.

With the services sector lagging behind, and unlikely to recover quickly, there aren't going to be too many new employment opportunities. Sluggish investments, at a time when capacity utilisation is relatively low, will also keep the job market tepid. The PLI scheme, while no doubt very promising, will take a few years to attract meaningful capital. Consumption will stay subdued due to slower hiring, the stunted increase in incomes and the fear of job losses; private consumption as in any way flagging even before the pandemic.

Indeed, the banking sector could see more pain than seems to be the premise right now. The outlook could be a lot more optimistic if the government was to launch a big bang stimulus; but there's been little of that so far. Also, the pandemic has exacerbated the risk aversion of banks.

Continued on Page 2



CAPITAL CHASE

PSBs to raise ₹25,000 cr in next 3 months

PRESS TRUST OF INDIA
New Delhi, December 20

PUBLIC SECTOR BANKS (PSBs) are planning to raise about ₹25,000 crore through a mix of equity and debt in the next three months to support credit pick-up and meet regulatory requirement.

In the last few months, lenders, including State Bank of India, Canara Bank and Punjab National Bank (PNB), have raised about ₹40,000 crore from the market, financial services secretary Debasish Panda told PTI in an interview.

"Banks have been able to raise a lot of money from the markets. About ₹40,000 crores have been raised by the public sector banks both in the form equity and also AT1 and Tier II bonds. We will expect another ₹20,000-25,000 during the remaining part of the financial year," he said.

Continued on Page 2

CHEQUE IT OUT

Hiring to pick up in 2021

SHUBHRA TANDON
Mumbai, December 20

WITH RECRUITMENT HAVING rebounded from July and continuing into November, HR consultants predict hiring in 2021 will be higher by a good 20-30%. Right now, it's India's domestic companies that are adding to their teams and they are expected to continue to do so in 2021.

MNCs, according to Nicolas Dumoulin, MD, Michael Page India, are likely to start scouting for talent sometime in mid-2021 following which employment should gain pace between June and September. Also, those businesses that have been unable to recruit so far are likely to do so next year and thereby, the pent-up demand would be fulfilled. "The employment market will see a spike of sorts," Dumoulin said. He expects the rise in recruitment in 2021 to be 30% above current hiring levels and like in 2020, he says technology and pharmaceuticals will continue to lead the way.

ILLUSTRATION: ROHNIT PHORE

Continued on Page 2

PRIVATISATION PLAN

Concor land lease to be longer, rentals to halve

PRASANTA SAHU
New Delhi, December 20

TO FACILITATE THE privatisation of state-run Container Corporation (Concor), the government is planning to halve the lease rates payable by the company for industrial use of the railways' surplus land to 3%. Also, the land lease period will be extended to 35 years from 5 years now, with a view to giving additional comfort to potential buyers. The Cabinet would consider both the proposals soon, according to official sources.

3% To be the new land licensing fee (LLF) for **industrial use of railways'** surplus land, versus 6% since April

₹7,605 cr Market value of Centre's **30.8% stake on offer in Concor** at Friday's closing price

Continued on Page 2

EASE OF DOING BIZ

India lines up fresh plan to break into top 50

BANIKINKAR PATTANAYAK
New Delhi, December 20

THE GOVERNMENT HAS zeroed in on six laggard segments — especially enforcing contracts, registering property and starting a business — that have prevented India from breaking into the league of top 50 nations in the World Bank's ease of doing business index.

The country's rank under the Modi government leaped from 142nd in the 2015 report (which reflected reforms undertaken mostly up to May 2014) to 63rd in the report released last year. But its lacklustre performance in six of the 10 indicators delayed the achievement of its target of being in top 50. To ensure improved performance in "enforcing contracts", in which India held the 163rd rank last year, the government, with the help of the judiciary, wants to set up more commercial courts and fast-track important cases through daily hearings.

Continued on Page 2

Focus areas

	Rank
Enforcing contracts: Setting up of more commercial courts, daily hearing of key cases	163
Registering property: Digitisation of titles and record of encumbrances	154
Resolving insolvency: Timely disposal of cases & broad-basing of CoC	52
Starting a business: Integration of registration under ESIC, EPFO & GST with company incorporation	136
Paying taxes: Reducing compliance time for GST, ESI and EPFO	115

Note: India ranked record 63rd (overall) in the World Bank's ease of doing business index that evaluated 190 countries last year

Mumbai sees rising share of critical cases

MUMBAI WILL SOON hit the 3-lakh mark for coronavirus infections becoming the third Indian city to do so, reports **Ishaan Gera** in **New Delhi**. More worryingly, critical cases as a proportion of active cases have been rising in the commercial capital. ■ Page 2

Critical problem
as % of active cases

	ICUs	Ventilators
End-Sept	4.7	2.9
End-Oct	6.5	3.8
Mid-Nov	8	5
Mid-Dec	12.7	8.7

Economy

MONDAY, DECEMBER 21, 2020

BENGAL ON OIL MAP

Dharmendra Pradhan, Union minister

"With the commencement of production from the Ashoknagar oil and gas reserve, West Bengal finds a place in the oil map."

LOWER THAN DISCOVERED RATE

Reliance, BP to get govt-capped price of $4.06 for new gas from KG-D6

PRESS TRUST OF INDIA
New Delhi, December 20

RELIANCE INDUSTRIES AND its partner BP will get only $4.06 a unit for the new gas they have started to produce from the eastern offshore KG-D6 field even though they have discovered a higher rate in an open market auction, sources said.

Reliance-BP in November 2019 auctioned initial gas from the R-Series field at a biddable percentage of Brent crude oil price.

If Brent crude oil stays in the current range of $50 to 51 a barrel, the price comes to $4.2 to 4.4 per million British thermal unit, two sources at the buyers of R-Series gas said.

Even though operators have pricing freedom, they can't sell gas at a rate higher than the cap the government notifies every six months. The cap for six months to March 31, 2021, is $4.06 per mmBtu and so Reliance-BP would get only that amount for the remainder of the current fiscal, they said.

Essar Steel, Adani Group and state-owned GAIL in November 2019 bought the majority of the initial 5 million standard cubic meters per day of gas planned to be produced from R-Series in the KG-D6 block by bidding between 8.5 and 8.6% of dated Brent price.

Emails sent to Reliance and BP for comments remained unanswered.

The rate discovered in the November 2019 auction at the lower end of the Brent price band is the same as the one that Reliance got in the first five years of production from Dhirubhai-1 and 3 and MA fields in the KG-D6 block. These fields ceased to produce a few months back.

Reliance got $4.205 per mmBtu for gas from D1 and D3 and MA fields during April 2019 and March 2014. It would have got double of that rate if a new formula proposed by the Rangarajan committee was approved but the new BJP government scrapped it and brought a new formula on pricing gas at rates prevalent in export surplus nations such as the US and Russia.

The rates came to $5.05 in 2014 and are currently at $1.79 per mmBtu.

Sources said the government in 2016 allowed a higher price for any new gas to be produced from a difficult project such as the deep sea field. R-Cluster field fell in that definition and gas from it was free to be sold but subject to the price cap.

The price cap for October 2020 to March 2021 period is $4.06 per mmBtu, down from $5.61 in the previous six month.

Reliance and BP had on November 18 stated that they have the commencement of natural gas production from Asia's deepest gas project, R-Cluster or R-Series.

The two firms are investing $5 billion in bringing to production three deepwater gas projects in block KG D6 – R-Cluster, Satellites Cluster, and MJ – which together are expected to meet about 15% of India's gas demand by 2023.

R-Cluster will have a peak output of 12.9 mmscmd while satellites, which are supposed to begin output from the third quarter of 2021 calendar year, would produce a maximum of 7 mmscmd. MJ field will start production in the third quarter of 2022 and will have a peak output of 12 mmscmd.

Sources said Reliance had in November 2019 auctioned the first 5 mmscmd of gas from the newer discoveries in the KG-D6 block by asking bidders to quote a price (expressed as a percentage of the dated Brent crude oil rate), supply period and the volume of gas required.

A floor or minimum quote of 8.4% of dated Brent price was set, which meant that bidders had to quote 8.4% or a higher percentage for securing gas supplies.

Dated Brent means the average of published Brent prices for three calendar months immediately preceding the relevant contract month in which gas supplies are made.

Essar Steel picked up 2.25 mmscmd in the country's first transparent and dynamic forward auction that lasted about five-and-a-half-hours on November 15, 2019, sources said.

Gujarat State Petroleum (GSPC) bought 1.2 mmscmd while Adani Group and Mahanagar Gas bought 0.3 mmscmd, sources said, adding GAIL, acting on behalf of fertiliser companies, bought 0.3 mmscmd of gas.

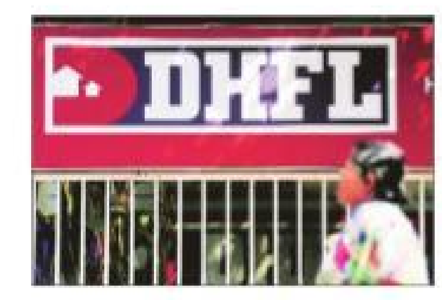
Hindustan Petroleum (HPCL) had bought 0.35 mmscmd and 0.10 mmscmd went to Gujarat State Fertilizers & Chemicals (GSFC)/Gujarat Narmada Valley Fertilizers & Chemicals (GNFC), sources said.

In all, 15 customers across sectors such as steel, petrochemicals, city gas, glass and ceramic got gas in the tender, they added.

Reliance has so far made 19 gas discoveries in the KG-D6 block. Of these, D-1 and D-3 -- the largest among the lot -- were brought into production from April 2009 and MA, the only oilfield in the block was put to production in September 2008.

DHFL lenders likely to meet again this week to discuss bids

ANKUR MISHRA
Mumbai, December 20



THE COMMITTEE OF creditors (CoC) of Dewan Housing Finance Corporation (DHFL) is likely to meet again this week to discuss bids submitted by the suitors, sources close to development told *FE*. Lenders had earlier met on Friday & Saturday and sought few clarifications from Oaktree Capital and Piramal Enterprises which needs to be responded to by Monday.

While Oaktree Capital had offered a total of ₹36,646 crore, Piramal Enterprises had offered ₹35,550 crore for DHFL's entire book. Adani Properties had submitted a total bid of ₹33,110 crore for the company.

FE had reported earlier that Piramal Enterprises was offering to pay ₹1,054 crore more as cash upfront than Oaktree capital in the latest round of bidding. Piramal Enterprises has offered to pay ₹12,700 crore, while Oaktree is willing to make a cash payment of ₹11,646 crore. Adani Properties has offered a cash payment of ₹10,750 crore in its bid.

While Oaktree has offered to pay ₹21,000 crore of debt over seven years, Piramal Enterprises has said it will pay ₹19,550 crore in 10 years. Adani Properties has offered to convert ₹19,110 crore into debt, payable in 7 years.

CoC, had earlier, called for fresh bids, without opening those submitted in the third round after the National Company law Tribunal (NCLT) stayed the resolution proceedings on a petition filed by the National Housing Bank (NHB). Later, the CoC agreed to consider bids submitted in the third round, even as there was an option to improve their offers in the fourth round of bidding.

The admitted claims of financial creditors from DHFL are at ₹87,120 crore as on September 10. State Bank of India is the lead creditor with claims of ₹10,083 crore, followed by Bank of India which has claimed ₹4,126 crore. Among others, Canara Bank has claimed ₹2,682 crore while National Housing Bank (NHB) has claimed ₹2,434 crore.

DHFL has been undergoing insolvency proceedings at the NCLT in Mumbai since December 3.

Tomar may meet protesting farmers in a day or two: Shah

UNION AGRICULTURE MINISTER Narendra Singh Tomar will likely meet farmer unions agitating at the borders of the national capital for repeal of three farm laws in a day or two, home minister Amit Shah said on Sunday.

Several rounds of talks with farmers' representatives have failed to break the deadlock.

"I am not exactly aware of the timing but Tomar is likely to meet the representatives of farmers tomorrow or the day after to discuss their demands," Shah told a press conference.

Thousands of farmers are camping at Delhi's borders with Haryana and Uttar Pradesh for nearly four weeks demanding repeal of three farm laws enacted by the Narendra Modi government. **— PTI**

Indian cos mop up close to ₹10 lakh cr in 2020

SHILPI PANDEY
New Delhi, December 20

NOT-SO-EXPENSIVE CREDIT AVENUES, benign capital markets and the scramble to built a liquidity war chest to fight pandemic-induced financial woes saw Indian companies mopping up close to ₹10 lakh crore through equity and debt in 2020. And the bullish trajectory is expected to continue next year too. With most of the developed markets awash with cheap credit, thanks to low interest regimes, entities from emerging markets like India tapped the low cost funding options.

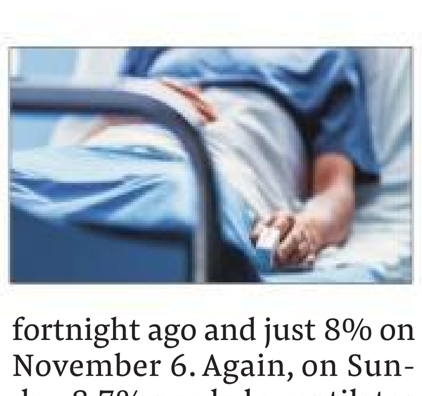
Debt route turned more attractive for many Indian corporates for multiple reasons, including that there won't be dilution of promoter equity, according to experts.

Exposure to Transstroy India account at ₹678.28 cr, clarifies Canara Bank

Canara Bank has clarified that it has an exposure of ₹678.28 crore to the account of Transstroy India, reported as fraud to the RBI on 10.02.2020, where 100% provision has been made in the account. Transstroy India was enjoying limits from various banks under multiple banking arrangements from 2001. Subsequently, a consortium with Canara Bank as a leader and 13 other banks was formed in 2013 and the total limit sanctioned was ₹4,765.70 crore and the share of Canara Bank was ₹678.28 crore. **FE BUREAU**

Mumbai sees rising share of critical cases

ISHAAN GERA
New Delhi, December 20



MUMBAI WILL SOON hit the 3-lakh mark for coronavirus infections, becoming the third Indian city to do so. More worryingly, critical cases as a proportion of active cases have been rising. While the rise in daily infections in the commercial capital is slowing--from 2,658 cases on October 7 to just 632 on December 20-- persons critically infected, and needing to be admitted to ICUs or requiring ventilators, number more than they did a month ago.

On Sunday, 12.7% of the Covid infected required an ICU bed, up from 12.4% a fortnight ago and just 8% on November 6. Again, on Sunday, 8.7% needed a ventilator compared with 6% a fortnight back and 5% on November 6.

Although Mumbai is in a fairly comfortable position with regard to hospital occupancy rates, a rise in critical patients is nonetheless not good for the city. Also, while it may appear the positivity rate-- new cases upon new tests--in the city has declined, Mumbai has increased its reliance on rapid antigen tests. Nearly half the tests conducted in the city are using the RAT technique. Besides, there has been no increase in testing capacity. Tests per million in Mumbai at 155,632 are a fraction of Bengaluru's 421,207 and Delhi's 387,997.

From the Front Page

Economy 2021: Higher govt spend is the vaccine, but not a sure shot

But for the economy to make a sustainable turnaround, weaker businesses, too, must get access to credit.

All in all, 2021-2022 will certainly be better time than 2020-21 but we're some years away from regaining the lost ground.

Eye on 2021: Good 20-30% jump in jobs seen

Balasubramanian A, business head (clients), TeamLease Services, estimates an increase of more than 20% in the overall hiring with the levels being higher by 30% in key sectors like FMCG, pharma, healthcare and telecom. Manufacturing could see a surge of 20% while e-commerce hiring could rise by 30% from 2020 levels, Balasubramanian said.

He believes the focus would be to ensure an end-to-end digital experience for employees throughout their life cycle.

Hiring for digital roles, already on an upswing in the last two years, is expected to get a further fillip with companies expected to invest more in strengthening their digital frameworks. Siddhartha Gupta, CEO, Mercer Mettl, believes demand for professionals capable of being full-stack developers, database managers, data science professionals and working in cyber security and data security, consulting digital transformation architects, will be in high demand.

Saran Balasundaram, founder and CEO, Han Digital, said new age digital skills like artificial intelligence and machine learning, data engineering, robotic process automation (RPA) will contribute in excess of 25% to the overall hiring. These positions would be added across Pune, Bengaluru and Hyderabad, he added.

Indeed, as the economy gets back on track demand for both blue and white collar jobs is expected to pick up. HR experts list frontline sales, last-mile delivery people, project managers, marketing professionals, operations managers and sales professionals among the many roles that will need filling. Again, with remote working gaining acceptance, there will be more part time roles and gig jobs on offer. According to TeamLease Services, 2021 will definitely see an increase in freelance and temporary or project-based hiring while specialised and niche skills will be in focus.

Meanwhile, the digital transformation currently going on in the banking and financial services space, will see good additions in technology roles in that sector. According to Han Digital, BFSI will add 15,000 plus additional head count in 2021 by adding digital, product development, information security (InfoSec), IT infrastructure and application services skills. The company's talent acquisition network of formal and informal sources indicates e-commerce hiring will peak in 2021."During and post-Covid-19, we see that various new roles have been added in the retail industry with as many as new fulfilment centres and distribution centres set up to meet the demand. Supply chain management design and automation, analytics, data engineering, cloud engineering, category management, campaign management and digital marketing roles are expected to see huge demand in the market," Balasundaram said.

HR consultants observed that entry-level and mid-level roles which were severely affected in 2020, with many companies having downsized and placed employment on hold, could see a pick up in 2021. Hiring at senior levels will continue to be strong.

PSBs to raise ₹25,000 cr in next 3 months

Earlier this month, Canara Bank raised ₹2,000 crore while PNB raised ₹3,788.04 crore through qualified institutional placement (QIP).

RBI governor Shaktikanta Das has been advising banks to proactively raise capital and not wait for a difficult situation to arise due to the ongoing Covid-19 crisis.

Besides, the government has allocated ₹20,000 crore for capital infusion into PSBs in the current fiscal. Of this, the finance ministry has granted ₹5,500 crore to Punjab & Sind Bank to meet the regulatory requirement. The government approved the capital infusion through preferential allotment of equity shares in Punjab & Sind Bank last month.

During 2019-20, the government made ₹70,000-crore capital infusion into the PSBs to boost credit for a strong impetus to the economy.

Punjab National Bank got ₹16,091 crore, Union Bank of India received ₹11,768 crore while Canara Bank and Indian Bank got ₹6,571 crore and ₹2,534 crore, respectively.

Talking about the financial health of banks, Panda said that 11 out of the 12 public sector banks have posted profit in the last quarter.

Even gross non-performing assets (NPAs) have gone down substantially and the provision coverage ratio has increased, he said.

"There is some scope for improvement on return on assets and banks are working on that. By and large all the financial parameters are showing very very positive results," he said.

Privatisation plan: Concor land lease to be longer, rentals to halve

The move could encourage commercial use of these land parcels along rail tracks.

The government is planning to sell 30.8% out of its 54.8% holding in Concor, a railway PSU, along with management control to a strategic buyer.

The expression of interest for the stake sale will likely be issued soon after Cabinet clearance to the railways' revised land licensing policy. However, the sale process, which was planned to be completed within FY21, could spill over to next financial year due to paucity of time.

It was only in April this year that the railways notified a land licensing fee (LLF) regime for industrial use of its land, and extended it to its very own Concor. Until then, Concor had been paying land lease rentals to the transporter on a per-container (20-feet equivalent unit container) basis, which entailed much lower outgo. The LLF being charged by the transporter now is 6% of the land value in the first year of licence; the rate will increase at the rate of 7% annually to factor in inflation.

The new regime has proven to be expensive for Concor – while it paid ₹120 crore as land rentals to the railways in FY20, ₹234 crore was paid in just the first two quarters of FY21.

According to official sources, the railway ministry has now come on board in an inter-ministerial panel to lower LLF under which the first-year rate would not be more than 3% and annual inflation rate would be a more realistic 5% or the average annual retail inflation. Earlier, the railway ministry was reluctant to reduce LLF substantially from 6%.

Concor has as many as 65 inland container depots and some 26 of these are situated on the railway land. Even before the latest rate revisions, the cost of using railways land was higher for the company, than what it had to fork out to farmers and other land sellers. The company has been trying to reduce the share of railway land for its container depots.

In March this year, the Concor stock plummeted 52-week low of ₹263.2, down 57% from the 52-week high of ₹617.4. Thanks to the buzz that LLF may be reduced, the stock has recovered some ground recently. At last Friday's closing price of ₹405.25, the Centre's 30.8% stake was worth ₹7,605 crore on the BSE; this was still 30.8% lower than ₹11,000 crore on November 20, 2019, when the Cabinet gave its nod for the stake sale.

Railways' LLF policy was originally applicable to land let out for commercial purposes such as opening retail outlets such as shops, bookshops, kiosks, etc, but it was extended to container business (industrial use) this year.

Railways had demanded ₹1,276 crore annually for 13 terminals (total to be higher when accounted for rest 13 terminals), based on 6% of the value of land. Concor, which had estimated ₹450 crore as LLF for FY21, was contesting the excess demand. Even 3% LLF would mean, Concor would fork out at least double of what it had estimated earlier for FY21.

The earlier mode of LLF payment provided certain advantage to the company compared with other private container terminal operators. Earlier, the method of payment was based on Concor's volumes (₹1,175/TeU).

In its annual report for FY20, Concor said: "The recent change in the Railways method for charging LLF at the rate of 6% of value of land, will have significant impact on the company's financials and the same has been suitably represented to the railways. Taking into consideration the business viability and to mitigate the impact of increased LLF on railway land, the company has surrendered its fifteen terminals built on railway land."

Post-2005, Concor has not picked up any land from railways as it bought land along rail tracks from farmers at cheaper rates.

Ease of doing biz: India lines up fresh plan to break into top 50

The Delhi government has already approved a proposal to set up 22 commercial courts while Mumbai has plans for 16.

A senior government official said it took an average of 1,445 days and 31% of claim value to enforce a contract last year. The effort is to bring down the number of days to 1,200 now. The government also wants to raise awareness about the electronic case management tool facility for judges and lawyers and introduce pre-trial conference. Online filings and electronic summons are to be encouraged.

In registering property, the government intends to ensure that the number of days taken for it is brought down to less than 38 from 58 and the cost to 7.3% of the property value from 7.8%. In this indicator, India was ranked 154th last year.

Similarly, novel land titling laws are expected to be implemented in the coming years. The government also wants to ensure that all land records are digitised across states and all plots witness cadastral mapping. An independent grievance redressal system, public availability of property dispute statistics are among the proposals.

Of course, for all the plans to be implemented, a massive collaborative effort involving various wings of the central and state governments (covering Delhi, Mumbai, Kolkata and Bangalore that are included in the World Bank's survey), judiciary and regulators is a must. The department for promotion of industry and internal trade (DPIIT) has been spearheading the ease of doing business initiative.

In "paying taxes" (India was ranked 115th in it), the government intends to reduce the average time taken from 252 hours a year to 152 hours. It also plans to reduce time taken for various compliances under the Employee State Insurance Corporation and Employee Provident Fund Organisation.

As for "starting a business", the government is planning to reduce the number of procedures from 10 to less than 4. It also wants to reduce the average number of days taken to set up a business from 18 days to just six. In this indicator, India occupied the 136th spot in last year's ranking.

In "trading across the border", in which the country was ranked 68th, plans are afoot to reduce the average time taken for imports to 48 hours from 70 hours. For exports, this will be cut from 54 hours to 48 hours. Manual clearances by officers will be replaced with automated approval. Direct port delivery for imports and entry for exports will be raised.

While insolvency resolution has made great strides in recent years (India's rank improved from 103rd in 2017 to 52nd last year), thanks to the implementation of the Insolvency and Bankruptcy Code, the government wants to step up its focus on it, considering its potential for further improvement. Broad-basing of the committee of creditors (CoC) by including operational creditors in it is one of the plans that has been mooted. The CoC, which has to endorse resolution plans for stressed assets with a 66% majority, currently comprises only financial creditors. Of course, any such plan has to go through rigorous examination.

Barring these six, in the four other gauges—protecting minority investors", getting electricity, getting credit and construction permit—the country's rank is already ranging from 13th to 27th, with limited scope for a dramatic improvement. Prime Minister Narendra Modi had set the target for India to be among the top 50 countries in ease of doing business.

Each year's rank in the ease of doing business index usually reflects stakeholders' perception of reforms undertaken up to the month of May of the previous year (except for the "paying taxes" category where the deadline is end-December). For instance, the 2020 rank, released last year, had captured these reforms undertaken in the year through May 2019.

ONGC starts commercial oil & gas production from West Bengal

FE BUREAU
Kolkata, December 20

WEST BENGAL GETS included in ONGC's oil and gas map with its eighth field at Ashoknagar in West Bengal starting commercial production on Sunday. ONGC first extracted 20 kilolitres of crude oil from the Ashoknagar oilfields early November this year and had sent it to Indian Oil's Haldia refinery for processing.

Dharmendra Pradhan, Union Oil & natural gas and steel minister, flagging off the commercial production through switching on sucker road pump, said: "ONGC so far has invested ₹3,361 crore for exploration of hydrocarbon in the Bengal basin to find oil and gas reserves. Another ₹425 crore would be spent on exploration in the Bengal basin spread over 1.22 lakh km, two-third of which falls under the Bay of Bengal waters."

ONGC will dig 13 wells in the coming three years in the newly awarded acreages under the open acreage licensing policy. It has started fresh geoscientific activities comprised of appraisal programme, Pradhan said. The last round of bidding was done in January 2020.

The appraisal programme of Ashoknagar discovery for an area of about 739 sq km would include 3D seismic, low frequency passive seismic survey and drilling wells besides acquiring 1300 LKM (line kilometre) of 2D and 2900 SKM (square kilometre) of 3D.

Minister for petroleum and natural gas Dharmendra Pradhan holds crude oil in a measuring beaker during inauguration of Bengal's first oil and gas reserve, at Ashoknagar in North 24 Parganas on Sunday

Pradhan said India was currently producing 83% of its oil and gas reserves of which ONGC accounts for 72% of the country's hydrocarbon production.

An ONGC official told FE that the Ashoknagar oil fields will also produce gas to the extent of 1 lakh cubic meters a day and oil between 15-18 cubic meters (1 cubic meter equals to 1,000 litres) a day.

In Ashoknagar oil field was first found under 2,300 meters from the surface after came oil. ONGC and Oil India were awarded the block in Bengal basin under the Mahanadi-Bengal- Andaman division, way back in 2009. The first phase of exploration got over in 2014. The huge reserves of oil and gas were found in the second phase with commercial exploitability confirmed on August 20, 2018.

For 60 years ONGC has been trying to get oil and gas reserves in West Bengal digging 150 wells in the process. But it's first discovery happened in Ashoknagar on 3.5 acres.

ONGC plans to dig 100 wells and for that would require 300-350 acres, the official said. ONGC has already issued a license to the Ashoknagar oilfields for selling their crude and gas, the official said.

Corp affairs ministry defers implementation of CARO order

THE GOVERNMENT HAS deferred implementation of the strict disclosure requirements for auditor reports of companies by one year, a move that comes amid the disruptions caused by the coronavirus pandemic.

Now, the Companies (Auditor's Report) Order, 2020 would come into effect from financial years commencing on or after April 1, 2021, according to a notification issued by the corporate affairs ministry.

The ministry is implementing the company's law. Sanjeev Singhal, Partner at S R Batliboi and Co LLP, said the coronavirus pandemic has caused significant disruptions forcing the companies to focus on ensuring business continuity.

Earlier, CARO 2020 was to come into force from financial year starting on or after April 1, 2020.

—PTI

Integrating ESG aspects in financial sector to benefit all stakeholders, says EY report

PRESS TRUST OF INDIA
New Delhi, December 20

INTEGRATING ENVIRONMENTAL, SOCIAL and governance aspects in the financial sector will benefit all stakeholders, and such factors are expected to remain central in boosting the economy in the post-pandemic era, according to a report.

In the report released on Sunday, leading consultancy EY India also underlined the challenge posed by lack of standardisation in environmental, social and governance (ESG) marketplace as the scenario has led to "subjective interpretation" in certain cases.

"Integrating investor expectations on ESG parameters as part of stakeholder engagement practices and sustainability initiatives will be key in the post pandemic times," it said.

Noting that there has been a shift in focus of many businesses and investors from profits to people as the pandemic unrolled, the report said it is believed that in the post-pandemic era, ESG factors will remain central to driving the economy upwards.

The report titled 'Risk, Returns and Resilience' Integrating ESG in the Financial Sector' noted that integration of ESG aspects in the financial sector will pave a path for all stakeholders being considered in the decision-making process.

"Being a relatively new concept, ESG lacks a conclusive methodology to define its different concepts and there is a variation in the analysis of ESG across different communities and jurisdictions. This has led to increase in subjective interpretation in certain cases where asset managers label the product as ESG but do not put in adequate ESG safeguards while making investments," EY India said.

'India needs multiple bad banks to clean balance sheets'

INDUSTRY BODY CII on Sunday said it has urged the government to consider creation of multiple bad banks to address the adverse impact of non-performing assets (NPAs) accumulated by public sector banks in the recent past, that got further accentuated during the pandemic.

The Confederation of Indian Industry (CII) in its pre-budget memorandum recommended that the government consider enabling Foreign Portfolio Investors (FPIs) and Alternative Investment Funds (AIFs) to purchase NPAs. —PTI

FinMin permits 5 states to borrow extra ₹16,728 cr

PRESS TRUST OF INDIA
New Delhi, December 20

The govt had in May decided to link grant of additional borrowing permission to states with reforms undertaken by them to facilitate ease of doing business

THE FINANCE MINISTRY on Sunday said five states, including Tamil Nadu and Telangana, have been permitted to borrow an additional ₹16,728 crore following completion of stipulated reforms for 'Ease of Doing Business'.

Andhra Pradesh, Karnataka and Madhya Pradesh are the other states which have been permitted to borrow the extra amount.

The government had in May decided to link grant of additional borrowing permission to states with reforms undertaken by them to facilitate ease of doing business.

The reforms stipulated in the category include completion of first assessment of 'District Level Business Reform Action Plan'.

Besides, elimination of requirements of renewal of registration certificates/approvals/licences obtained by businesses for various activities, at least under certain Acts specified by the Centre, was also part of the reforms.

"5 states have so far completed the stipulated reforms in the Ease of Doing Business. These states have been granted permission to mobilise additional financial resources to the tune of ₹16,728 crore through open market borrowings," the Ministry said in a statement.

To meet the extra fund requirements of states on account of Covid-19 pandemic, the Centre had in May decided to raise the borrowing limit of the states by 2% of their Gross State Domestic Product (GSDP), over and above the 3% limit set under the Fiscal Responsibility and Budget Management (FRBM) Act.

However, states were required to complete four specific reforms — implementation of 'One Nation, One Ration Card' system, ease of doing business reforms, urban local body/utility reforms and power sector reforms - by February 15, 2020 to get the benefits.

Such states would get the facility of additional borrowing equivalent to 0.25% of their GSDP for completing each reform. Under this facility, additional borrowing of up to ₹2.14 lakh crore is available to the states on completion of all the four reforms.

"So far 10 states have implemented the One Nation One Ration Card system, 5 states have done Ease of Doing Business reforms, and 2 states have done local body reforms," the Ministry added.

Gold imports dip 40% in Apr-Nov to $12.3 bn

PRESS TRUST OF INDIA
New Delhi, December 20

GOLD IMPORTS, WHICH have a bearing on the current account deficit, fell 40% to $12.3 billion during April-November due to fall in demand in the wake of the Covid-19 pandemic, according to data from the commerce ministry.

Imports of the yellow metal stood at $20.6 billion in the corresponding period of 2019-20. The imports, however, recorded

a year-on-year growth of 2.65% in November to $3 billion.

Silver imports during April-November 2020 too dipped 65.7% to about $752 million.

The decline in gold and silver imports has helped in narrowing the country's trade deficit, difference between imports and exports, to $42 billion during April-November 2020-21 as against $113.42 billion in the year-ago period.

India is the largest importer of gold, which mainly caters to demand of jewellery industry. In volume terms, the country imports 800-900 tonne of gold annually. Gems and jewellery exports fell by 44 to $14.30 billion during the first eight months of the current fiscal.

STRAW IN THE WIND

Govt likely to invite EoIs for Shipping Corp sale this week

PRESS TRUST OF INDIA
New Delhi, December 20

THE GOVERNMENT IS likely to invite bids for privatising Shipping Corporation of India this week and buyers will have time till mid February to submit EoIs, an official said.

The government is planning to sell its entire 63.75% stake in Shipping Corporation along with transfer of management control.

"The Preliminary Information Memorandum (PIM) will be issued this week and bidders will have time till mid February to submit EoI," the official told *PTI*.

The Department of Investment and Public Asset Management (Dipam) is working towards concluding the sale in the current financial year as there is good investor interest and the transaction size is not big.

Shares of Shipping Corp closed at ₹86.55, up 3.22% over the previous close on the BSE on Friday.

At the current market price, the government's stake in Shipping Corp is valued at ₹2,500 crore.

The Cabinet Committee on Economic Affairs in November last year gave in-principle approval for the strategic divestment of Shipping Corp. However, the plans were delayed due to the pandemic. The 2020-21 Budget has set a record divestment target of ₹2.1 lakh crore.

The government has so far raised ₹11,006 crore through minority stake sale in CPSEs this fiscal year. Strategic sale process of BPCL and Air India is ongoing and both the companies have received "multiple" expressions of Interest (EoI) from potential buyers.

6 suitors bid for buying Reliance Home Finance

PRESS TRUST OF INDIA
New Delhi, December 20

SIX SUITORS, INCLUDING Kotak Special Situations Fund (KSSF) and Asset Reconstruction Company (India) (ARCIL), have submitted bids for Reliance Home Finance, part of Anil Ambani-promoted Reliance Group.

Only two bidders submitted compliant and binding bids while four bids are non-binding and not compliant with bid conditions, sources said.

Lenders have decided to further extend the bidding time line till January 31, 2021, in order to accommodate the four non-compliant bidders, sources added. The two compliant bidders have opposed the move by the lenders and have threatened to walk away from alleged non-transparent process, they said.

The two compliant and binding bids are from the US-based Avenue and ARCIL, an asset reconstruction company (ARC), as a joint bid and other from Authum Investment & Infrastructure, listed non-banking finance company (NBFC).

Kotak Special Situations Fund (KSSF) and Asset Care and Reconstruction Enterprise (ACRE) have submitted non-binding bid with several conditions including exclusivity and has also asked for additional time of two months to complete due-diligence, even after the deadline which was extended multiple times, sources said.

The other two ARCs namely, Invent and Alchemist have also submitted conditional bids which are non-compliant with the bids condition and have not paid the mandatory bid bond of ₹10 crore, they said.

The lenders at their meeting held on December 17, 2020, decided to extend the bid time by two months till January 31, 2021, and invited revised bids from all the bidders, so that non-compliant bidders may be accommodated, sources said.

In August this year, lenders led by Bank of Baroda had invited expressions of interest for the assets of Reliance Home Finance and Reliance Commercial Finance, both arms of Reliance Capital.

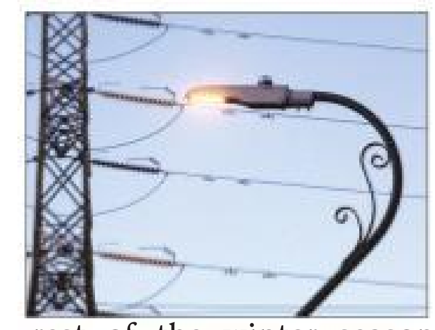
The resolution process is being managed by BoB Capital Markets (BoB Caps) and Ernst & Young (EY).

Those interested in Reliance Home Finance are allowed to bid for either its retail portfolio, or its entire shareholding and business, or the entire company excluding the wholesale book.

ENERGY AND FUEL

Power consumption grows 4.8% in first half of December

PRESS TRUST OF INDIA
New Delhi, December 20



INDIA'S POWER CONSUMPTION grew 4.8% to 50.36 billion units (BU) in the first half of December this year, showing consistency in economic activities, as per government data.

Power consumption was recorded at 48.04 BU during December 1-15 last year, according to the power ministry data.

For the full month of December 2019, power consumption was 101.08 BU.

Therefore, the extrapolation of half-month data clearly indicates that power consumption is likely to record a year-on-year growth for the fourth month in a row, according to experts.

After a gap of six months, power consumption recorded a year-on-year growth of 4.4% in September and 11.6 per cent in October.

In November, the power consumption growth slowed to 3.7% to 97.43 BU compared to 93.94 BU in the same month last year mainly due to early onset of winters.

The growth in power consumption in the first half of this month shows that there is consistency in improvement in commercial and industrial demand due to easing of lockdown restrictions, experts say.

However, they think the impact of weather change would not sustain for long in rest of the winter season because economic activities are almost near pre-pandemic levels.

The government had imposed a nationwide lockdown on March 25 to contain the spread of Covid-19. Power consumption started declining from March due to fewer economic activities in the country.

The pandemic affected power consumption for six months in a row — from March to August this year.

Power consumption on a year-on-year basis declined 8.7% in March, 23.2% in April, 14.9% in May, 10.9% in June, 3.7% in July and 1.7% in August.

The data showed that electricity consumption had grown by 11.73% in February. It showed improvement after April 20 due to easing of restrictions on economic activities.

Peak power demand met, the highest supply of power in the country in a day, in first half of December was also recorded higher at 166.33GW (on December 15) compared to 156.47 GW during December 1 to 15 period, last year.

CIL fuel supply to power sector dips 5% to 277 MT in Apr-Nov

PRESS TRUST OF INDIA
New Delhi, December 20

COAL SUPPLY BY state-run CIL to the power sector declined by 5.3% to 277.46 million tonne (MT) in the April-November period of the ongoing fiscal.

The state-owned company had supplied 292.88 million tonne of coal to the power sector in the corresponding period of the previous fiscal, according to official data.

In November the fuel supply by Coal India (CIL) was almost flat at 39.38 MT against 39.12 MT in November last year.

The fuel supply by Singareni Collieries Company (SCCL) to the power sector in the eight-month period declined by 35% to 22.37 million tonne from 34.44 MT a year ago.

In November, the fuel supply by SCCL declined to 3.9 MT from 4.62 MT in the corresponding month of previous fiscal, it said.

CIL is a major supplier of the dry fuel to the power sector in India.

The government had imposed a nationwide lockdown on March 25 to contain the spread of Covid-19.

Power consumption started declining from March onwards due to fewer economic activities in the country.

The state-owned company had supplied 292.88 million tonne of coal to the power sector in the corresponding period of the previous fiscal, according to official data

The Covid-19 situation affected power consumption for six months in a row from March to August this year.

Power consumption on year-on-year basis declined 8.7% in March, 23.2% in April, 14.9% in May, 10.9% in June, 3.7% in July and 1.7% in August.

Coal India, one of the major suppliers of the fossil fuel to the power sector, accounts for over 80% of the domestic coal output. It is eyeing one billion tonne of output by 2023-24.

EPFO net new enrolments rise 56% to 11.55L in Oct

PRESS TRUST OF INDIA
New Delhi, December 20

NET NEW ENROLMENTS with retirement fund body EPFO rose 56% to 11.55 lakh in October compared to 7.39 lakh in the same month last year, according to its latest payroll data, providing a perspective on formal sector employment amid the coronavirus pandemic.

The net payroll additions, however, have registered a slight dip in October compared to 14.19 lakh in September this year, according to a statement by the labour ministry.

Provisional payroll data released by the EPFO last month had shown that net new enrolments stood at 14.9 lakh in September this year.

Latest data released on Sunday showed that net new enrolments in April were in the negative zone at (-) 1,79,685 against the figure of (-) 1,49,248 released in November.

This means that the number of members who exited the EPFO subscription was more than those who joined or rejoined the scheme.

Earlier in July, provisional data had shown net new enrolments for the month of April stood at 1 lakh, which was revised down to 20,164 in August and further lowered to (-) 61,807 in September and (-) 1,04,608 in October.

The number of net new enrolments in May was also revised further downwards to (-) 1,43,540 from (-) 97,988 estimated last month and (-) 35,336 estimated in the data released in September.

During 2019-20, the number of net new subscribers rose to 78.58 lakh as compared to 61.12 lakh in the preceding fiscal.

The EPFO has been releasing the payroll data of new subscribers since April 2018, covering the period starting from September 2017. The data also showed that during September 2017-October 2020, the number of net new subscribers was over 1.94 crore.

According to a labour ministry statement on the data, in October 2020, around 7.15 lakh new members have joined the EPFO and approximately 2.40 lakh members exited during October 2020. Roughly 6.80 lakh members exited and then rejoined EPFO, indicating switching of jobs by subscribers within the establishments covered by EPFO and subscribers choosing to retain membership by transferring funds rather than opting for final settlement.

Shah: People of Bengal yearning for change, want to get rid of Bangladeshi infiltration

PRESS TRUST OF INDIA
Bolpur (West Bengal), December 20

Home minister Amit Shah paying tribute to Rabindranath Tagore during his visit to Shantiniketan on Sunday PTI

PEOPLE OF WEST Bengal are yearning for change as they want to get rid of political violence, corruption, extortion and Bangladeshi infiltration, Union home minister Amit Shah said on Sunday, attacking the Mamata Banerjee government.

Addressing people during a roadshow in this town associated with Bengali cultural and literary icon Rabindranath Tagore, Shah vowed to restore the state to its old glory when it was called "sonar Bangla" (Bengal of gold) if the BJP is voted to power.

"I have attended and organised several roadshows in my life but have never seen one like this. This roadshow is a reflection of people's anger against the Mamata Banerjee government. This crowd reflects people's faith in the agenda of development of Narendra Modi Ji," Shah told the massive gathering at the roadshow.

He said the yearning was not about changing a political leader but "getting rid of corruption, political violence, extortion and Bangladeshi infiltration".

HM pays homage to Tagore

UNION MINISTER AMIT Shah paid homage to Rabindranath Tagore during a visit to the Vishva-Bharati on Sunday, crediting the Nobel laureate for turning Shantiniketan into a centre for cultural exchanges.

He said that as the Vishva-Bharati nears its centenary year, Tagore's teachings should spread across the world, helping Indian knowledge and culture achieve international acclaim through his works.

"Tagore has not only enriched the philosophy and literature of India, but also made Shantiniketan a base for connecting Indian culture with that of many other countries," Shah told reporters at the end of his two-hour-long visit to the central university.

"I firmly believe that it was not the Nobel prize that acknowledged Tagore's works, but it found its own acknowledgement by honouring Tagore," Shah said.

—PTI

Our investment plans in India on track, Indian economy has strength to bounce back: Saudi Arabia

PRESS TRUST OF INDIA
New Delhi, December 20

SAUDI ARABIA, THE world's largest oil exporter, on Sunday said its investment plans in India are on track, noting that the Indian economy has the strength to recover from the adverse impact of the coronavirus crisis.

In February last year, Saudi Crown Prince Mohammed bin Salman announced that Saudi Arabia would invest over $100 billion in India in petrochemicals, refining, infrastructure, mining and manufacturing, agriculture and several other sectors.

"Our plans to invest in India are on track and we are in discussion to prioritise investment opportunities in several sectors in both countries," Saudi Ambassador Dr Saud bin Mohammed Al Sati told *PTI* in an interview.

Stating that Saudi Arabia values India as a strategic partner and a close friend, Al Sati identified ongoing cooperation in areas of training, knowledge sharing and combating terrorism as key elements of the partnership in defence and security sphere.

DELAYED AGAIN

AI privatisation unlikely to conclude this fiscal

PRESS TRUST OF INDIA
New Delhi, December 20

PRIVATISATION OF AIR India may spill into next fiscal year as the divestment process is unlikely to conclude in the remaining a little over three months of 2020-21, an official said.

Salt-to-software conglomerate Tata Group and US-based fund Interups were among "multiple" entities that put in preliminary bids last week for buying loss-making carrier Air India.

A group of over 200 Air India employees also submitted an expression of interest (EoI) for the carrier in partnership with Interups at the close of the deadline on December 14.

"The Transaction Advisor will inform the qualified bidders by January 6 following which the bidders will be given access to virtual data room (VDR) of Air India," an official said.

The share purchase pact will be shared with the bidders, following which financial bids would be invited, the official added.

"The transaction will be concluded only in next fiscal as we are expecting bidders to have a lot of queries once they get access to VDR and before they put in their financial bids," the official told *PTI*.

The government is selling its entire 100% stake in Air India that has been in losses ever since its 2007 merger with domestic operator Indian Airlines.

The stake sale process got delayed due to the Covid-19 pandemic and the government has extended five times the deadline to submit preliminary bids for the national carrier.

The airline, which started as a mail carrier in 1932, will give the successful bidder control of 4,400 domestic and 1,800 international landing and parking slots at domestic airports, as well as 900 slots at airports overseas.

Besides, the bidder would also get 100% of the low-cost arm Air India Express and 50% of AISATS, which provides cargo and ground handling services at major Indian airports.

With previous attempts since 2017 failing to get any significant interest, the government has this time sweetened the deal by giving freedom to potential suitors to decide how much of the airline's debt they want to take on as part of the transaction.

Previously, the bidders were required to take over the entire ₹60,074-crore debt.

Department of Investment and Public Asset Management (Dipam) secretary Tuhin Kanta Pandey had earlier said potential investors in Air India have given feedback that due to the uncertainty created by Covid-19 in the aviation sector the debt should not be at the expression of interest (EoI) stage.

Hence, the government late in October decided to do bidding for Air India based on enterprise value, which includes market capitalisation of a company, short-term and long-term debt as well as any cash on the company's balance sheet.

The airline, which started as a mail carrier in 1932, will give the successful bidder control of 4,400 domestic and 1,800 international landing and parking slots at domestic airports, as well as 900 slots at airports overseas

In the current fiscal, the government has set a record ₹2.10 lakh crore target from disinvestment. The target includes ₹1.20 lakh crore from the sale of shares of central public sector enterprises (CPSEs) and ₹90,000 crore from a share sale in public sector banks and financial institutions, including the listing of insurance behemoth LIC.

So far this fiscal, ₹11,006 crore has been mopped up through minority stake sale in CPSEs.

After its unsuccessful bid to sell the loss-making carrier in 2018, the government in January 2020 restarted the divestment process and invited bids for selling 100% of its equity in the state-owned airline, including Air India's 100% shareholding in AI Express and 50% in Air India SATS Airport Services (AISATS).

In 2018, the government had offered to sell its 76% stake in the airline.

boyanika

Odisha State Handloom WCS Ltd.
Bhubaneswar

Expression of Interest

No. 2612 Dt.15.12.2020

Boyanika invites **"Expression of Interest"** from registered Handloom Societies (PWCS/Apex/WICS) as per the eligibility criteria & specification for supply of Blanket/Durrie. **The last date & time of submission is 31.12.2020 at 2.00 P.M.** For details logon to **www.boyanika.com**.

Sd/-
Managing Director

Before the Regional Director
Ministry of Corporate Affairs
Northern Region

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

AND

In the matter of **M/s M.L.B. Financial Services Limited (CIN: U74899DL1994PLC063684)** having its registered office at **315, Pratap Chambers, Gurudwara Road, Karol Bagh, New Delhi-110005**

.........Applicant

Notice is hereby given to the general public that the company intending to make an application to the Central Government under section 14 of the Companies Act, 2013 read with aforesaid rules and is desirous of converting into a private limited company in terms of the special resolution passed at the 26th Annual General Meeting held on **Wednesday, the 16th December, 2020** to enable the company to give effect for such conversion.

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

For and on behalf of the Applicant

ANAND SAROOP BANSAL
DIN: **00091981**
Address of registered office:
315, Pratap Chambers, Gurudwara Road, Karol Bagh, New Delhi-110 005

Date : 21.12.2020
Place: New Delhi

Form No. INC-26

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

Before the Central Government Regional Director, Northern Region, New Delhi

In the matter of sub-section (4) of Section 13 of Companies Act, 2013 and clause (a) of sub-rule (5) of rule 30 of the Companies (Incorporation) Rules, 2014

AND

In the matter of
A. P. T. PORTFOLIO PRIVATE LIMITED
(CIN: U74140HR2009PTC039673)
having its Registered Office at
FLAT NO. 1A-103, RIDGEWOOD ESTATE, DLF CITY, PHASE-IV, GURGAON-122002

.........**Applicant Company / Petitioner**

NOTICE is hereby given to the General Public that the company proposes to make application to the Central Government under section 13 of the Companies Act, 2013 seeking confirmation of alteration of the Memorandum of Association of the Company in terms of the special resolution passed at the Extra Ordinary General Meeting held on **14th December, 2020** to enable the company to change its Registered office from **"State of Haryana"** to the **"State of Gujarat"**.

Any person whose interest is likely to be affected by the proposed change of the registered office of the company may deliver either on the **MCA-21 portal (www.mca.gov.in) by filing investor complaint form** or cause to be delivered or send by registered post of his /her objections supported by an affidavit stating the nature of his / her interest and grounds of opposition to the Regional Director, Northern Region, Ministry of Corporate Affairs, B-2 Wing, 2nd Floor, Pandit Deendayal Antyodaya Bhawan, CGO Complex, New Delhi-110003 within Fourteen days from the date of publication of this notice with a copy to the applicant company at its Registered Office at the address mentioned below:-

FLAT NO. 1A-103, RIDGEWOOD ESTATE, DLF CITY, PHASE-IV, GURGAON-122002

For & on behalf of Applicant
A. P. T. PORTFOLIO PRIVATE LIMITED
Sd/-
ANKIT SINGH
(Director)
DIN: 00048196

Date : 21.12.2020
Place : Gurgaon

IFL PROMOTERS LIMITED
CIN: L65910DL1992PLC049014
A-66, SECOND FLOOR, GURU NANAK PURA VIKAS MARG, LAXMI NAGAR NEW DELHI
East Delhi DL 110092 IN
WEBSITE: WWW.IFLPROMOTERS.COM;
EMAIL ID: PROMOTERS.IFL@GMAIL.COM

NOTICE

Pursuant to Regulation 29 and 47(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that meeting of the board of directors of the company will be held on Monday, 21st December, 2020, inter alia, to consider and approve the Audited Standalone Financial Statement of the company for the year ended 31st March, 2020.

The Intimation is also available on the website of the company (**www.iflpromoters.com**) and website of the Stock Exchange (**https://www.bseindia.com**/)

For and on behalf of IFL Promoters Limited

Sd/-
Pawan Kumar Garg
Director
DIN: 00157287

Place: Delhi
Date: 14/12/2020

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, NEW DELHI BENCH AT NEW DELHI
COMPANY PETITION No. CAA-84/ND/2020

In the Matter of:
Petition under Sections 230-232 of the Companies Act, 2013; And
In the Matter of Amalgamation between

1. **G.G. Errectors And Constructors Private Limited**
   Registered Office: S-155 F/F Panchsheel Park
   New Delhi – 110017
   ...Petitioner Company No. 1/ Transferor Company and
2. **G.G. Promoters And Developers Private Limited**
   Registered Office: MCT House, Block A, Okhla Centre,
   Opposite Holy Family Hospital New Delhi – 110025
   ...Petitioner Company No. 2/ Transferee Company and
   Their respective Shareholders and Creditors

NOTICE OF PETITION

A petition under section 230 to 232 of the Companies Act, 2013 for amalgamation of G.G. Errectors And Constructors Private Limited (Transferor Company) with G.G. Promoters And Developers Private Limited (Transferee Company) and their respective shareholders and creditors was presented by Petitioner Companies on 20th day of November 2020 was heard on the 18th day of December 2020, and the said petition is fixed for hearing before New Delhi Bench (Court –III) of National Company Law Tribunal on 05th Day of February 2021. Any person desirous of supporting or opposing the said petition should send to the petitioner's advocate, notice of his intention, signed by him or his advocate, with his name and address, so as to reach the petitioner's advocate not later than two days before the date fixed for the hearing of the petition. Where he seeks to oppose the petition/application/reference, the grounds of opposition or a copy of his affidavit shall be furnished with such notice. A copy of the petition will be furnished by the undersigned to any person requiring the same on payment of the prescribed charges for the same.

Place: New Delhi
Date: 21.12.2020

Sd/-
Sougat Sinha,
Advocate for the Petitioner Companies
M/s Artha Advocates & Legal Advisors
C/o DBS Business Center, 1st Floor, World Trade Tower, Barakhamba Lane, Connaught Place -110001
Phone No. +91 9212173310
Email id : info@artha-legal.com

FORM A
PUBLIC ANNOUNCEMENT

[Under regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]

For the attention of the creditors of **AKURTH CHEMICALS (OPC) PRIVATE LIMITED**

Relevant Particulars

1.	Name of corporate debtor	**Akurth Chemicals (OPC) Private Limited**
2.	Date of incorporation of corporate debtor	23rd October, 2017
3.	Authority under which corporate debtor is incorporated / registered	Registrar of Companies – Kanpur (uttar Pradesh)
4.	Corporate Identity No. / Limited Liability Identification No. of corporate debtor	U24290UP2017OPC098017
5.	Address of the registered office and principal office (if any) of corporate debtor	11/5, Anand Industrial Estate Mohan Nagar Ghaziabad, UP 201007 IN
6.	Insolvency commencement date in respect of corporate debtor	03/12/2020
7.	Estimated date of closure of insolvency resolution process	180 Days from the Date of Commencement of Insolvency Resolution Process which is 01.06.2021.
8.	Name and registration number of the insolvency professional acting as interim resolution professional	**TARUN MAHESHWARI IBBI/IPA-001/IP-P01927/2020-2021/13088**
9.	Address and e-mail of the interim resolution professional, as registered with the Board	511, 5th Floor, The Business Hub, Sector-14, Kaushambi, Ghaziabad – 201010 Email: tarun2507@gmail.com
10.	Address and e-mail to be used for correspondence with the interim resolution professional	511, 5th Floor, The Business Hub, Sector-14, Kaushambi, Ghaziabad – 201010 Email: akurthchemicals.irp@gmail.com
11.	Last date for submission of claims	01/01/2021 (Date of Submission of Claims has been taken as 14 days from the date of Receipt of Order to IRP on 18/12/2020)
12.	Classes of creditors, if any, under clause (b) of sub-section (6A) of section 21, ascertained by the interim resolution professional	Not Applicable
13.	Names of Insolvency Professionals identified to act as Authorised Representative of creditors in a class (Three names for each class)	Not Applicable
14.	(a) Relevant Forms and (b) Details of authorized representatives are available at:	(a) Details of relevant forms available at weblink: https://ibbi.gov.in/downloadform.html (b) Not Applicable

Notice is hereby given that the National Company Law Tribunal, Allahabad Bench has ordered the commencement of a corporate insolvency resolution process of the **M/s AKURTH CHEMICALS (OPC) PRIVATE LIMITED on 03rd DECEMBER, 2020 in C.P (IB)-No. 131/ALD/2020.**

The creditors of **M/s AKURTH CHEMICALS (OPC) PRIVATE LIMITED**, are hereby called upon to submit a proof of their claims on or before01/01/2021 to the interim resolution professional at the address mentioned against item 10.

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

A financial creditor belonging to a class, as listed against the entry no. 12, shall indicate its choice of authorized representative from among the three insolvency professionals listed against entry no. 13 to act as authorized representative of class (specify class) in Form CA.

Submission of false or misleading proofs of claim shall attract penalties.

TARUN MAHESHWARI
Interim Resolution Professional
IBBI/IPA-001/IP-P01927/2020-2021/13088

Date : 21-12-2020
Place : Ghaziabad

SYMBOLIC POSSESSION NOTICE
(FOR IMMOVABLE PROPERTIES)

DCB BANK

Undersigned the Authorised Officer of the DCB Bank Limited, under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and in exercise of powers conferred under section 13(2) read with rule 3 of the Security Interest (Enforcement) Rules, 2002 issued demand notice under section 13(2) of the said Act, 2002, calling upon the borrowers / co- borrowers as mentioned in column no. 3 to repay the amount mentioned in the said Demand Notice within 60 days from the date of receipt of the said notice.

The borrowers and co- borrowers having failed to repay the amount as mentioned in column no. 6, notice is hereby given to them and the public in general that the undersigned has taken possessions of the property as described herein below in column no. 4 in exercise of powers conferred on him under section 13(4) of the said Act read with the Rule 8 of the said Rules,

Sr. No.	LOAN ACCOUNT NO.	BORROWER / CO-BORROWER	DATE OF DEMAND NOTICE	AMOUNT DUE
1.	25959200000028	M/S Ajay Concrete Udyog Throush Proprietor Mr. Subhash Chander, Mr. Vivek Berwal And Mrs. Santra Devi	17.09.2019	Rs. 52,25,259.08/-
	DESCRIPTION OF SECURED ASSETS: H No. 61/19, Putti Road, Adarsh Nagar, Hansi, Hisar, Haryana – 125033.		**DATE OF POSSESSION**	15.12.2020
2.	HMBLCHK00055653 & DMBUCHK00410337	Mr. Jaswinder Singh, And Mrs. Jagbir Kaur	06.12.2018	Rs. 14,09,387.28/-
	DESCRIPTION OF SECURED ASSETS: Land 5 Marla Representing 5/2823 Share Of Land Measuring 140K-3M Comprised In Khewat No. 186, Khatoni No. 320, Rect. No. 111, Killa No. 18, Vill. Kakheri Kangthali, Kaithal, Cheeka, Haryana – 136034.		**DATE OF POSSESSION**	15.12.2020
3.	DRHLDEL00417554	Praveen Tuteja, Lucky Advertisers And Ruchita Tuteja	28-09-2020	Rs. 35,10,355.20/-
	DESCRIPTION OF SECURED ASSETS: House No. C-16 Situated At Abadi New Nandwani Nagar Near Hanuman Mandir Inside M.C. Limits Sonipat Haryana-131001.		**DATE OF POSSESSION**	15.12.2020
4.	21342600000055 AND 21342600000064	M/s. Aries Health Care, Mr. Manish Srivastava and Ms. Reeta	18.12.2019	Rs. 31,00,370.79/-
		DESCRIPTION OF SECURED ASSETS: Plot No. A 68/1, Shop No. 225, 2nd Floor, Adity Palace, Garh Road Meerut, Uttar Pradesh - 250002	**DATE OF POSSESSION**	16.12.2020

The borrowers in particular and the public in general are hereby cautioned not to deal with the aforesaid property and any dealing with the said property will be subject to the charge of the DCB Bank Limited for the amount mentioned therein and further interest and cost thereon.

Date : 21/12/2020
Place : Hisar, Cheeka, Sonipat and Meerut

Authorised Officer
DCB Bank Limited

This is an advertisement issued, pursuant to Regulation 8(1) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, for information purpose only.

Edelweiss
Ideas create, values protect

EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss Financial Services Limited (the "**Company**" or "**Issuer**") was incorporated at Mumbai on November 21, 1995 as a public limited company with the name Edelweiss Capital Limited' under the provisions of the Companies Act, 1956. Thereafter, a certificate of commencement of business was issued to our Company by the RoC, on January 16, 1996. Subsequently, the name of our Company was changed to 'Edelweiss Financial Services Limited' pursuant to a fresh certificate of incorporation issued by the RoC on August 1, 2011. For more information about our Company, please refer "*General Information*" and "*History and Main Objects*" on pages 56 and 168 of the Prospectus.

Registered Office & Corporate Office: Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098, Maharashtra, India
Tel.: +91 22 4009 4400**; Fax:** +91 22 4086 3610
Company Secretary and Compliance Officer: B. Renganathan**; Tel.:** +91 22 4009 4400**; Fax:** +91 22 4086 3610
CIN: L99999MH1995PLC094641; **Website:** www.edelweissfin.com; **Email:** efslncd@edelweissfin.com

Our Promoters are Rashesh Shah, Venkatchalam Ramaswamy, Vidya Shah and Aparna T.C. For details of our Promoters, please refer to the section "Our Promoter and Promoter Group" on page 195 of the Prospectus.

PUBLIC ISSUE BY THE COMPANY OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH ("NCDS") FOR AN AMOUNT OF ₹1,000 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹1,000 MILLION AGGREGATING UP TO ₹2,000 MILLION ("LIMIT") ("ISSUE"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED.

Credit Rating: "CARE A+; (Single A Plus; Outlook: Stable)" by CARE Ratings Limited and "BWR AA-/Stable (Assigned)" by Brickwork Ratings India Private Limited

#Determined on the basis of Application on the electronic bidding platform of BSE Limited. Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis. For detailed terms and conditions, please refer to the Prospectus dated December 17, 2020.

The following is a summary of the terms of the NCDs to be issued pursuant to the Prospectus:

Issue Structure

Series	I*	II	III	IV	V	VI	VII
Frequency of Interest Payment	Annual	Cumulative	Monthly	Annual	Cumulative	Monthly	Annual
Minimum Application	₹10,000/- (10 NCDs) across all Series						
Face Value/Issue Price of NCDs (₹/NCD)	₹1,000/-						
In Multiples of thereafter (₹)	₹1,000/- (1 NCD)						
Tenor from Deemed Date of Allotment	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Coupon (% per annum) for NCD Holders in Category I, II, III & Category IV	9.35%	NA	9.39%	9.80%	NA	9.53%	9.95%
Effective Yield (per annum) for NCD Holders in Category I, II, III and Category IV	9.35%	9.35%	9.80%	9.79%	9.80%	9.95%	9.94%
Mode of Interest Payment	Through various mode available						
Amount (₹ / NCD) on Maturity for NCD Holders in Category I, II, III & Category IV	₹1,000/-	₹1,307.55/-	₹1,000/-	₹1,000/-	₹1,596.35/-	₹1,000/-	₹1,000/-
Maturity Date (from Deemed Date of Allotment)	36 months	36 months	60 months	60 months	60 months	120 months	120 months
Put and Call Option	NA	NA	NA	NA	NA	NA	NA

**Our Company shall allocate and allot Series I NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.*

*All Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited ("**EFSL**") as the case may be, on the Deemed Date of Allotment and applying in Series I, Series III, Series IV, Series VI and/or Series VII shall be eligible for additional incentive of 0.20% p.a. provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for payment of respective coupons, in respect of Series I, Series III, Series IV, Series VI and/or Series VII NCDs.*

*For all Category of Investors in the proposed Issue who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited ("**EFSL**") as the case may be, on the Deemed Date of Allotment applying in Series II and/or V, the maturity amount at redemption along with the additional yield would be ₹1,314.74 per NCD and/or ₹1,610.93 per NCD respectively provided the NCDs issued under the proposed Issue are held by the investors on the relevant Record Date applicable for redemption in respect of Series II and/or Series V.*

*The additional incentive will be maximum of 0.20% p.a. for all Category of Investors in the proposed Issue, who are also holders of NCD(s)/Bond(s) previously issued by our Company, and/ or our group company, ECL Finance Limited, Edelweiss Housing Finance Limited, Edelweiss Retail Finance Limited and Edelweiss Finance & Investments Limited as the case may be, and/or are equity shareholder(s) of Edelweiss Financial Services Limited ("**EFSL**") as the case may be, on the deemed date of allotment.*

On any relevant Record Date, the Registrar and/or our Company shall determine the list of the Primary holder(s) of this Issue and identify such Investor/ NCD Holders, (based on their DP identification and /or PAN and/or entries in the Register of NCD Holders) and make the requisite payment of additional incentive.

The additional incentive will be given only on the NCDs allotted in this Issue i.e. to the Primary holder(s). In case if any NCD is bought/acquired from secondary market or from open market, additional incentive will not be paid on such bought/acquired NCD.

In case the Primary holder(s) sells/gifts/transfer any NCDs allotted in this Issue, additional incentive will not be paid on such sold/gifted/transferred NCD except in case where NCDs are transferred to the Joint holder/Nominee in case of death of the primary holder.

ISSUE PROGRAMME**

ISSUE OPENS ON DECEMBER 23, 2020 | ISSUE CLOSES ON JANUARY 15, 2021

**The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Debenture Fund Raising Committee, subject to relevant approvals. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchange. For further details please refer to our section titled "General Information" on page 56 of the Prospectus.

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. **Mandatory in public issues from October 1, 2018. No cheque will be accepted.**

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, see **"HISTORY AND MAIN OBJECTS"** on page 168 of the Prospectus and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a document for inspection in relation to the Issue. For further details, see the section titled **"MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION"** on page 330 of the Prospectus.

LIABILITY OF MEMBERS: Limited

AMOUNT OF SHARE CAPITAL OF THE COMPANY AND CAPITAL STRUCTURE AS ON THE DATE OF THE PROSPECTUS: The Authorised Share Capital of the Company ₹1,25,00,00,000 divided into 1,23,00,00,000 Equity Shares of face value of ₹1 each and 40,00,000 Preference Shares of face value of ₹5 each and the Issue, Subscribed and Paid up share capital of the Company is ₹93,49,94,652 divided into ₹93,49,94,652 Equity Shares of face value of ₹1 each fully paid up. For information on the share capital of our Company, see **"CAPITAL STRUCTURE"** on page 65 of the Prospectus.

NAMES OF THE SIGNATORIES AT THE TIME OF SIGNING OF THE MEMORANDUM OF ASSOCIATION OF THE COMPANY AND THE NUMBER OF SHARES SUBSCRIBED BY THEM: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed of face value of ₹10 each by them at the time of signing of the Memorandum of Association: Mr. Rashesh Shah – 20 Equity Shares, Ms. Vidya Shah – 10 Equity Shares, Mr. Urvish Mody – 10 Equity Shares, Ms. Shilpa Mody – 10 Equity Shares, Ms. Sharmista Shah – 10 Equity Shares, Ms. Vijaya Vaidyanath – 20 Equity Shares and Ms. Padma Sridhar – 20 Equity Shares.

LISTING: The NCDs offered through the Prospectus are proposed to be listed on BSE Limited ("**BSE**") and BSE shall be the Designated Stock Exchange. Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/008/20-21 dated December 16, 2020.

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

DISCLAIMER CLAUSE OF USE OF BSE ELECTRONIC PLATFORM: It is to be distinctly understood that the permission given by BSE to use their network and software of the Online system should not in any way be deemed or construed that the compliance with various statutory requirements approved by the Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company. It is also to be distinctly understood that the approval given by BSE is only to use the software for participating in system of making application process.

CREDIT RATING: The NCDs proposed to be issued under the Issue have been rated "CARE A+; (Single A Plus; Outlook: Stable)" for an amount of ₹2,000 million by CARE Ratings Limited vide their rating letter dated November 5, 2020 and revalidation letter dated November 30, 2020 and "BWR AA-/Stable (Assigned)" for an amount of ₹2,000 million by Brickwork Ratings India Private Limited vide their rating letter dated November 10, 2020 and revalidation letter dated November 30, 2020.The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. Please refer to Annexure A and Annexure B of the Prospectus for the rationale of the above rating.

GENERAL RISK: For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "Risk Factors" beginning on page 16 of the Prospectus before making an investment in such Issue. The Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), any registrar of companies or any stock exchange in Indian or do they guarantee the accuracy or adequacy of the Prospectus.

AVAILABILITY OF APPLICATION FORM: Application forms can be obtained from the Issuer: Edelweiss Financial Services Limited; Lead Manager: Equirus Capital Private Limited, Lead Brokers for marketing of the issue, the Registrar to the Issue. Trading Members and Designated Branches of the SCSBs. Electronic Application Forms will also be available on the websites of BSE.

AVAILABILITY OF PROSPECTUS: Investors are advised to refer to the Prospectus and the Risk Factors on page 16 of the Prospectus contained therein, before applying in the Issue. Physical copy of the Prospectus may be obtained from the Registered Office and the Corporate Office of the Company or from the office of the Lead Manager. Lead Brokers for marketing of the Issue, the Registrar to the Issue and the designated branches of the SCSBs.Full copy of the Prospectus is available on the websites of the Issuer/Lead Manager/BSE at www.edelweissfin.com, www.equirus.com and www.bseindia.com respectively.

PUBLIC ISSUE ACCOUNT BANK AND REFUND BANK: ICICI Bank Limited

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE	DEBENTURE TRUSTEE TO THE ISSUE
Equirus **EQUIRUS CAPITAL PRIVATE LIMITED** 12th Floor, C Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai 400 013 **Tel:** +91 (22) 4332 0600 **Fax:** +91-(22)4332-0601 **Email:** efsl.ncd@equirus.com **Investor Grievance Email:** investorsgrievance@equirus.com **Website:** www.equirus.com **Contact person:** Ankit Jain **Compliance Officer:** Jyot Bhat **SEBI Registration Number:** INM000011286 **CIN:** U65910MH2007PTC172599	LINK Intime **LINK INTIME INDIA PRIVATE LIMITED** C- 101, 1st Floor, 247 Park, LBS Marg, Vikhroli (W), Mumbai 400083, Maharashtra, India **Tel:** +91 22 4918 6200 **Fax:** +91 22 4918 6195 **Email:** ncd1.efsl@linkintime.co.in **Investor Grievance mail:** ncd1.efsl@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **Compliance Officer:** B.N. Ramakrishnan **SEBI Registration Number:** INR000004058 **CIN:** U67190MH1999PTC118368	BEACON **BEACON TRUSTEESHIP LIMITED** 4 C&D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (E), Mumbai 400 051 **Tel:** +91 22 26558759 **Email:** compliance@beacontrustee.co.in **Investor Grievance e-mail:** investorgrievances@beacontrustee.co.in **Website:** www.beacontrustee.co.in **Contact Person:** Vitthal Nawandhar **SEBI Registration Number:** IND000000569 **CIN:** U74999MH2015PLC271288

COMPANY SECRETARY AND COMPLIANCE OFFICER

B.Reganathan, Company Secretary and Compliance Officer, Edelweiss Financial Services Limited, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India, Tel.: +91 22 4009 4400; Fax: +91 22 4086 3610 Email: efslncd@edelweissfin.

For further details refer to section titled **"Issue Related Information"** on page 265 of Prospectus dated December 17, 2020. Allotment in the public issue of debt securities should be made on the basis of date of upload of each application into the electronic book of the stock exchange. However, on the date of oversubscription, the allotments should be made to the applicants on proportionate basis.

For further details please refer the Prospectus dated December 17, 2020.

DISCLAIMER CLAUSE OF CARE: Care's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or buy, sell or hold any security. Care's ratings do not convey suitability or price for the investor. Care's ratings do not constitute an audit on the rated entity. Care has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. Care does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by care have paid a credit rating fee, based on the amount and type of bank facilities/instruments. Care or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/propriety concerns, the rating/ outlooks assigned by care is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/ outlooks may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. Care is not responsible for any errors and states that it has no financial liability whatsoever to the users of the care's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payment in case of rating downgrades. However, if any such clauses are introduced and if triggered, the rating may see volatility and sharp downgrades.

DISCLAIMER CLAUSE OF BRICKWORK RATINGS INDIA PRIVATE LIMITED: Brickwork ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. Bwr does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by bwr should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and bwr shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

DISCLAIMER: Edelweiss Financial Services Limited (**"Company"**), subject to market conditions, and other considerations, is proposing a public offer of secured redeemable non-convertible debentures and has filed a Prospectus dated December 17, 2020 (**"Prospectus"**) with the Registrar of Companies, Maharashtra at Mumbai, BSE Limited (**"BSE"**) and Securities and Exchange Board of India (**"SEBI"**).The Prospectus dated December 17, 2020 is available on the website of the Company at https://edelweissfin.com, on the website of BSE at www.bseindia.com, on the website of the lead manager at www.equirus.com and on the website of SEBI at www.sebi.gov.in. Investors proposing to participate in the Issue should note that investment in the NCDs involves a high degree of risk and for details in relation to the same, refer to the Prospectus, including the section titled "Risk Factors" beginning on page 16 of the Prospectus and the section titled **"Material Developments"** beginning on page 218 of the Prospectus dated December 17, 2020.

Note: Capitalized terms not defined herein shall have the same meaning as assigned to such terms in the Prospectus.

For **Edelweiss Financial Services Limited**
Sd/-
B. Renganathan
Company Secretary & Compliance Officer

Place : Mumbai
Date : December 19, 2020

Opinion

MONDAY, DECEMBER 21, 2020

MONEY FOR AMERICANS

US president Donald Trump

Why isn't Congress giving our people a Stimulus Bill? It wasn't their fault, it was the fault of China. GET IT DONE, and give them more money in direct payments

RationalExpectations

SUNIL JAIN

sunil.jain@expressindia.com

@thesuniljain

Rubber-stamping Trai is bad policy

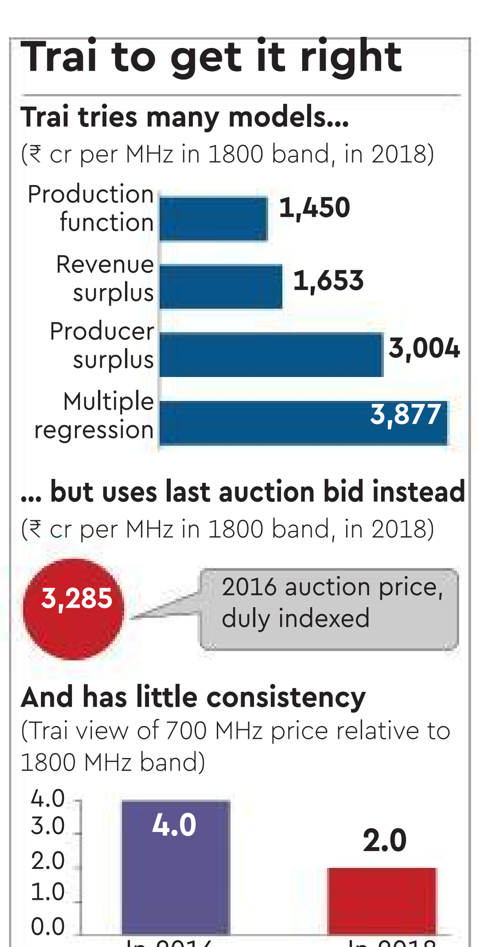
By simply agreeing to Trai recommendations, govt has once again failed to take proactive decisions to help grow telecom

THE GOVERNMENT'S TELECOM game plan continues to astound, not just because it is doing little to help a sector that is both a big investor as well as provider of jobs, but also because it stands to lose in a big way. Irrational pricing of spectrum by Trai has, in the past, led to auctions failing frequently; in 2012, 67% of the spectrum on auction could not be sold, and this rose to 80% in 2013. It has averaged 38% in the years that there were auctions since 2010. And yet, last week, the Union Cabinet cleared a ₹3.9 lakh crore auction based on reserve prices suggested by Trai in 2018.

While the high reserve prices are the reason why past auctions failed, the value the Cabinet cleared for the much sought after 700 MHz band is so high— ₹38,240 crore for a pan-India 5MHz slot—it is unlikely anyone will bid for it. In which case, the government will probably get less than a third of the value of the spectrum on auction.

It is not as if the government thinks Trai's recommendations make sense either. In July 2019, the Digital Communications Commission (DCC)—DCC includes finance and industry secretaries apart from the telecom one—wrote to Trai asking it to relook its recommendations since the demand for spectrum was likely to be subdued as "there are effectively three private telecom service providers" and because "the objective should be to sell entire spectrum"; selling the entire spectrum would both give the government more money and also dramatically improve the quality of mobile networks that are starved for spectrum right now. As it happens, things are a lot worse since the DCC wrote to Trai; Bharti Airtel and Vodafone Idea were hit by a ₹1 lakh crore AGR-dues bill and there are, for all practical purposes, only two private sector telecom players now. Given how shambolic the reserve price fixation exercise is, it is shocking the government has done so little to reverse things; though it has, at times, cut the Trai's recommended price, the reason why it never did this last week is probably the old fear of being labelled *suit-boot-ki-sarkaar*.

There are obvious exceptions, but as a general rule, reserve prices for most auctions have been based on the results of the 3G auction of 2010; prices went sky-high due to an irrational exuberance over a new technology—as it happens, most telcos have shut down their 3G services since!—but instead of correcting for this, Trai has persisted with this as the base for future auctions in one form or another.



In 2010, the bid price for Delhi, for instance, was ₹663 crore per MHz as compared to the reserve/base price of ₹64 crore; Mumbai was auctioned at ₹649 crore and had the same reserve price. So, in 2012, when 1800MHz spectrum had to be auctioned, Trai decided to use the 3G auction as the base and set the reserve price at ₹717 crore for Delhi and ₹702 crore for Mumbai *(bit.ly/2WnBug1)*.

Trai's use of various models makes the recommendations look well thought out, yet it tends to use the last auction bid as the reserve price for the next auction; this ensures spectrum prices mostly go up over time. In 2018, Trai used a 'revenue-surplus' model to calculate how much the telcos would earn from the spectrum. For the 1800MHz band, Trai arrived at a price of ₹3,004 crore per Mhz for a pan-India licence using this model. The 'revenue surplus' model—curiously, it is not the same as the 'producer surplus' one—yielded a value of ₹1,653 crore and the 'production function' one ₹1,450 crore. And yet, after all this, Trai took the October 2016 auction price as the base and indexed this using inflation; 80% of what this exercise resulted in was the new reserve price for the next auction.

It gets more absurd in the case of the 700MHz band. Although this band should be valued at around the same as the 800MHz band as they are quite similar, Trai benchmarked 700MHz to 1800MHz by arguing that both were used for LTE technology. While that was absurd, in 2016, Trai said 700MHz band would cost four times what the 1800MHz band did. This multiple was derived from an analysis of a few European countries despite the markets being quite different; it turned out Trai had made a mistake here as well. So, in 2018, it lowered the multiple to two! This is what led to the 700MHz reserve price falling by around 43% in 2018. So, when the DCC asked Trai to relook its recommendations in 2019, Trai felt the reduction in 2018 was good enough; never mind that any telco buying the 700MHz spectrum will be paying a lot more than those who buy 800MHz even though the bands are quite similar.

The inability to turn down Trai recommendations extends to more than just spectrum prices. In 2016, Trai recommended a ₹3,050-crore penalty on older telcos like Bharti Airtel and Vodafone Idea in an RJio matter. The penalty was quite irrational *(bit.ly/38e9HEj)*; indeed, Trai cannot even levy penalties by law. But instead of turning it down, DCC merely asked Trai to relook its recommendation and levy just a token fine; as it happens, DCC had been sitting on Trai's recommendation for two-and-half years, suggesting it thought little of it. Trai refused to budge and, ever since, the matter is pending with the telecom minister since he, it would appear, doesn't think the fine is warranted either. Yet, no one wanted to turn down Trai's suggestion. If the government is scared to take decisions that make sense and will help industry get back on its feet—and this is not restricted to telecom— how will investments ever recover?

AncientCURSE

For some people, a Neanderthal gene could be complicating Covid-19 in a radical way

CALL IT AN ancestral curse. A gene variant in certain people, from Neanderthal ancestry, may significantly increase their risk of severe Covid-19. A report in *Science*, on a preprint in *bioRxiv,* talks about the enzyme dipeptidyl peptidase (DPP4), which has been known to facilitate entry of the coronavirus that causes the Middle Eastern Respiratory Syndrome; the preprint suggests that the enzyme could also be responsible for SARS CoV-2 invading our cells, along with the ACE-2 (angiotensin-converting enzyme 2) receptor.

The role of DPP4 has been contested—Chinese researchers had, in June, reported that DPP4 could be a likely binding partner for SARS CoV-2's spike proteins, but another group of researchers had earlier maintained that the virus didn't bind with the enzyme in cell-line studies. The Neanderthal gene for DPP4 has certain variations with that which codes for the enzyme in later *Homo sapiens*. The authors of the latest DPP4 study looked at the Neanderthal DPP4 gene in those who has severe Covid-19, and found that this was reported in a 'higher frequency' in the genomes of nearly 8,000 people who had been hospitalised with a severe manifestation. With just one copy of the Neanderthal gene, the risk of severe Covid-19 was twice that of a person lacking the gene entirely; if both the copies of the gene in an individual were the Neanderthal variant, the risk shot up by four times. This shows that the importance of evolutionary genetics in disease study, especially for Covid-19, can't be highlighted enough. It also could mean an opportunity for therapeutic intervention through drugs that could target Neanderthal DPP4.

INFORMAL RESTRUCTURING

PRE-PACK INCORPORATES THE BENEFITS OF BOTH INFORMAL AND FORMAL INSOLVENCY PROCEEDINGS. IN MANY JURISDICTIONS, THERE EXISTS A CODIFIED FRAMEWORK FOR PRE-PACKS

A case for pre-packs

BIBEK DEBROY & ADITYA SINHA

Debroy is chairman, and Sinha is assistant consultant, EAC-PM

A FEW DAYS AGO, a woman in Bhopal moved a court because her father allegedly cheated in a Ludo game. The court asked them to resolve the family matter amicably. This may be unusual. But a lot of civil litigation can be resolved through mediation and conciliation, without approaching the court. The end-result, after going through adjudication and incurring costs, is no different from what an amicable solution would have found.

Today, insolvency and bankruptcy resolution in India also needs an informal dispute resolution mechanism that can be triggered much before any crisis precipitates into formal action. The Insolvency and Bankruptcy Code (IBC) has been instrumental in resolving a large proportion of non-performing assets. It has also acted as a deterrent, given creditors have used IBC proceedings as a tool to nudge debtors to restructure and fulfil their obligations to creditors. About 83% of cases, with a realisation value of ₹5,15,170 crore, were resolved without going through the full process.

However, the Corporate Insolvency Resolution Process (CIRP) under IBC is often not completed within the stipulated time. The Bankruptcy Law Reforms Committee, which proposed the IBC, noted that "the most important objective in designing a legal framework for dealing with firm failure is the need for speed". However, the adjudicating and appellate authorities, i.e., National Company Law Tribunal (NCLT) and National Company Law Appellate Tribunal (NCLAT), that deal with IBC-related matters have been bogged down by a lot of cases. Apart from dealing with IBC-related cases, these tribunals also handle cases related to Competition Act and Companies Act. Sections 7, 9 and 10 of IBC provide 14 days for the NCLT to admit or reject any application for initiating insolvency proceedings. Unfortunately, there are more than 9,000 applications that are pending admission before various NCLT benches. Out of this, 5,485 have been pending for more than 180 days. Similarly, the CIRP should be normally completed within 180 days, or within 330 days including "any extension of the period of corporate insolvency resolution process granted and the time taken in legal proceedings in relation to such resolution process of the corporate debtor". However, this rarely happens. In *JK Jute Mills Company Vs Surendra Trading Company*, the NCLAT ruled that timelines mentioned in the Code are "procedural in nature, a tool of aid in the expeditious dispensation of justice and is directory", i.e., they aren't mandatory. Moreover, the date of receipt of application isn't treated as the date of filing of the application. The date on which the application is listed for hearing in the registry of NCLT is treated as the date of filing the application. The countdown won't start even if the application is pending to get admitted for 180 days.

The pre-pack insolvency framework should balance the interests of both the financial and operational creditors

No doubt, a more efficient mechanism to deal with the pending caseload before NCLT benches is needed. However, till that is done, an informal mechanism is needed to ensure that resolution occurs without resorting to formal action, maybe before a debtor defaults. For this, a pre-pack insolvency framework may be useful. Unlike conventional CIRP, a pre-pack is a debtor-driven agreement for the resolution of the debt between financial creditors and a distressed company. This out-of-court restructuring gives the flexibility to arrive at a plan best suited for consenting financial creditors and corporate debtors. Once all stakeholders agree on a resolution plan informally, they can seek a nod from the courts—in India's case, the NCLT. Pre-pack is an innovative corporate-rescue tool that incorporates the benefits of both informal and formal insolvency proceedings. In many jurisdictions, including the US and the UK, there exists a codified framework for pre-packs. Several empirical studies have found that, compared to conventional insolvency proceedings, they create more value for all stakeholders.

There are several benefits of pre-packs: (1) they ease the burden on the NCLT and the NCLAT; (2) drastically reduce the time for the resolution process; (3) there is minimal disruption of the debtor's business, as the debtor is in possession throughout the process; (4) there is also higher employee retention in pre-pack insolvency as compared to the conventional CIRP; and (5) transaction and administrative costs are relatively low as compared to the traditional CIRP.

The problems in devising a pre-pack insolvency framework are apparent, but not intractable. The pre-pack insolvency framework should balance the interests of both the financial and operational creditors. The framework shouldn't be heavily biased in favour of financial creditors. The framework should also ensure a transparent insolvency resolution process. Unless there is a provision of moratorium if the majority of financial creditors are in talks of pre-pack insolvency with the debtor, pre-packs will not be an attractive insolvency resolution tool.

Logically, financial creditors and corporate debtors should have got into an informal arrangement akin to pre-pack insolvency, as a standard market practice. However, this doesn't happen. The absence of a codified framework deters the stakeholders from trying this tool that is relatively alien to an evolving Indian insolvency regime. As per reports in the media, the government is weighing proposals to introduce a pre-pack insolvency framework in India. This is a welcome move.

India's agri reforms: Getting it right

The Centre needs to redesign the public procurement and distribution system to broaden the range of crops, including more high-value-added and less water-intensive crops

NIRVIKAR SINGH

Professor of economics, University of California, Santa Cruz

INDIA'S AGRICULTURAL MARKETING reforms have proved to be more problematic than many, including myself, initially realised. Clearly, some kind of rationalisation of agricultural trade, internally and for export, is needed—there are too many inefficiencies in the current system. Indeed, some states had already been liberalising or reforming on their own. Unfortunately, the states were not consulted on the new laws, and neither were farmers. The lack of transparency and consultation by itself is undesirable, but it also contributed to a suboptimal reform, and to unnecessary anxiety and societal disruption. It certainly did not fit with professions of favouring cooperative federalism. Why this approach is characteristic of this government is a separate question, but one can try to look for a way forward from the current mess.

Farmers from Punjab and Haryana seem to be among the most prominent in being disturbed by the new laws. These two states are the most locked-in to the national system of food grain procurement, which includes minimum support prices (MSPs). In fact, while once the two states were almost economic twins, Punjab is now much more dependent on this narrow system. Since many of Punjab's farmers are Sikhs, this has led to rather vicious sectarian attacks, but religion and territory are not the issue here at all. Others have dismissed the protesting farmers as a pampered minority among farmers nationwide, because they benefit from selling wheat and paddy for the national stockpiles, with a considerable income guarantee built in through the MSPs and levels of purchase. But the reality is quite different.

It has been clear for decades that Punjab agriculture has been on a self-destructive path. The wheat-paddy rotation has depleted the soil. Paddy cultivation has sucked down the groundwater table. Both these, and diminishing returns overall, have reduced returns for farmers, and squeezed their incomes, especially those of smaller or marginal farmers. One can see this in the general disequilibrium in Punjab's society, including symptoms such as drug use and desperate attempts at illegal migration. The farmers are protesting, not because they are protecting privilege, but because they are on the edge of a cliff, with nowhere to go. While the reforms do not touch the current procurement system, the farmers fear that the new laws are the first step towards other changes that will be set in motion inevitably, pushing them off that cliff.

The Punjab government has realised some of the problems of agriculture for decades. It has tried to diversify agriculture and to expand industry and services. These efforts have not made much headway, because of poor governance, corruption, poor design and implementation, lack of sustained focus, and lack of fiscal space. None of these are uncommon in developing country contexts, and Punjab may not be much worse than other Indian states, but the vice-like grip of the current public procurement system, along with Punjab's fraught history in the years when economic reforms were taking off in India, have made significant progress unattainable. Meanwhile, Punjab has plummeted in per capita state income rankings.

What can be done on the agricultural front? Most importantly, the national government needs to redesign the public procurement and distribution system to broaden the range of crops, including more high-value-added and less water-intensive crops, and do it in a way that does not reduce farmers' incomes. Second there need to be programmes that directly pay farmers to switch to other crops, such as basmati rather than ordinary rice. Haryana is already implementing such programmes, but Punjab faces a much more severe fiscal constraint. Since Punjab is on the brink, and a collapse of its agricultural economy will harm the entire country, it makes sense to target the state for earmarked support to incentivise crop-switching, with matching state funds to reduce moral hazard.

Programmes that directly pay farmers to switch to other crops that are less damaging for the environment, such as basmati rather than ordinary rice, are needed

A third step must be to support and reorient agricultural research and extension. In Punjab, it may be that its premier agricultural university, PAU in Ludhiana, is focusing too much on scientific research that is meant to prolong the current system by developing new genetic varieties that resist new pests. This research also leads to scholarly publications and prestige. But the messy and inexact fieldwork of traditional agricultural extension for a very large variety of possible alternative crops gets neglected. Knowledge is a classic public good, and the national government can play an obvious role in setting priorities for agricultural research and extension, and funding them.

Finally, the national government can be more active in modernising the agricultural supply chain, through public-private partnerships. Some of the rationale for the current reforms seems to have been that liberalisation has to be a precursor to attracting private investment. But, and this is the case for the entire country and not just Punjab, making things easier for large corporations when many farmers are on the brink represents either an incorrect sequencing, or an incomplete package, of reform measures—or perhaps some combination of both.

Many of the steps that the national government can take will not have high net fiscal costs. Many of these ideas are already being implemented or piloted in specific areas. Other ideas have been detailed in multiple research and policy papers. Putting together a package that helps farmers move themselves away from the cliff's edge should be quickly feasible. It would be more constructive than confrontation and vilification.

LETTERS TO THE EDITOR

A crore Covid-19 infections

Apropos of the editorial, 'Countering Covid' (December 19), it is a sobering thought that India has logged a record high of one crore Covid-19 cases, next only to the USA. From January 30 when the first case in Kerala was reported it took about 11 months – 325 days, to be more precise – to reach this grim milestone. The real figure could be still higher. The official data of India's corona caseload means one in every 130 Indians has been infected with the SARS-CoV-2 virus. It is sorrowful that 146000 of our compatriots have lost their lives to Covid-19. Each life is precious; a death is not a statistic; it is a void that can never be filled. It is great consolation that daily cases and daily casualties are coming down with each passing day despite the much-feared winter. Even so, the spread of the coronavirus is still diffused and variant across the country. That the government is on the cusp of authorizing the first set of Covid-19 vaccines raises the hope that the pandemic will pass. Vaccinating millions and millions of people with two doses, 28 days apart, presents huge logistical problems; it is also a time-consuming process too.

— G David Milton, Maruthancode

Left resurgence?

The Left in Kerala must be envied for the strength and cohesion of its cadre that helped it tackle the visitations of nature in Kerala and to win handsomely in the recent Panchayat elections. The Indian Left, evolving as part of the Congress, around 1920 veered further left and lost ground in 1928, and was forced to move back towards the centre. Swinging Marxist in 1942, it re-allied with the Congress in 1960s and moved to occupy the much sought after left-of- center space in a growing economy. Then, its rigidity over the nuclear deal with the US led to its isolation. At a crucial juncture, facing a near-existential crisis, the pragmatic Kerala Left, in turning progressive, could yet reanimate the Left movement.

— R Narayanan, Navi Mumbai

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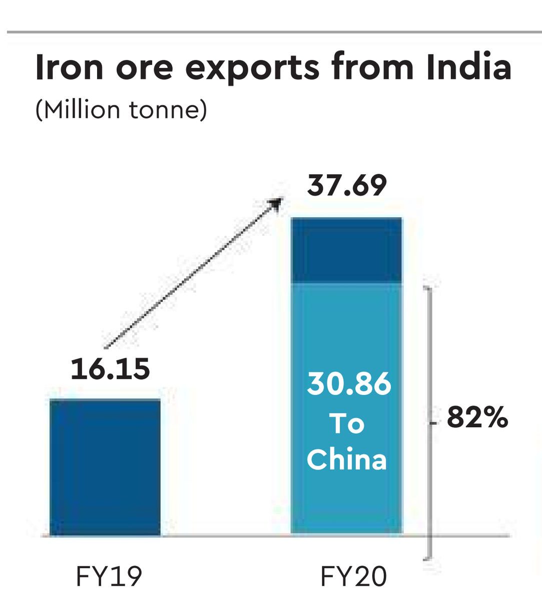
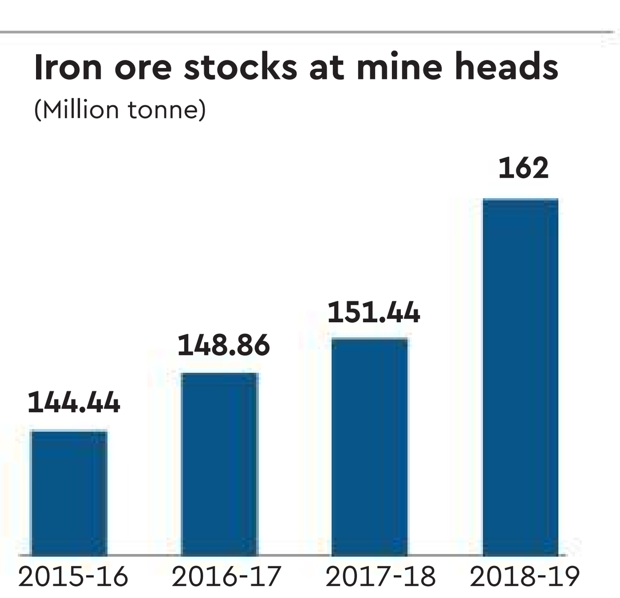
ISHAAN JAIN

The author leads the Metal & Mining Sector, Invest India, the National Investment Promotion and Facilitation Agency of the government of India

The mystery behind rising iron ore prices

In FY20, India's iron exports rose 133% to 37.69 million tonnes versus FY19 levels. And over 80% of these exports went to China. In crux, India's domestically produced iron ore was serving the needs of another market before catering to its own





OVER THE PAST couple of months, the steel industry has witnessed constant dialogue between iron ore miners and steel producers, aimed at reaching common ground on the availability of a key commodity for manufacturing steel—iron ore. While manufacturers of the alloy have gone up to the Prime Minister's Office (PMO) seeking a ban on exports of iron ore citing sky-high prices, miners of the key raw material—whose pellets form about 60% of the cost of production of steel—claim that steel mills have been importing iron ore to suppress prices of the commodity despite huge stockpiles lying idle. Both sides have made sure to supplement their claims with data.

Industry associations, including the All India Induction Furnaces Association (AIIFA) and the Indian Steel Association (ISA)—representing both secondary and primary steel makers—have written separate letters to the PMO batting for a ban on iron ore exports.

Over April-July 2020, India's exports of iron ore have risen by a massive 63%. This rise in exports is primarily fuelled by record steel production by the world's largest steel manufacturer—China. Chinese steel output hit all-time highs in September, as state-backed investment in infrastructure projects took centre-stage amid the nation's resurgence from the pandemic. This was further corroborated by an Edelweiss report which stated that iron ore imports in China surged 9% year-on-year in September 2020 and iron ore inventory at ports rose to 124 million tonnes from 105-110 million tonnes in July 2020. Consequently, miners including the NMDC have been exporting the iron ore owing to higher realisation for their produce.

The signs were already visible in FY20 as India's iron exports rose 133% to 37.69 million tonnes versus FY19 levels. And over 80% of these exports went to China. In crux, India's domestically produced iron ore was serving the needs of another market before catering to its own.

Aggravating the situation is the problem of non-operationalisation of merchant mines in India.

India's iron ore production over April-September 2020 stood at 47 million tonnes, witnessing a drop of about 50% versus last year. Also, about 50% of the mines auctioned in Odisha this year went to large steel players for captive usage while majority of the remainder, which have gone to merchant miners, are yet to start production.

An industry estimate suggests that over April-September 2020, only 4.06 million tonnes of ore was produced from the auctioned mines. However, 93% of this production was done by JSW and Mittal for captive consumption. The mines were supposed to produce over 24 million tonnes during the period.

Another industry report states that only 12 merchant mines in Odisha are currently operational, while at least 20 are closed and all 11 merchant mines in Jharkhand continue to remain shut. This has caused a serious shortage of the raw material for the smaller steel producers in India's domestic market. Due to this supply crunch, iron ore and pellet prices shot up by about 40% for six months starting March 2020. Steel manufacturers remain ready to pay a higher price, but availability of ore is still their top priority as alternative sources of the raw material, such as Brazil, continue to face supply tightness in the wake of Covid-19. The Odisha Mining Corporation (OMC) continues to be a beacon in these gloomy times, bringing relief to secondary steel producers by supplying the ore, albeit at higher than normal prices. Normalcy in prices and supply is expected to return in Q4FY21 and early quarters of 2022 when (hopefully) the vaccine starts getting administered to the masses.

But Indian miners, too, have their side of the story. In its counter-arguments submitted to the Ministry of Steel and the Ministry of Commerce in response to steel producers' letters seeking a ban on iron ore exports, the Federation of Indian Mineral Industries (FIMI) states that "any shortfall in production due to Covid-19 pandemic in the eastern states can be made good by procurement of stocks lying at mine-heads. No mining lease holder would like to export if there is a domestic buyer. Currently, what is being exported is what is not being sought by domestic steel mills."

The miners believe that since iron ore is produced in surplus in the nation, pellet producers and steel manufacturers choose to buy only grades with above 62% Fe content. There is export duty on exports of iron ore +58% Fe and if domestic producers are ready to purchase this iron ore, there would be no need to export.

Furthermore, the FIMI stated that iron ore stocks lying across mine-heads soared to 162 million tonnes during 2018-19, from 151.44 million tonnes in 2017-18. The rise has been constant over the past few years.

Whatever the case may be, domestic iron ore prices across grades have doubled from Rs 4,000 per tonne to Rs 8,000 per tonne on average, causing a spike in the cost of steel production. And the Ministry of Steel has been proactive in recognising this. The ministry understands how high steel prices can derail the nation's growth by impeding the construction industry, which looks upbeat as the lockdown ceases.

While steel minister Dharmendra Pradhan has clarified that the government will not intervene in regulating prices since it is a matter of market dynamics, he has discerned supplies to be an area of concern. To tackle the issue, the Ministry of Steel is holding discussions with various concerned stakeholders. In fact, the ministry has already spoken to the Orissa Minerals Development Company (OMDC) on the supply issue. It is considering all possibilities, including a short-term ban on exports. The minister has also urged state governments to initiate some process in form of a policy framework to avoid supply chain disruptions.

While a temporary stoppage in exports of iron ore remains an option to stabilise the domestic market, other options include fixing iron ore rates or taking over closed mines by state or central PSUs. Whatever the choice may be, the actions must be quick as the industry has been reeling for a while now and desperately needs support of the government. As per one statistic, West Bengal has 64 iron and steel mills but not a single unit has more than 15 days of raw material stock available. An ominous December lies ahead if the changes are not implemented swiftly.

CURRENCY UNDERCURRENTS

Another New Year's Eve party?

JAMAL MECKLAI

CEO, Mecklai Financial

RBI is losing the battle at preventing rupee appreciation, and the next couple of weeks could see some drama

LOOKING BACK, I remember two occasions— one must have been nearly 30 years ago and one more recently—when the rupee moved surprisingly sharply in the last week or ten days of the year. In both cases, of course, the rupee fell, breaking through levels that RBI had been supporting for some time.

In the first case, when the rupee crashed during the last two or three days in the year, I had thought it was possible that the market team was on holiday and there was nobody minding the store—this was pretty long ago and RBI's processes were nowhere near as tight as they are today. Of course, it could also have been that I was in a holiday mood and assumed everybody else in the world was as well. The second time was more recently, and that time, it was clear that the global market had pushed RBI further than it could sustain.

Today, we may be approaching a similar situation, but in reverse. The accompanying chart appears to show that RBI is losing the battle at preventing rupee appreciation, and the next couple of weeks could see some drama.

It is well known that portfolio flows—in particular, equity flows—have been huge over the last couple of months. While the daily average equity inflows during 2020 (to date) was around $80 million, the daily average since the start of November has been $480 million, six times as much. Of course, as a result equity prices are sky-high (everywhere), but there is still an expectation that, with the vaccine and economies opening up, there could be more to come.

Importantly, since it has become clear that RBI will find it difficult to cut interest rates with inflation looking more and more difficult, and given that the developed economies, at least right now, are still looking at standing pat on rates, there has been a recent rise in debt inflows as well. From an average net outflow of $53 million a day from January to November this year, debt inflows in December have picked up to an average of $90 million a day. This may be a response to the expectation that selected G-Secs may find their way into the global indices, since the frictional issues—KYC, taxation, etc—appear to have been resolved. With most global fund managers resetting their allocations at the start of the year, January could see things really break loose—the highest 7-day average of debt inflows this year was $330 million!

Again, and perhaps most critically, the US government has just put India on the watch list for currency manipulation—the fact that our reserves have risen by $100 billion or so in 2020 has clearly not escaped their notice. This would certainly add to the pressure on RBI to reduce its intervention which, of course, in this environment would see the rupee shooting higher.

The accompanying chart shows that rupee has already crept above a strong resistance line beginning at the start of the year. The next stop is the straight line a few paise below 73, a mere 40 paise away.

After that, look out!

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Piketty is right, inequality has risen

Opening up of the economy in India has led to concentration of income at the top 10% level

MADAN SABNAVIS

The author is chief economist, CARE Ratings, and the author of '*Hits and Misses: The Indian Banking Story*' (SAGE). Views are personal

CAPITALISM IS KNOWN to operate on the principles of economic Darwinism and the assumption is that markets are the sole determinant of success. The market is accessible to all and hence it is fair play. But markets, while being open to all, have barriers to entry, which can be education, income thresholds, cartelisation, revolving doors among the elites, and so on. Hence, while free markets capitalism is supposed to be fair, it does not give the expected results and there tends to be concentration at the top.

This is what has been seen across the world and within India, too. Liberalisation, which came with reforms since 1991-92, ushered in a large influx of goods and services, never before witnessed. Sectors were opened up and the red tape was cut. The shibboleths of MRTP and FERA were dismantled, and the focus was on making doing business easier and the private sector was able to operate progressively with fewer fetters. As companies expanded, jobs got created, and when the business cycles played their course, were lost.

The impressionist view is that everyone was better off and the different measures of poverty that are officially declared drive home the point. In a very rudimentary way, if one looks at movements in MGNREGA wages, which has moved from around ₹90 a day in 2006-07 to Rs 202 today, there has evidently been improvement. But in this period of accelerated growth has inequality been exacerbated?

Conventional socialist theories talk of how capitalism creates the illusion of the poor also becoming less poor while the rich become significantly richer under advanced capitalism. The existence of a middle class ensures that there is a constant image of progress in income. This is a safety valve which ensures there is social order. Therefore, it is useful to look at how inequality has progressed over the last 27-28 years. As globalisation is an extension of capitalism which integrates the world, a global comparison is compelling here.

The accompanying table has data from the World Inequality Database. While the way of reckoning such data will be at variance across countries as it is based on national income or tax statistics, the reader should look probably at trends and magnitudes rather than absolute numbers when comparing across nations. Points of comparison are 1990 or 1991 or 1992 as the base line, and the terminal point is the most recent data that could be 2018 or 2019 depending on the country. In the case of Brazil, the earliest year for which information is available is 2001. Four categories of income brackets are presented: top 1%, top 10%, middle 40% and bottom 50%.

One feature that prevails all through this table is the vindication of Thomas Piketty's hypothesis that capitalism leads to rising inequality in distribution of income. Capitalists take the benefits from the government, which often is termed as crony capitalism, and then use the legitimate policy route to increase profits, most of which goes back to the owners. The top echelons reward themselves with higher pay packages and stocks in good times, and do not get untowardly affected in bad times, as the Lehman episode showed. The wage labourers get something to keep them enthused but their compensation is disproportionately lower than what goes to the elites. The table shows that in all countries the top 1% and 10% saw their shares increase, while those of the bottom witnessed a decline in share. The middle 40% share declined in all countries, which shows that while the middle class may have gained in terms of increasing income, the share in total income declined.

The pattern in Germany deserves comment. The unification of Germany took place at the turn of the decade, but as can be seen there has been a tendency for the changes in shares to be very limited in all the brackets, even while it followed the global pattern. This is significant because the merger was of unequal countries with different ideologies. The government has definitely managed the distribution matrix. Japan is the only country where the share of the top 1% has come down over this time period, while in the case of Switzerland the changes have been very moderate. By 2019, Switzerland had the bottom 50% holding around 24% of total income, which is the highest within this set of countries. The task was easier given the size of the population as well as prosperous nation to begin with, which does not hold for developing countries.

India stands out for some significant changes. The first is that the change in the share of top 1% has increased most dramatically during their period by 11.4% points, which is well above that of other countries. Clearly, this class benefited a lot in the post-1992 phase. Such prosperity has been attributed to the animal spirits coming out, while critics have argued that this was due to 'policy capture'. Second, the top 10% increased its share by 21% points to 56.1%, which is one of the highest in this set of countries. Brazil is higher at 57.3% in 2019, but had witnessed an increase of 3% points during this period. Third, the share of middle 40% declined the most by 13.8% points. The next highest fall was for the US by 3.8% points. The bottom 50% witnessed decline in share from 21.9% to 14.7%, i.e. 7.2%, which puts it only below China that has witnessed a fall of 7.8% points. The last two points show that the middle class and the bottom half of the population may have witnessed increase in income but was at a much slower rate than that of the elites.

One conclusion that can be drawn is that reforms and opening up of the economy in India has led to concentration of income at the top 10% level, even while incomes may have gone up for all. The question is really for the government as to how policies should be pursued against this background. There are constant calls for more reforms that benefit the corporates, which, in turn, will bring growth but also increase the inequality gap. The lobby groups always argue against fiscal spending that is non-asset-creating and this talk has become the mantra now. The government, too, is defensive about spending more on the poor and uses it as the last option when nearing elections. Quite clearly, there is a need to narrow this gap between the rich and the not so rich. The middle class has also lost its share in pie (which holds across all countries).

Some serious thinking is needed to address the issue of inequality and the approach must not be to just create jobs, but to move people to a higher platform where earnings increase significantly. This is needed because to keep the consumption cycle running, more people have to enter the spending system, or else high growth will not be sustainable.

Shifts in shares of different classes in total income

(%)	Top 1%	Top 10%	Middle 40%	Bottom 50%
India	**10 to 21.4**	**35.1 to 56.1**	**43 to 29.2**	**21.9 to 14.7**
US	13.5 to 18.7	38.2 to 45.4	44.8 to 41	16.7 to 13.5
Japan	14.3 to 12.4	40.6 to 43.3	39.2 to 38.1	21.2 to 19.5
Switzerland	10.1 to 10.9	30 to 31.9	45.4 to 44.5	24.6 to 23.7
Germany	10.7 to 13	31.2 to 37.3	45.5 to 43.6	23.3 to 19.1
China	8.1 to 13.9	30.4 to 41.4	47 to 43.7	22.6 to 14.8
Brazil	24.3 to 27.6	54.4 to 57.3	34.3 to 32.4	11.1 to 10.3

Source: World Inequality Database

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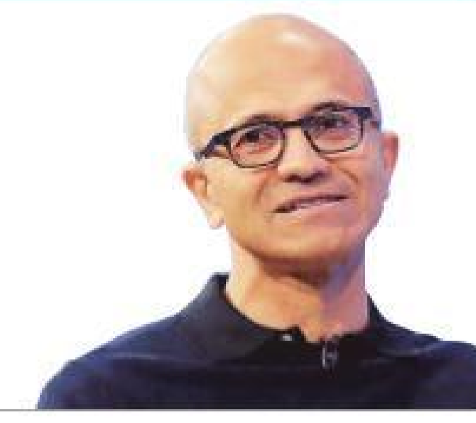


NEW FRONTIERS
Satya Nadella, CEO, Microsoft

"Computation and computing fabric is now embedded in the real world. The layer of AI and data capability getting embedded in every consumer and business application is tremendous."

SAMSUNG @ 25

How Samsung is powering Digital India

Samsung completed 25 years in India in December this year. It has now unveiled a new vision for further growth in India, driven by a refreshed local R&D strategy and new manufacturing initiatives

SUDHIR CHOWDHARY

The world's largest mobile factory in Noida by Samsung was inaugurated by Prime Minister Narendra Modi in 2018

Ken Kang, President & CEO, Samsung SWA

IN THE MID-1990S, just a few years after India liberalised its economy and embarked on an era of globalisation, a few Korean companies made their debut here. Daewoo, Hyundai, Samsung and LG Electronics set up shop in India. The India growth story had just started and consumer electronics and auto industries were expected to boom, thanks to rising disposable incomes.

So when Samsung celebrated its 25th anniversary in India this month, it wasn't just about remembering those early days, but also about how some brands successfully navigated the challenges in the Indian market. Samsung today is one of the largest consumer facing companies in India, and the number one smartphone and TV brand.

When Samsung came to India, it was a little known brand. But so strongly did Samsung's management believe in the India growth story that it not only decided to set up a manufacturing unit in Noida, it had the vision to set up R&D units in Bengaluru way back in 1996. The Indian economy was at $360 billion in 1995. In 2019, it became the world's fifth largest economy at $2.94 trillion, surpassing the UK and France. According to RoC data, Samsung's revenues grew from $6 million in 1996 to $10 billion in 2019. This is outstanding growth, and a shining example of an MNC doing all the right things to win over Indian consumers.

"When Samsung entered India, very few Indians knew about it. It was an underdog. But in 25 years, it has become a brand that is known in every part of the country, riding on the back of its strong innovations and understanding of consumers," says Prabhu Ram, head – Industry Intelligence Group, CyberMedia Research. "Almost every home has a Samsung product today."

Consumer centricity

A key facet of Samsung's success is its consumer centricity, explains Dipesh Shah, managing director, Samsung R&D Institute, Bengaluru, which is also completing 25 years in the country early in 2021. "As part of our DNA, we are always listening to consumers. In fact that is a central part of our R&D philosophy, which has meant we have listened to consumers in India over the years and have innovated for the Indian market. And consumers have loved us for it," he says.

Samsung has worked on several India-centric innovations across smartphones, televisions, refrigerators and microwave ovens. These include the recently launched privacy solution for smartphones AltZLife, the Curd Maestro refrigerator, Masala & Sundry Microwave Oven, among others. "We have been extremely bullish on R&D in India and this focus on R&D has helped us cement our number one position in the Indian market. The three R&D centres in India work on several cutting edge technologies such as AI, IoT, machine learning, cameras and cloud and apart from working on innovations that are centred on the needs of Indian consumers, they are contributing to innovations for global products," says Shah.

Strong partnerships

Today Samsung has the largest retail and distribution network in the country with 200,000 retail partners. This includes the world's largest mobile experience centre at the iconic Opera House in Bengaluru launched in 2018.

While this large offline retail business has helped it grow to what it is today, Samsung has started making inroads into the online business. In the smartphone space, Samsung expects to double its online business marketshare by the end of 2020, and clock 100% year-on-year growth in the second half of 2020.

"Business, post unlock, has been rapid and resurgent and that's an ode to the fact that mobile phones are a huge part of consumers' lives and there was a pent-up demand," says Asim Warsi, senior vice president, Samsung India. Warsi says that by the end of 2020, Samsung's Galaxy M series would be in excess of $3.5 billion in consumer facing merchandise value.

Customers have also come to love Samsung's consumer electronics products, making Samsung the No. 1 brand for televisions, refrigerators and microwave ovens. This has been on the back of innovative lifestyle products that Samsung has launched over the years, including the 8K QLED TVs, The Frame, The Serif, Family Hub refrigerators.

The factory in Noida that was set up in 1996 began making mobile phones in 2007. In 2018, Samsung launched the world's largest mobile factory, which was inaugurated by Prime Minister Narendra Modi.

Ken Kang, president & CEO, Samsung Southwest Asia, says that at 25, Samsung India is as young and vibrant as 'New India'. "Millions of our consumers, our partners and employees have loved Samsung over the years to make us the country's biggest, most trusted and most admired brand of mobile phones and consumer electronics, with almost every home in India having a touch of Samsung. Our new vision #PoweringDigitalIndia sets the course for India's future growth, in which Samsung will continue to be its strongest partner."

Under this new vision, Samsung will launch a youth-centric citizenship programme involving engineering students and academia to create a stronger innovation ecosystem. In addition, Samsung has unveiled a refreshed strategy for R&D. Samsung's R&D centres in India will continue to work on areas such as 5G, AI, IoT as well as on cloud services and embrace end-to-end thinking to take projects from research to development to the commercialisation stage. It will also expand Open Innovation with startups, students and universities.

Tech Bytes

Debashis Chatterjee, CEO & MD, Mindtree

Mindtree opens MS business unit

MINDTREE HAS SET up a dedicated Microsoft go-to-market business unit centered on building new solutions based on Microsoft platforms and technologies, as well as developing the next generation of talent across the Mindtree organisation globally. Mindtree will also expand its Global Azure Experience Centre in Redmond, WA and will leverage its Microsoft Excellence Academy to ensure all technical professionals are proficient and certified on Microsoft Azure technologies. "As long-standing partners, our mutual goal is to bring together our complementary strengths to deliver specialised capabilities, industry solutions and services that will help our customers get maximum value out of their investment in Microsoft technologies," said Debashis Chatterjee, CEO & MD, Mindtree.

Accelerating Mindtree's go-to-market strategy in collaboration with Microsoft will rely on three growth pillars. First, enhancing Mindtree's Microsoft go-to-market business unit headquartered in Redmond, where Mindtree Minds will continue to support enterprise clients with their digital transformation journeys. Second, a 135,000-square-foot, state-of-the-art Global Azure Experience Centre, housing a highly skilled talent pool, will help deliver best-in-class cloud solutions that enterprise clients require. Third, a global, Microsoft Excellence Academy will provide every Mindtree Mind technical professional training and certification on Azure technologies.

Schindler, LTTS pact for digitisation & connectivity

L&T TECHNOLOGY SERVICES (LTTS) has been selected by Schindler, the Switzerland-based provider of elevators, escalators, moving walks and related services as one of its key partners to provide innovative digital engineering capabilities. LTTS will provide product development, innovation and engineering services & solutions that will help Schindler to accelerate its digitisation and connectivity initiatives. Karl Heinz Bauer, CTO, Schindler said, "We leverage the new digital technologies to introduce best-in-class solutions to our customers. We look forward to the synergies arising from our future collaboration with LTTS."

Gadgets

ASUS ZENBOOK FLIP S

Designed for anywhere and everywhere

This ultra-thin, ultra-light convertible is a stylish laptop, a handy tablet – or anything in between

ANUJ BHATIA

WHEN YOU DO a Google search for a laptop that's both powerful and slim, very few options come up. While there is a segment for ultrabooks that meet the needs of many people, not every notebook in that category is geared towards entertainment. Surprisingly, Asus' new ZenBook Flip S seems to be among the few ultrabooks that showcase the power of the Tiger Lake CPU in a slim form factor. Not to forget, this 2-in-1 has a 4K OLED screen as well as great audio. But will you spend ₹1,49,990 on a notebook when the new MacBook Pro with the M1 chip costs the same? We will find out all that and more in our detailed review.

Design and build

The ZenBook Flip S gives the impression of a high-end notebook. The laptop is made of an aluminum alloy and the build is solid. At 1.2 kg, the ZenBook Flip S is extremely light and I had no issues fitting this laptop in my backpack or laptop sleeve. Being a 2-in-1 convertible laptop, the ZenBook Flip S lets you swivel the screen a full 360-degree. Apart from using the Flip S as a standard laptop, you can tilt the screen back or put it in a tent mode. It can be converted into a tablet with touch and pen support (Asus stylus is included in the box) but it's best to use it as a laptop, sitting on a desk or lap.

The ZenBook Flip S has a better port selection than many notebooks in the same category. On the left, you will find an HDMI connection, two USB-C ports with support for Thunderbolt 4. On the right-hand side, there is a single USB-A port and power button.

Display and audio quality

The screen is perhaps the highlight of the ZenBook Flip S. It's a 13.3-inch 4K OLED panel with touch capability. The 4K OLED screen is above the notch, with deep blacks, rich colours, and decent viewing angles. The brilliant 4K OLED display is complemented by excellent speakers.

Keyboard and trackpad

Despite the ZenBook Flip S having a small footprint, its keyboard does not feel cramped. The keys are decently sized and the backlit keyboard is comfortable to type on. I had no trouble with the ZenBook Flip S's responsive trackpad, which incorporates Numberbad 2.0. All you need is to tap an icon in the top right corner of the touchpad, an LED touch-based Numpad pops up. The Numpad works well for a laptop of this size.

Performance and battery

The Flip S's claim to fame is Intel's latest Tiger Lake processor. My review unit came with a quad-core Core i7-1165G7 with Xe integrated graphics, along with 16GB of RAM and a 1TB SSD. So it's a fairly powerful machine but I did not see a drastic difference between the 10th generation processors and 11th generation processors. I could open multiple Chrome tabs open; edit images; play music on Apple Music; stream my favourite show on Amazon Prime Video and edit a Google Doc file all at the same time.

One thing I particularly did not like about the Flip S is its battery life. Even though the notebook comes with a 67Wh battery, I got approximately four and a half hours. This was when I set the resolution to 3840x2160p—but you can turn the resolution to 1080p to increase the battery.

The Flip S laptop does charge fast, though. It takes 60 minutes to fully charge the battery.

Overall, the Asus ZenBook Flip S is a solid machine with Intel's 11th-generation processor, a 4K OLED display, great speakers, a superior stylus, and a keyboard that is comfortable to use in a slim and thin form factor.

■ Estimated street price: ₹1,49,990

AMBRANE PULSE SMART WATCH

Live a smarter life with this wearable

It measures your steps, heart rate, calories burnt and more which helps you to know your health better

SUDHIR CHOWDHARY

HEALTH-CONSCIOUS CONSUMERS are increasingly picking fitness bands and smartwatches to keep a check on their health parameters. Homegrown mobile accessories brand Ambrane has debuted a smart wearable— Pulse Smart Watch—designed to promote holistic health and wellness. Priced at ₹3,499, it comes with integrated SPO2 and heart rate measurement, and is available on Flipkart and also at the company's website.

The Pulse Smart Watch gives real-time updates of variation in blood oxygen levels and, as the company officials put it, "it is nothing less than your personal trainer." Apart from this, the smartwatch supports heart rate, blood pressure measurement and many other features which keeps you updated with your health. It enables users to stay healthy in their daily routine as well as tackle advanced workouts with real-time feedback and insightful result analysis.

Basically, the smartwatch offers eight advanced sport modes including walking, running, hiking, riding, treadmill, mountain climbing, spinning bike, and yoga. Apart from the daily activity monitoring, the watch offers sedentary and hydration reminders too. It keeps a track of your sleep and active time. It also calculates your day to day walking and the calories you burn.

This Ambrane device has been designed with the minimal yet classy approach. It comes with a 1.3 inches display (240 x 240 resolution) in the TFT LCD screen. The device supports the PPG sensor and is 5ATM waterproof, for daily use. It supports Android 4.4 and above, also iOS 8.0 and above with Bluetooth version 5.0. The watch is equipped with a battery capacity of 210 mAh. Enabled with magnetic charging, it supports full charging in less than 2.5 hours. It gives 7-8 hours of working.

Being a full-touch device, with the help of the Pulse Smart Watch, you can reject calls and control music. Also you will never miss any of your favourite WhatsApp or social alerts as it informs you of notifications so that you don't have to reach out to your phone every time. It comes with responsive touch sensors along with activated hand gestures, so when you lift your wrist the screen turns on automatically and once you lower the wrist the screen turns off.

■ Estimated street time: ₹3,499

CYBERSECURITY

The hidden costs of cybercrime

New McAfee report estimates global cybercrime losses to exceed $1 trillion

FE BUREAU

A NEW MCAFEE global report titled "The Hidden Costs of Cybercrime," conducted in partnership with the Center for Strategic and International Studies (CSIS), said that cybercrime costs the world economy more than $1 trillion, or just more than 1% of global GDP, which is up more than 50% from a 2018 study that put global losses at close to $600 billion. Beyond the global figure, the report also explored the damage reported beyond financial losses, finding 92% of companies felt effects beyond monetary losses.

"The severity and frequency of cyber-attacks on businesses continues to rise as techniques evolve, new technologies broaden the threat surface, and the nature of work expands into home and remote environments" said Steve Grobman, SVP and CTO at McAfee. "While industry and government are aware of the financial and national security implications of cyber-attacks, unplanned downtime, the cost of investigating breaches and disruption to productivity represent less appreciated high impact costs."

The survey revealed 92% of businesses felt there were other negative effects on their business beyond financial costs and lost work hours after a cyber incident.

KEY FINDINGS

- Global losses from cybercrime now total over $1 trillion, a more than 50% increase from 2018
- Two-thirds of surveyed companies reported some kind of cyber incident in 2019
- Average interruption to operations at 18 hours; average cost more than half a million dollars per incident
- IP theft and financial crime account for at least 75% of cyber losses
- 56% of companies said they do not have a plan to both prevent and respond to a cyber-incident

Investor

MONDAY, DECEMBER 21, 2020

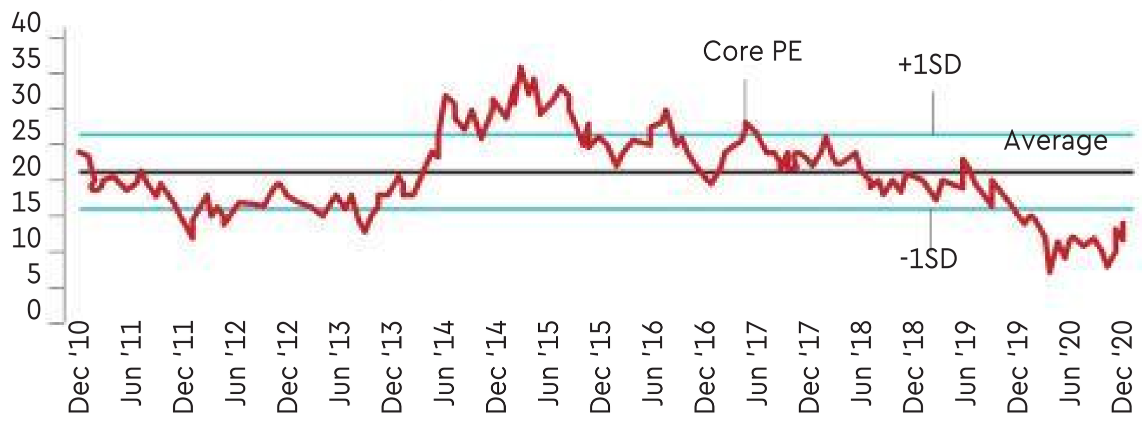
EXPERT VIEW

L&T's working capital levels should improve in Q4FY21, driven by receipt of mobilisation advances; however, we expect commodity headwinds

—Nomura

L&T core P/E significantly below average

12-month-forward P/E ex services, based on consensus estimates



Source: Bloomberg, Nomura research

● LARSEN & TOUBRO RATING: BUY

Valuations cheap given the outlook

Rise in share of multilateral-funded projects bodes well; FY22/23e EPS up 3%; TP raised to ₹1,510; 'Buy' retained

L&T HAS UNDERPERFORMED the Nifty (9% decline YTD vs 11% rise in NIFTY) despite a series of order wins in Q3FY21 and a relatively strong tender prospect pipeline. We believe L&T has potential to deliver in the medium to long term.

Large order inflows in Q3FY21 are multilateral-funded, improving collections visibility: L&T's share of multilateral funding in its domestic order book was at 43% at the end of Q2FY21, but so far in Q3FY21, L&T has secured high-speed rail (HSR) contracts worth ₹320 bn and other large orders that are all multilateral funded. These increase the share of multilateral funding to >50% and provide increased visibility of both future execution and collections.

Working capital levels to improve in Q4FY21; however, we expect commodity headwinds: We estimate that ₹16 bn of advances from high-speed rail (HSR) orders are to be received in Q4, which should lead to improvement in core NWC levels. However, a near-term rise in steel prices may lead to commodity-linked margin impact in H2FY21 (50% of order book of fixed price contracts).

Government thrust on infra and liquidity easing measures to benefit L&T: We estimate ₹74 trn of capex over FY20-25 from the National Infra pipeline (NIP) based on significant share of projects securing financing. Further liquidity infusion measures by the Centre provide relief to L&T's suppliers and contractors, which should aid execution in H2FY21.

Trading at 16.3x FY22F EPS of ₹76.6; maintain Buy with TP of ₹1,510

The relatively sharper decline in L&T has led to core valuations being at decade lows despite L&T being relatively more asset-light than it was in FY12. Core PE and EV/Ebitda are significantly lower than past averages and significantly below FY11-14 levels, when the industry was in a slowdown.

We raise FY22F/23F EPS by 3% to account for stronger order inflows and associated rise in execution. We value L&T on an SOTP basis on Dec-22 estimates to arrive at our TP of ₹1,510, implying 21% upside, and maintain our **Buy** rating.

NOMURA

● MATERIALS (STEEL)

Prospects look up for graphite electrodes

FY22-23e EPS up 16-40% for GRIL & HEG; valuations undemanding despite spurt in stock price; 'Buy' retained

GRAPHITE ELECTRODES ARE used in steel production via EAF, and thus have a high correlation with steel demand. Indian metal stocks have entered an upgrade cycle after ~2 weak years. Steel demand and pricing have improved sharply q-o-q. Also, needle coke prices (key input cost for electrodes) have softened in Q2FY21. We raise FY22-23e EPS for GRIL and HEG by 16-40%. Despite a 25-60% rally in a month, valuations stay undemanding (~2x EV/Ebitda on FY23e). B/S stays strong. **BUY**

Global Industry: The global commodity outlook and prices seem to be improving, aided by Chinese macro data and positive vaccine news. Steel demand has improved sequentially. Over July-Sept, according to the World Steel Association, most countries increased steel production on a q-o-q basis, although the pace of recovery depended on the severity of the pandemic.

Domestic Industry: The Indian steel industry saw a strong sequential rebound, with Q2FY21 steel production up +73% q-o-q to 27.1mn Mt (flattish y-o-y), driven by improvement in industrial activity and higher exports. Spot prices for Indian HRC flat (steel) are now 28-29% above Q2 average. Better steel demand typically augurs well for electrodes. GRIL mgmt remains cautiously hopeful that the downcycle of the electrode industry seems to be bottoming out. With an uptick in economic activity, GRIL expects growth in the medium term.

Upgrade Cycle: Indian metals witnessed ~2 yrs of earnings downgrades over mid 2018 to 2020. However, the earnings cycle seems to have bottomed out. Graphite electrodes are used to make steel; thus improved steel demand (both domestic and global) augurs well for electrode ASPs.

Estimates: Factoring in current industry dynamics and corporate commentary, we revise our key assumptions: (i) FY22-23e electrode ASPs up +4-8%; FY22e: \$6.5k/MT; FY23e: \$7.3k/MT; ASPs still 40-50% below upcycle peak of FY19. Also, companies are indicating softening needle coke prices (key RM) in Q2FY21. We cut our NC prices for FY22-23e by 8% to \$2.3k/MT. These revisions lead to 16-40% increase in FY22/23e EPS. However, we expect FY21e EPS to decline, due to (COVID) demand disruption, inventory losses in H1FY21 and higher-cost needle coke inventory, which could take a few more quarters to liquidate.

Indian metals witnessed ~2 yrs of earnings downgrades over mid 2018 to 2020. However, the earnings cycle seems to have bottomed out

Balance sheet, capex: GRIL and HEG continue to exhibit robust B/S. As of Sept'20, GRIL's net cash+investments stand at ₹24 bn, HEG's at ₹7.6 bn. While GRIL has no capex plans on the anvil (capacity at 98K MT), HEG is expanding capacity by 20K MT (80K MT now); expected to commission in next 2 years.

Reiterate Buy: Despite the sharp uptick (25-60%) in GRIL & HEG over the past month, they still trade at undemanding valuations (EV/Ebitda of ~3x/2x on FY22/23e). Retain **Buy** with revised DCF-based PT for GRIL at ₹340, for HEG at ₹1,400. Key risks: Slowdown in EAF production, lower utilisation/ASPs, higher NC cost.

JEFFERIES

Domestic finished steel production trend

(mn tonnes)

Source: Jefferies, CMIE *Provisional data

● GREENLAM INDUSTRIES

RATING: ADD

Market share in laminates will continue to rise

FY21/22e PAT up 6/4.7% given recovery in exports; TP raised to ₹900; Add retained

WE EXPECT GREENLAM Industries' (GRLM's) laminate volumes to stage a steady recovery post Q2FY21 led by market share gains in both domestic and international operations. Our optimism is based primarily on: (i) weakening competition in the laminate segment (post Covid) in domestic and export markets and the recent launch of 0.7mm thickness laminates in the domestic space. While exports have largely achieved normalcy, the gradual liquidation of high inventories in the domestic real estate space resulting in increase in rate of occupation of premises, and pent-up demand in renovation, would aid gradual recovery in the domestic laminate space going forward. GRLM, being one of the top players with strong brand equity and impressive distribution network, has been witnessing market share gains post Covid and this trend will most likely continue. Maintain **Add**.

Valuation and outlook: Considering the faster than expected recovery in laminate exports, we increase our PAT estimates by 6%/4.7% for FY21e/FY22e respectively. Rolling forward our estimates to FY23e, we expect GRLM to report overall revenue/PAT CAGRs of 8%/11.3% over FY20-FY23e, respectively. Maintain **Add** with a revised TP of ₹900 (earlier: ₹850), valuing the stock at 20x Sep'22e earnings.

RoCE to inch higher despite large capex for upcoming South plant: Despite incremental capex of ₹1.75 bn for the company's upcoming laminate plant in South India, we expect GRLM's balance sheet to strengthen even further, driven by its increasing FCF generation amid stricter working capital discipline. This in turn would help improve RoCEs by 230bps to 18.4% in FY23e from 16.1% in FY20.

ICICI SECURITIES

Change in estimates

	New		% change	
(₹ m)	FY21E	FY22E	FY21E	FY22E
Revenue	11,498.0	13,888.5	-0.6%	-0.6%
Ebitda	1,554.6	2,019.8	-1.7%	-0.7%
Ebitda margin (%)	13.5%	14.5%	-20bps	-10bps
PAT	666.6	978.5	6.0%	4.7%
EPS (₹)	27.6	40.5	6.0%	4.7%

Source: I-Sec research

Personal Finance

● INCOME TAX

How debt and equity investments are taxed

Taxation rules for debt and equity investments are different. So look at the tax implications on each instrument before investing

SAIKAT NEOGI

ILLUSTRATION: SHYAM KUMAR PRASAD

AS THE DEADLINE for filing income tax returns (ITR) for financial year 2019-20 (assessment year 2020-21) is December 31, we have to look at debt and equity investments to calculate the tax. As investments to save tax will have to be done every year, we need to spread out the long-term investments for compounding benefits. Long-term investing can help to accumulate a sizable corpus and help an investor to understand the market cycles.

As taxes reduce the overall returns, investors must diversify their portfolio in equity, debt and real estate and look at the tax implications before investing.

Tax on debt investments

Fixed deposits: Investors prefer fixed deposits because of assured returns, high liquidity and ease of investment. While deposits of 5-year and above either in a bank or in post office get tax deduction under Section 80C, the interest earned across all maturities are taxed at one's marginal tax rate. However, senior citizens get an exemption of up to ₹50,000 on interest earned from deposits.

Debt-oriented mutual funds: Individuals invest in debt-oriented mutual funds and fund houses invest the money in fixed income securities issued such as government securities, treasury bills, money market instruments and corporate bonds. However, these investments have interest and credit risks. The short-term capital gains (STCG) for investment period below three years are taxed at the individual's slab rate. Long-term capital gains (LTCG) are taxed at 20% plus surcharge and cess with indexation.

Public Provident Fund: It is the most popular tax-saving instrument and the interest rate is linked to bond yields. Currently, PPF gives a return of 7.1% per annum compounded yearly. The rates may change every quarter depending on the bond yield. Investors get tax deduction under Section 80C on the investment paid, interest paid is tax free and the maturity proceeds are tax free, too.

National Savings Certificates: The five-year National Savings Certificate is a popular investment option for risk-averse investors, which is currently offering an interest rate of 6.8% compounded annually but payable at maturity. The deposits qualify for tax rebate under Section 80. And as the interest earned on the NSC every year is not paid out and is re-invested, the interest amount is also eligible for tax benefit under Section 80C. As the final year's interest (at maturity) cannot be reinvested, an investor will have to pay tax at his marginal rate on that one year's interest earned. Unlike banks, post offices do not deduct tax at source and the interest income will have to be shown in the income tax returns and tax paid on it.

Tax on equity investments

Equity-linked savings scheme (ELSS): It is a good option to not only save on tax but also earn higher long-term returns. There is lock-in of three years and almost the full amount is invested in shares of various companies. It has the lowest lock-in period as compared to other tax-saving instruments such as PPF, NSC and 5-year bank fixed deposits. There is no cap or limit on how much an individual can invest in an ELSS. An investor gets tax deduction of up to ₹1.5 lakh for investing in ELSS under Section 80C. If a taxpayer in the highest 30% bracket invests up to ₹1.5 lakh in ELSS in a year, he can save ₹46,350 in taxes. Investors will have to pay LTCG tax after one year at 10% plus surcharge and cess. The tax will be applicable on redemption of gains over ₹1 lakh in a year.

Unit-linked insurance plan: These are market-linked investment products with a thin crust of life insurance and the lock-in period is five years. Policyholders have the option of selecting large-, mid- or small-cap or even debt funds to invest depending on their risk appetite. The amount invested in Ulips is eligible for tax deduction under Section 80C up to a maximum of ₹1.5 lakh a year but with the condition that premium payable should not exceed 10% of the capital sum assured. As maturity proceeds are exempt for life insurance policies, Ulips are exempt from tax at the time of maturity and is an exempt-exempt-exempt product.

Equity mutual funds: Unlike ELSS, equity-related mutual funds do not get any tax deduction under Section 80C. LTCG of over ₹1 lakh and holding period of over one year is taxed at 10% plus surcharge and cess. STCG are taxed at 15% plus surcharge and cess. Dividends are taxed at slab rates.

Tax on hybrid instruments

National Pension Scheme: It is an ideal investment tool for retirement planning. While it is market-linked, it is less volatile than mutual funds in the long run because of asset mix of equity, government debt and corporate debt. Investors get tax deduction of up to ₹50,000 in a year under Section 80CCD, which is over and above the benefit available on ₹1.5 lakh under Section 80C. On maturity, 40% of the corpus is invested in annuity and the rest is paid to the investor tax free.

Life insurance helps focus on long-term goals

Investing in long-term instruments during your earning years helps you save more and get the benefit of compounding

● YOUR MONEY

DHEERAJ SEHGAL

THE COVID -19 PANDEMIC HAS turned the year 2020 into a challenging time for all of us, bringing in months of uncertainty. While some of us curbed discretionary spending on account of income loss, pay cuts or deferred payments, some have cut down spending thinking about the unforeseen times in the near future. This shift in spending pattern has led consumers to shift focus from long-term goals to their short-term problems. Such uncertain times have also spurred people to take hasty financial decisions that adversely impacts their future finances.

Future contingencies

Planning for the long term equips you to be prepared to tackle unexpected contingencies in the future. And when it comes to thinking long-term, insurance can be one of the preferred ways to ensure financial security. Life insurance plans offer various relevant benefits, with some policies even offering whole life coverage.

Investing in long-term instruments during your earning years helps you save more. This is a more prudent move than putting off your investments for later when you're past your career prime. By then, it may be too late to aggressively invest and save for retirement.

ILLUSTRATION: SHYAM KUMAR PRASAD

Time to grow

It is no secret that money grows more over the long term. The earlier you invest, the more time your money has to multiply. But you have a very valid concern, during challenging times like these how can you take a long-term approach when there are more pressing concerns? That's true, but you can follow a systematic investment approach wherein you invest small amounts over time. This lets you buy more units of an investment when prices are low and less when they are high, and in turn, it averages the cost of your investment.

Focusing on long-term goals pays off because when you get through the short-term crises and emerge at the other end, you'll have a future that's well-planned. When the tough times induced by the pandemic make way for a newer and better normal, you will be glad you did not lose sight of your long-term needs.

The writer is chief distribution officer, Institutional, Bajaj Allianz Life

BrandWagon

MONDAY, DECEMBER 21, 2020

NUMEROLOGY

52% respondents prefer cooking exotic meals at home than going to restaurants

51% would prefer watching OTT premieres over going to cinema halls

39% would prefer home workouts over gyms

— EY report

M&E

OTTs and the regional rush

India's OTT industry is seeing the rise of regional language video streaming platforms

VENKATA SUSMITA BISWAS

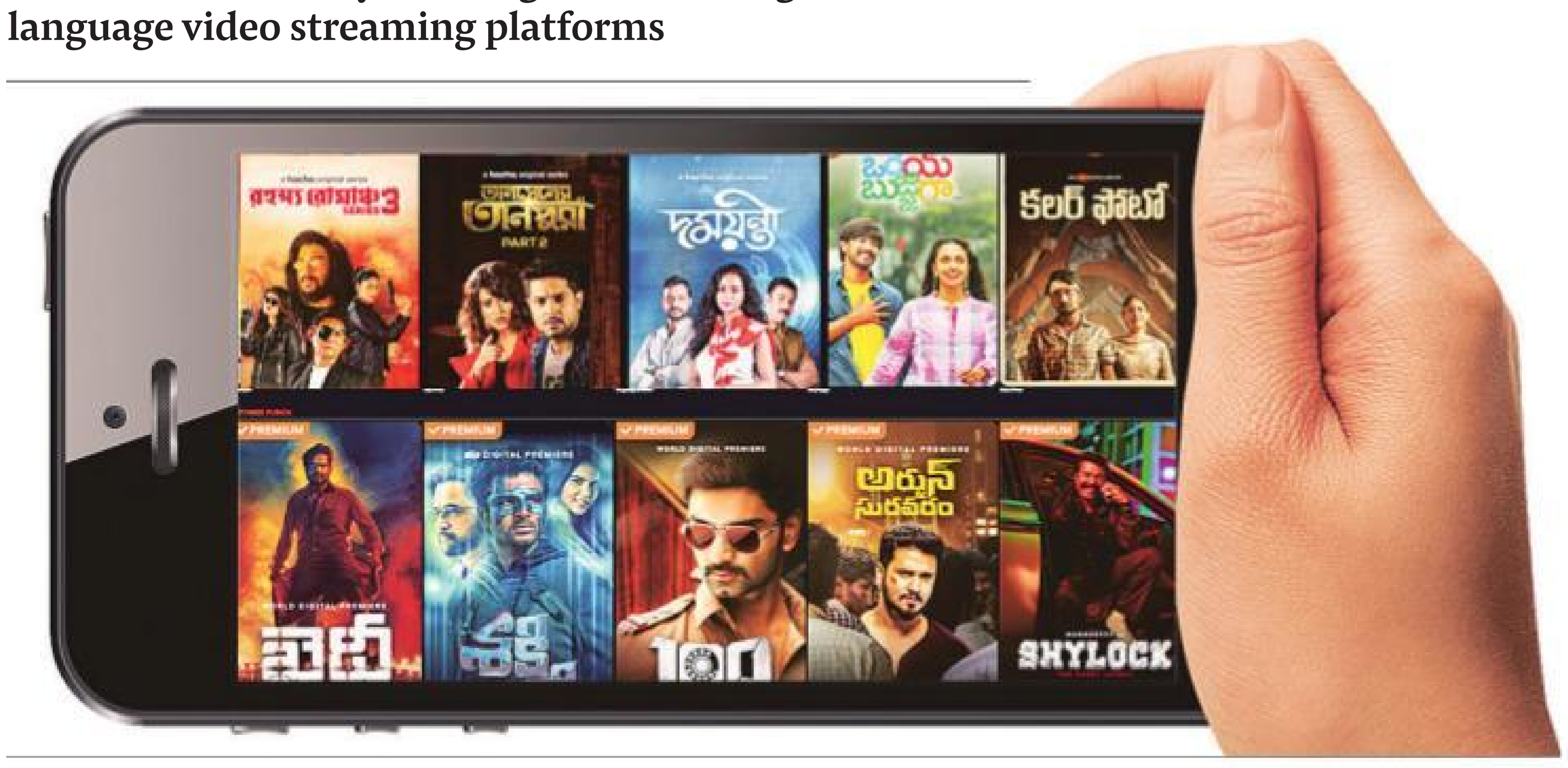
AFTER NETFLIX, AMAZON Prime Video and Hotstar started acquiring and developing regional language content, a clutch of language-specific video streaming platforms has emerged to cater to the non-Hindi speaking markets. SVF Entertainment-backed Bengali OTT platform Hoichoi, launched in 2017, was one of the first movers in the category. Three years on, there are exclusive platforms that stream Telugu, Kannada, Tulu, Konkani, Malayalam and Marathi content.

Manorama Max, a Malayalam online entertainment platform online, made its appearance in late 2019. Aha, a platform for Telugu movies and shows, Talkies, a streaming service for Tulu, Konkani and Kannada content, and Planet Marathi, targeting Marathi speakers, were all launched in 2020.

Vocal for local

In October, Disney+ Hotstar announced a slew of Tamil original shows and movies. Prior to that, Amazon Prime Video streamed Tamil *Comicstaan* in September. But the demand for regional content far exceeds what mainstream platforms have to offer, say industry watchers. Jehil Thakkar, partner, Deloitte, says, "Mainstream apps will always have language feeds and big budgets for certain productions. But their focus will be on the larger piece of the pie, which could be Hindi, and perhaps English, for the subscription market."

This is why Nikhil Acharya, co-founder and head — product, Talkies, is confident about the opportunity that niche languages like Tulu and Konkani hold. "Mainstream OTT platforms are yet to take interest in Kannada. Tulu and Konkani content may be off their radar, because the demographic for these languages does not suit those platforms," he says.



Original content is the main draw on these platforms. Hoichoi, says its co-founder and director, Vishnu Mohta, was launched with an intention to offer premium original shows starring marquee actors, made by prominent directors from the Bengali film industry. Over the last three years, Hoichoi has made nearly 70 original shows.

New entrant Aha is aiming to create 52 originals next year. Sun Nxt, which is yet to introduce originals, reportedly plans to invest ₹200 crore in producing content from Q4 FY21.

Production houses, too, are shifting focus to regional language shows. The promoters of Bodhi Tree Multimedia, for instance, have set up Bodhi Studio exclusively for original shows on regional platforms. Mautik Tolia, MD, Bodhi Tree Multimedia, says that Bengali, Marathi, Tamil and Telugu are emerging as the four leading languages for regional content. And budgets aren't limiting either. "Regional OTT platforms can match international and national streaming platforms in terms of budgets for shows," he adds.

Driving subscriptions

Despite SVoD being a tougher model to crack, these platforms have chosen it over generating revenue from advertising. Mohta says the motivation comes from the fact that Facebook and Google dominate the digital advertising ecosystem. "All other platforms are vying for a sliver of the digital ad pie," he says.

An annual subscription for Hoichoi is priced at ₹599. Aha has a yearly plan of ₹699, which is on offer for ₹365 now. Manorama Max's annual subscription costs ₹499, while Talkies charges ₹199 for three months and has a one-week package priced at ₹99.

This pricing strategy is designed to attract viewers from non-metros. "In the large metros, these platforms will be competing with leading OTT players, that target high-income individuals, to drive subscription revenue. So, they will need to go to tier II and III markets and deliver appropriate content," says Thakkar.

Hoichoi, Manorama Max and Aha offer limited free content once a user signs up, and place their premium content behind paywalls. Additionally, Hoichoi streams dubbed content on other OTT platforms like MX Player to expand its user base. Bundled offers are also being deployed to woo customers.

Indian expats form a large part of the target audience for these platforms. Mohta says that 40% of Hoichoi's users are not based in India. To make the most of the international audiences, which bring in eight-to-10-times higher ARPU than domestic users, platforms price their international subscription packs on par with other OTT players in those markets. For example, Hoichoi charges $9.99 per month in international markets, while Aha charges $7.99. Ajit Thakur, CEO, Aha, shares that international revenue is expected to account for 20-30% of the overall pie.

AUDIO STREAMING

Podcasting a wider net

Regional podcasts are the next big thing on audio OTT

DEVIKA SINGH

HOMEGROWN AUDIO OTT players JioSaavn and Gaana are now launching original content in languages apart from Hindi and English. Even global platforms like Spotify and Audible Suno, after launching originals in Hindi, are now creating content in other Indian languages. Gaana has introduced seven original podcasts in Tamil, Telugu, Malayalam and Kannada. These include *Tamil Varalaru*, *Simply Malayali* and *Ramayan Kannada*. JioSaavn says its Tamil original *MindVoice* with RJ Balaji was streamed one million times in six months.

The size of the nascent podcast market in India is difficult to ascertain since news media platforms, standalone podcast platforms as well as music streaming apps host such content. According to a report by PwC, India had about four crore monthly podcast listeners in 2018, which is estimated to grow at a CAGR of 34.5% to reach 17.61 crore by 2023.

Regional rage

Several podcasting platforms have reported an increase in their listener base in the wake of the pandemic, more so driven by regional content. Gaana claims to have seen a 50% jump in the number of listeners for its podcasts in Tamil, Telugu and Kannada in the past six months. Similarly, Khabri, which hosts content in Hindi, Bengali and Bhojpuri, has hit the two million user mark in the last few months. Most of these platforms and creators focus on genres such as motivational, devotional, horror and culture.

"If you look at the culture of India across languages, there is a lot of content and stories that have not seen the light of the day," says Prashan Agarwal, CEO, Gaana. The company is targeting its next 100 million users from tier II and III towns, and hopes regional audiences will account for at least 30% of its podcast listeners.

> India had about four crore monthly podcast listeners in 2018, which is estimated to grow at a CAGR of 34.5% to reach 17.61 crore by 2023

Launching podcast creation platforms has helped these companies attract regional language content creators. JioSaavn says the number of regional podcasts on its app has grown 150 times since 2019, and attributes this to its podcast creator platform YourCast launched in April 2020. Tamil, Telugu and Punjabi podcasts are most popular on JioSaavn, after Hindi and English.

Similarly, Spotify's podcast creation platform, Anchor, added 25,000 podcasts from India this year. Amarjit Singh Batra, MD – India, Spotify, says, "Hindi featured in the top languages in which creators uploaded podcasts to Spotify via Anchor." The company has tied up with radio channels Radio City, Big FM and Aawaz.com to stream their content.

Gaana, too, plans to launch a platform for creators in January.

Making money

Monetisation has been tough for most audio streaming companies, even for popular content such as music. A recent report by RedSeer Consulting says that only 1% of the total user base of the top five music streaming apps in India are paid subscribers. Hence, for newer formats like podcasts, the challenges are amplified, especially when reaching out to regional audiences.

According to a senior media analyst, listeners in the smaller towns are not used to the podcast format, and prefer listening to the radio. "These companies will find it challenging to change this behaviour," he adds.

Hence, relying on brand integrations and ad insertions — instead of a subscription-based model — to monetise content in regional languages will be wise, as listeners warm up to the new format. However, the advertisement-driven format, too, could be tough to crack for some of the smaller platforms.

"Unless you are a big platform like YouTube or Facebook, earning revenue from advertisements could be a struggle," says Pulkit Sharma, co-founder & CEO, Khabri.

In The News

Essence adds new businesses to its roster

GROUPM'S ESSENCE HAS been appointed as the integrated media agency for personal care brand Mamaearth. The agency's Delhi branch will handle media planning and activation for the brand. Essence has also been hired as the integrated media agency of record for beauty and personal care e-commerce platform Purplle. The mandate includes strategy, analytics, media planning, media activation and content innovation.

Oppo brings Damyant Singh Khanoria aboard as CMO

SMARTPHONE MAKER OPPO has appointed Damyant Singh Khanoria as its chief marketing officer for India. He will report to Elvis Zhou, president, Oppo India. Khanoria was previously the marketing communication lead at Apple.

ABP Network unveils new identity

ABP NETWORK HAS unveiled new logos for all its six news channels as well as for its digital platform ABP Live. The new identity is designed to "better represent the fearlessness, dynamism and thought leadership of the channels in the industry", says the company's official statement.

Isobar bags a new business

BOSCH HOME APPLIANCES has roped in Isobar India, the digital agency from the house of dentsu international, as its strategy and creative agency partner. The account will be serviced by the agency's Mumbai office.

Growth in ad volumes on regional channels

TAM ADEX DATA shows the average advertising volume on regional language channels grew by 21% in the August-December period, compared to the same period last year. Among these, Tamil channels topped with 17% share of ad volumes, followed by Bengali and Telugu channels.

FoxyMoron to handle social media for Faces Canada

COSMETICS BRAND FACES Canada has awarded its social media mandate to FoxyMoron. The agency's Gurugram office will handle the account.

Motobahn

WHAT A YEAR!

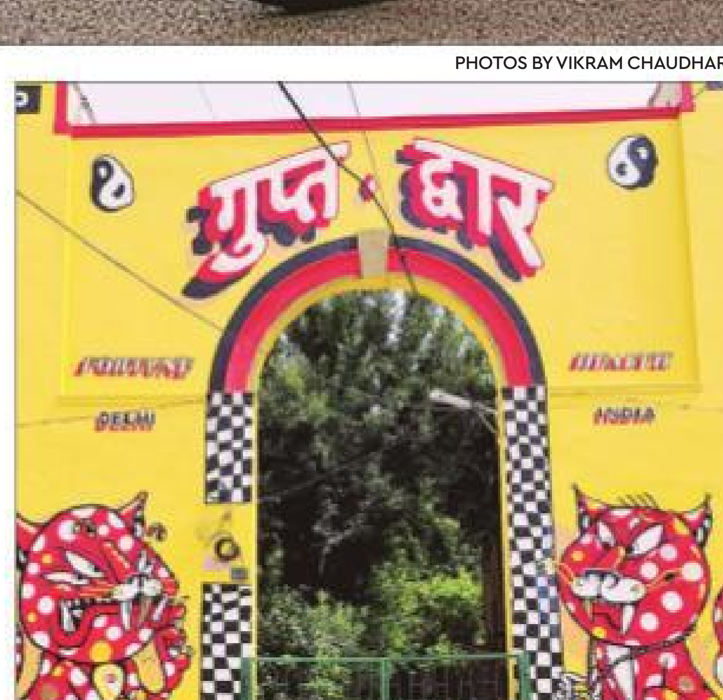
TAKING THAT PERFECT SHOT

ROYAL ENFIELD METEOR (₹1.76 LAKH) This new cruiser, which replaced the Thunderbird, was launched in November; shot in front of the Rashtrapati Bhavan.

PHOTOS BY VIKRAM CHAUDHARY

While earlier we used to travel to different parts of India to scout for unique locations for shooting new cars and motorcycles, this year because of the lockdown our radius was limited to Delhi NCR. What wasn't limited, however, was the 'drive' to find photo-shoot spots. And oh boy, we were so glad to have found so many, including some unfrequented ones, too, by **Vikram Chaudhary**

PRICES ARE EX-SHOWROOM



NEW HONDA CITY (₹10.9 LAKH ONWARDS) Launched in July, the new City (sold alongside old City) has become the largest selling premium sedan in India; shot in Lodhi Art District, central Delhi.

KIA SONET (₹6.71 LAKH ONWARDS) Launched in September, we took this sub-4 metre SUV for light off-roading in the Aravalli mountain range just 20 km from Delhi's border.

NEW MAHINDRA THAR (₹11.9 LAKH ONWARDS): Launched in October, while the Thar is a true off-roader, we tested it at a place where most owners will likely drive it—the urban jungle; shot in Gurgaon.

NEW HYUNDAI CRETA (₹9.82 LAKH) Launched in March, it has become India's largest selling compact SUV; tested on the secluded roads next to Delhi airport.

MERCEDES-BENZ EQC (₹99.3 LAKH) The first luxury electric car in India has a range of 450 km; tested at the ICAT vehicle testing centre at Manesar near Gurgaon.

LAMBORGHINI HURACÁN RWD (₹3.22 CRORE) Came in January, it's a monster: 5,204cc, 610bhp, 325 km/h top speed; shot, however, at 0 km/h on Rajpath (early morning, closed for regular traffic).

Infrastructure

MONDAY, DECEMBER 21, 2020

EXPERT VIEW

An improvement in the port sector would be dependent on the pace and extent of the economic recovery. While cargo traffic is expected to improve sequentially, the volumes for fiscal 2020-21 would be lower than the previous financial year by 5-7%

—CARE Ratings

SOLAR POWER

Global capital powering new benchmarks

Playing a huge role in the tariff lows discovered at recent SECI auctions is the cheap finance made available by foreign players

ANUPAM CHATTERJEE

BUOYED BY LOWER interest rates, declining solar panel prices, improved technology and assured purchase of power, solar tariffs have fallen to new lows of ₹1.99/unit and ₹2/unit at auctions conducted by the Solar Energy Corporation of India (SECI) since November. Significantly, most of the winning developers at auctions in 2020 are backed by foreign capital. At a time stress-ridden state-run discoms are looking to cut power procurement expenses, the continuing fall in solar tariffs augurs well for RE's wider acceptance in the mainstream grid.

At the SECI auction in November, for supply of power to consumers in Rajasthan, it was the Saudi Arabia-based Al Jomaih Energy and Water and Green Infra Wind Energy, a unit of Singapore-based Sembcorp Industries, that quoted the tariff of ₹2/unit—bagging contracts for 200 MW and 400 MW projects, respectively. Following close behind was state-run NTPC, which was awarded 470 MW at ₹2.01/unit. Rajasthan contributed to the tariff discovery by waiving off an additional development cost of around ₹0.13/unit. Also important has been the 13% fall in solar module prices since last year.

Two of these winning bidders —Jomaih Energy and NTPC— have also bagged contracts at the latest SECI auctions, which saw the tariff benchmark go down further to ₹1.99/unit. Torrent Power and Aditya Birla Renewables were the other winners at the auctions conducted on Saturday for Gujarat, a state which draws power players owing to its swift payment mechanisms.

At the SECI auctions held in June, Spanish firm Solarpack's India arm quoted the lowest tariff of ₹2.36/unit, while Avikiran Surya (backed by Italian utility Enel), New York-based Eden Renewables' India unit, a subsidiary of Germany's Ib Vogt and Canadian firm AMP Energy's India unit bagged contracts at ₹2.37/unit. In February, SoftBank Group's SB Energy, AMP Energy's India unit and Eden Renewables' India arm were awarded contracts at ₹2.50/unit.

Experts attribute the aggressive tariffs being quoted by foreign-funded companies to their eagerness to establish themselves as important solar players in the Indian market, which is expected to quadruple its RE base in the coming decade. Speaking recently at the third edition of RE-Invest, an investors' meet held by the Centre every year, Prime Minister Narendra Modi told investors India is "likely to generate business prospects of around $20 billion per year, which is a big opportunity to invest in India".

But there's more to the interest shown by foreign players in the sector. "International renewable energy players' novel financing methods during the construction stage and timely refinancing during the operations phase improve the projects' coverage ratios and equity returns," analysts at India Ratings and Research have pointed out. So, while global companies opt for corporate guarantee backed letters-of-credit for capex during the construction stage, these are refinanced with a term loan at an economical interest rate after two years of stable operations.

NTPC matching up to the aggressive bidding by foreign players at recent auctions is also a result of the lower finance cost for the behemoth. According to initial estimates by analysts at ICICI Securities, the cost of the Rajasthan project would be around ₹4.2 crore per MW for NTPC, resulting in 12-14% internal rate of returns (IRRs), helped by a 54-bps y-o-y decline in the average cost of debt to 6.37% in H1FY21. Being implemented by a new company, NTPC Renewable Energy, the project would also attract the lower tax rate set by the FY21 Budget.

At the same time, experts have warned that solar developers quoting such low rates are walking a tightrope as IRRs could slip significantly to single digits if project cost assumptions do not hold true. While that lies in the future, the level the tariffs have plumbed to have set a benchmark for upcoming auctions. "We believe the historic low solar tariff of ₹2/unit discovered during the latest SECI auction (*since bettered*) will remain the benchmark and tariffs will continue to be in ₹2-2.5/unit range in the near term," ICICI Securities has said.

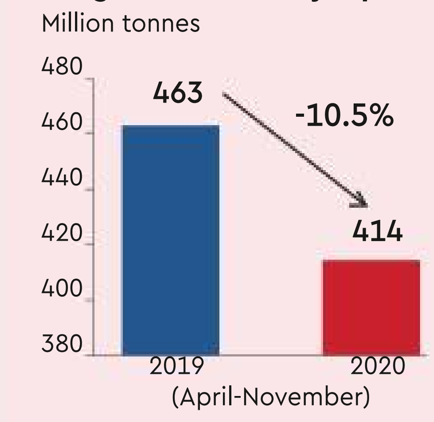
DATA MONITOR

Tide turns in Nov for traffic at major ports

After eight months of contraction, cargo traffic at the major ports grew by 3% y-o-y in November 2020. For the April-November period, the traffic has fallen by 10.5% y-o-y — only Mormugao port has seen a higher volume of cargo in the current financial year than a year ago. The cargo volumes for POL, coal, and containers have declined while that for fertiliser and iron ore have increased from a year ago.

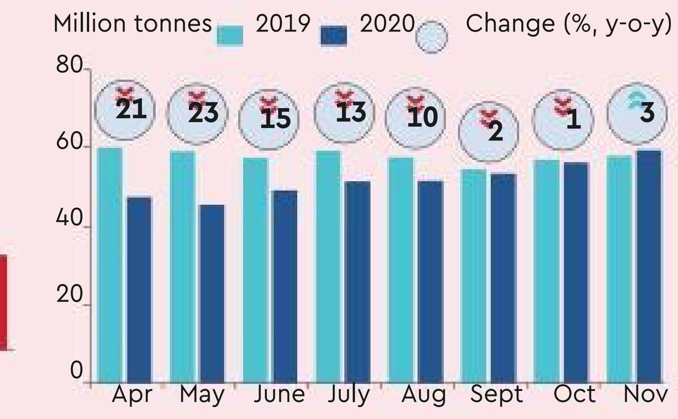
Cargo traffic at major ports

Million tonnes



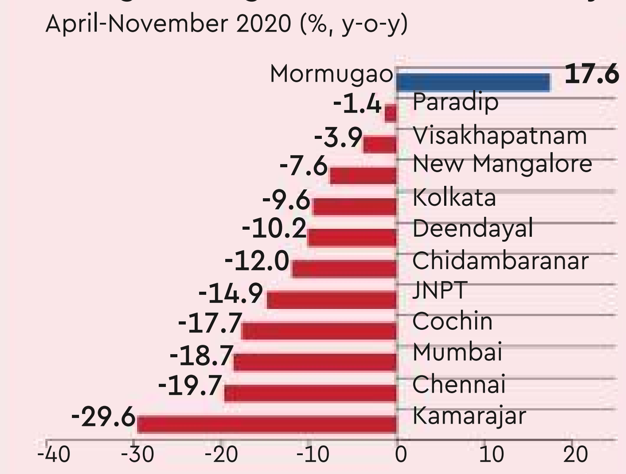
Monthly cargo traffic at major ports

Million tonnes 2019 2020 Change (%, y-o-y)



Change in cargo traffic handled at major ports

April-November 2020 (%, y-o-y)



Source: IPA, Care Ratings

Quick View

The Tatas, US fund, employee group in the race for Air India

THE TATA GROUP, US-based fund Interups Inc, and an Air India employee group were among "multiple" entities that on Monday put in preliminary bids for buying the loss-making carrier. "Multiple expressions of interest have been received for strategic disinvestment of Air India. The Transaction will now move to the second stage," Department of Investment and Public Asset Management (DIPAM) Secretary Tuhin Kanta Pandey tweeted without revealing the identity of the bidders. While AI's Commercial Director Meenakshi Malik confirmed to *FE* that a group of 219 employees had submitted an EoI for the airline, as did Interups Chairman Laxmi Prasad, there was no official word from the Tatas. Monday was the last date for submission of EoIs. The government is expected to notify the qualified bidders on January 5.

Roles of PFC, IREDA, NHB and HUDCO being reviewed

THE GOVERNMENT IS undertaking a comprehensive review of the developmental roles of state-run financing entities like PFC, IREDA, NHB and Hudco to gauge if their functions and objectives need to be tweaked or expanded to better suit the current imperative of bridging the yawning infrastructure deficit in India, *FE* reported last Monday. This is besides the plan to announce in the upcoming Budget a large development finance institution (DFI) with partial government ownership — which would have considerably higher risk appetite than banks — to finance rural infrastructure.

'Projects worth ₹44 trn under implementation'

INDIA HOLDS HUGE investment opportunities in its infrastructure sector where projects worth ₹44 trn are being implemented as part of the ₹111-trn National Infrastructure Pipeline (NIP), Union Minister Nitin Gadkari said on Tuesday. Addressing a roundtable on 'Investment into Roads, Ports and Highways, Waterways', he said, "of the ₹111 lakh crore, projects worth ₹44 lakh crore accounting for 40% are under implementation...(and) projects worth ₹22 lakh crore that account for 20% of NIP are under development stages."

Startups

SOLETHREADS

Smart footwear for the new-age customer

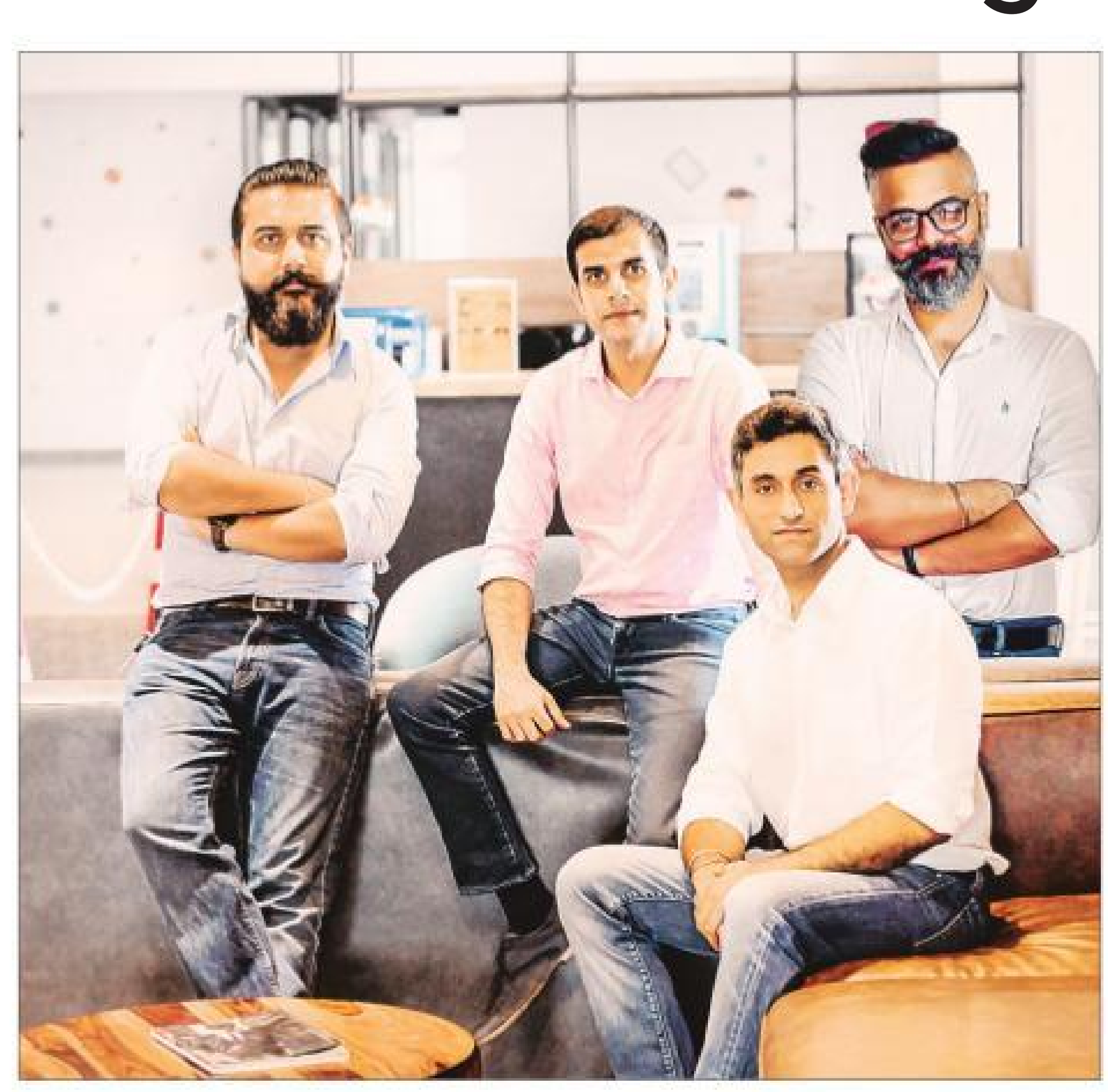
This homegrown, youth-centric brand leverages modern technology in footwear designing and has 30 design patents to its credit

SUDHIR CHOWDHARY

INDIA'S OPEN FOOTWEAR (flip-flops, thong sandals, slippers, flats, etc.,) segment is estimated to be worth more than ₹6,000 crore and growing at a CAGR of 15%+. Yet for many years this category has either been dominated by mass players such as Relaxo and Liberty or high-end international brands such as Skechers and Crocs. A homegrown, youth-centric open footwear retail and manufacturing brand called Solethreads is now creating a niche for itself with its range of quirky and chic in-trend flip-flops.

Founded in November 2018, the brand is the brainchild of co-founders Sumant Kakaria and Gaurav Chopra, who bring with them an experience of over 13 years in the retail industry. The duo has since been joined by Vikram Iyer as co-founder and chief business officer and Aprajit Kathuria as co-founder and chief marketing officer.

"Solethreads takes pride in being the harbinger of innovation and latest technology in footwear designing," says co-founder and CEO Sumant Kakaria. The brand has Phylon molded technology (ultra-light and shock absorbent), Squishy technology (super soft and comfortable) and its patented Synturf technology (grass flip-flops) under its umbrella. It has more than 30 design patents already and has some new-age innovation in the pipeline, both in the product such as DIY designs, as well as its business model such as personalised footwear. The company has an in-house designing and R&D team that focuses on innovation and global trend spotting that connect with the youth.



(L-R) Solethreads co-founders Gaurav Chopra, Aprajit Kathuria, Sumant Kakaria and Vikram Iyer

"Being a tech-savvy brand, Solethreads has also partnered with tech solution partners that have helped us achieve our current scale and prepare for future growth," says Kakaria. These include Glaucus for smart inventory management, Paxcom for e-commerce analytics and channel intelligence, Shoptimize for AI-based performance marketing and Vinculum for omni-channel integration.

As a digital-forward brand, it has strategic alignments with leading platforms Amazon, Myntra and Flipkart, says Kakaria. "We have seen tremendous response across all our pilots and channels. On Amazon, the brand crossed ₹50,00,000 GMV within four months of launch. The fact that we reached ₹1 crore revenue within eight 8 months of launch while being bootstrapped, speaks volumes about the overall potential, as well as the team's capability to build a very robust business model," he adds.

It has recently revamped its own D2C (direct to customer) website. "On our own website, we touched a revenue of ₹50,000 per day, within 10 days of launching our D2C marketing campaigns, which is a very strong validation of our product-market mix," says Kakaria. "Our design aesthetic and product innovation is ensuring that customers are turning to us for out-of-home use, and occasion led buying is something we are looking to build further."

According to him, in the offline retail space, Solethreads has done a successful pilot launch with a leading Indian footwear retailer and is gearing up to expand across the latter's network of stores. "We believe that there is exponential growth to be had in this category both online and offline, and hence we have geared our go-to-market strategy and team accordingly," he explains.

Solethreads aims to become a ₹300-crore fast fashion 'open footwear' brand in the next three years with strong online and offline presence. "We are bullish on going global based on our recent pilot tests across various international platforms," he adds.

PAYNEARBY

Taking commerce hyperlocal

PayNearby uses its tech platform to turn *kirana* stores into points of integrated commerce

SRINATH SRINIVASAN

MUMBAI-BASED PAYNEARBY, co-founded by Anand Kumar Bajaj, Subhash Kumar, Yashwant Lodha and Rajesh Jha, aims to take integrated commerce hyper-local, via *kirana* stores, given that these are the closest point of commerce in any given Indian locality, especially in rural India.

At the moment, the PayNearby app has 22 services listed on the app. During the lockdown, the usage of the platform went up, says Anand Kumar Bajaj. "We were able to assist customers through the trusted *kirana* store – where they could ask for, say, potatoes, onions and also money transfers. Once we began doing this, volumes and number of transactions really shot up, and we had to really do a technological augmentation to keep up with the increased demand, to continue scaling," he adds.

There are over 17,200 pincodes on the PayNearby platform that are getting serviced and most of them are in rural areas. The shops listed on the platform act as aggregation centres. "When a migrant worker visits a PayNearby *kirana* store, he can simply swipe his card. Our Aadhaar Enabled Payments System or Micro ATMs will take care of what he wants to do. Transfer or withdraw money, open account or fixed deposit or pay bills," explains Bajaj.

PayNearby is adding 30,000-40,000 *kirana* stores every month on the platform. The dwindling ATMs and the cost related to managing them are further contributing factors to the rise of this business. Apart from enabling discovery of local stores, the app lets users place orders online and get items from the nearest stores.

Anand Kumar Bajaj, founder and CEO, PayNearby

"We have integrated with two large partner banks who are attaching our database to FMCG companies. Because customers place orders on our platform, we can offer data driven insights to FMCG brands about which products sell through the *kirana* stores and which don't, across the country," says Bajaj, talking about the potential of the platform to move up the value chain and enabling inventory management for consumer brands at a hyper-local level. Bajaj aims to keep expanding the services quarter on quarter.

"We are platform first and network next. We have partnerships with companies such as Muthoot Gold and extended lead for them for gold loan. We have partnered with a few banks to sell lending services," adds Bajaj. In this whole network, the *kirana* store owners get a stable technology platform and an incentive for every transaction that takes place on it, through them. Incentives start from 0.5% and goes all the way up to 11-12%.

Today there are over 5 lakh retailers on PayNearby who sell various services and products. It tells retailers what kind of services or products are in demand in a particular area and educates them to sell those more, via videos and other forms of content. They are also given a leaderboard within their pincodes, visible only to them, based on how they drive commerce in their locality.

Quick View

Modi lays foundation for country's largest renewable energy park

PRIME MINISTER NARENDRA Modi on Tuesday laid the foundation stone for the country's largest renewable generation park and a desalination plant, among other projects, in Gujarat. The Hybrid Renewable Energy Park near Vighakot village in Kutch district would generate 30 GW of power. Spread over 72,600 hectares of land, it would have a dedicated hybrid park zone for wind and solar energy storage, as well as an exclusive zone for wind park activities. The desalination plant at Mandvi in the district would transform seawater to potable drinking water. With a capacity of 10 crore litre per day (100 MLD), it would strengthen water security in Gujarat by complementing the Narmada Grid, Sauni network and treated waste water infrastructure, an official said. Nearly 8 lakh people would receive desalinated water from the plant.

NHAI arm to raise ₹46,000 cr of debt in 2-3 years

A SPECIAL PURPOSE vehicle (SPV) fully owned by the National Highways Authority of India (NHAI) plans to raise ₹46,000 crore of debt over the next two-three years to part-finance the ₹93,000-crore Delhi-Mumbai expressway project. The entire ₹46,000-crore of debt would be raised at the SPV level and the borrowing would be off NHAI's balancesheet, NHAI Chairman SS Sandhu told *FE* recently: "This fiscal, we (the SPV) need to borrow a little less than ₹10,000 crore, but we already have got offers for ₹29,000 crore from banks and financial institutions. It shows the success of the SPV model". The SPV, DME Development, has been set up for the 1,261-km expressway that is being built on the EPC model in which the authority bears all the expenses.

Govt re-invites bids for auction of 4 coal blocks

THE COAL MINISTRY has again invited bids for four coal blocks whose tender process was annulled in the first round of auction for commercial mining, as the number of technically qualified bidders for each mine was just one. Of the four coal blocks, three are in Odisha and one is in Jharkhand. The blocks, which are fully explored, have an annual peak-rated capacity of 52 million tonnes (MT).

Education

MONDAY, DECEMBER 21, 2020

THE RISE OF STACKABLE LEARNING

Hari Krishnan Nair, Co-Founder, Great Learning

In 2020, because of tech and edtech companies like ours, students and professionals have access to the best faculty. Covid-19 has made continuous learning a habit. Stackable learning is the future where professionals pick up skills as per requirement at different stages of their professional life.

BUSINESS SCHOOLS

Future-proofing students

Jitendra K Das

Pandemic-led economic crisis means we've to train future managers differently

POST COVID-19, our world will be starkly different. The pandemic has disrupted the way people live and how workplaces function globally. Returning to the status quo would be challenging and a nearly impossible task. Companies have had to divert focus from long-term to short-term strategies to stay afloat. Business models are undergoing a sea change and employees have to pull up their socks and upskill to remain immune from lay-offs.

Even business schools are adopting techniques to future-proof their students. They are being trained in business skills that will help them thrive professionally in post-pandemic workplaces. Going forward, companies will hire graduates who are adaptive, tech-savvy and possess creative problem-solving abilities.

Due to the pandemic, many corporates had to withdraw summer internship projects. In many cases, summer internships shifted to the online mode. At the FORE School of Management, however, in spite of Covid-19, almost all students pursued internship. Although students prefer internships with big and established corporates, this year many opted for smaller enterprises and start-ups that aim at fulfilling the government's atmanirbhar Bharat vision. This gave them an opportunity to develop their entrepreneurial and risk-management skills, and building creative solutions to deal with the pandemic.

Skills that employers will seek in future managers

In the post-Covid-19 era, businesses are likely to hire managers with soft skills. Skills like compassion and empathy will be more in demand as employers have seen what crises can do to people mentally and what an arduous task it is to manage employees who have heightened emotions in such times. So, empathetic leadership qualities will rise in priority on companies' lists of most sought-after competencies in new management hires.

During the pandemic, companies that could immediately take their business online thrived. So, there will be a demand for managers who are skilful in tools and technology. This includes controlling machines and mechanical processes; inspecting equipment, material or structures; and specifying, drafting and laying out technical devices. In the foreseeable future, corporate employers believe that automation, machine learning, data analytics and artificial intelligence will be industry disruptors and individuals with these skill-sets will be high in demand.

Summing it up

Ironically, as the business world becomes more digitally-enhanced, recruiters realise the importance of human touch. In the post-pandemic world, employers will need leaders who are well-versed in soft skills so that they can help teams tide over stress and uncertainty, especially in such times of crises.

The author is director, FORE School of Management, New Delhi

INTERVIEW: **RITURAJ KISHORE SINHA,** Group Managing Director, SIS

The lockdown was the biggest skilling exercise for security guards

Security and Intelligence Services (SIS) is India's biggest player in physical security, and the largest trainer of private security and facility management personnel in the country. Founded by Ravindra Kishore Sinha in 1985, SIS is now run by Rituraj Kishore Sinha, group MD, who, in an interview with FE's **Vikram Chaudhary,** *says the lockdown led to the most transformational skilling exercise undertaken in this industry. Excerpts:*

What all has changed for security guards during the lockdown?

The role performed by them has been transformed. Earlier they were used to holding a stick or a metal detector or a walkie-talkie, but now they are operating infrared thermometers, ensuring mask-wearing compliance, and at certain manufacturing facilities keeping attendance of staff and visitors (biometric machines aren't being used at many places).

Did SIS run special training exercise for its security guards?

We had a head start. We also operate in Singapore, where Covid-19 peaked earlier than it did in India. The learning set developed in Singapore helped our India operations; we put together new training content in February and a training campaign, in two parts, was rolled out on March 6.

The first was an awareness and prevention campaign—we knew our manpower would need to work throughout the lockdown, so we educated them on how to stay safe. On our M-Trainer platform, Covid-19 training was provided via short videos and a questionnaire on a mobile app; also behavioural training, how to file reports and so on. The second was what we called the SIS Circle of Safety; we did customised training including visitor management, antimicrobial treatment, Covid-19 compliance, vehicle disinfection, etc.

PORTRAIT: SHYAM KUMAR PRASAD

For how long did this training continue?

While structured training continued well into the month of May, upskilling is a continuous process.

You talked about the M-Trainer and short videos; is this on the assumption that all guards use a smartphone?

At SIS, 83% of our staff have a smartphone, and others were covered either by them watching videos on a colleague's smartphone, or by our mobile training van.

Has the curriculum at your residential training academies also changed?

Yes, all the content that got created for our existing guards has now flown into our regular induction training programmes, at our 20 residential training academies in 14 states.

Does this training also open up new job avenues for security guards?

Upskilling anyway opens up new job opportunities, be it any area. At SIS, we have seen once people get into the organised workforce, some do move into different job roles; for example, some of our cash van drivers went on to become Ola drivers (although right now the reverse flow is happening, due to the pandemic).

CATCH THEM YOUNG

Build, tinker, redesign and hack

The need to develop Atal Tinkering Labs in all schools

ILLUSTRATION: SHYAM KUMAR PRASAD

ANURAG GUPTA & RAJEEV TIWARI

AS TECH AND innovation become a priority for schools, students must be offered creative learning spaces to expand and challenge their knowledge and the 'ability to create'. Technology can help students boost their concentration, retain information, encourage individualised learning.

Although many schools have been focusing on project-based learning, there aren't many formal spaces or curriculum or a set of equipment using which students can build a new physical prototype or a project for implementing their ideas.

Keeping this in mind, the government introduced Atal Tinkering Labs under the Atal Innovation Mission (AIM) set up by the NITI Aayog; its aim is to create a world-class innovation and entrepreneurial ecosystem in India.

So far, over 5,000 Atal Tinkering Labs have been set up. In the long run, Atal Tinkering Labs are needed in all schools in India, and fast

Atal Tinkering Labs is the AIM's flagship initiative at the school level; among other things, the aim is to help school-children move away from rote learning and a marks-oriented mindset to a problem-solving innovative mindset.

The AIM has set up thousands of Atal Tinkering Labs across 715 districts, enabling students from grades 6 to 12 to access and tinker with innovative art tools and technologies like 3D printers, robotics, the Internet of Things (IoT), miniaturised electronics, do-it-yourself (DIY) kits, and so on.

So far, more than 5,000 Atal Tinkering Labs have been established, where students can develop prototypes and implement their ideas into physical products. It's been proven that students learn new skills as they build, tinker, redesign and hack, and especially when they do all these in a group. Another benefit of tinker-centred learning is that it can help develop amongst kids a sense of self and a sense of community. Later on, this may lead to students trying to solve community problems by being able to identify issues and applying the concepts of analysing and designing for designing solutions.

In the long run, while Atal Tinkering Labs are being set up in schools, these are needed in all schools in India, and fast.

Authors are co-founders of Stemrobo Technologies

Science & tech

GAME ON

Betting on gaming

The gaming industry does not need bans, it needs legislation. India must set up a gaming regulator

Kanishk Gaur

THE RECENT IPL saw a massive rise in gamification of cricket through mobile applications. Repeated advertisements, by cricketing legends and veterans, have promoted online gaming platforms beyond the traditional gaming apps.

However, betting on virtual games is a new trend, and has picked up pace in India with millions getting addicted to online gaming during the lockdown.

The fantasy sports industry has become the new source of addiction for adolescents with apps promising lakhs of rupees as rewards. Since there is no regulator in India, such applications defy the global laws pertaining to the minimum age for subscription. Setting up casinos in India requires a licence and betting on cricket matches is against law; however, virtual betting is attracting getting private equity investments in India.

India, currently, has no legislation to control the online betting and gaming industry. However, with rapid investments in online gaming, especially fantasy sports, legislation is direly needed.

Today, adolescents have direct access to mobile phones; hence, many of them get introduced to fantasy sports via friends in schools, colleges and via advertisements on television, the internet. Many end up spending thousands and lakhs of rupees on fantasy sports.

Recent trends show a rapid increase in crime due to the use of the internet, especially fantasy sports.

State governments of four states in India have decided to ban fantasy sports mobile application in their states which has led to owners of these businesses filing a PIL in court to contest such bans.

But bans, owing to a lack of regulation, may end up killing the industry, which will have an impact on jobs and investment. Hence, legislation and transparent policies to manage the sector must be implemented.

Covid-19 resultant lockdown has increased the penetration of virtual gaming platforms in India's hinterland. Besides, the ban of 200 plus Chinese application contributed further shift in trends to virtual fantasy sports.

While outdoor sports like cricket, football will pick up pace next year, limited seating arrangements and virtual spectator focus by organisers will further contribute to an increase in demand for virtual sports.

In a country like India, there is a dire need to set up a gaming regulator to monitor, manage and help the industry. Countries such as United States, Canada and the United Kingdom have clearly defined legislation for the gaming industry, especially fantasy sports, which allows investments to thrive in these sectors and create jobs while ensuring that user safety is given utmost priority. Government of these countries not only impose hefty fine and penalty on companies but also encourage them to take insurance policies and follow strong data protection guidelines to ensure user privacy.

Author is founder, India Future Foundation. Views are personal

EAVESDROPPER

Money monster

Why India needs bitcoin and other cryptocurrencies?

ISHAAN GERA

IN THE LAST fortnight, Bitcoin and cryptocurrencies have taken the world by a storm. The currency has hit $22,000 in value and is being compared to gold. Renowned investor, Chris Wood, announced that he would be making investments in Bitcoin, whereas some media reports indicated that the value of the world's first cryptocurrency might hit $400,000!

The wariness exhibited by governments has also paved the way for adoption. S&P Dow Jones Indices last month announced that it would launch cryptocurrency indices in association with virtual currency data solution company Lukka in 2021. Lukka will provide data on the basket of currencies to be traded on the platform. Earlier, Australia had announced an integration of its stock market with blockchain. Meanwhile, crypto-exchanges have been becoming popular across the world.

On the other hand, the initial enthusiasm with regards to cryptocurrencies in India has now led to scepticism. RBI tried to strangulate the system by disallowing banks and payment entities to deal with cryptocurrency exchanges. While the SC kept aside the RBI order this year, now there are talks that the government may be moving ahead with a ban. There have been flip-flops from the government as well. A committee set up by the government wanted to regulate cryptocurrencies; however, even the Parliamentarians are now veering towards a ban on cryptocurrencies. Meanwhile, the government is trying to promote the technology behind the currency—blockchain.

Trends show that blockchain development and cryptocurrency often go hand in hand. China, which has allowed cryptocurrency exchanges to flourish, is also the home of the largest number of blockchain start-ups. Besides, if the government has digital tools to confirm identity, then it makes little sense to ban their trade.

Moreover, the future of gaming also depends on these virtual coins. Although gaming in India is still at a nascent stage, it is developing fast, and people are spending more on gaming than they ever did. The growth of the industry is predicated on the development of an ecosystem, which shall be incomplete without a payment mechanism.

Two, the government needs to be aware of cryptocurrency monopoly. By banning, and not regulating the service, the government is giving a free hand to the big companies to develop their assets, Once the market is open—a ban can't be sustained forever—the government would have little control on the market.

If Facebook is able to get Libra off the ground, then given the sway it holds and its war chest, it would be too late to take any action or roll back the tide. The government has a chance to be a partner in crypto development. Unless it understands how the market works, it won't suddenly be able to assume the role of a regulator.

ishaan.gera@expressindia.com

EDTECH IN 2020

It was a year to thrive

VINEET PATAWARI

THE HEYDAYS OF Covid-19 instilled in many the feelings of hopelessness and fear. The mighty human civilisation had, for the first time in recent history, stepped into the unknown. Nations had no clue in dealing with the mysterious virus—they were left with only one option, to go on complete lockdowns. In many ways, it could have been said that globalisation had failed us. Large corporations, small businesses and world trade, all affected on a scale never before seen.

But in only six months, the world has adapted to a new way of living. Businesses are coming back on their feet. With the help of federal aids, the financial markets have bounced back and have made record returns for investors the world over.

Many industries have benefited due to Covid19; rather than struggling to survive, their businesses have thrived. One such is online education, or edtech. Although edtech platforms have existed for long, Covid-19 has proved to be a boon, for especially start-ups.

One of the most successful platforms within the edtech industry has been the one catering to finance-related education courses

According to a YourStory Research report, edtech start-ups in India received the second highest funding after fintech start-ups in H1-2020. Student enrolments saw a massive surge during the pandemic, and this enabled edtech companies to convert offline customers to online faster. Investors also expect this trend to continue as consumers get more comfortable with digital learning.

A major reason for this has been that students have been confined to their homes. Digital education and e-learning are the only solution to this. Be it students belonging to primary schooling or professional courses, everyone has found edtech as a convenient solution.

One of the most successful platforms within the edtech industry has been the one catering to finance-related educational courses. Platforms like Elearnmarkets.com and StockEdge.com have been offering certified courses in the stock markets and other financial markets courses to empower small investors in India and not fall for traps which can cause huge losses to them.

It would be interesting to see if this trend of online education continues. But one thing that does seem like will continue is the trend of professional online courses where both young and old consumers continue to sign up alike.

The author is co-founder, Elearnmarkets.com

Airlines balk at refunds as new UK rules tell travellers not to fly

SIDDHARTH PHILIP
December 20

BRITISH AIRWAYS AND Virgin Atlantic Airways aren't offering refunds to passengers who cancel year-end trips following new UK coronavirus rules, even as regulators investigate carriers' earlier refusal to hand cash back to customers caught in lockdown.

IAG SA-owned BA will grant ticket holders a voucher or let them switch to a later date, it said in an emailed statement. It said it will only refund fares if the airline cancels a flight, a policy echoed by Virgin Atlantic in a Twitter post.

The refund issue ignited a firestorm when similar curbs were in place last month. The UK Competition and Markets Authority launched a probe last week into whether airlines violated consumer rights by failing to offer passengers their money back for flights they couldn't lawfully take.

"Some airlines like EasyJet have mostly been doing the right thing and offering refunds, while others like BA only offer the option of a voucher or a rebooking," said Rory Boland, travel editor at consumer advocacy group Which?. "The CMA investigation is looking precisely into this, as the wording for Tier 4 restrictions indicates these are legal requirements, not guidance so you should be due a refund."

The latest travel rules took effect Sunday, less than a day after they were announced, catching many with holiday travel plans off-guard. London Heathrow airport was crowded after airlines largely kept to schedules and many ticket holders opted to fly.

EasyJet said it would offer refunds for those who stayed home. "We understand some customers may now need to change their flights."

On Twitter, passengers called out Ryanair Holdings and Aer Lingus for refusing refunds.

Aer Lingus will waive change fees up to two hours before departure, the IAG-owned airline said in a statement. Customers may be entitled to vouchers or refunds depending on fare type, it said.

Irish discounter Ryanair didn't respond to requests for comment.

New Strain

Prime Minister Boris Johnson announced the tightening on Saturday, in a bid to stamp out a fast-spreading mutation of the coronavirus that's behind a rapid rise in cases in London. Movement in the capital and much of southeast England has been restricted, including getting on foreign flights.

"People should carefully consider whether they need to travel abroad and follow the rules in their tier," Johnson said. "Those in Tier 4 areas will not be permitted to travel abroad apart from limited exceptions, such as for work purposes."

The Dutch government on Sunday banned incoming flights carrying passengers from the UK, saying samples showed the new virus strain had reached the Netherlands.

Johnson made it clear that the policy is aimed at stemming holiday gatherings that could further spread the disease.

While the flight restrictions will be similar to lockdown rules lifted earlier this month, the exceptions haven't been clearly defined.

People who live outside the area may transit through Tier 4, which includes Heathrow and Luton airports, "but you should carefully consider whether you need to do so," according to advice on a government website.

The rise of the new virus strain forced the government into an abrupt policy switch at the height of the Christmas travel season. Transport Secretary Grant Shapps had assured the public last week that so-called travel corridors won't be switched for two weeks to give people certainty about booking holidays.

Some customers took to social media, with one Virgin Atlantic passenger saying he was unable to get through to make changes to a flight scheduled for Sunday.

"While it is a really difficult position for the government, the fact is that a number of people have taken decisions to travel based on government advice in recent weeks," Boland said. "People will understand why this decision had to be made, but be angry that it has been made so late in the day, leaving plans to see family in tatters and another fight for a refund on flights."

— BLOOMBERG

Biden to mull options to punish Russia for hacking

REUTERS
Wilmington, Del./Washington

PRESIDENT-ELECT JOE BIDEN'S team will consider several options to punish Russia for its suspected role in the unprecedented hacking of US government agencies and companies once he takes office, from new financial sanctions to cyberattacks on Russian infrastructure, people familiar with the matter say.

The response will need to be strong enough to impose a high economic, financial or technological cost on the perpetrators, but avoid an escalating conflict between two nuclear-armed Cold War adversaries, said one of the people familiar with Biden's deliberations, speaking on condition of anonymity. The goal of any action, which could also include stepped-up counter cyber espionage efforts, would be to create an effective deterrence and diminish the potency of future Russian cyber spying, the person said.

The unfolding crisis — and the lack of visibility over the extent of the infiltration into the computer networks of federal agencies — will push to the front of Biden's agenda when he takes office on January 20.

Keep up the good work, Putin tells spy agency staff

REUTERS
Moscow, December 20

RUSSIAN PRESIDENT VLADIMIR Putin said the foreign intelligence service was exceptionally important for protecting the country, in comments made soon after it was accused by some of being behind a major hack on US government departments.

Speaking at an event commemorating 100 years since the founding of the SVR foreign intelligence service, Putin said the agency and other security services were a crucial guarantee of Russia's "sovereign, democratic, independent development."

Some international cyber researchers have suggested that Russia's SVR foreign intelligence service may have been behind an unprecedented attack on US government computer systems first reported by Reuters last week.

US Secretary of State Mike Pompeo said on Friday that Russia was responsible for the attack. The Kremlin has always denied Moscow's involvement in cyber attacks against the West. It has said that Russia had nothing to do with this latest assault.

Russian President Vladimir Putin delivers a speech in Moscow on Sunday. REUTERS

Putin told attendees of the event, which also marked the Day of the Security Services Worker, that it was important to continue developing the work of counterintelligence agencies.

"I know what I'm talking about here," Putin, a former KGB agent, said, in comments shared on the Kremlin website. "And I rate very highly the difficult professional operations that have been conducted."

"The most serious attention must be paid to information security, to the fight against extremism and against corruption," he added.

Nepal PM Oli recommends Parliament dissolution

SHIRISH B PRADHAN
Kathmandu, December 20

NEPAL'S BELEAGUERED PRIME Minister K P Sharma Oli on Sunday sprang a surprise on his rivals and recommended the dissolution of Parliament amidst a prolonged tussle for power between him and former premier Pushpa Kamal Dahal 'Prachanda'.

An emergency cabinet meeting chaired by Prime Minister Oli decided to recommend to President Bidya Devi Bhandari for the dissolution of the House of Representatives, a senior standing committee member of the ruling Nepal Communist Party (NCP) told *PTI*. The 275-member House of Representatives, which is the lower house of Parliament, was elected in 2017.

"Today's Cabinet meeting decided to recommend the President to dissolve the Parliament," said Barshaman Pun, energy minister in Oli's cabinet, The Kathmandu Post reported.

Oli reached Rashtrapati Bhawan with the decision of the council of ministers.

The NCP has been witnessing a months-long tussle between two factions: one led by Oli and the party's chairman, and another by Prachanda, also the executive chair of the party and former premier.

Former PM and senior party leader Madhav Kumar Nepal has termed the move unconstitutional. Constitutional experts have also termed the move to dissolve Parliament as unconstitutional. There is no provision in the Constitution for the Prime Minister of a majority government to dissolve Parliament, they said

The main Opposition Nepali Congress (NC) has called an emergency meeting on Sunday. The move comes a day after the NC and the Rastriya Janata Party decided to ask the President to summon a special session of Parliament. —PTI

COVID PACKAGE

US Congress poised to vote on aid after Fed compromise

DAVID LAWDER
Washington, December 20


Congressional leaders plan to attach the coronavirus aid package to a $1.4 trillion spending bill. PHOTO: REUTERS

THE US CONGRESS appeared poised to vote on Sunday on a $900 billion coronavirus aid package after senators struck a late-night compromise to clear one of the final hurdles, a dispute over Federal Reserve pandemic lending authorities.

Senate Democratic Leader Chuck Schumer told reporters at the Capitol on Saturday night: "If things continue on this path and nothing gets in the way, we'll be able to vote tomorrow."

Congressional leaders plan to attach the coronavirus aid package, which includes $600 direct payments to individuals and a $300 per week unemployment compensation supplement, to a $1.4 trillion spending bill funding government programmes through September 2021. But they face a new government funding deadline of midnight on Sunday (0500 GMT Monday), risking a government shutdown without action.

US President Donald Trump, whose administration has largely left negotiations up to congressional leaders, complained early on Sunday morning that a deal had not been reached. "Why isn't Congress giving our people a Stimulus Bill? It wasn't their fault, it was the fault of China," Trump said on Twitter. "GET IT DONE, and give them more money in direct payments."

Senator Pat Toomey, a Pennsylvania Republican, had insisted on language that would guarantee that the central bank could not revive emergency lending programmes for small businesses and state and local governments after December 31, when they expire under the CARES Act Covid-19 relief legislation passed in March.

Republicans had said the programmes are an unnecessary government interference in private business that politicises the Fed. They accused Democrats of seeking to extend them as a backdoor way to provide unchecked funds for state and local governments controlled by members of their party.

Democrats in turn accused the Republicans of trying to tie the Fed's hands in order to limit Democratic President-elect Joe Biden's options for boosting the flagging economy after he takes office on January 20.

Toomey spokesman Steve Kelly said the agreement with Schumer "rescinds more than $429 billion in unused CARES Act funds; definitively ends the CARES Act lending facilities by December 31, 2020; stops these facilities from being restarted; and forbids them from being duplicated without congressional approval".

But a senior Democratic aide said Toomey had agreed to "drop the broad language in his proposal that would have prevented the Fed chair from establishing similar facilities in the future."

The Senate adjourned a rare Saturday session with a call from Republican leader Mitch McConnell to avoid last-minute disagreements that could delay funding. After news of a compromise, McConnell spokesman Doug Andres said: "Now that Democrats have agreed to a version of Senator Toomey's important language, we can begin closing out the rest of the package to deliver much-needed relief to families, workers, and businesses." —REUTERS

Biden, Mexico president to cooperate on immigration

ANTHONY ESPOSITO
Mexico City, December 20


Joe Biden

US PRESIDENT-ELECT JOE Biden and Mexico's President Andres Manuel Lopez Obrador on Saturday committed to work on a humane strategy for regional migration by addressing its root causes in Central America and southern Mexico.

The two leaders in a phone call "discussed working together on a new approach to regional migration that offers alternatives to undertaking the dangerous journey to the United States," a summary of the call provided by Biden's team said.

The two leaders said they shared a desire to address the reasons for migration in El Salvador, Guatemala, Honduras and southern Mexico. Biden pledged to build "the regional and border infrastructure and capacity needed to facilitate a new orderly and humane approach to migration that will respect international norms regarding the treatment of asylum claims," the statement from Biden's team said.

Earlier this week, Lopez Obrador suggested the two neighbours under Biden's new Democratic administration work together on the thorny issue of immigration. Biden emphasised the need to reinvigorate US-Mexico cooperation on migration as well as the Covid-19 pandemic, the economy and border security.

"We reaffirmed our commitment to working together for the well-being of our peoples and nations," Lopez Obrador said on Twitter. Mexican Foreign Minister Marcelo Ebrard tweeted: "There will be extensive bilateral cooperation and a very good relationship between the presidents of Mexico and the United States." —REUTERS

Britain insists EU should move in Brexit trade talks

REUTERS
London, December 20

Passengers walk near a banner from the anti-Brexit campaign in Brussels on Sunday. PHOTO: AP

BRITAIN INSISTED ON Sunday that the European Union should shift position to open the way for a breakthrough in post-Brexit trade talks, with health minister Matt Hancock saying on Sunday the bloc should drop its "unreasonable demands".

With less than two weeks before Britain leaves the EU's orbit, both sides are calling on the other to move to secure a deal and safeguard almost a trillion dollars' worth of trade from tariffs and quotas.

Talks to reach a trade deal have been largely hamstrung over two issues: the bloc's fishing rights in British waters and creating a so-called level playing field providing fair competition rules for both sides.

Hancock again referred to what Britain has described as new demands introduced by the EU earlier this month, saying they were "unreasonable" and should be dropped. "We want these talks to reach a positive conclusion, of course I want a deal, I think everybody wants a deal," Hancock told Sky News." Unfortunately, the EU have put in some unreasonable demands ... They do not respect the result of the referendum ... I am sure a deal can be done but obviously it needs movement on the EU side."

Britain left the EU on January 31, but has been in a status quo transition period since then. That expires at the end of the year. There is little time left for a deal. Both sides need to get any deal approved by their parliaments, and with the talks in their final stages, it is expected that any conclusion will most likely come before Christmas.

On Saturday, the European Parliament repeated its call for a deal to be reached no later than this weekend.

Moderna vaccine rollout begins in US

JOSEPH WHITE, LISA BAERTLEIN AND CARL O'DONNELL
Detroit/Los Angeles/New York, December 20

US DISTRIBUTION OF Moderna's Covid-19 vaccine began on Saturday, with more than 3,700 sites due to start receiving and administering shots as soon as Monday, vastly widening the rollout started last week by Pfizer.

Moderna has already moved vaccine supplies from its manufacturing plants to warehouses operated by distributor McKesson.

Workers on Saturday were packing vaccines into containers and loading them on trucks, Army General Gustave Perna said during a news conference. Trucks will set out on Sunday and shipments will start reaching healthcare providers as soon as Monday, he said.

Doses of vaccine must travel with security guards, including US Marshals, and will be stored in locked refrigerators. US plans call for at-risk groups such as elderly people in nursing homes and medical workers to receive injections first.

The Food and Drug Administration on Friday approved an emergency use authorisation for Moderna's vaccine, the second Covid-19 vaccine to receive approval.

Moderna said a panel of outside advisers to the US Centers for Disease Control and Prevention voted on Saturday to recommend its vaccine for use in people aged 18 and older. The Advisory Committee on Immunization Practices panel voted 11-0 in favour of the vaccine.

Pharmaceutical services provider Catalent's facility in Bloomington, Indiana, is filling and packaging vials with Moderna vaccine and handing them to McKesson. The company is shipping them from its facilities close to air hubs for the United Parcel Service and FedEx. —REUTERS

Trump downplays impact of massive hacking, questions Russia involvement

CHRISTOPHER BING AND JONATHAN LANDAY
December 20

US PRESIDENT DONALD Trump, in his first comments about a widespread data breach across the US government, on Saturday downplayed the cyber espionage campaign and questioned whether Russia was to blame as alleged by his own top diplomat.

"The Cyber Hack is far greater in the Fake News Media than in actuality," Trump said on Twitter on Saturday. "Russia, Russia, Russia is the priority chant when anything happens because Lamestream is, for mostly financial reasons, petrified of discussing the possibility that it may be China (it may!)."

Trump's assertion that China may be behind the hacking spree, which has so far affected more than a half dozen federal agencies including the Commerce and Treasury Departments, runs counter to comments by his own secretary of State and multiple lawmakers briefed on the matter. "We can say pretty clearly that it was the Russians that engaged in this activity," said Secretary of State Mike Pompeo on Friday in an interview. Republican lawmaker Mitt Romney in a tweet on Thursday said the hack was "like Russian bombers have been repeatedly flying undetected over our entire country."

A State Department spokesperson did not immediately respond to a request for comment on Saturday.

"At this time the NSC is focused on investigating the circumstances surrounding this incident, and working with our interagency partners to mitigate the situation. There will be an appropriate response to those actors behind this conduct," said National Security Council spokesman John Ullyot in an email.

Adding to the confusion sown by Trump's tweets, an administration source said that White House officials drafted and were ready to release a statement on Friday that Russia was behind the massive cyber intrusion. But those officials then were directed not to publish the statement, the source said on condition of anonymity, without elaborating on who gave the order or why.

Adam Schiff, the Democratic chairman of the House Intelligence Committee, tweeted in reaction to Trump's comments, "Another day, another scandalous betrayal of our national security by this president. Another dishonest tweet that sounds like it could have been written in the Kremlin."

The Kremlin has denied any involvement.

In his tweet, Trump tagged Pompeo and Director of National Intelligence John Ratcliffe. The Office of the Director of National Intelligence, or ODNI, has yet to publicly comment on who is behind the massive data breach, which exploited a piece of software developed by network management firm SolarWinds that is widely used in the public and private sectors. A spokesperson for ODNI did not respond to a request for comment.

Daniel Hoffman, a former CIA Moscow station chief, said the Trump administration needed to explain quickly why Pompeo blamed Russia, while the president cast doubt on that assessment. He noted that Pompeo served as CIA director before becoming the top US diplomat, and he has "an extremely sophisticated understanding of national security. How is it that he attributed the attack to Russia and the president did not?"

Hoffman said that "based on everything we know," the hack was directed by Russia's external intelligence service, known as the SVR, using APT29, the Russian hacking group known as "Cozy Bear". "We don't want to speculate that it's somebody else. We have to be clear in attributing because when you take action in response, you need to be right," Hoffman said. —REUTERS

Large car bomb kills 8 in Kabul

RAHIM FAIEZ
Kabul, December 20

A CAR BOMB blast that rocked Afghanistan's capital on Sunday morning killed at least eight people, according to the Afghan Interior Ministry.

Tariq Arian, spokesman for the Interior Ministry, said that more than 15 others were wounded in the attack including a member of parliament, Khan Mohammad Wardak. The dead and wounded included children, women and elders, said Arian. He said this was the initial report of casualties, and the toll could rise.

The attack happened while the lawmaker's convey was passing through an intersection in Kabul's Khoshal Khan neighbourhood. —AP

Nirav Modi's brother charged with $2.6-m fraud in New York

YOSHITA SINGH
New York, December 20


Nehal Modi

NEHAL MODI, THE younger brother of fugitive diamantaire Nirav Modi, has been indicted here for fraudulently obtaining diamonds worth over $2.6 million from one of the world's biggest diamond companies in Manhattan.

Nehal, 41, is charged in a New York Supreme Court indictment with grand larceny in the first degree, Manhattan District Attorney Cy Vance, Jr said.

"While diamonds maybe forever, this flawed scheme was not, and now Modi will face the clarity of a New York Supreme Court indictment. My office will not allow individuals who have the privilege of soliciting business in Manhattan's iconic diamond industry to defraud our businesses or consumers," Vance said in a statement on Friday.

According to the indictment, court filings, and statements made on the record in court, between March 2015 and August 2015, Nehal, a former member of Noble Titan Holdings, made false representations to obtain over $2.6 million worth of diamonds from LLD Diamonds USA on favourable credit terms and consignment, and then liquidated the diamonds for his own ends.

The statement said that Nehal, "who comes from a well-known family in the diamond industry", was initially introduced to the president of LLD Diamonds through industry associates.

Nehal's brother Nirav, 49, is wanted in India on charges of fraud and money laundering in the estimated $2-billion Punjab National Bank (PNB) scam case.

Interpol has issued a Red Corner Notice (RCN) against Nehal on charges of alleged money laundering that is being probed by the Enforcement Directorate. The New York Post quoted Nehal's defence lawyer Roger Bernstein as saying: "This is a commercial dispute" and that "Nehal is not guilty".