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ASHOK GULATI & HARSH WARDHAN

Needs to quickly **launch** the 10,000 FPOs that govt has talkd about

The UK Supreme Cout's ruling deeming drivers Uber's emloyees sets the wrong precedet

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Atmanirbhar Bharat a national spirit, says PM Modi

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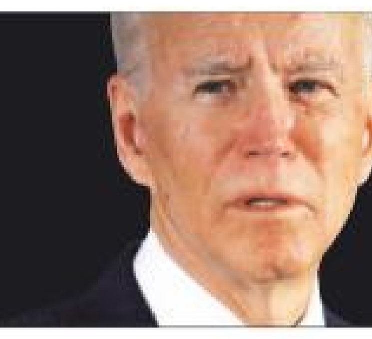
KILLING OF KHASHOGGI

Biden says Saudi announcement to come today



NEW DELHI, MONDAY, MARCH 1, 2021

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IN THE NEWS

J&J Covid-19 vaccine cleared for use in US

JOHNSON & JOHNSON'S Covid-19 vaccine was granted emergency authorisation in the United States, reports **Reuters**. Results from a trial of about 44,000 participants show the J&J vaccine was 66% effective in preventing moderate-to-severe Covid-19 globally.

RIL subsidiary increases stake in skyTran

RELIANCE STRATEGIC BUSINESS Ventures (RSBVL), a wholly owned subsidiary of Reliance Industries (RIL), on Sunday said that it has acquired an additional equity stake in its investee company skyTran for $26.76 million increasing its shareholding to 54.46% on a fully diluted basis, reports **fe Bureau** in New Delhi.

Deadliest day since coup in Myanmar leaves 18 dead

MYANMAR SAW ITS deadliest day since the February 1 coup, with the United Nations saying at least 18 protesters were killed in a stark escalation of violence to quell persistent demonstrations against military rule, reports **Bloomberg**.

EXPORTS TO CHINA

Stellar growth begins to slow

BANIKINKAR PATTANAYAK
New Delhi, February 28

THIS IS A tale of two markets. India's merchandise exports to China, its second-largest market, seem to be losing steam after an impressive 33% year-on-year jump in the April-June period in the face of Covid-19 pandemic. Growth in shipments to the neighbour slowed down considerably to 20% in September quarter and to just over 2% in December quarter.

In contrast, India's exports to its biggest market — the US — reversed a 39% slide in the three months through June to inch up by 3% in the September quarter and 5.5% in the December quarter, according to the official data. Of course, at $36 billion, exports to the US until December were still way above those to China ($15 billion).

While the US remains the worst victim of Covid-19, China, despite being the epicentre of the pandemic, seems to have weathered the crisis better than most.

So, exports to Beijing didn't falter in the first quarter, despite the Covid-induced disruptions in India, while those to Washington plunged.

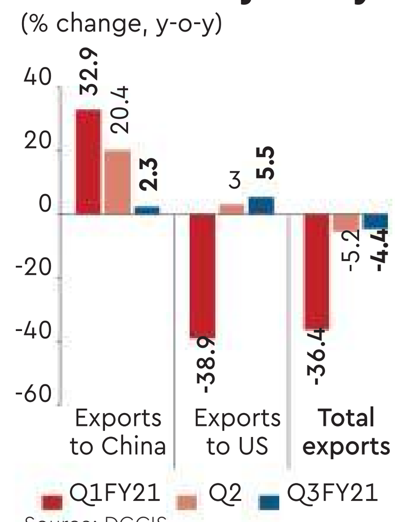
As *FE* had first reported on September 8, trade with China didn't suffer immediately even after the deadly border clash in mid-June (outbound shipments to the neighbour jumped almost 24% in July, compared with a near 10% contraction in overall goods exports).

However, in the following months, export growth moderated, partly because China mostly sources raw materials or low value-added products (iron ore, certain steel and iron products, cotton, etc) from India where the scope for growth remains limited.

Continued on Page 2

Different trajectory

(% change, y-o-y)



Source: DGCIS

LOCALISATION CLAUSE

Will laptop PLI run into trouble in WTO?

Under the organisation's norms imports have to be treated on par with domestically manufactured products

KIRAN RATHEE
New Delhi, February 28

A CLAUSE RELATING to phased localisation in the production-linked incentive scheme for IT hardware, which includes laptops, tablets, all-in-one PCs, and servers, has divided the industry whether it is going to land the scheme in trouble with World Trade Organization rules, which prohibit discrimination against imported products.

Some prominent global players who are into manufacture of such devices see it as not being compliant with the WTO as under the organisation's rules imports have to be treated on par with domestically manufactured products and in the past India has lost cases whenever it has incorporated such clauses in any of its schemes. However, several other global players, who already have domestic production in India of certain scale, don't find any problem with the localisation clause and seem to be ready to comply with it.

Continued on Page 2

Win or lose

- Localisation clause kicks in from the **second year of the scheme** for IT hardware products
- Printed **circuit boards, battery packs, power adapters** need to be made domestically
- WTO rules prohibit discrimination against **imported products**
- In the past, India has **lost cases** on this count
- Companies who do not have domestic production **may not find the clause proper**
- Companies like **HP, Lenovo, Dell, Acer,** etc who already have domestic manufacturing not expected to object to localisation clause
- Govt feels that with **some firms opting for the scheme** there should not be a problem

KM Birla hails PLI schemes as 'pathbreaking' and 'interesting'

ADITYA BIRLA Group chairman, Kumar Mangalam Birla, on Sunday termed the production-linked incentive (PLI) schemes designed by the government as pathbreaking and interesting as it sought to create global giants in chosen sectors. This seems to be well thought out, long-term plan for encouraging industry out of India, he said.

"We see the strong influx of investment dollars," Birla said, adding that it was more important to get the private sector beginning to make capex investments than getting foreign investments into India.

"India is much closer to becoming a global hub for manufacturing and it has had a history of building global size businesses in software, pharma, metals and auto and has track record of global excellence and scale, he said.

Page 3

INDEPENDENT DIRECTORS

Three-fourths of CPSEs flout norm

PRASANTA SAHU
New Delhi, February 28

AS MANY AS 55 among the 72 listed central public sector undertakings (CPSEs), which are part of the NIFTY 500 Index do not have the stipulated number of independent directors (IDs) on their boards, despite the renewed policy emphasis on compliance with this key corporate governance norm in recent years. Among the state-owned companies that remain lax about the norm include biggies like ONGC and Indian Oil Corporation, and even top public sector banks such as State Bank of India, Punjab National Bank and Bank of India.

Ten of these firms including Coal India, Nalco, REC, Hudco and Cochin Shipyard did not even have a single ID on their boards, as on December 31, 2020. In all, these 72 firms were required to have a total of 325 IDs, at the end of 2020, given their aggregate board strength of 601. However, according to an analysis by Institutional Investor Advisory Services (IiAS), these firms had only 184 IDs at that time, leaving a big shortfall of 141.

The compliance with the relevant, much lenient ID norms — at least 2 independent directors on the board — among around 180 unlisted CPSEs is even more abysmal.

As per the Regulation 17(1) of Sebi's Listing Obligations and Disclosure Requirements, at least 50% of the Board should comprise independent directors if a company has an executive chairperson; 33% of the board should be IDs if the chairperson is non-executive. Among the 72 firms mentioned above, only one — Bank of Baroda — has a non-executive chairman, meaning all others are required to meet the 50% norm.

Continued on Page 2

55 of 72 major state-owned CPSEs, banks/ financial institutions on NIFTY 500 are non-compliant* with Sebi rule on IDs

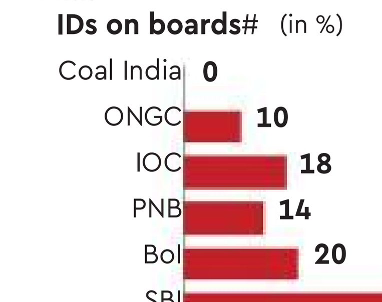
601 Board strength of 72 PSUs in NIFTY 500, as on December 31, 2020

325 Number of Independent Directors required to meet Sebi norm

184 Actual number of IDs on their boards

* As on December 31, 2020

IDs on boards# (in %)



Sebi rule requires 50% of board to be IDs, given these firms have executive chairpersons

FE SPECIALS

DECEMBER 2020

Discoms' dues to gencos rise 24%

PRESS TRUST OF INDIA
New Delhi, February 28

TOTAL DUES OWED by electricity distribution companies to power producers rose nearly 24% to ₹1,36,966 crore in December 2020 compared to the same month a year ago, reflecting stress in the sector.

The distribution companies (discoms) owed a total of ₹1,10,660 crore to power generation firms in December 2019, according to portal PRAAPTI (Payment Ratification And Analysis in Power procurement for bringing Transparency in Invoicing of generators).

The portal was launched in May 2018 to bring in transparency in power purchase transactions between the generators and discoms.

Continued on Page 2

- In December 2020, the total overdue amount stood at **₹1,27,498 crore** as against ₹97,835 crore in the year-ago period
- Power producers give 45 days to **discoms to pay bills** for electricity supply
- After that, **outstanding dues become overdue and generators charge** penal interest on that in most cases

Companies 'feel betrayed' due to capping of vaccine price: Shaw

BIOCON CHAIRPERSON Kiran Mazumdar Shaw on Sunday hit out at the government capping Covid-19 vaccine price at ₹250 at private hospitals, saying vaccine companies "feel betrayed" as it is too low to sustain.

Reacting to a report that the health ministry has fixed ₹250 per shot at private hospitals and health centres, she tweeted, "We r (sic) crushing instead of incentivising vaccine industry."

Mazumdar-Shaw asked, "If WHO has agreed to $3 per dose, why beat them down to $2?"

Page 2

POST-PANDEMIC

Agri-tech: Slowly but steadily making gains

ASMITA DEY
New Delhi, February 28

INDIA'S AGRI-TECH PLAY could potentially be a chunky $170 billion but it's been slow going. Entrepreneurs of all hues have been working in the field for several years now but haven't managed to make too much headway. Now the pain caused by the pandemic — a shortage of inputs, lack of transport and mobility — seems to have convinced some farmers of the need to use more technology. Also with consumers now willing to spend a lot more on healthy foods that have less chemical content farmers too seem willing to try out technology to make their produce healthier.

Sateesh Nukala, co-founder & CEO at BigHaat points out that with internet penetration in the rural areas patchy, farmers were initially reluctant to go digital. "But the lockdown necessitated farmers use our services and now they are clearly seeing the value proposition," Nukala told *FE*. Transactions on the platform have increased five-fold post Covid. This company will soon help fund farmers who purchase agri inputs on the online marketplace. Nukala says about four million farmers today are accessing the blogs published by the firm for information.

Continued on Page 2

ILLUSTRATION: ROHNIT PHORE

- Pain caused by the pandemic seems to have convinced some farmers of **the need to use more technology**
- Consumers now willing to spend a lot more on **healthy foods**

Economy

MONDAY, MARCH 1, 2021

MILESTONE IN SPACE

Prime minister Narendra Modi @narendramodi
Congratulations to NSIL (NewSpace India Limited) and@isro on the success of the 1st dedicated commerciallaunch ofPSLV-C51/Amazonia-1 Mission. This ushers in a new era of spacereforms in the country

Quick View

1 cr more free LPG connections over next 2 years

THE GOVERNMENT PLANS to give one crore more free LPG connections to the needy over the next two years and make it easier to access cooking gas to achieve near 100% penetration of the clean fuel in the country.

GST returns filing: Due date extended

THE GOVERNMENT ON Sunday extended the deadline for filing GST annual returns for 2019-20 fiscal by a month till March 31. This is the second extension given by the government. The deadline was earlier extended from December 31, 2020, to February 28.

Mobile app improves price data collection

THE GOVERNMENT ON Sunday said that data collection of wholesale and retail prices of 22 essential commodities on a daily basis has improved following the launch of a mobile app from January this year.

14 Isro missions to be launched in 2021

ISRO HAS LINED up 14 missions for launch in 2021, including the space agency's first unmanned mission later this year, its chairman K Sivan said in Sriharikota on Sunday.

ROAD TO PROGRESS

Despite pandemic, highway construction in the fast lane

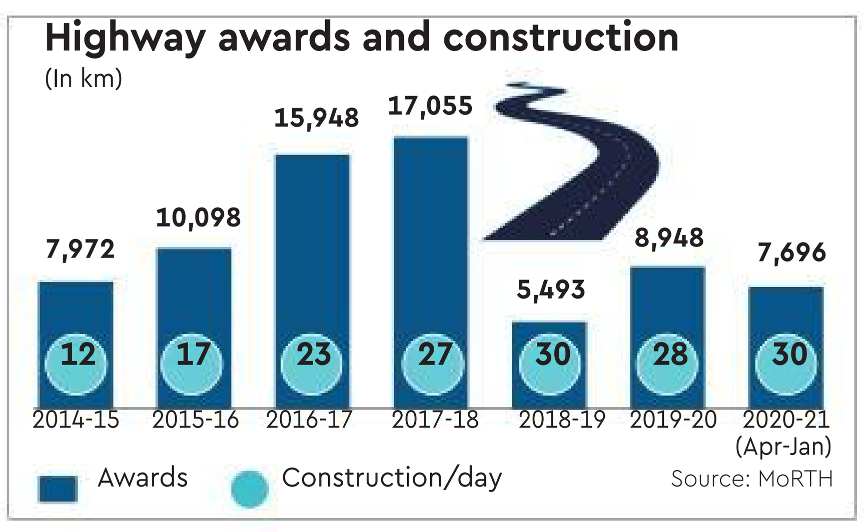
SURYA SARATHI RAY
New Delhi, February 28

DESPITE THE PANDEMIC, highway construction in April-January this fiscal rose to 30 km/day, from 28 km/day in 2019-20. In the past, it was only in 2018-19 that the pace of building of highways touched the 30 km/day mark. February-March period of the current fiscal is seen witnessing even speedier construction.

While minister for road transport and highways Nitin Gadkari is confident of achieving 40 km/day construction pace soon, many stakeholders also share the optimism.

Usually, construction reaches its peak in the January-May period of year. The pace touched a record of 76 km a day in the week commencing January 8, sources said.

It takes 2-3 years to construct a highway. As on 2019-end, 49,740 km highways were under construction. Construction of one kilometre 10-lane highway is still measured as one km and the same holds true for 2-lane highway.



Providing the highest-ever ₹1.18-lakh-crore capital outlay for the ministry of road transport and highways for 2021-22 in the Budget, finance minister Nirmala Sitharaman said more than 13,000 km length of roads, at a cost of ₹3.3 lakh crore, has already been awarded under the ₹5.35-lakh-crore Bharatmala Pariyojana project. Of this, 3,800 km of the roads have been constructed. By March 2022, another 8,500 km projects would be awarded and an additional 11,000 km of national highway corridor would be completed.

Adjusting for the first 20 days of April 2020 wherein no construction activity was allowed, the execution per day saw a growth of 21% to 30.5 km/day in the first nine months of the current fiscal from 25.2 km/day in the same period last fiscal.

The increasing pace of highway construction, analysts believe, is the result of a slew of relief measures the government initiated in recent times like shifting from milestone-based billing (typically ranging between 45-75 days) to monthly billing and release of retention money, performance security in proportion to the work already executed which have helped in reducing cash conversion cycle favouring the contractors. Road contractors just stepped on the gas.

"The recent relaxation of financial capacity and widening the definition of core sector (technical capacity) by including segments like hospitals, hotels, oil & gas, warehouses, among others, will drive more EPC players towards infrastructure projects, especially road, which is already overcrowded. The competitive intensity is expected to increase manifold. If the liquidity boosting measures are continued; this along with relaxation in qualifications for bidders could result in steep rise in execution- more than 40 km/day going forward," said ICRA's Rajeshwar Burla.

IRB Infrastructure's chairman and managing director Virendra Mhaiskar said that the 50-km/day construction is eminently achievable in the next two years as huge number of projects are being awarded now-a-days and the environment is also conducive for doing business.

Atmanirbhar Bharat a national spirit: Modi

PRESS TRUST OF INDIA
New Delhi, February 28

PRIME MINISTER NARENDRA Modi on Sunday underlined that Atmanirbhar Bharat is not just a government policy but also a national spirit, and said the mantra of self-reliant India is reaching villages of the country.

In his monthly Mann Ki Baat radio programme, Modi also called for a 100-day campaign to clean up all water bodies and prepare them for rain water harvesting before monsoon starts.

Stressing the importance of collective responsibility towards water conservation, he said the Union Jal Shakti Ministry will soon initiate a "Catch the Rain" campaign with its main theme being "catch the rain, where it falls, when it falls".

Conveying greetings on the National Science Day, Modi pointed out that this day is dedicated to the discovery of 'Raman Effect' by the great scientist of India, Dr C V Raman.

Asserting that there is a lot of contribution of the power of science in the Atmanirbhar Bharat campaign, Modi said there is a need to make science more popular and that science cannot be limited to physics-chemistry and labs. He called for expanding science with a mantra of "lab to land".

In his monthly Mann Ki Baat radio programme, Modi also called for a 100-day campaign to clean up all water bodies and prepare them for rain water harvesting before monsoon starts

Modi said water has been crucial for the development of humankind for centuries and people should understand their collective responsibility towards its conservation.

He said that in most parts of India, rainfall begins in May-June and asked, "can we right away start a 100-day campaign for the sake of cleaning up water sources around us and conserving rainwater?".

With this very thought in mind, in a few days from now, "Jal Shakti Abhiyan, Catch the rain" is being initiated by the Jal Shakti Ministry, he said.

"We shall commit ourselves to the task right now...we shall get existing rainwater harvesting systems repaired, clean up lakes and ponds in villages, remove impediments in the way of water flowing into water sources; thus we shall be able to conserve rainwater to the maximum," he said.

Modi highlighted an assertion made by a person who had written to him from Kolkata that the Atmanirbhar Bharat campaign is not just a government policy but also a national spirit, and said this was hundred per cent correct.

PM regrets not learning 'world's oldest language'

PRIME MINISTER NARENDRA Modi on Sunday said he regrets not being able to learn the world's oldest language Tamil during his long political innings as a chief minister and prime minister. He stated this during his monthly "Mann Ki Baat" radio address. The prime minister said sometimes even a very small and simple question rankles the mind. — PTI

Companies 'feel betrayed' due to capping of Covid vaccine price: Shaw

BIOCON CHAIRPERSON KIRAN Mazumdar Shaw on Sunday hit out at the government capping Covid-19 vaccine price at ₹250 at private hospitals, saying vaccine companies "feel betrayed" as it is too low to sustain.

Reacting to a report that the health ministry has fixed ₹250 per shot at private hospitals and health centres, she tweeted, "We r (sic) crushing instead of incentivising vaccine industry."

She further said, "Covid Vaccine Jab Capped At Rs 250 At Private Hospitals: Government - understand vaccine cos (sic) feel betrayed as price is too low to sustain." —PTI

Fresh Covid cases: India records biggest single-day rise in 30 days

PRESS TRUST OF INDIA
New Delhi, February 28

INDIA'S COVID-19 TALLY climbed to 1,10,96,731 on Sunday with 16,752 new infections, the highest in the last 30 days, according to Union health ministry data.

The country had recorded 18,855 new infections on January 29. The death toll mounted to 1,57,051 with 113 fresh fatalities, the data updated at 8 am showed.

The active caseload further increased to 1,64,511. It constitutes 1.48% of the total infections, it showed. The number of people who have recuperated from the disease surged to 1,07,75,169, which translates to a national Covid recovery rate of 97.10%. The case fatality rate stands at 1.42%. India's Covid-19 tally had crossed the 20-lakh mark on August 7; 30 lakh on August 23; 40 lakh on September 5 and 50 lakh on September 16. It went past 60 lakh on September 28; 70 lakh on October 11; crossed 80 lakh on October 29; 90 lakh on November 20 and surpassed the one-crore mark on December 19.

According to the Indian Council of Medical Research, 21,62,31,106 samples had been tested until Feb 27 with 7,95,723 being tested on Saturday.

From the Front Page

Stellar growth begins to slow

In fact, after an almost ten-fold rise until July, India's steel and iron exports to China started to slow, as Beijing's appetite for the commodities to push infrastructure projects began to moderate. By the end of the third quarter, the rise in such exports was only to the tune of 27% on year to $2.4 billion.

The US, however, buys a much wider portfolio of items from India, which boosts the potential for bilateral trade.

India was forced to put in place a stringent lockdown (from March 25 until it was gradually relaxed from June) that choked its supply chain, albeit temporarily, while both external and internal demand was battered by the pandemic, causing exports to crash. Once the lockdown was lifted and supply disruptions eased considerably, exports made a fragile recovery (on a quarterly basis), especially to the US. Of course, monthly export growth still showed wide fluctuations.

Meanwhile, the country's exports to Hong Kong, considered a close proxy for Beijing, have faltered at a faster pace than overall goods exports. While exports to Hong Kong dropped 16% in the April-December period to $7 billion, overall exports declined by 15.5%.

Three-fourths of CPSEs flout norm

Most of the companies reviewed also do not have independent woman directors, even though Sebi made it mandatory in April 2019.

The continued sheer negligence of the governance standard among large sections of CPSEs is even as the government continues to suffer from a steady decline in its gains from capital investments in these firms. It also lays bare the lack of regulatory rigour.

The consolidated returns on government investment in 53 of the listed CPSEs fell from 190.24% in 2016-17 to 182.53% in 2017-18 to 159.31% in 2018-19, the CAG observed in a report tabled in Parliament recently. In fact, the consolidated ROI (annual average rate) had been declining from 469% since 2007-08, the final year of the economic boon in early 2000s.

While this largely reflects the overall economic conditions, it seems that the CPSEs also have specific infirmities, compared with the private sector. An analysis by CAG showed that, when 35 listed CPSEs were compared with the private companies with similar nature of business over the five years to 2018-19, the state-owned firms' performance was on the lower side in parameters like earnings per share and P/E ratio. Of course, in other parameters like return on equity, and interest coverage ratio, no marked contrast was seen among the two classes of companies.

While S&P BSE 500 Index rose 43.7% over the past five years, S&P BSE PSU Index fell 32.9% during the period.

The non-official independent directors are appointed on the Boards of CPSEs by the administrative ministries concerned.

Inherent inefficiencies of CPSEs have led to low productivity in these firms; their high-cost structure and strained public finances prompted the Centre to adopt a policy to selectively privatise them in 1991. The privatisation process was however slow and was halted since FY04.

The Narendra Modi 2.0 government has revisited the privatisation policy. A large number of PSUs are going to be up for grabs in the coming years, with the Budget for FY22 unveiling a new policy in this regard and the prime minister himself lending no-holds-barred support to the policy shift.

It is being felt that along with privatisation, there is also a need to strengthen the CPSEs that would be retained in their respective sectors so as to enable them to be not a drain on the exchequer. "An important step in this direction would be to completely revamp the Boards of the central public sector enterprises to reorganise their structure, enhance their operational autonomy coupled with strong corporate governance norms including listing on stock exchanges for greater transparency," Economic Survey for 2020-21 noted.

The combined salary bill of around 250 CPSEs (including unlisted but excluding banks and insurance companies) stood at ₹1.53 lakh crore in FY19; these firms employ over 15 lakh people.

These CPSEs' aggregate return on net worth (net profit as % of net worth), which was 13.87% in FY14 came down to 12.11% in FY19. Return on capital employed (operating profit as % of total capital employed) has fallen to 10.76% in FY19 from 12.93% in FY14. Similarly, the assets turnover ratio (total income to total assets) reduced from 0.76 in FY14 to 0.61 in FY19.

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I, R.C. Malhotra , hereby declare that the particulars given above are true and to the best of my knowledge and belief.

Sd/-
R.C. Malhotra
Publisher

Date: 1.3.2021

Will laptop PLI run into trouble in WTO?

Government officials and some WTO experts also feel that though technically localisation clause is on the wrong side of the WTO norms, India would be able to get through it if a larger section of global players opt to participate in the scheme. These experts point out that in the worst case scenario if the scheme gets challenged in the WTO and the ruling is against India, by the time it comes, the scheme would have run its course of four years. Since WTO rulings are applicable prospectively, the government and industry should not fear such perceived adversities, is the common consensus. Such experts point out that most developed nations have followed this strategy when it has come to fine balancing line with regard to WTO matters.

The PLI for IT hardware apart from fixing incremental investment and production targets also has a localisation clause which kickstarts in the second year of the four-year cycle to avail the incentives given by the government. Under it, the selected companies need to do some localisation for components like printed circuit boards, battery packs, power adapters etc. This has been done to boost domestic manufacturing of electronics components.

The government expects domestic value addition for IT hardware to rise to 20-25% by 2025 from the current 5-10% due to the impetus provided by the scheme.

The scheme outlines that in the first year of production, no localisation is required, in the second year, printed circuit board (PCB) assembly should be done domestically, and in the third year, along with PCB assembly, battery packs should be assembled locally either by the applicant company or through one of its vendors. In the fourth year, along with PCB and battery packs, power adapters and cabinets should be made locally.

Currently, companies like HP, Lenovo, Dell, Acer etc are involved in domestic manufacturing of IT hardware on varying scales. The view of the government and WTO experts is that it is these companies who would scale up production as well localisation and avail of the incentives under the PLI. However, any company which does not have local production currently, would need to relocate and would not be comfortable with local assembly for quite sometime and may thus lose out on incentives. For such companies, therefore localisation content would act as a barrier or a non-level play field.

This is quite apparent in the PLI for the mobile phone manufacturing though there's no localisation clause there. A company like Samsung which has been selected is quite comfortable in meeting its first year — FY21 — incremental investment and production target, but the contract manufacturers of Apple are unable to and are seeking some rollover of first year's target. The reason is that Samsung already has substantial domestic production in India, whereas vendors of Apple need to relocate from China and set up fresh units and commission them.

The PLI scheme for manufacturing of IT hardware like laptops etc, has an outlay of ₹7,350 crore over a four year period and a total of 15 companies, five global players and 10 domestic firms, are expected to benefit from it. The incentives are expected to generate additional investments of ₹2,700 crore and result in incremental production of ₹3.26 lakh crore, 75% of which would be exports.

The government expects the scheme to reduce India's import dependence for IT hardware in a major way — currently, 80% of the country's laptop and tablet demand is met through imports.

Under the scheme, incentives of 4% to 1% on net incremental sales over the base year (2019-20) will be given to the beneficiary companies. It is also expected that the scheme could generate over 1.8 lakh direct and indirect jobs over the four- year period.

Currently, India's annual laptop imports are to the tune of ₹29,500 crore and tablet imports are at ₹2,870 crore. The market for IT hardware is dominated by 6-7 companies globally which account for about 70% of the world's market share.

Discoms' dues to gencos rise 24%

In December 2020, the total overdue amount, which was not cleared even after 45 days of grace period offered by generators, stood at ₹1,27,498 crore as against ₹97,835 crore in the year-ago period.

According to the latest data on the portal, total outstanding dues in December dipped on a month-on-month basis. In November 2020, the total outstanding dues of discoms stood at ₹1,40,741 crore.

The overdue amount in December 2020 has decreased from ₹1,27,539 crore in November 2020.

Power producers give 45 days to discoms to pay bills for electricity supply. After that, outstanding dues become overdue and generators charge penal interest on that in most cases.

To give relief to power generation companies (gencos), the Centre enforced a payment security mechanism from August 1, 2019. Under this mechanism, discoms are required to open letters of credit for getting power supply.

The central government had also given some breathers to discoms for paying dues to power generating companies in view of the Covid-19-induced lockdown. The government had also waived penal charges for late payment of dues in the directive.

In May, the government announced ₹90,000 crore liquidity infusion for discoms under which these utilities would get loans at economical rates from Power Finance Corporation (PFC) and REC.

This was a government initiative to help gencos to remain afloat. Later, the liquidity infusion package was increased to ₹1.2 lakh crore.

Discoms in Rajasthan, Uttar Pradesh, Jammu & Kashmir, Telangana, Andhra Pradesh, Karnataka, Maharashtra, Jharkhand, Haryana and Tamil Nadu account for the major portion of dues to power gencos, the data showed.

Overdue of independent power producers amount to 32.14% of the total overdue of ₹1,27,498 crore of discoms in December.

The proportion of central PSU gencos in the overdue was 33.57%.

Among the central public sector power generators, NTPC alone has an overdue amount of ₹17,946.97 crore on discoms, followed by Damodar Valley Corporation at ₹6,682.61 crore, NLC India at ₹6,123.78 crore, NHPC at ₹3,141.43 crore and THDC India at ₹2,022.23 crore.

Among private generators, discoms owe the highest overdue of ₹16,878.25 crore to Adani Power followed by Bajaj Group-owned Lalitpur Power Generation Company at ₹4,462.10 crore, SEMB (Sembcorp) at ₹2,735.62 crore and GMR at ₹2,195.12 crore. The overdue of non-conventional energy producers like solar and wind stood at ₹12,117.78 crore in December.
—PTI

Agri tech: Slowly but steadily making gains

For Gramophone, customer acquisition costs at the agri-tech start-up have declined by 40% and marketing budgets have reduced significantly, co-founder & CEO Tauseef Khan told *FE*.

The customer base has nearly doubled to six lakh in less than a year and the company is expecting to end the year with more than 10 lakh farmers on the platform. The company recently launched a marketplace to connect farmers with potential buyers of their produce. It is also working to introduce loans to its customers.

Thirukumaran Nagarajan, CEO & co-founder at Ninjacart, observes that farmers need precision farming data, better end-to-end linkages and farm management services to increase output from existing land through active monitoring and accurate predictions.

"Supply chain strategies implemented pre-Covid world can no longer be relied upon," says Nagarajan.

Ananda Prakash Verma's Fasal provides technology that not only helps farmers manage and monitor their farm remotely but also helps them produce healthy food. The Bengaluru-based firm services the horticulture segment by installing IoT sensor devices in the farms.

It recently launched Fasal Kranti, a more sophisticated device that can be self-deployed by farmers without any hand-holding.

OPTIMISTIC NOTE

PLI a well-thought-out plan to push industry: KM Birla

FE BUREAU
Pune, February 28

ADITYA BIRLA GROUP chairman Kumar Mangalam Birla on Sunday termed the production-linked incentive (PLI) schemes designed by the government as pathbreaking and interesting as they sought to create global giants in chosen sectors. It seems to be a well-thought-out, long-term plan for encouraging industry, he said. "We see the strong influx of investment dollars," Birla said.

He said it was more important to get the private sector to make capex investments than getting foreign investments into India. India is much closer to becoming a global hub for manufacturing, has had a history of building global-size businesses in software, pharma, metals and auto, and has a track record of global excellence and scale, he said.

Birla was speaking at a fireside chat at the three-day Asia Economic Dialogue 2021 organised by the Ministry of External Affairs and the Pune International Centre.

About the prospects of GDP growth of 7-8%, Birla said there should be no doubt or apprehension about the growth momentum in India. The plumbing is already done and the country had undertaken bold reforms to push it to a high trajectory, he said. He predicted a sharp recovery with double-digit growth, with consumer and business confidence coming back.

After turbulent times, crazy gyrations in economic variables, high price volatility and commodity prices on a roller coaster, Birla said there is no long-term structural setback to the Indian economy. His group is quickly moving from resilience to renewal as he sees a lot of buoyancy and business optimism, with most of their businesses reporting growth in the third quarter, he said.

Enthused by the national infrastructure pipeline, he predicted an investment boom and multi-decadal growth. His group is making new bets with investments of around \$2.8 billion across businesses in the last two months. These include \$800 in the UltraTech cement business and \$1 billion for doubling capacity at Hindalco in downstream part of the business. Flagship Grasim has identified paints as a new sector of growth. Novelis has completed a \$2.8 billion acquisition right in the middle of the pandemic, he said.

The earlier government stimulus, topped with an even stronger fiscal stimulus in the Union Budget, will fire up risk capital and energise the private sector, he said. Birla said he has not seen such a sustained euphoric reaction to a budget, weeks after the Budget was presented. "The year 2021 is the new 1991 in terms of the impact of reforms and I think the 2020s will be India's decade," Birla said.

On the global front, Birla said regionalism is becoming more of the norm than globalisation, and national concerns are coming to the fore, he said. So instead of the traditional wisdom of one large capacity, there will be smaller capacities build across continents and nations, Birla said.

About India staying away from the RCEP trade agreement, Birla said goods like theirs and many others will not quibble over free trade or opening up of borders. However, he said there is a need for a sense of equity among players, and when there is large-scale dumping below cost, free trade is subverted. He cited the case of dumping of copper in the country. The RCEP will not be effective if these concerns are not addressed and there is no safeguard against malpractices, Birla said.

'Insurance is most preferred financial product post-Covid'

PRESS TRUST OF INDIA
New Delhi, February 28

INSURANCE HAS BECOME the most-preferred financial product to protect the family against health emergencies after the Covid-19 outbreak, with more people inclined to invest in insurance products in the next six months, according to a survey by Tata AIA Life Insurance.

The consumer confidence survey on the impact of Covid-19 commissioned by research agency Nielsen, life insurance turned out to be the most preferred financial tool driven by the need to secure the family's future financially and the concern around medical emergencies. The survey also found that most consumers would like to buy life insurance in the next six months as part of their investment plans.

The survey, conducted on 1,369 respondents across nine centres, revealed that during the pandemic, 51% of the respondents invested in life insurance, while 48% invested in health-related insurance solutions, which is higher than other financial asset classes.

More than half of the respondents said their views towards life insurance have changed positively due to the pandemic, 49% want to invest in buying a life cover in the next six months, and 40% intend to invest in health insurance.

The survey said 30% of the people invested in life insurance for the first time during the pandemic, while 26% invested in health-related insurance solutions for the first time.

Financial security against medical emergencies and expenses has become the top-most priority, with 62% mentioning it and 84% saying they are still concerned about self and family due to the coronavirus. As many as 61% were worried about themselves/family and their top concern is the economic slowdown.

Of the respondents concerned about self and family, 50% are worried about mental health due to increased workload due to the pandemic. Among female respondents, 55% said they are concerned about mental health due to the increased workload during the pandemic.

The survey said 41% people are buying financial products online more often than before the pandemic.

Coal imports drop 12% in Apr-Jan period

PRESS TRUST OF INDIA
New Delhi, February 28

INDIA'S COAL IMPORTS registered a drop of 11.59% to 180.84 million tonne (MT) in the first 10 months of the ongoing fiscal. Coal imports were at 204.55 MT in the April-January period of the previous fiscal year, according to provisional data compiled by mjunction services.

However, India's coal imports in January increased to 20.05 MT as against 18.67 MT in year-ago period, it said.

Vinaya Varma, MD and CEO, mjunction, said, "There was a drop in January volumes as compared to the previous month. This was mainly due to the firmness in seaborne prices. While there is steady demand in the market, the import trend will largely depend on the movements in international prices, freight rates and also domestic supply."

Pvt insurers offer 80-100% discounts

PRESS TRUST OF INDIA
Mumbai, February 28

PRIVATE HEALTH INSURERS are encouraging their customers to lead healthy and active lives by offering steep discounts on the renewal premia between 80% and 100%, along with a host of other rewards and benefits.

Most health insurance provides no-claim bonus for claim-free years, but that usually ranges from 25% to 50%.

Aditya Birla Health Insurance is offering up to 100% return of the premium if the customer has accrued adequate number of 'Activ Dayz' (one Activ Day means 10,000 steps a day, or any fitness activity specified). Chief executive officer Mayank Bathwal said the new policy is an industry-first initiative.

Future Generali India Insurance has launched a health super saver policy offering a flat 80% discount on the premium in consecutive years, provided there was no claim in the first and the second years.

Pakistan may resume cotton import from India

SAJJAD HUSSAIN
Islamabad, February 28

Pakistan may allow cotton import from India through the land route as prospects of gradual restoration of bilateral trade ties have brightened after the new ceasefire agreement along the Line of Control, a media report on Sunday said.

Citing sources in the Pakistan ministry of commerce, The Express Tribune reported that Abdul Razak Dawood, adviser to the Prime Minister on commerce, may decide whether to import cotton and yarn from India next week.

They said that the issue of cotton shortfall has already been brought to the notice of Prime Minister Imran Khan, who also holds the commerce portfolio. Once a decision is taken, an order will be presented before the Economic Coordination Committee of the Cabinet, the sources said.

"I cannot say yes or no at this stage and would be in a better position to respond on Monday," Dawood told the daily. — PTI

Crude steel output rises 7.6% to 10 MT in Jan: worldsteel

INDIA REGISTERED A growth of 7.6% in crude steel production at 10 million tonne (MT) in January 2021, according to the World Steel Association (worldsteel). The country had produced 9.3 MT crude steel in the same month last year.

"The production for the 64 countries reporting to the worldsteel was 162.9 MT in January 2021, registering a 4.8% increase compared to January 2020," the global industry body said in its latest report.

China remained the global leader in steel production in January, registering 6.8% year-on-year growth in output at 90.2 MT in the month. According to worldsteel, China had produced 84.3 MT in the same month last year. — PTI

Chhatrapati Shivaji Maharaj International Airport Mumbai

INVITATION TO PARTICIPATE IN BIDDING PROCESS FOR VARIOUS CONCESSIONS AT CSMI AIRPORT

Mumbai International Airport Limited ("MIAL") is inviting parties to participate in the competitive bidding process for various concessions at Chhatrapati Shivaji Maharaj International ("CSMI") Airport.

Parties are requested to visit the website www.csmia.aero → Corporate → Partnerships → Business Opportunities →Commercial Opportunities for downloading form of Application for purchase of Request for Proposal document(s).

Please check the website for Last date and time for submission of Application.

EXPRESSION OF INTEREST FOR ASSIGNMENT OF NRRA OF M/S NOESIS INDUSTRIES LIMITED-UNDER LIQUIDATION

Liquidator-**Mr. Yogesh Kumar Gupta**
Liquidator Address: **C-17B Lower Ground Floor Kalkaji New Delhi-110019**
Email ID - **liquidator.noesis@gmail.com, Contact - 9810030521**

M/s Noesis Industries Limited ("Company") is a Company in Liquidation as per the order dated 28.11.2019 passed by Hon'ble NCLT, New Delhi. Pursuance to IBBI (Liquidation Process), Regulation, 2016, a liquidator may assign or transfer a not readily realisable assets. Not readily realisable asset means any asset in the liquidation estate which could not be sold through available options and includes contingent or disputed assets and assets underlying proceeding for preferential, undervalued, extortionate credit and fraudulent transaction referred to in section 43 to 51 and section 66 of the Code.

The Liquidator for the Company is hereby inviting the interested person(s) to whom the Liquidator may assign the Not-Readily Realisable Assets (NRRA) of the Company on the Following Terms and Condition:

Terms and Conditions of transfer are as under:-

1. The assignment of transfer of NRRA will be on "AS IS WHERE IS" "AS IS WHAT IS" and "WHATEVER THERE IS BASIS".
2. The assignment of transfer of NRRA shall be subject to provision of Insolvency and bankruptcy Code, 2016 i.e., Section 29A in particular and regulation thereunder.
3. Interested applicant may refer to offer document containing details of terms and Conditions of the assignment of NRRA available through Email: liquidator.noesis@gmail.com
4. The interested person(s) can inspect the available documents in the Liquidator's office for evaluation of the NRRAs from 02.03.2021 to 05.03.2021 between 10:00 AM to 5:00 PM.
5. The Interested person(s) are requested to send their EOI to the Liquidator, along with their financial offer in password protected PDF file at email or in sealed envelope at address given above from 08.03.2021 to 09.03.2021 before 5:00 PM.
6. The Terms and Conditions of the agreement for assignment of the NRRA shall be finalised after consultation with Secured Financial Creditors.
7. The process of assignment of the NRRA shall be without any reason and liability of the liquidator.
8. This notice shall not be considered as offer for any purpose.

Date: 01.03.2021
Place: New Delhi

YOGESH KUMAR GUPTA
Liquidator - M/s Noesis Industries Limited
IBBI Registration No. IBBI/IPA-003/IP-N00078/2017-2018/10701

Note: Liquidator shall have right to reject any EOI without giving any reason to the applicant. Further, It is pertinent to here mention that mere submission of EOI and inspection of document will not be decided after the approval of secured financial creditor. Liquidator reserves the right cancel or modify the terms of the notice without assigning any reason. This is not an offer document.

FORM G

INVITATION FOR EXPRESSION OF INTEREST

Under Regulation 36A (1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

RELEVANT PARTICULARS

1.	**Name of the Corporate Debtor**	**MAINFRAME ENERGY SOLUTIONS PRIVATE LIMITED**
2.	Date of incorporation of Corporate Debtor	08/01/2014
3.	Authority under which corporate debtor is incorporated / registered	RoC-Delhi
4.	Corporate identity number/limited liability identification number of corporate debtor	U51101DL2014PTC263233
5.	Address of the registered office & principal office (if any) of corporate debtor	47, 2nd Floor, Rani Jhasi Road, Jhandewalan, New Delhi -110055
6.	Insolvency commencement date of the corporate debtor	11.10.2019 (Copy of order received by IRP on 08.01.2020)
7.	Date of invitation of expression of interest	01.03.2021
8.	Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:	Refer the detailed invitation of interest to be provided on request at Email: **cadklodha@gmail.com**
9.	Norms of ineligibility applicable under section 29A are available at:	Refer the detailed invitation of interest to be provided on request at Email: **cadklodha@gmail.com**
10.	Last date for receipt of expression of interest	16.03.2021
11.	Date of issue of provisional list of prospective resolution applicants	19.03.2021
12.	Last date for submission of objections to provisional list	24.03.2021
13.	Date of issue of final list of prospective resolution applicants	27.03.2021
14.	Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	24.03.2021
15.	Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	Shall be shared by RP via E-mail to every shortlisted Prospective Resolution Applicant (PRA) meeting the eligibility criteria as set out by COC & compliance with section 29A of IBC 2016 after receiving of confidentiality undertaking as per the section 29(2) of the IBC 2016.
16.	Last date for submission of resolution plans	23.04.2021
17.	Manner of submitting resolution plans to resolution professional	By sending an email at : **cadklodha@gmail.com** and speed post at address mentioned in below clause no 20.
18.	Estimated date for submission of resolution plan to the Adjudicating Authority for approval	28.04.2021
19.	Name and registration number of the resolution professional	**Devendra Kumar Lodha** **Reg. No.:** IBBI/IPA-001/IP-P01112/2018-19/11814
20.	Name, Address & e-mail of the resolution professional, as registered with the Board	**Devendra Kumar Lodha** 6A/1, WEA,First Floor,Office No 105, Karol Bagh, New Delhi-110005. **Email** : cadklodha@gmail.com
21.	Address & email to be used for correspondence with the resolution professional	Same as mentioned in above clause no. 20
22.	Further Details are available at or with	Same as mentioned in above clause no. 20 above
23.	Date of publication of Form G	**01.03.2021**

Date : 01.03.2021
Place: New Delhi

Devendra Kumar Lodha
Regd. No.:IBBI/IPA-001/IP-P01112/2018-19/11814
For **Mainframe Energy Solution Private Limited**

punjab national bank ... the name you can BANK upon!

CIRCLE SASTRA FAZILKA, MOB. NO. 99157-11022 E-Mail : cs8225@pnb.co.in

60 DAY'S NOTICE TO BORROWER & GUARANTOR

DATED : 01.02.2021

Borrower : Sh. Gurpreet Singh S/o Sh. Gurtej Singh, House No. 151-F, Convent Avenue Colony, Abohar.

Guarantor : Smt. Varinder Pal Kaur W/o Sh. Gurpreet Singh S/o Sh. Gurtej Singh, Street Number-2, Near Park-Convent Avenue, Abohar, District Fazilka-152116.

Notice U/S 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest act 2002.

Reg. : Account No. 16295015003068 OD Limit availed by Gurpreet Singh S/o Sh. Gurtej Singh At B/o : Abohar (Sol ID-162910).

Gurpreet Singh S/o Sh. Gurtej Singh have availed the following credit facilities.

Sr. No.	Facility	Limit (Lakh)	Balance Outstanding as on 31.12.2020
1.	Over Draft	7.00 Lakh (Rupees Seven Lakh Only)	4,75,064.90 + future interest & charges
Total		7.00 Lakh (Rupees Seven Lakh Only)	4,75,064.90 + future interest & charges

Due to non-payment of installment/interest/prinicipal debt, the account/s has/have been classified as Non-Performing Assets as per Reserve Bank of India Guidelines. We have demanded/recalled the entire outstanding together with interest and other charges due under the above facilities.

The amount due to the bank as on 31.12.2020 is Rs. 4,75,064.90 (Rs. Four Lacs Seventy Five Thousand Sixty Four & Paisa Ninety Only) with further interest until payment in full (hereinafter referred to as "secured debts").

To secure the outstanding under the above said facilities, you have inter alia created security interest in respect of the following properties/assets:.

Sr. No.	Facility	Security
1.	Term Loan (Housing)	EQM of immovable property measuring 05 marlas being 5/13 share of total land measuring 13 marla comprised in rect. No. 2 Kila No. 15/1/5(0-10), 6/2/11(0-3), khewat No. 142 Khatauni No. 333 as per jamabandi for the year 2011-12 situated within revenue estate of V.Azimgarh Tehsil Abohar sale deed No. 4301 dated 30.12.2005 in favour of Smt. Varinder Pal Kaur D/o Sh. Balbir Singh W/o S. Gurpreet Singh S/o S. Gurtej Singh situated in convent avenue Abohar, District Fazilka.

We hereby call upon you to pay the amount of Rs. 4,75,064.90 (Rs. Four Lacs Seventy Five Thousand Sixty Four & Paisa Ninety Only) with further interest at the contracted rate until payment in full within 60 days (Sixty Days) from the date of this notice. In default besides exercising other rights of the Bank available under Law, the Bank is intending to exercise any or all of the Powers as provided under section 13(4) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (hereinafter referred to as "the Act"). The Details of the secured asset/s intended to be enforced by the Bank, in the event of non-payment of secured debt by you are as under :

EQM of Immovable property measuring 05 marlas being 5/13 share of total land measuring 13 marla comprised in rect. No. 2 Kila No. 15/1/5(0-10), 6/2/11(0-3), khewat No. 142 Khatauni No. 333 as per jamabandi for the year 2011-12 situated within revenue estate of V. Azimgarh Tehsil Abohar sale deed No. 4301 dated 30.12.2005 in favour of Smt. Varinder Pal Kaur D/o Sh. Balbir Singh W/o S. Gurpreet Singh S/o S. Gurtej Singh situated in convent avenue Abohar, District Fazilka.

Your attention is invited to provisions of Sub-Section (8) of Section 13 of the Act in respect of time available to redeem the secured assets.

Please take notice that in terms of section 13(13) of the said Act, you shall not, after receipt of this notice, transfer by way of sale, lease or otherwise (other than in the ordinary course of business) any of the secured assets above referred to, without prior written consent of the Bank.

You are also put on notice that any contravention of this statutory injunction/restraint, as provided under the said Act, is an offence.

If for any reason, the secured assets are sold or leased out in the ordinary course of business, the sale proceeds or income realized shall be deposited/remitted with/to the Bank. You will be liable to render proper account of such realization/income.

*We reserve our rights to enforce other secured assets.

Please comply with this demand under this notice and avoid all unpleasantness. In case of non-compliance, further needful action will be resorted to holding you liable for all costs, and consequences.

*This notice is issued without prejudice to the bank taking legal action before DRT/Court, as the case may be.

*This notice is issued without prejudice to the bank's rights in the suit/litigation pending before DRT/Court.

Yours Faithfully,
For Punjab National Bank
Authorised officer, Circle Sastra Centre, Fazilka

यूनियन बैंक ऑफ इंडिया Union Bank of India

आन्ध्रा Andhra — कार्पोरेशन Corporation

REGIONAL OFFICE, Delhi (South) 6th Floor, Konnectus Tower, Unit 602A, Tower II, Airport Metro Express Line, Ajmeri Gate, Opp. New Delhi Railway Station, New Delhi - 110001

Sale Notice for Sale of immovable properties

E-Auction Sale Notice for Sale of Immovable/Moveable Assets under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with Rule 8 / 9 of the Security Interest (Enforcement) Rule, 2002

Notice is hereby given to the public in general and in particular to the Borrower(s) and Guarantor (s) that the below described immovable property mortgaged / charged to the Secured Creditor, the possession of which has been taken by the Authorized Officer of Union Bank of India (secured creditor), will be sold on "As is where is", "As is what is" and "Whatever there is" on the date mentioned below, for recovery of dues as mentioned hereunder to Union Bank of India from the below mentioned Borrower(s) & Guarantor(s). The Reserve Price and the Earnest Money Deposit are also mentioned hereunder:

Branch name and address : Green Park Branch A-13 Green park Main New Delhi-110016, Mr KVSN MURTY (AGM) Mobile No-7989938422.

Name of the Borrower & Guarantor/s		
Name of the Borrower & Guarantor/s	**M/s Ashcon Infrastructure (Proprietor:- Yash Shekhawat),** 318, Ansal Sushant Tower 56, Gurgaon- 122002, Mortgagor: 1. Mr. Yash Shekhawat	Amount due – Rs 4,23,03,000/- as on 31.07.2017 with further interest and other expenses

Property No. 1 : All that part and parcel of the Free Hold property belongs to Mr. Yash Shekawat S/o. Late Shri. Ashok Shekhawat consisting of Flat bearing No. 311 in Tower –A on Third floor, within the registration sub district Gurgaon and District Gurgaon admeasuring approximately 1828 sq.ft. (Super area) Without roof right, situated at Spaze Edge, Sector-47, Gurgaon, Haryana and Bounded on the North by: Sohna Road on the South by : Bundh On the East by : Revenue Road on the West by : others Land

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 1,27,96,000/- Earnest money to be deposited Rs. 13,00,000/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

Property No. 2 : All that part and parcel of the Free Hold property belongs to Mr. Yash Shekawat S/o. Late Shri. Ashok Shekawat consisting of Office Space No.1 on Third floor, within the registration sub district Gurgaon and District Gurgaon admeasuring approximately 1574 sqft(Super Area) Without roof rights building known as Palam Central, Palam Vihar, Gurgaon Tehsil and Dist.Gurgaon, Haryana and bounded on the North by: Service Lane on the South by: Road on the East by: Road on the West by : Road

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 81,40,000/- Earnest money to be deposited Rs. 8,15,000/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

Branch name and address : Green Park Branch A-13 Green park Main New Delhi-110016, Mr KVSN MURTY (AGM) Mobile No-7989938422.

Name of the Borrower & Guarantor/s	M/s K & Jai Enterprises (Proprietor:- Mrs. Kamla Bondwal), Address 1:- B-1, SMILE, Opp. YMCA, 20/2 Mathura Road, Faridabad, Address 2 :- H.No.1315, Sector-15, Faridabad, Haryana-121007 Mortgagor(s) 1. M/s A.B. Excavators & Earthmovers (P) Ltd., Address:- Plot No. 9, Krishna Industrial Area, Street No.5, Sector-56, Sohana Road, Faridabad – 121004 2. Mr. Ajay Bondwal, Corporate Guarantee of M/s A.B. Excavators & Earth Movers (P) Ltd. Personal Guarantee of Mr. Ajay Bondwal	Amount due – Rs 43,78,953.19 as of 30.09.2017 with further interest and other expenses

Property No. 3 : All that part and parcel of the LEASE HOLD property situated at survey No / City or Town survey No/ Khasra No. 23//21/1/2; 24//25/2/2/1; 27//1/1; 26//5/2 situated at Mauza Kailgaon within the registration sub district Ballabgarh and District Faridabad admeasuring 4 Kanals 3 Marlas belongs to M/s A.B Excavators & Earth Movers Pvt Ltd

Property No. 4 : All that part and parcel of the LEASE HOLD property situated at survey No / City or Town survey No/ Khasra No. 23//21/1/2; 24//25/2/2/1;27//1/1;26//5/2 situated at Mauza Kailgaon within the registration sub district Ballabgarh and District Faridabad admeasuring 4 Kanals 3 Marlas belongs to Mr. Ajay Bondwal.

Property No. 5 : All that part and parcel of the LEASE HOLD property situated at survey No / City or Town survey No/ Khasra No. 27 Killa No. 1/1(0-13) situated at Mauza Kailgaon within the registration sub district Ballabgarh and District Faridabad admeasuring 4 Marlas i.e. 124 sq yards belongs to M/s A.B Excavators & Earth Movers Pvt Ltd and Bounded as : North: Property of others; South: Delhi Public School, East: Main Mathura Road; West: Property of others

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 3,07,00,000/- Earnest money to be deposited Rs. 31,00,000/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

Branch name and address : Kailash Colony, A 34, Kailash Colony, New Delhi 110048, Sh. Irfan Beg (Branch Manager) 9625997144, Sh. Sameer Kumar (Authorised officer) 9920816891

Name of the Borrower & Guarantor/s	**S AND S INC.** Ground Floor at property no. 69/2, Block R at RishabNagri Colony, Model Town 3, Delhi - 110009 **VIKAS SIKKA , VIVEK SETH**	Amount due – Rs 97,71,711.83 with further interest and other expenses

Property No. 6 : Flat no. 69/2 , Ground Floor without roof rights, Model Town 3, New Delhi – 110009 admeasuring _810 Sq. Ft in the name of Vikas Sikka (Property description as specified in the Original Sale Deed No. 10579 dated 17.07.2010), Bounded as: On the North : Road & Entry, opp. Shree Krishna Mandir, Bounded as : South : Back Side Property No. R 69, On the East : Property No. R 70/2, West: Property No. R 68/2

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 51,00,000/- Earnest money to be deposited Rs. 5,10,000/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

Branch name and address : Moti Bagh Branch, Palika Bhawan, Opposite Hyatt Regency Hotel, New Delhi – 110066, Sh Sunil Suri, (AGM), Mob 9873151021

Name of the Borrower & Guarantor/s	**M/s AV Audiotronix,** G-52, Palika Bhawan, Sector-13, R K Puram, New Delhi-110066 Sh Ankush Sahai Patel & Smt Pooja Sahai Patel (Guarantor) Sh Swayam Jyoti Bhasin (Guarantor)	Amount due – Rs. 58,14,063.14 as on 14/01/2021 with unapplied interest from 01/05/2019

Property No. 7 : All that piece and parcel of Immovable property Northern side portion of property bearing no WZ – 28 – A built on plot No A 58/1, Bearing (New No. B – 30), First Floor admeasuring 75 Sq.Yds (Super Built Up / carpet area) situated in Basai Darapur in the abadi of Shardapuri Near Mansarovar Garden, New Delhi-110015 held in the names of Mr Ankush Sahay and Mr Swayam Jyoti Bhasin and Bounded as follows (Property description as specified in the sale Deed , document no 4454 vol. No. 19655 dated 22.02.2012), On the North : Plot no A - 58, New B - 29, On the South : Remaining Portion, On the East : 24 Ft Road, On the West : 10 Ft Road

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 47,08,000/- Earnest money to be deposited Rs. 5,00,000/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

Branch name and address : House no 58, Chanda House, Aya Nagar, New Delhi 110047, Mr Shashank Pandey (Branch Manager,) 9818372898, Mr Amit Srivastava (Authoriosed Officer) 9740297466

Name of the Borrower & Guarantor/s	**1) Mr. Surinder Singh, R/O A-2/88 Phase-5 Aya Nagar New Delhi 110047, 2) Mrs. Gurpreet Singh R/O A-2/88 Phase-5 Aya Nagar New Delhi 110047**	Amount due – Rs. 13,19,812.50 as of 21.08.2019 with further interest and cost

Property No. 8 : All that piece and parcel of Flat no-6 DDA LIG Flat 1st Floor, Block C-5 Pocket-2 sector G-2 Narela New Delhi measuring 33.30 Sq.Mtrs (Super Built Up / carpet area) in sector G-2 situated in Narela New Delhi held in the names of1) MrSurinder Singh, R/O A-2/88 Phase-5 Aya Nagar New Delhi 110047 , (2) Mrs. Gurpreet Singh R/O A-2/88 Phase-5 Aya Nagar New Delhi 110047, Bounded as : North : OPEN, South :ENTERANCE AND STAIRS, East : FLAT NO 7, West: OPEN

Date & Time of E-Auction: 18-03-2021 between 11.00 AM to 01.00 PM with 10 minutes unlimited auto extension Reserve Price Rs. 11,25,000/- Earnest money to be deposited Rs. 1,12,500/-. EMD amount can be submitted on or before commencement of e-auction

Encumbrances, if any known to the Secured Creditor : Not Known

For detailed terms and condition of the sale, please refer to the link provided in **https://www.unionbankofindia.co.in/english/TendelViewAllAuction.aspx**

For Registration and Login and Bidding Rules visit **https://www.mstcecommerce.com/auctionhome/ibapi/index.jsp**

Date : 26-02-2021, Place : New Delhi — **Authorised Officer, Union Bank of India**

NAVA BHARAT VENTURES LIMITED

NAVA BHARAT

Corporate Identification Number (CIN):L27101TG1972PLC001549

Registered Office: 6-3-1109/1, Nava Bharat Chambers, Rajbhavan Road, Hyderabad- 500 082, Telangana, India.Tel.:+91 40 23403501 / 23403540, Fax:+91 80 66886121, Email: investorservices@nbv.in; Web:www.nbventures.com

Company Secretary and Compliance Officer: Mr. VSN Raju

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF NAVA BHARAT VENTURES LIMITED FOR THE BUYBACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This Public Announcement (**"Public Announcement"**) is being made in relation to the Buyback (defined hereinafter) of Equity Shares (defined hereinafter) by Nava Bharat Ventures Limited (the **"Company"**) from the open market through BSE Limited (**"BSE"**) and the National Stock Exchange of India Limited (**"NSE"** and together with the **"BSE"**, the **"Stock Exchanges"**), pursuant to the provisions of Regulation 16(iv) (b) and other applicable provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments thereto from time to time (**"Buyback Regulations"**), and contains the disclosures as specified in Schedule IV to the Buyback Regulations.

Part A - Disclosures in accordance with Schedule I of the Buyback Regulations

1. THE DETAILS OF BUYBACK OFFER AND OFFER PRICE

1.1 Pursuant to the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 (to the extent applicable) (hereinafter referred to as the **"Share Capital Rules"**) and other relevant rules made thereunder, as amended from time to time (together the **"Companies Act"**) (including any statutory amendment(s), modification(s) or re-enactments from time to time), the provisions of the Buyback Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"Listing Regulations"**) (including any statutory amendment(s), modification(s) or re-enactments from time to time) and Article 17 of the Articles of Association of the Company, and subject to such other approvals, permissions, consents, exemptions, and sanctions of the Securities and Exchange Board of India (**"SEBI"**), the Registrar of Companies, Telangana at Hyderabad (the **"ROC"**) and / or other authorities, institutions or bodies, as may be applicable (together with SEBI and ROC, the **"Appropriate Authorities"**), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by the Appropriate Authorities while granting such approvals, permissions, consents, exemptions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board" which expression shall be deemed to include by the Board and / or officials, which the Board may constitute / authorise to exercise its powers, including the powers conferred by the Board resolution), the Board at its meeting held on February 26, 2021 (**"Board Meeting"**), approved the buyback of fully paid-up equity shares of the face value of ₹ 2 (Indian Rupees Two Only) (**"Equity Shares"**) of the Company, each from its shareholders / beneficial owners (other than those who are promoters, promoter group or persons in control), from the open market through stock exchange mechanism i.e., using the electronic trading facilities of the stock exchanges where the Equity Shares of the Company are listed i.e., National Stock Exchange of India Limited (**"NSE"**) and BSE Limited (**"BSE"**) (collectively, "**Stock Exchanges**"), for an aggregate amount not exceeding ₹ 150.00 Crores (Indian Rupees One Hundred and Fifty Crore Only) (**"Maximum Buyback Size"**), and at a price not exceeding ₹ 100/- (Indian Rupees One Hundred Only) per Equity Share (**"Maximum Buyback Price"**), payable in cash (the process being referred hereinafter as **"Buyback"**). The Maximum Buyback Size and Maximum Buyback Price do not include any expenses incurred or to be incurred for the Buyback viz. brokerage, costs, fees, turnover charges, taxes such as buyback tax, securities transaction tax, goods and services tax (if any) and income tax, stamp duty, advisors fees, printing expenses, filing fees and other incidental and related expenses and charges (collectively referred to as **"Transaction Costs"**). The Maximum Buyback Size represents 5.05% and 3.94% of the aggregate of the total paid-up capital and free reserves of the Company based on the standalone and consolidated audited financial statements of the Company as at March 31, 2020, respectively (being the latest audited financial statements of the Company, available at the Board Meeting) which is less than 10% of the total paid up capital and free reserves of the Company in accordance with the proviso to the Regulation 5(i)(b) of the Buyback Regulations.

1.2 At the Maximum Buyback Size and the Maximum Buyback Price, the indicative maximum number of Equity Shares bought back would be 1,50,00,000 (One Crore Fifty Lakhs Only) Equity Shares (**"Maximum Buyback Shares"**), which will not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid up equity share capital of the Company as provided under Regulation 38 of the Listing Regulations, during the Buyback period and upon completion thereof.

1.3 The Company shall utilize at least 50% of the Maximum Buyback Size i.e., ₹ 75.00 Crores (Indian Rupees Seventy Five Crores Only) (**"Minimum Buyback Size"**) for the Buyback, and based on the Minimum Buyback Size and the Maximum Buyback Price, the Company will purchase an indicative minimum of 75,00,000 (Seventy Five Lakhs Only) Equity Shares (**"Minimum Buyback Shares"**). If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of the Maximum Buyback Size) but will always be subject to the Maximum Buyback Size.

1.4 The Board (constituted by the Board to exercise its powers, and / or the powers conferred by the Board resolution in relation to the Buyback), shall determine, at its discretion, the time frame for completion of the Buyback and may close the Buyback (which shall not be longer than 6 (six) months from the date of commencement of the Buyback or such other period as may be permitted under the Companies Act and / or the Buyback Regulations or as may be directed by the Appropriate Authorities (**"Maximum Buyback Period"**)) after the Minimum Buyback Size has been reached, and irrespective of whether the Maximum Buyback Size has or has not been reached, after giving appropriate notice for such closure and on completing all formalities in this regard, in accordance with the Companies Act and / or the Buyback Regulations.

1.5 The Buyback will be implemented by the Company out of its free reserves or such other sources as may be permitted by law and in accordance with Section 68(1) of the Companies Act and Regulation 4(ix) of the Buyback Regulations, and in accordance with Regulation 4(iv)(b)(ii) of the Buyback Regulations, by way of open market purchases through the Stock Exchanges, by the order matching mechanism except 'all or none' order matching system, as provided under the Buyback Regulations.

1.6 A copy of this Public Announcement is available on the Company's website (www.nbventures.com) and is expected to be available on the website of SEBI (www.sebi.gov.in), website of NSE (www.nseindia.com) and website of BSE (www.bseindia.com) during the period of the Buyback.

2. NECESSITY FOR THE BUY-BACK

2.1 The Buyback is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term and for returning surplus funds to the members in an effective and efficient manner. The Buyback will help the Company achieve the following objectives:

(i) optimize returns to shareholders; and (ii) enhance overall shareholders' value. The Buyback is being undertaken, inter-alia, for the following reasons:

(i) The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares;

(ii) The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and

(iii) The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

3. BASIS FOR ARRIVING AT THE MAXIMUM BUY-BACK PRICE AND OTHER DETAILS

3.1 The Maximum Buyback Price of ₹ 100/- (Rupees One Hundred Only) per Equity Share has been arrived at after considering various factors, including average of the weekly high and low of the closing price of the Equity Shares of the Company on the Stock Exchanges during the 2 (two) weeks preceding the date of the Board Meeting, the net worth of the Company and the potential impact of the Buyback on the earnings per share and other similar ratios of the Company. The Maximum Buyback Price excludes the Transaction Costs.

3.2 The Maximum Buyback Price is at a premium of 41.95% and 42.05% over the closing prices on both NSE and BSE respectively, on February 22, 2021 i.e., one trading day prior to the date on which the notice of the Board Meeting to consider the Buyback proposal was intimated to NSE and BSE. The Maximum Buyback Price represents a premium of 35.70% and 35.73% compared to the average of the weekly high and low of the closing prices of the Equity Shares on NSE and BSE, respectively, during the 2 (two) weeks preceding the date of the Board Meeting.

3.3 At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares (**"Maximum Buyback Shares"**).

3.4 The Buyback is proposed to be completed within the Maximum Buyback Period. Subject to the Maximum Buyback Price, the Maximum Buyback Period, and achievement of the Minimum Buyback Size, the actual time frame and the price for the Buyback will be determined by the Board of Directors or their duly authorized representatives, at their discretion, in accordance with the Buyback Regulations.

3.5 In accordance with Section 68(2)(d) of the Companies Act and Regulation 4(ii) of the Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company after Buyback shall not be more than twice the paid-up capital and free reserves based on both audited standalone and consolidated financial statements of the Company.

3.6 The actual number of Equity Shares bought back during the Buyback will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in existing number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

4 DETAILS OF PROMOTERS, MEMBERS OF THE PROMOTER GROUP, PERSONS IN CONTROL AND DIRECTORS OF PROMOTERS AND MEMBERS OF THE PROMOTER GROUP SHAREHOLDING AND OTHER DETAILS

4.1 The aggregate shareholding of the (i) promoter and promoter group of the Company ("Promoter and Promoter Group") and persons in control, (ii) directors of companies which are a part of the Promoter and Promoter Group (where the promoter or the member of the promoter group is a company), as on February 26, 2021 i.e. date of the Board Meeting and the date of the Public Announcement are as follows:

Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the date of the Board Meeting i.e. February 26, 2021 and as on the date of this Public Announcement is as follows:

S.No	Name of the Promoter / Promoter Group / Persons acting in concern	Number of Equity Shares	% Equity Shareholding in the Company
A.	Promoter		
1	Ashok Devineni	2,226,000	1.36
	TOTAL (A)	**2,226,000**	**1.36**
B.	Promoter Group		
1	Trivikrama Prasad Pinnamaneni	3,150,488	1.93
2	Trivikrama Prasad Pinnamaneni (HUF)	702,630	0.43
3	Ramaa Devineni	523,230	0.32
4	Rajashree Pinnamaneni	6,997,556	4.28
5	Ashwin Devineni	4,172,789	2.55
6	Devineni Nikhil	2,550,000	1.56
7	Devineni Bhakta Priya	9,812,900	6.00
8	Rajasekhar Devineni jointly with Ashok Devineni	15,630	0.01
9	Nilima Alluri	1,050,000	0.64
10	Nav Developers Limited	16,093,517	9.85
11	A N Investments Private Limited	9,479,825	5.80
12	S R T Investments Private Limited	7,379,756	4.51
13	A9 Homes Private Limited	2,574,000	1.58
14	AV Dwellings Private Limited	2,256,000	1.38
15	V9 Avenues Private Limited	2,219,980	1.36
	TOTAL (B)	**6,89,78,301**	**42.20**
	TOTAL (A+B)	**7,12,04,301**	**43.56**

4.2 Except as disclosed below, the promoter, promoter group and the directors of the corporate promoters, and persons who are in control of the Company have not purchased or sold any Equity Shares during a period of six (6) months preceding the date of Board Meeting i.e., February 26, 2021 and twelve (12) months preceding the date of the Public Announcement i.e. February 27, 2021:

Name	Aggregate no of shares purchased or sold	Nature of Transaction	Maximum Price(₹)*	Date of Maximum Price	Minimum Price(₹)*	Date of Minimum Price
P Trivikrama Prasad	7,00,000	Gift (transferred)	Nil	February 12, 2021	Nil	Nil
Bhakta Priya Devineni	10,000	Market Purchase	60.00	September 7,2020	59.65	September 7, 2020
A N Investments Private Limited	1,46,710	Market Purchase	48.00	March 16,2020	33.50	March 26, 2020
A9 Homes Private Limited	1,60,000	Market Purchase	64.50	August 31,2020	52.10	August 14, 2020
SRT Investments Private Limited	2,42,756	Market Purchase	53.50	August 10,2020	33.95	March 30, 2020
A V Dwellings Private Limited	30,000	Market Purchase	53.50	August 10,2020	53.00	August 10, 2020
Nav Energy Private Limited	99,47,020	Capital Reduction	NA	NA	NA	NA

**Rounded off to two digits. This price indicates the price at which the trade was executed, exclusive of taxes and transaction charge.*

5 INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUYBACK

5.1 In accordance with Regulation 16(ii) of the Buyback Regulations, since the Buyback is being implemented by way of open market purchases through the Stock Exchanges, the Buyback shall not be made by the Company from the promoters, members of the promoter group and persons in control.

5.2 Further, as per Regulation 24(i)(e) of the Buyback Regulations, neither the promoters and promoter group nor their associates have dealt in the Equity Shares or other specified securities of the Company either through the Stock Exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters or promoter group) from the date of the Board Meeting till the date of the Public Announcement and shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters or promoter group) from the date of the Public Announcement till the completion of the Buyback.

6 NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank.

7 CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

7.1 The Board has confirmed on the date of the Board Meeting, i.e. February 26, 2021 that they have made full inquiry into the affairs and prospects of the Company and that they have formed the opinion:

i. that immediately following the meeting of the Board of Directors at which the proposal for Buyback was approved i.e., February 26, 2021 there will be no grounds on which the Company can be found unable to pay its debts;

ii. as regards the Company's prospects for the year immediately following the date of Board Meeting at which the proposal for Buyback was approved and declared by the Board i.e., February 26, 2021 and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of Board Meeting at which the proposal for Buyback was approved by the Board; and

iii. in forming an opinion as aforesaid, the Board has taken into account the liabilities including prospective and contingent liabilities, as if the Company was being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016, as amended, as the case may be, including prospective and contingent liabilities

8 REPORT BY THE COMPANY'S AUDITORS

The text of the report dated February 26, 2021 received from M/s Walker Chandiok & Co LLP, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

Independent Auditor's Report on proposed buy-back of equity shares pursuant to the requirements of clause (xi) of the Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended

To,
The Board of Directors
Nava Bharat Ventures Limited,
Nava Bharat Chambers, Raj Bhavan Road, Hyderabad- 500 082, Telangana, India.

1. This report is issued in accordance with the terms of our engagement letter dated 26 February 2021 with Nava Bharat Ventures Limited (the 'Company').

2. The management of the Company has prepared the accompanying Annexure A- Statement of permissible capital payment as on 31 March 2020 ('the Statement') pursuant to the proposed buy-back of equity shares approved by the Board of Directors of the Company at their meeting held on 26 February 2021, in accordance with the provisions of sections 68, 69 and 70 of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended ('the SEBI buy-back regulations). The Statement contains the computation of amount of permissible capital payment towards buy-back of equity shares in accordance with the requirements of section 68(2)(c) of the Act read with section 68(2)(b)(i) of the Act and based on the latest audited consolidated and standalone financial statements of the Company for the year ended 31 March 2020. We have initialed the Statement for the identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the Statement in accordance with the requirements of section 68(2)(c) of the Act read with section 68(2)(b)(i) of the Act and ensuring compliance with the SEBI buy-back regulations, is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting at which the proposal for buy-back was approved; and will not be rendered insolvent within a period of one year from the date of the Board meeting at which the proposal for buy-back was approved by the Board of Directors of the Company, and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI buy-back regulations, it is our responsibility to provide reasonable assurance on whether:

a) we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended 31 March 2020;

b) the amount of permissible capital payment, as stated in the Statement, has been properly determined considering the audited financial statements for the year ended 31 March 2020 in accordance with section 68(2)(c) of the Act read with section 68(2)(b)(i) of the Act;

c) whether the Board of Directors of the Company, in its meeting dated 26 February 2021, has formed the opinion as specified in clause (x) of Schedule I to the SEBI buy-back regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.

6. The audited financial statements, referred to in paragraph 5 above, have been audited by us, on which we have issued unmodified audit opinion vide our report dated 26 June 2020. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ('Guidance Note'), issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the matters mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 above. We have performed the following procedures in relation to the matters mentioned in paragraph 5 above:

a) Inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended 31 March 2020;

b) Examined authorisation for buy back from the Articles of Association of the Company;

c) Agreed the balance of the surplus in Statement of Profit and Loss, Securities Premium Account and General Reserve as at 31 March 2020 as disclosed in the Statement with the audited financial statements;

d) Examined that the ratio of secured and unsecured debt owed by the Company, if any, is not more than twice the capital and its free reserves after such buy-back;

e) Examined that all the shares for buy-back are fully paid-up;

f) Examined that the amount of capital payment for the buy-back as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c) of the Act read with section 68(2)(b)(i) of the Act;

g) Inquired if the Board of Directors of the Company, in its meeting held on 26 February 2021 has formed the opinion as specified in Clause (x) of Schedule I to the SEBI buy-back regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date of the board meeting;

h) Examined minutes of the meetings of the Board of Directors;

i) Examined the Directors' declarations for the purpose of buy-back and solvency of the Company;

j) Verified the arithmetical accuracy of the Statement; and

k) Obtained appropriate representations from the management of the Company.

Opinion

10. Based on our examination as above and the information, explanations and representations provided to us by the management, in our opinion:

a) we have inquired into the state of affairs of the Company in relation to audited standalone and consolidated financial statements for the year ended 31 March 2020;

b) the amount of the permissible capital payment towards the proposed buy-back of equity shares as computed in the accompanying Statement, is properly determined in accordance with the requirements of section 68(2)(c) of the Act read with section 68(2)(b)(i) of the Act based on the audited financial statements for the year ended 31 March 2020;and

c) the Board of Directors of the Company, in its meeting held on 26 February 2021 has formed opinion as specified in clause (x) of Schedule I to the SEBI buy-back regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

Restriction on distribution or use

11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the provisions of section 68 and other applicable provisions of the Act and the SEBI buy-back regulations, pursuant to the proposed buy-back of equity shares. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have had as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

12. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the SEBI buy-back regulations, (a) in the public announcement to be made to the shareholders of the Company, or filed with the Registrar of Companies, Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited as required by the SEBI buy-back regulations, (b) the Central Depository Services (India) Limited, National Securities Depository Limited and for providing to the managers to the buy-back, each for the purpose of extinguishment of equity shares. Accordingly, this report may not be suitable for any other purpose, and therefore, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sanjay Kumar Jain
Partner
Membership No.: 207660
UDIN: 21207660AAAAAY9658

Place: Hyderabad
Date: 26 February 2021

Annexure A

Statement of computation of amount of permissible capital payment towards buyback of Equity Shares in accordance with the provisions of the Act and the Regulations (the "Statement")

Computation of amount of permissible capital payment towards proposed buyback of equity shares in accordance with the requirements of section 68(2)(c) read with section 68(2)(b)(i) of the Companies Act, 2013("the Act"), Regulation 4(i), the proviso to Regulation 4(iv) and the proviso to Regulation 5(i)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buyback Regulations"), based on audited standalone and consolidated financial statements as at 31 March 2020:

(All amounts in lakhs of ₹)

Particulars	Standalone	Consolidated
Paid up equity share capital as at 31 March 2020 (A)	3,525.60	3,525.60
Free Reserves as at 31 March 2020#:		
Securities Premium	24,012.44	24,012.44
General Reserves	87,519.47	87,519.47
Surplus in the statement of Profit and Loss	181,713.64	265,974.60
Total Free Reserves (B)	**293,245.55**	**377,506.51**
Total (A+B)	**296,771.15**	**381,032.11**
Maximum amount permissible for buy back under section 68(2)(b)(I) of the Companies Act, 2013 i.e. 10% of total paid-up equity share capital and free reserves	29,677.12	38,103.21
Amount of buy back approved by the Board of Directors at their meeting held on 26 February, 2021	**15,000.00**	**15,000.00**

 # Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

Note: The above calculation of the total paid-up equity share capital and free reserves as at 31 March 2020 for buyback of equity shares is based on the amounts appearing in the audited standalone and consolidated financial statements of the Company for the year ended 31 March 2020. These financial statements are prepared and presented in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made there under, as amended from time to time.

For and on behalf of
Nava Bharat Ventures Limited

Authorized Signatory

Place: Hyderabad
Date: 26 February 2021

Unquote

Part B - Disclosures in accordance with Schedule IV of the Buyback Regulations

1. DETAILS OF SHAREHOLDERS APPROVAL FOR THE BUYBACK, IF APPLICABLE

Since the Maximum Buyback Size is less than 10% of the total paid-up capital and free reserves of the Company based on both standalone and consolidated audited financial statements of the Company as on March 31, 2020, in accordance with the proviso to the Section 68(2)(b) of the Companies Act and the proviso to the Regulation 5(i)(b) of the Buyback Regulations, approval from the shareholders of the Company is not required

2. MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUYBACK

2.1. At the Maximum Buyback Price and for Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 1,50,00,000 Equity Shares. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of Maximum Buyback Size) but will always be subject to the Maximum Buyback Size.

2.2. The actual number of Equity Shares bought back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back, and the aggregate consideration paid in the Buyback, subject to the Maximum Buyback Size. The actual reduction in existing number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buyback period.

2.3. Further, the Company shall utilize at least 50% of the Maximum Buyback Size towards the Buyback and the Company will accordingly purchase an indicative minimum of 75,00,000 (Seventy Five Lakhs) Equity Shares, based on the Maximum Buyback Price. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares (assuming full deployment of the Maximum Buyback Size) but will always be subject to the Maximum Buyback Size. However, the Maximum Buyback Shares will not exceed 25% of the total number of Equity Shares in the total paid-up equity capital of the Company.

2.4. The amount required by the Company for the Buyback (including the cost of financing the Buyback and the Transaction Costs) will be funded out of the internal accruals of the Company including free reserves of the Company, in accordance with Section 68(1) of the Companies Act and Regulation 4(ix) of the Buyback Regulations.

3. PROPOSED TIMETABLE FOR BUY-BACK

Activity	Date
Date of Board Meeting approving the Buyback	Friday, February 26, 2021
Date of publication of the Public Announcement	Monday, March 1, 2021
Date of commencement of the Buyback	On or before Wednesday, March 10, 2021
Acceptance of Equity Shares accepted in dematerialized mode	Upon the relevant pay-out by the Stock Exchanges.
Extinguishment of Shares	The Equity Shares (in dematerialised form) will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended, and the bye-laws, the circulars and guidelines framed thereunder. The Company shall ensure that all Equity Shares bought back are extinguished within 7 (seven) days of the expiry of the Buyback period.
Last Date for the Buyback	Earlier of: (a) On or before Thursday, September 9, 2021 [i.e.,6 months from the date of Opening of the Buyback]; or (b) when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or (c) at such earlier date as may be determined by the Board (including persons nominated by the Board to exercise its powers, and / or the powers conferred by the Board resolution in relation to the Buyback), after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), however, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback.

4. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUYBACK

4.1 The Buyback is open to all shareholders of the Company holding Equity Shares in dematerialised form (**"Demat Shares"**). Shareholders holding Equity Shares in physical form can participate in the Buyback after such Equity Shares are dematerialized by approaching depository participant.

4.2 Further, as required under the Companies Act and Buyback Regulations, the Company will not Buyback Equity Shares which are partly paid-up, the Equity Shares with call-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, until they become fully paid-up, or until the pendency of such lock-in, or until the time such Equity Shares become freely transferable, as applicable.

4.3 The Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.

4.4 For the implementation of the Buyback, the Company has appointed R.L.P Securities Private Limited as the registered broker (**"Company's Broker"**) through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

R.L.P. Securities Private Limited
(SEBI Regd No. INZ 000166638)
402, Nirmal Towers, Dwarakapuri Colony,Punjagutta, Hyderabad, Telangana – 500 082.
Tel No . +91 40 23352485; Fax : +91 40 23351238; Email : rlp_vpir@yahoo.com
Contact Person : Mr. Ch.Varaprasad

4.5 The Equity Shares are traded in compulsory dematerialised mode under the trading code(s) 513023 at BSE and NBVENTURES at NSE. The ISIN of the Equity Shares of the Company is INE725A01022.

4.6 The Company, shall, commencing on or before March 10, 2021 (i.e., the date of opening of the Buyback), place "buy" orders on the BSE and/or NSE on the normal trading segment to Buyback the Equity Shares through the Company's Broker in such quantity and at such price, not exceeding the Maximum Buyback Price of ₹ 100/- (Rupees One Hundred only) per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buyback of Equity Shares, the identity of the Company as a purchaser would be available to the market participants of the Stock Exchanges.

4.7 **Procedure for Buy-back of Demat Shares:** Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buyback, would have to do so through their stock broker, who is a registered member of either of the Stock Exchanges by indicating to their broker the details of the equity shares they intend to sell whenever the Company has placed a "buy" order for Buy-back of the equity shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company's Broker, as applicable, in accordance with the requirements of the Stock Exchanges and SEBI. Orders for Equity Shares can be placed on the trading days of the Stock Exchanges. The Company is under no obligation to place "buy" order on a daily basis. The orders for buying back the Equity Shares will be placed on normal trading segment of Stock Exchange at least once a week.

4.8 It may be noted that a uniform price would not be paid to all the shareholders/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that shareholder/beneficial owner was executed.

4.9 **Procedure for Buyback of Physical Shares:** As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press releases dated December 3, 2018, and March 27, 2019, effective from April 1, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository (**"LODR Amendment"**). In light of the LODR Amendment and SEBI circular SEBI/ HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Company shall not accept the Equity Shares tendered under the Buyback unless such Equity Shares are in dematerialised form.

ACCORDINGLY, ALL SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF TENDERING THEIR EQUITY SHARES IN THE BUYBACK ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. IN CASE ANY SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUYBACK BEFORE BUYBACK CLOSING DATE.

4.10 Shareholders are requested to get in touch with the akasam consulting private limited (the **"Manager to the Buyback"**) or the Company's Broker or the Investor Service Centre to clarify any doubts in the process.

4.11 Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buyback Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buyback any additional Equity Shares or confer any right on the part of any shareholder of the Company to have any Equity Shares bought back, even if the Maximum Buyback Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buyback, to the extent permissible by law. The Company is under no obligation to utilize the entire amount of Maximum Buyback Size or buy all the Maximum Buyback Shares. However, if the Company is not able to complete the Buyback equivalent to the Minimum Buyback Size, except for the reasons mentioned in Buyback Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited in accordance with Regulation 20 (viii) of the Buyback Regulations and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

4.12 The Company shall submit the information regarding the Equity Shares bought back by it, to the Stock Exchanges on a daily basis in accordance with the SEBI Buyback Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.nbventures.com) on a daily basis.

4.13 Eligible shareholders who intend to participate in the Buyback should consult their respective tax advisors for applicable taxes.

5 METHOD OF SETTLEMENT

5.1 **Settlement of Demat Shares:** The Company will pay consideration for the Buyback to the Company's Broker on or before every pay-in date for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Company has opened a depository account titled **"NBVL – Buyback Offer 2021 - Demat Escrow Account"** with the Company's Broker. R.L.P Securities Private Limited (**"Buy-back Demat Account"**). Demat Shares bought back by the Company will be transferred into the Buy-back Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buyback, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participant (**"DP"**) for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's Broker, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company.

5.2 **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018 and its bye-laws, in the manner specified in the SEBI Buy-back Regulations and the Companies Act. The Equity Shares lying in credit in the Buyback Demat Escrow Account will be extinguished within fifteen (15) days of acceptance of the Demat Shares. The Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within seven (7) days of expiry of the Buyback Period.

5.3 Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash.

6 BRIEF INFORMATION ABOUT THE COMPANY

6.1 Nava Bharat Ventures Limited, is a public limited company incorporated under the laws of India having its registered office at 6-3-1109/1, Nava Bharat Chambers, Rajbhavan Road, Hyderabad, Telangana, 500082, Telephone: + 91 40 23403501, and Fax: +91 80 66886121. The CIN of the company is L27101TG1972PLC001549. The Company was originally incorporated as "Nava Bharat Ferro Alloys Limited" under the provisions of Companies Act, 1956 on November 07, 1972. Further, the name of the Company was changed to "Nava Bharat Ventures Limited" vide certificate of change of name dated July 07, 2006 issued by Registrar of Companies, Andhra Pradesh, Hyderabad. The Equity Shares of the Company are listed on BSE and NSE.

The Company is engaged in the business of power generation and O&M services, ferro alloys, mining, agri-business and health care services. The Company is in business for four decades and operates in different geographies spanning across India, South-east Asia and Africa.

7 FINANCIAL INFORMATION ABOUT THE COMPANY

7.1 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder ("Ind AS"). Financial information on the basis of audited standalone financial statements of the Company for the last three financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited review financial statements for the nine months period ended December 31, 2020 is given below:

(₹ in Lakhs)

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: For the year ended March 31, 2019	Audited: For the year ended March 31, 2018
Revenue from Operations	64,844.53	1,07,999.18	1,35,871.22	1,30,864.00
Other Income	3088.42	5,221.62	7,906.56	4,647.69
Total Income	**67,932.95**	**1,13,220.80**	**1,43,777.78**	**1,35,511.69**
Total Expense (Excluding Interest & Depreciation)	50,503.42	88,082.29	1,11,752.19	1,06,522.59
Interest	1,102.58	2,052.07	2,464.27	1,531.04
Depreciation	2,426.02	3,188.32	3,693.98	3,743.09
Profit Before exceptional items and Tax	**13,900.93**	**19,898.12**	**25,867.34**	**23,714.97**
Exceptional Items – Expense / (Income)	207.73	-	-	-
Profit Before Tax	**14,108.66**	**19,898.12**	**25,867.34**	**23,714.97**
Provision for Tax (including Deferred Tax)	4,936.55	6,797.02	9,248.45	7,559.18
Profit After Tax	**9,172.11**	**13,101.10**	**16,618.89**	**16,155.79**
Other Comprehensive Income	-	-	104.22	11.32
Total Comprehensive Income for the year	**9,239.49**	**12,855.83**	**16,723.11**	**16,167.11**

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: As on March 31, 2019	Audited: As on March 31, 2018
Paid-up Equity Share capital	3,525.60	3,525.60	3,572.77	3,572.77
Reserve and Surplus	NA	2,93,245.55	2,88,984.90	2,75,124.74
Net Worth*	**NA**	**2,96,771.15**	**2,92,557.67**	**2,78,697.51**
Total Debt	NA	16,483.23	32,036.84	33,375.98

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: For the year ended March 31, 2019	Audited: For the year ended March 31, 2018
Basic Earnings Per Share (₹)	5.61*	7.83	10.02	9.74
Diluted Earnings Per Share (₹)	5.61*	7.83	10.02	9.74
Debt Equity Ratio	NA	0.06	0.11	0.11
Book Value (₹ per share)	NA	168.41	163.83	156.17
Return on Net worth* (%)	NA	4.41	5.68	5.79

*not annualised

Ratios	Basis
Earnings Per Share	Profit attributable to equity shareholders / Weighted Average Number of equity shares outstanding during the period
Book Value per Equity Share (₹)	Paid-up Equity Share Capital + Reserves & Surplus)/ No. of Equity Shares Subscribed
Return on Net worth (%)	Net Profit After Tax / Net Worth*
Total Debt/Net Worth*	Total Debt/Net Worth*

* Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

7.2 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder ("Ind AS"). Financial information on the basis of audited consolidated financial statements of the Company for the last three financial years ended March 31, 2020, March 31, 2019, March 31, 2018 and unaudited limited review financial statements for the nine months period ended December 31, 2020 is given below:

(₹ in Lakhs)

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: For the year ended March 31, 2019	Audited: For the year ended March 31, 2018
Revenue from Operations	1,85,983.75	2,75,872.09	3,10,346.36	2,34,778.37
Other Income	14,152.69	12,220.08	9,168.17	6,938.52
Total Income	**2,00,136.44**	**2,88,092.17**	**3,19,514.53**	**2,41,716.89**
Total Expense (Excluding Interest & Depreciation)	**1,05,078.20**	**1,68,064.10**	**1,77,539.17**	**1,55,479.75**
Interest	26,986.53	31,876.79	35,092.87	24,633.77
Depreciation	22,672.84	28,864.50	29,197.73	22,841.76
Profit Before Exceptional items and Tax	**45,398.87**	**59,286.81**	**77,684.76**	**38,761.61**
Exceptional Items – Expense / (Income)	207.73	-	-	-
Profit Before Tax and exceptional items	**45,606.60**	**59,286.81**	**77,684.76**	**38,761.61**
Provision for Tax (including Deferred Tax)	6,548.04	5,966.09	31,205.74	10,963.94
Profit After Tax	**39,058.56**	**53,320.72**	**46,479.02**	**27,797.67**
Profit After Tax attributed to				
Shareholders of the Company	28,881.29	39,545.50	35,755.18	23,933.67
Non Controlling Interest	10,244.65	13,529.95	10,723.84	4,291.66
Total Other Comprehensive Income for the year		**22,296.59**	**11,124.78**	**427.66**
Total Comprehensive Income for the year	**29,185.58**	**75,372.04**	**57,603.80**	**28,225.33**
Total Comprehensive income attributable to				
Shareholders of the Company	20,753.93	57,866.65	45,305.18	23,933.67
Non Controlling Interest	8,431.65	17,505.39	12,298.62	4,291.66

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: As on March 31, 2019	Audited: As on March 31, 2018
Paid-up Equity Share capital (A)	3,525.60	3,525.60	3,572.77	3,572.77
Reserve and Surplus (B)	NA	3,77,506.51	3,79,284.53	3,36,754.16
Net Worth* (A+B)	**NA**	**3,81,032.11**	**3,82,857.30**	**3,40,326.93**
Total Debt	NA	3,93,453.18	3,67,298.17	4,00,760.16

*not annualised

Key Financials	Unaudited: For the nine months period ended December 31, 2020	Audited: For the year ended March 31, 2020	Audited: For the year ended March 31, 2019	Audited: For the year ended March 31, 2018
Basic Earnings Per Share (₹)	17.63*	24.10	21.56	14.35
Diluted Earnings Per Share (₹)	17.63*	24.10	21.56	14.35
Debt Equity Ratio	NA	1.03	0.96	1.17
Book Value (₹ per share)	NA	216.23	214.40	190.58
Return on Net worth* (In %)	NA	13.99	9.34	6.99

*not annualised

Ratios	Basis
Earnings Per Share	Profit attributable to equity shareholders / Weighted Average Number of equity shares outstanding during the period
Book Value per Equity Share (₹)	Paid-up Equity Share Capital + Reserves & Surplus)/ No. of Equity Shares Subscribed
Return on Net worth (%)	Net Profit After Tax / Net Worth*
Total Debt/Net Worth*	Total Debt/Net Worth*

* Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits , securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

8 DETAILS OF ESCROW ACCOUNT

8.1 In accordance with Regulation 20 of the Buyback Regulations and towards security for performance of its obligations under the Buyback Regulations, the Company has entered into an escrow agreement dated February 26, 2021 (**"Escrow Agreement"**) with the Merchant Banker and ICICI Bank (acting through its Capital Market Division, 122/1 Mistry Bhavan, Churchgate, Mumbai – 400 020) ("Escrow Bank") pursuant to which the Company has opened an escrow account titled "**NBVL – Buyback Offer 2021 – Bank Escrow Account" (the "Escrow Account")**. The Company has authorized the Merchant Banker to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement. The Company will deposit in the Escrow Account cash aggregating to ₹ 37.50 Crores (Rupees Thirty Seven Crores and Fifty Lakhs only), being 25% of the Maximum Buyback Size (**"Cash Escrow"**) in accordance with the Buyback Regulations, before opening of the Buyback.

8.2. The funds in the Escrow Account may be released for making payment to the shareholders subject to at least 2.5% of the Maximum Buyback Size remaining in the Escrow Account at all points in time.

8.3. If the Company is not able to complete Buyback equivalent to Minimum Buyback Size, except for the reasons mentioned in the Buyback Regulations, the amount held in the Escrow Account (upto a maximum of 2.5% of the Maximum Buyback Size), may be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the Buyback Regulations.

8.4. The balance lying to the credit of the Escrow Account will be released to the Company on completion of all obligations in accordance with the Buyback Regulations.

9 LISTING DETAILS AND STOCK MARKET DATA

9.1 The Equity Shares are currently listed on the NSE and BSE.

9.2 The high, low and average market prices in preceding three (3) financial years and the monthly high, low and average market prices for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the NSE are as follows:

Period	High (₹)	Date of High and (No of shares traded on that date)	Low (₹)	Date of Low and (No. of shares traded on that date)	Weighted Average Price# (₹)	Total Volume of shares Traded in the period	Total Turnover (₹)
Preceding 3 years							
FY2018	184.40	15 Jan 2018 (20,11,004)	117.90	27 Sep 2017 (8,42,307) 28 Sep 2017 (3,72,788)	145.90	10,78,80,539	15,73,94,38,741
FY2019	168.00	31 May 2018 (66,44,052)	94.20	14 Feb 2019 (6,30,661)	131.93	7,55,14,510	9,96,25,63,958
FY2020	114.90	26 April 2019 (20,254)	32.40	24 March 2020 (3,599)	74.28	78,72,023	58,47,65,812
Preceding 6 months							
Sep'20	65.25	14 Sep 2020 (8,07,815)	53.25	24 Sep 2020 (2,66,354)	60.18	72,65,834	43,72,90,952
Oct'20	59.25	05 Oct 2020 (1,62,790)	52.00	19 Oct 2020 (2,22,895)	54.86	40,24,540	22,07,72,953
Nov'20	55.70	27 Nov 2020 (10,19,032)	46.75	23 Nov 2020 (9,80,103) 24 Nov 2020 (45,94,831)	50.72	2,29,36,570	1,16,34,70,386
Dec'20	68.45	29 Dec 2020 (1,76,36,018)	50.20	22 Dec 2020 (14,20,916)	60.87	4,90,96,420	2,98,85,25,366
Jan'21	64.75	6 Jan 2021 (1,54,93,333)	57.20	28 Jan 2021 (4,82,373)	62.03	1,99,30,141	1,23,62,83,149
Feb'21	76.20	26, Feb, 2021 (11,056,319)	57.15	01, Feb 2021 (8,26,201)	65.86	4,27,62,813	2,81,61,72,772

\# Weighted average price (total turnover / total volume of shares traded) for all trading days during the said period.

(Source: NSE official website www.nseindia.com)

9.3 The high, low and average market prices in preceding three (3) financial years and the monthly high, low and average market prices for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the BSE are as follows:

Period	High (₹)	Date of High and (No of shares traded on that date)	Low (₹)	Date of Low and (No. of shares traded on that date)	Weighted Average Price# (₹)	Total Volume of shares Traded in the period	Total Turnover (₹)
Preceding 3 years							
Fy2018	184.20	15 Jan 2018 (454,913)	118.00	28 Sep 2017 (6,71,788)	143.68	1,90,54,333	2,73,77,19,001
FY2019	168.00	31 May 2018 (66,44,052)	94.20	14 Feb 2019 (34,115)	131.74	9,904,944	1,304,872,810
FY2020	114.90	26 April 2019 (20,254)	32.40	24 March 2020 (3,599)	74.28	78,72,023	58,47,65,812
Preceding 6 months							
Sep'20	65.15	14 Sep 2020 (1,02,133)	53.50	24 Sep 2020 (10,243)	60.03	7,81,578	4,69,16,656
Oct'20	59.25	05 Oct 2020 (18,962)	51.50	22 Oct 2020 (9,668)	54.98	3,41,961	1,88,02,537
Nov'20	55.55	27 Nov 2020 (77,151)	46.55	23 Nov 2020 (69,765)	51.15	17,61,080	9,00,73,002
Dec'20	68.85	29 Dec 2020 (14,61,571)	50.20	22 Dec 2020 (1,55,003)	60.70	48,05,713	29,16,91,042
Jan'21	64.71	6 Jan 2021 (2,12,902)	57.10	28 Jan 2021 (27,948)	61.99	21,46,934	13,30,95,068
Feb'21	76.25	26, Feb, 2021 (8,73,758)	57.25	01 Feb, 2021 (64,293)	66.22	44,12,932	29,22,40,791

\# Weighted average price (total turnover / total volume of shares traded) for all trading days during the said period.

(Source: BSE official website www.bseindia.com)

Note: Pursuant to Scheme of Reduction of capital by the Hon`ble National Company Law Tribunal ("NCLT"), Hyderabad Bench vide order dated January, 19,2021, the capital was changed from 17,62,17,020 equity shares to 16,34,70,000 equity shares.

9.4 The closing market price of the Equity Shares on the BSE and the NSE as on February 23, 2021, being the day on which notice of Board Meeting to consider the proposal for the Buyback was filed at the Stock Exchanges, was ₹ 58.70 (Rupees Fifty Eight and Seventy paisa only) and ₹ 58.75 (Rupees Fifty Eight and Seventy five paisa only) respectively.

9.5 The closing market price of the Equity Shares on the BSE and the NSE as on February 25, 2021, being the working day prior to the day the Board approved the proposal for Buyback, was ₹ 70.55 (Rupees Seventy and Fifty Five paisa only) and ₹ 70.60 (Rupees Seventy and Sixty paisa only) respectively.

9.6 The closing market price of the Equity Shares on the BSE and the NSE as on February 26, 2021, being the day the Board approved the proposal for Buyback, was ₹ 72.65 (Rupees Seventy Two and Sixty Five Paisa only) and ₹ 72.60 (Rupees Seventy Two and Sixty Paisa only) respectively.

10 PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1 The capital structure of the Company, as on the date of the Public Announcement and the proposed capital structure of the Company post completion of the Buyback will be, as follows:-

(₹ in Lakhs)

Sr. No	Particulars	Pre Buyback	Post Buyback
1	**Authorized Share Capital:** 25,00,00,000 Equity Shares of ₹ 2 each	5,000.00	5,000.00
2	**Issued, Subscribed:** 163,721,475 equity shares of ₹ 2 each	3,274.43	-
3	**Paid-up Equity Share Capital** 163,470,000 equity shares of ₹ 2 each	3,269.40	2,969.40
	Add: Forfeited shares of ₹ 2 each (amount originally paid-up)	1.26	1.26
		3,270.66	**2,970.66**

Note: Assuming that the indicative Maximum Buyback Shares are bought back, the post Buyback issued, subscribed and paid-up capital will differ depending upon the actual number of Equity Shares bought back.

10.2 As on the date of this Public Announcement, there are no Equity Shares which are partly paid up, or with call-in-arrears and there are no outstanding instruments convertible into Equity Shares.

10.3 The shareholding pattern of the Company pre Buyback as on date of the Board meeting approving the Buyback i.e. February 26, 2021 and the post Buyback shareholding pattern assuming full acceptance, is as follows:

Category of the Shareholder	Pre Buyback: No. of shares held	Pre Buyback: % of existing equity capital	Post Buyback: No. of shares held	Post Buyback: % of existing equity capital
(A) Promoters & Promoter Group	7,12,04,301	43.56	7,12,04,301	47.96
(B) Public	9,22,65,699	56.44	7,72,65,699	52.04
(C1) Shares underlying DRs	-	-		
(C2) Shares held by Employee Trust	-	-		
(C) Non Promoter-Non Public	-	-		
Total	**16,34,70,000**	**100.00**	**14,84,70,000**	**100.00**

Note: Assuming that the indicative Maximum Buyback Shares are bought back, However, the post Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

10.4 As per Regulation 16(ii) of the Buyback Regulations, the Buyback shall not be made from Promoters, Promoter group and persons in control of the Company, and such individuals/entities will not participate in the Buyback. Further, as per Regulation 24(1)(e) of the Buyback Regulations, the Promoters, Promoter group and persons in control of the Company will not deal in Equity Shares on the Stock Exchange or off-market, including inter se transfer of Equity Shares among themselves, until the completion of the Buyback.

10.5. For the aggregate shareholding of the Promoters and Promoter group as on the date of the Board Meeting i.e. February 26, 2021, please refer to paragraph 4 of Section titled "Part A - Disclosures in accordance with Schedule I of the Buyback Regulations".

10.6. For the details of the transactions made by the persons mentioned in paragraph 10.5 above, please refer to paragraph 4.2 of Section titled "Part A - Disclosures in accordance with Schedule I of the Buyback Regulations".

10.7. While the Promoter, Promoters group and persons acting in concern of the Company are not eligible to participate in the Buyback, depending on the number of Equity Shares bought back by the Company, their effective shareholding percentage in the Company, will increase marginally consequent to the Buyback. Any increase in the percentage holding/ voting rights of the Promoters, Promoter Group and persons acting in concern of the Company is not an active acquisition and is incidental to the Buyback and falls within the limits prescribed under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

10.8. There is no scheme of amalgamation or compromise or arrangement pursuant to the Companies Act is pending in relation to the Company as on the date of this Public Announcement.

11. DETAILS OF PROMOTERS, MEMBERS OF THE PROMOTER GROUP, PERSONS IN CONTROL AND DIRECTORS OF PROMOTERS AND PROMOTER GROUP SHAREHOLDING AND OTHER DETAILS

11.1 For the details of the aggregate shareholding of the promoters, members of the promoter group, directors of the promoters and members of the promoter group (where the promoter or the member of the promoter group is a company) and of persons who are in control of the Company as on the date of this Public Announcement, please refer to paragraph 4.2 of Part A above.

11.2 For the details of Equity Shares sold or purchased by the persons mentioned in paragraph 11.1 above during a period of 12 (twelve) months preceding the date of this Public Announcement, please refer to paragraph 4.1 of Part A above.

12 MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

12.1 The Buyback is expected to enhance overall long-term shareholders' value for continuing shareholders, without compromising on the future growth opportunities of the Company, as well as provide an exit opportunity to the public shareholders. The Buyback is not likely to cause any material adverse impact on the earnings of the Company, except a reduction in the treasury income which the Company could have otherwise earned from investments in fixed deposits and mutual funds. The Company will also bear the cost of the Buyback transaction.

12.2 The Buyback is proposed, considering the accumulated surplus funds available with the Company being in excess of the surplus amount needed to be retained by the Company for future growth of the Company as envisaged by the Board.

12.3 The Buyback will be funded out of the internal accruals of the Company including free reserves of the Company, in accordance with Section 68(1) of the Companies Act and Regulation 4(ix) of the Buyback Regulations.

12.4 The Buyback will lead to reduction in existing Equity Shares and consequently, is expected to improve the earnings per Equity share and enhance return on equity, assuming that the Company would earn similar profits as in the past.

12.5 Pursuant to Regulation 16(ii) of the Buyback Regulations, the promoters, promoter group and persons in control of the Company will not participate in the Buyback. The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

12.6 Consequent to the Buyback (which excludes participation by the promoters, promoter group and persons in control of the Company) and based on the number of Equity Shares bought back by the Company from the shareholders including those resident outside India, erstwhile overseas corporate bodies, foreign portfolio investors and non-resident Indian shareholders, the shareholding pattern of the Company would undergo a change; however public shareholding shall not fall below 25% of the total fully paid up equity share capital of the Company.

12.7 In accordance with Section 68(2)(d) of the Companies Act and Regulation 4(ii) of the Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves post the Buyback based on audited financial statements of the Company.

12.8 The Company shall not issue any Equity Shares or other securities including by way of bonus issue, till the date of expiry of the Buyback period in accordance with the applicable provisions of the Companies Act and the Buyback Regulations. The Company shall not make any further issue of the same kind of shares or other securities including allotment of new shares under Section 62(1)(a) or other specified securities within a period of 6 (six) months after the completion of the Buyback except by way of bonus shares or equity shares issued in order to discharge subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares. Further, unless otherwise specifically permitted by any relaxation circular issued by SEBI, in accordance with Regulation 24(i)(f) of the Buyback Regulations, the Company shall not raise further capital for a period of 1 (one) year from the expiry of the buyback period, except in discharge of its subsisting obligations.

12.9 Unless otherwise determined by the Board or as may be directed by the Appropriate Authorities, the Buyback will be completed within a maximum period of 6 (six) months from the date of opening of the Buyback. In accordance with Buyback Regulations, the Company shall not withdraw the Buyback once this Public Announcement has been made.

13 STATUTORY APPROVALS

13.1 Pursuant to Sections 68, 69, 70, and all other applicable provisions of the Companies Act and applicable Rules thereunder and the provisions of the Buyback Regulations and Article 17 of the Articles of Association of the Company, the Company has obtained the Board approval as mentioned above.

13.2 The Buyback from each shareholder is subject to all statutory consents and approvals as may be required by such shareholder under applicable laws and regulations. The shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India and / or SEBI, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.

13.3 The Buyback shall be subject to such necessary approvals as may be required, and the Buyback from erstwhile overseas corporate bodies and other applicable categories shall be subject to such approvals of the Reserve Bank of India, if any, under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended from time to time.

13.4 To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buyback as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their Equity Shares to the Company as set out in paragraph 13.2 of Part B above, the Company shall obtain such statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buyback.

14. COLLECTION AND BIDDING CENTRES

14.1 The Buyback will be implemented by the Company by way of open market purchases through the Stock Exchanges using their nationwide trading terminals. Therefore, the requirement of having collection centres and bidding centres is not applicable.

15. COMPLIANCE OFFICER

Investors may contact Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e., 9:00 a.m. to 6:00 p.m. on all working days except Sunday and public holidays:

Mr. VSN Raju (Compliance Officer)
Company Secretary and Vice President
Nava Bharat Ventures Limited
6-3-1109/1, Nava Bharat Chambers, Rajbhavan Road, Hyderabad, Telangana, 500082
Tel.: +91 40-23403501 / 23403540, Fax: +91 80-66886121,
Email: investorservices@nbv.in; Website: www.nbventures.com

16. REGISTRAR TO THE BUY BACK AND INVESTOR SERVICE CENTRE

In case of any query, the shareholders may also contact KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre for the purposes of the Buyback, on any day except Saturday and Sunday and public holiday between 10:00 a.m. to 3:00p.m. at the following address:-

KFINTECH

KFin Technologies Private Limited
(Formerly known as Karvy Fintech Private Limited)
Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad - 500 032
Tel No.: +91 40 6716 2222| **Fax No.:** +91 40 2343 1551
Contact Person: Mr. N Shyamkumar/ Mr. Bhaskar Rao
Email: shyam.kumar@kfintech.com
Website: www.kfintech.com
Investor Grievance Id: einward.ris@kfintech.com
SEBI Registration No.: INR000000221
Validity Period: Permanent
CIN: U72400TG2017PTC117649

17. MERCHANT BANKER TO THE BUY-BACK:

The Company has appointed the following as Merchant Banker to the Buyback

akasam® transcending horizons

akasam consulting private limited
Level 3 & 4, akasam, 10-1-17/1/1, & 10-1-17/1/1/A, Masab Tank, Hyderabad, Telangana - 500 004
Tel No.: +91 40 6644 4956; Fax No.: + 91 40 2333 5511
Contact Person: Ms. Durga Poornima A
E-mail Id: poornima@akasamconsulting.com
Website: www.akasamconsulting.com
SEBI Registration Number: INM000011658

18. DIRECTORS' RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts responsibility for the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirm that the information in such documents contains and will contain true, factual and material information and does not and will not contain any misleading information.

For and on behalf of Board of Directors of Nava Bharat Ventures Limited

Sd/-	Sd/-	Sd/-
P. Trivikrama Prasad	**GRK Prasad**	**VSN Raju**
Managing Director	**Executive Director**	**Company Secretary & Vice President**

Date: February 27, 2021
Place: Hyderabad

Opinion

MONDAY, MARCH 1, 2021

VACCINE PRICE CAPS

Biocon chairperson Kiran Mazumdar Shaw

"We are crushing instead of incentivising vaccine industry... vaccine cos feel betrayed as price is too low to sustain. If WHO has agreed to \$3 per dose, why beat them down to \$2?"

Making drivers Uber's employees hurts innovation

The UK SC ruling could spur other countries to take a similar line, making the models of apps like Uber/Airbnb unviable

THE UK SUPREME COURT ruling that grants drivers associated with app-based ride-hailing services the status of the latter's employees—overruling the apps' classification of drivers as independent contractors—has worrisome implications for the flow of disruptive innovation. To be sure, this is not the first instance of such a view being adopted by an arm of the state in a jurisdiction; a French court did this last year. But, the latest ruling means the precedence for other nations, like Germany, Italy, Spain and the US, that are dealing with similar questions on the rights of app-using service-providers, lines up in favour of 'drivers are employees'. In such a scenario, it is unlikely a Proposition 22—this California referendum allowed Uber and Lyft to successfully avoid regulation that would have classified drivers as their employees—would influence policymakers.

The UK SC judges ruled that even though Uber claims to be technology-platform, it behaves like an employer by settling rates, assigning rides and using a rating system to discipline drivers. Juxtapose this with the freedom drivers have in terms of refusing rides, switching between competing apps, disabling an app at will, etc. Although Uber has expanded protections for drivers—in 2018, it said EU drivers will be given medical benefits and sick leaves, and assured British drivers that they wouldn't be charged for cancelling rides and would instead be shown fare and destination for each ride—it has been under pressure to classify drivers as employees, which means more onerous asks on drivers' social security, insurance, compensation, removal, etc. Besides, such classification could also entail having to ensure the hourly minimum wage for drivers.

Uber had recently circulated a paper for European policymakers, which talked of pooled eligibility benefits to ensure better earnings while maintaining the drivers' status as independent contractors. In India, too, new rules have talked about employers footing the bill to create a social security net for platform/gig workers. However, forcing platforms to treat them as employees, on a par with traditional services, will push up costs that could make their model unviable. And if such platforms are lost, both consumers and service-providers using these will lose. Such platforms have created considerable economic value in terms of livelihood opportunities and productivity gains through time saved. Cost-savings for users have also contributed to rise in demand for the services; for instance, Uber and Ola in India have fostered ride-sharing as a service, delivering value to both drivers and passengers, apart from the environment in terms of reduced traffic emissions. Airbnb has made lodging cheaper by giving consumers home-stay options while helping homeowners unlock the value of idle space/properties. Imposing the same rules that apply to hotels to Airbnb would only push up costs for the latter. Similarly, setting base fares and minimum wage rules will make commute using taxis more expensive, ultimately hurting demand for the services. While policy worldwide should work to ensure that such companies offer better value and quality to consumers and service-providers using their platform, shackling them with the employer-obligations of the old economy will simply kill innovation that relies on modulated regulation. Some may argue the traditional players these platforms compete against will suffer, but the way out could be light-touch, only-essential regulation for the older players rather than onerous burdens on the new players.

A problem of trust

Repeated failures of the state system leading to parallel probes

THE CENTRE IS right in telling the Delhi High Court that there shouldn't be any "parallel judicial systems"—this was in the context of the HC seeking the Centre's response over a petition challenging the reports of fact-finding bodies set up both inside and outside the statal structure to look into the riots in Delhi last year. One of the reports is by a committee set up by the Delhi Minorities Commission (DMC); while the Centre has acknowledged the fact that the DMC is a statutory body and that the court could ask for its report, it has said that various "tribunals" come up after incidents and record versions and statements from witnesses, but these make for a parallel judicial syste, and such fact-finding committees should not be allowed. Instead, it told the court, those with grievances must approach a competent court. It said that the petition challenging the reports merited examination by the court. There is no doubt that, many times, such fact-finding bodies, especially those formed along lines of interest in a conflict, add to confusion instead of helping sort out things. Also, in polarised times, such fact-finding reports lend themselves to weaponisation in the narrative war. However, the Centre and the states—and their various agencies—only have themselves to blame for this "parallel judicial system" thriving.

There are many instances of investigations/trials, and even tax demands, falling flat because of shoddy work by the state's arms. The recent order of the Delhi High Court granting bail to climate activist Disha Ravi noted that evidence put up by the Delhi Police to oppose the bail was "scanty and sketchy", dwelling on "bare assertions" in a particular context. Last year, a Delhi court pulled up the Delhi Police for "lack of evidence" and even "contradictory" statements by its own witnesses—highlighting glaring discrepancies in the testimony of a police officer—while acquitting 36 foreign nationals arrested in the Tablighi case. These are individual examples, but the problem is systemic, cutting across jurisdictions and departments. As per the National Crime Records Bureau, while 96 persons were arrested for sedition in 2019, 76 were charge-sheeted; only 2 were convicted and 29 acquitted. Cases are likely pending against the rest, but the success rate in the concluded trials really shows up the state's efficiency in investigation and prosecution. Similarly, while the Economic Survey 2018 pointed out that the income tax department "unambiguously" loses 65% of its cases, a CAG report from 2019 showed that in FY18, there were 3 lakh cases pending at the CIT (Appeals) level with ₹5.2 lakh crore in tax demand locked in them, but the taxman had told the central auditor that it is difficult to recover 98.2% of the disputed amount. The fact that the disputed tax demand amount had reached ₹11 lakh crore-plus in FY19—against ₹4.1 lakh crore in FY14—can only be an indicator of the brazenness of the system that continues to raise demands despite knowing that it can't back these up. When probes by the state's agencies and arms fail too often, and by wide margins, trust in their efficiency decays. This creates conditions for parallel 'judicial (investigative)' systems to thrive, even if the result may sometimes be babel.

MarriageINEQUALITY

Govt's stand on same-sex marriage is regressive; India's mythology has many examples of well-tolerated queer unions

PLEADING "AGE-OLD customs, rituals, practices, cultural ethos and societal values" before the Delhi High Court, the Union government has opposed same-sex marriage, claiming a "legitimate State interest" in doing so. So, in the 21st century, there are important 'concerns' of "societal morality" which, according to the government, make same-sex relationship s "not comparable" with an "Indian family unit concept" of husband, wife and children. Single-parents, divorcees with children, men in violation of the bigamy law—including former chief ministers of states and their families, leaders fielded by the ruling party in various elections, etc—by this definition, would be outside the Indian family unit concept. As if such a regressive stance was not enough, the Centre, as per a report in *The Indian Express*, has made it clear that it is not "permissible" for the court to override legislative intent that limits the recognition of marriage to heterosexual couples, since this "would cause complete havoc with the delicate balance of personal laws in the country."

While the present should inspire—same-sex unions have legal sanction in 29 countries, nationwide or in certain jurisdictions—there are so many examples of well-tolerated queer unions in Hindu mythology that it should be embarrassing for anyone to claim that 'cultural ethos' doesn't allow for this. In any case, it is difficult to see how a person's fundamental right to life is not violated when their sexual orientation becomes the basis of denying them the rights that flow from legal recognition of a consensual union as marriage.

FROM PLATE TO PLOUGH

GIVE OPERATION GREEN AN INDEPENDENT BOARD, AWAY FROM GOVT CONTROL, AND PUT AT ITS HELM A CHAMPION, LIKE VERGHESE KURIEN WAS FOR OPERATION FLOOD

For a rich harvest from Operation Green

ASHOK GULATI & HARSH WARDHAN

Gulati is Infosys chair professor, and Wardhan is consultant, ICRIER. *Views are personal*

WHILE PRESENTING THE FY22 Union Budget, finance minister Nirmala Sitharaman announced that Operation Green (OG) would be expanded beyond tomatoes, onions and potatoes (TOP), to 22 perishable commodities. Although we don't know yet which other commodities have been included in OG, we welcome this move as it reflects the government's intentions of creating more efficient value chains of perishables. OG was originally launched in 2018 by late finance minister Arun Jaitley. It has been now three years, and it may be good to see how it has progressed so far and whether it has achieved its objectives. Based on this rapid appraisal, one can suggest what else needs to be fixed to ensure that OG delivers quickly and effectively as it expands to cover 22 commodities.

There were three basic objectives when OG was launched. First, that it should contain the wide price volatility in the three largest vegetables of India, namely TOP. Second, it should build efficient value-chains of these, from fresh to value-added products, with a view to give a larger share of the consumers' rupee to farmers. And third, it should reduce the post-harvest losses by building modern warehouses and cold storages wherever needed.

The design and strategy followed so far is that the OG scheme is housed in the ministry of food processing industries (MoFPI) under a joint secretary. MoFPI has invited some programme management agencies to see its implementation. Out of an initial outlay of ₹500 crore, ₹50 crore was reserved for price stabilisation, wherein NAFED was to intervene in the market whenever prices crash due to a glut by procuring some of the excess arrivals from surplus regions to store near major consuming centres. Another ₹450 crore have been reserved for developing integrated value-chain projects. Such projects are given 50% grants-in-aid with a maximum limit of ₹50 crore per project. This subsidy goes up to 70% in case the project is of a farmer producer organisation (FPO). As of February 23, six projects worth ₹363.3 crore have been approved, of which ₹136.82 crore has been approved as grant-in-aid. But, so far, a mere ₹8.45 crore has been actually released—maybe because the scheme envisages payment of subsidy on a reimbursement basis.

A closer examination of the scheme in terms of achievment of the objectives of price stabilisation or ensuring a larger share of farmers in consumers' rupee, reveals that OG is in a slow-motion mode and nowhere near achieving its objectives. Our research at ICRIER reveals that price volatility remains as high as ever, and farmers' share in consumers' rupee is as low as 26.6% in the case of potatoes, 29.1% in the case of onions, and 32.4% in the case of tomatoes *(see graphic)*. This is reflective of the malice in the horticulture sector.

In contrast to this situation, in the dairy sector, especially in cooperatives like Amul, farmers get almost 75-80% of what consumers' pay. If OG has to deliver on its objectives, there may be some basic principles it can learn from Operation Flood (OF) that transformed the dairy sector, making India the world's largest milk producer, almost crossing 200 million tonnes production. Although OG will be more challenging than OF—each commodity under OG has its own specificity, its own production and consumption cycle, unlike the homogeneity of milk as one commodity—there are some important lessons from OF.

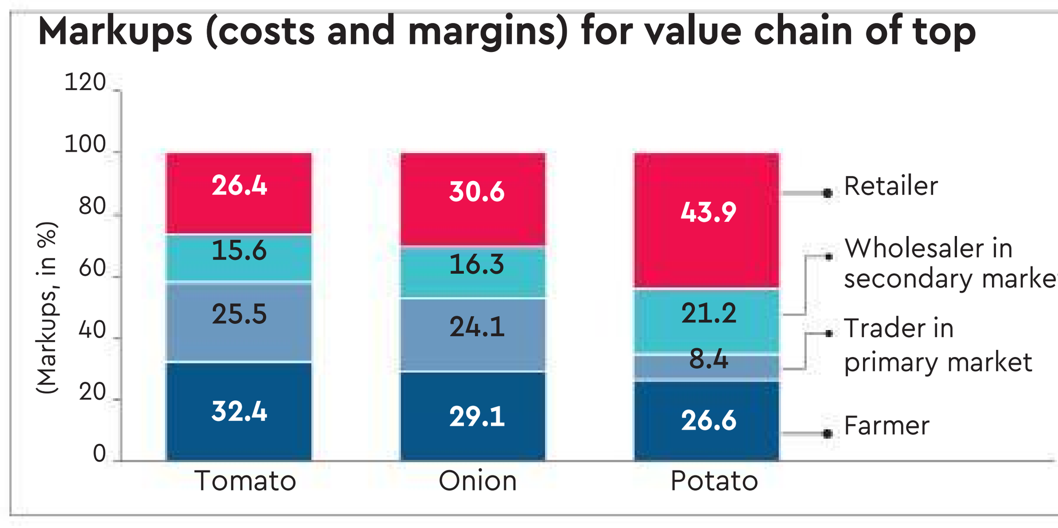
First, the results are not going to come in 3-4 years. One has to have patience. OF lasted for almost 20 years before milk value-chains were put on the track of efficiency and inclusiveness. If this is the horizon needed for OG, we need a different structure and strategy than the one followed currently. There has to be a separate board to strategise and implement the OG scheme, on the lines of the National Dairy Development Boar, keeping itself at arm's length from the government's control.

Second, we need a champion like Dr Verghese Kurien to head this new board of OG, a leader who is respected for his/her independence as well as commitment and competence to give a different shape to horticulture sector value chains. That person will have to be given, at the least, a five-year term and ample resources while he/she is made accountable for delivering results. The MoFPI can have its evaluation every six months, but making MoFPI the nodal agency for implementing OG with faceless leaders (joint secretaries who can change from one ministry to another at the drop of a hat) is not very promising.

Third, the criteria for choosing clusters for TOP crops under OG is not very transparent and clear. The reason is while some important districts have been left out from the list of clusters, less important ones have been included. For example, Nashik, a well-known tomato growing region with one of the largest tomato *mandis* (in Pimpalgaon) has been left out, while less important districts from states like Odisha (Kendujhar and Mayurbhanj), Gujarat (Sabarkantha, Anand and Kheda) and West Bengal have been included. Similarly, Nalanda in Bihar was included in the onion cluster, but Aurangabad district in Maharashtra (an important white onion growing region) was left out. For potato, Punjab was finally included after Punjab CM Amarinder Singh's request for the addition of their districts as clusters. What is needed is quantifiable and transparent criteria for the selection of commodity clusters, keeping politics away.

Fourth, the subsidy scheme will have to be made innovative with new generation entrepreneurs, startups and FPOs. The announcement to create additional 10,000 FPOs along with Agriculture Infrastructure Fund and the new farm laws are all promising but need to be implemented fast.

Markups (costs and margins) for value chain of top



For a monetary-fiscal tango

The govt's push to capital spending in the budget will help ease logistics cost, helping lower inflation. Lower inflation, in turn, will allow RBI to greater flexibility in monetary measures

PREETA GEORGE & JAYA BHARGAVI

George is professor, economics, and Bhargavi is resource person, Bhavan's SPJIMR. *Views are personal*

IT HAS BEEN more than a year since the pandemic started in Wuhan, which triggered the current global economic crisis. Most advanced economies have used expansionary monetary policy, of course, with synergic fiscal stimulus, as their preferred tool to tackle this situation. Benign inflation in these advanced economies and even in few emerging economies such as Brazil has not put any binding constraint on monetary policy to support the economy.

India has a slightly different story to tell. In the context of the recent recession, policymakers had sensed the slowdown in mid-2019 through forward-looking surveys. The pandemic-lockdown has further deteriorated the conditions, leading to the sharpest economic contraction in recent times. RBI worked in tandem with the government to support the economy through unconventional monetary tools and conducted appropriate market operations to support additional government borrowings in non-disruptive ways. The effort augmented system level liquidity and provided some cushions.

Nevertheless, support through conventional tools, i.e., policy rates, was limited. The monetary policy committee has maintained its accommodative stance, reducing policy repo rate only by 115 bps to 4% as inflation, primarily due to high food inflation, has been consistently passed the upper tolerance threshold (barring 3-4 occasions) since October 2019. Recent influx of foreign capital, in the form of portfolio investment, has further constrained RBI's flexibility in managing monetary policy in conventional ways.

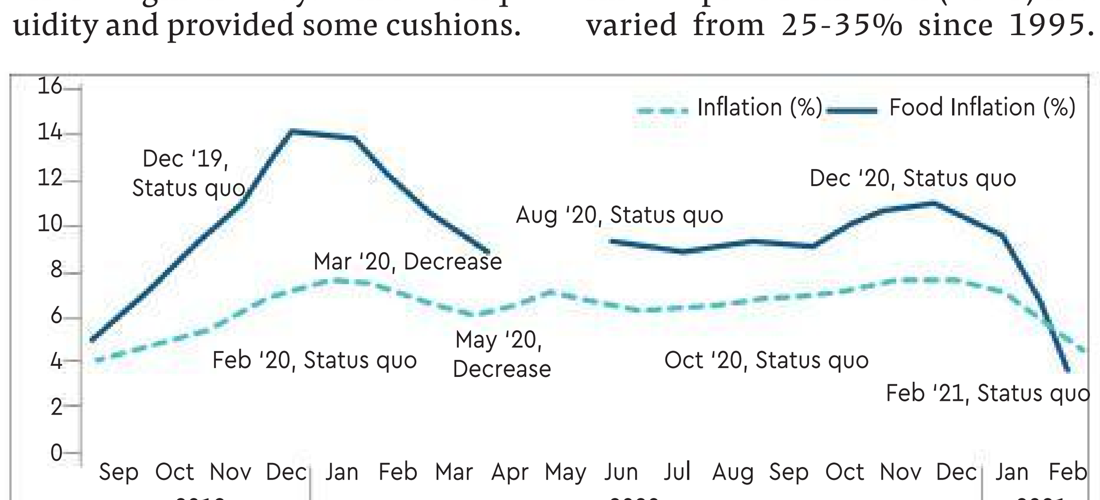
In India, inflation is mostly driven by existing structural deficiencies. This can be addressed only through an optimal investment in infrastructure and other fixed assets. The Centre, along with state-level counterparts, allocates funds for infrastructure, in the annual budget, through capital spending. According to Economic Surveys, capital expenditure in Union budgets was below 2% of GDP (barring two occasions) between 2008 and 2019. The gross fixed capital formation (GFCF) has varied from 25-35% since 1995.

Compare this with South Korea's GFCF, which has been in the range of 30-40 % of GDP (except for four or five occasions when it was slightly less than 30%) for 32 years, till 2010. Even in the last decade, its GFCF has been in the range of 25-30%. A recent report by Arthur D Little finds that the global average logistics cost is around 8% of GDP, whereas, in India, it is 14%, primarily due to high direct and indirect costs. Remember, it is a cost, not a value add. Hence, it puts upward pressure on inflation, especially on perishable items, including food, which requires time-bound transportation from producers to consumers.

The government has allocated funds equivalent to 2.5% of GDP for capital spending in the latest Union budget. The change is significant. It will definitely catalyse further investment in fixed assets and ease supply-side constraints in the medium-term. It will reduce supply-side inflationary pressures, thus providing greater flexibility for monetary measures by RBI.

Although the government has focussed on capital spending, it has been inadequate. More needs to be done. There will always be a discussion on the amount of capital spending or the optimal level of GFCF.

There is no confusion that more funds, as a percentage of GDP, are required to improve the current state of infrastructure in order to ease the supply-side bottlenecks for achieving non-inflationary economic growth. Hence, the increased allocation in the latest union budget, is a step forward in the right direction to enhance synergy between fiscal and monetary policies.



Source - RBI Website; Note - Call outs in the graph highlight MPC's actions wrt Policy Repo Rate

LETTERS TO THE EDITOR

It's election season in India

Election schedule for four states and one UT is out. The nomination process will start from March 2 and counting on May 2. Elections to the Bengal assembly will be held in eight phases and long campaign periods deny a level-playing field to parties because only those with more resources will be able to sustain the campaign, and in the present situation, it is advantage BJP. BJP's twin narratives in Bengal revolve around nationalism and economic revival and highlight the non-implementation of the Ayushman Bharat Scheme as well as Kisan Nidhi yojna. To counter the BJP's nationalist pitch, Mamta Banerjee has urged voters to ensure a win for "Bengal's daughter". If she manages to beat the aggressive BJP in Bengal, Mamta could emerge as the face of joint opposition in the run-up to 2024 national polls. The grand old party is hoping to ride the popular DMK wave in Tamil Nadu, where incumbent AIADMK is facing resistance as BJP experiments to find a space other than Dravidian politics. In Assam, the Congress is still struggling to reach a fair seat-sharing agreement with AIUDF's Badruddin Ajmal and Left partners, while in Kerala, it is striving hard to oust the ruling LDF. Congress's Rahul Gandhi has so far devoted attention to Kerala, where the party has hopes of returning to power. A win in Kerala would be crucial to Rahul's leadership, where dissenters have been questioning his inability to get votes. The WB Govt announced the last-minute schemes and hiked the daily wages of labourers. Tamil Nadu Govt also waived the loans of self-help groups, and it shows the desperate attempt of the ruling parties to garner support.

— Yash Pal Ralhan, Jalandar

●Write to us at feletters@expressindia.com

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OVER THE BARREL

Lessons from Uttarakhand and Texas

These two events are unrelated, other than possibly the link of climate change, but on examination of the reasons for the consequential material and human misery, they offer common insights

DECARBONISATION HAS entered the vocabulary of most governments and large corporates. Other than a few naysayers who are for the present holding their voice, they have all committed to a time-bound 'net zero' carbon emissions target. They are also in agreement over what needs to be done to reach that target. Fossil fuels must be steadily but inexorably replaced by clean energy; electricity should be increasingly generated from solar and wind; transport should switch from internal combustion engines to electric vehicles; energy demand should be conserved and more efficiently consumed; and technology and innovation must remain the centre-piece of all activities.

Unfortunately, it is not enough to simply set a time deadline and agree on the steps to be taken. Governments and corporates have also to agree on removing the legacy obstacles that lie on the pathway. Three, in particular, could significantly slow the pace of progress. These are poorly designed planning systems; siloed and fragmented physical and regulatory oversight mechanisms for the energy ecosystem; and lack of enough investments in energy infrastructure.

Two events of the last month will explain better the reasons for this concern.

On February 9, a chunk of the mountain Nanda Devi broke off and triggered flash floods downstream, which then washed away or damaged several hydroelectric dams and led to the loss of hundreds of lives. A few days later, on February 13, a severe cold snap crashed the electricity grid system in Texas, plunging a wide swathe of the state into darkness. These two events were unrelated, other than possibly the link of climate change, but on examination of the reasons for the consequential material and human misery, they offered common insights.

> In both cases there have been precedents—the comparably severe cold waves of 1989 and 2011 in the US; and the Kedarnath floods in 2013 in India

First, in both cases, the authorities were caught unprepared. This is despite the fact that there had been precedents—the comparably severe cold waves of 1989 and 2011 in the US; and the Kedarnath floods in 2013 in India. The planners had incorporated emergency response procedures for cold waves and floods, but they had not anticipated such extremes of weather conditions. Thus, for instance, Texan authorities had a worst-case planning scenario built around the assumption of a 15GW drop in generating capacity (of the total night-time capacity of 70GW). But what they eventually lost was 30GW.

One reason for this lack of preparedness could be the presumption, based on historical data, that such sharp shifts in natural conditions are infrequent—once in several decades—and that therefore the creation of safeguards against them is not required and may in fact invite the charge of gold-plating. Whatever the reason, the lesson is that whilst the past is a useful guidepost, it is an imperfect one especially in view of the spate of natural disasters across the world in recent times and that planners should be cautious about linear extrapolations. Certainly, for those contemplating the journey of decarbonisation, there is little of the distant past for them to hang onto.

Second, the events highlighted the costs of managing the energy value chain through a fragmented institutional and regulatory structure. The drop in temperatures in Texas froze the gas wells and the pipelines upstream, which then cascaded to knock out the water system and power generation capacity downstream. There was no umbrella authority with responsibility for the entire system. Further, to compound matters, the Texas electricity system was standalone and unconnected to the other states. It could not therefore draw on the surplus power available elsewhere to mitigate their shortfall. The tragedy in Uttarakhand also reflected the costs of institutional fragmentation and lack of coordination in decision-making. The suggestions made in the aftermath of the Kedarnath floods regards land use and watershed management and the best means of securing an optimal balance between construction and the Himalayan ecology had not, for instance, been implemented in large part because energy is a Concurrent subject and there is no one ministerial or regulatory body responsible for this domain. Further, these recommendations required the coming together of various non-energy ministries, which, given the current vertically-siloed structures of responsibility and accountability in our system, did not happen. The glacial burst may have been beyond anyone's control, but the consequential downstream damage was largely avoidable.

Third, these two events have raised questions about the reliability of renewables as a source of electricity in times of emergency. The questions do not doubt the robustness of 'clean energy' technology, and nor about the competitiveness of solar or wind power. But they do reflect a weakening of consumer confidence in non-fossil fuels. After all, whilst the gas delivery system collapsed, the wind did not stop blowing, nor did the sun stop shining. The questions focus attention on the energy infrastructure. One reason why solar and wind did not pick up the power slack in Texas was because the grid was not resilient enough to absorb the surge in the flow of intermittent renewable electrons. A similar problem faces India. Its transmission system is also not capable of managing the energy transition. This problem will clearly have to be addressed if decarbonisation is to proceed smoothly. But to do so many issues will have to be resolved. Not the least, how much will it cost to upgrade the infrastructure? How will it be financed? Who will take the lead on driving this change, etc? Questions those are easier to set out than answer.

Decarbonisation has become the buzzword. To ensure it does not remain just that but translates into effective action on the ground, policymakers will have to build structures that reflect the woven, multidimensional, interdependent and interconnected nature of the energy ecosystem. This means creating mechanisms that facilitate inter-ministerial and inter-state collaboration within the country, and multilateral cooperation internationally. Perhaps our Prime Minister should contemplate the appointment of a 'decarbonisation Czar', and given that he was the progenitor of the International Solar Alliance, suggest the establishment of a multilateral forum of governments, corporates, financial institutions and civic society under the umbrella 'Alliance for a Carbon Net Zero World'.

COVID-19 & THE US

A new start to social reform?

KALA S SRIDHAR & VISHAL R
Professor, Institute for Social and Economic Change, and an IAS officer, Govt of Karnataka, respectively. Views are personal

Wearing of masks by Biden, Harris points to social reform starting from the top

THE US IS gearing up to identify various strains of the virus to control the pandemic. With the new Joe Biden administration, there is hope at the beginning of the new decade. Biden, during his first call with Prime Minister Narendra Modi a few days after taking over as President, underscored the need to protect democratic institutions and norms globally.

The pandemic, which came on top of a global recession, complicated the already evolving geopolitical relationships. There is speculation globally as to how and which all countries may support the US and for what all reasons. Can India teach the US on Covid-19 management? If yes, how? Why India? Although differences lead to learning, there are commonalities between India and the US that lead to credibility of the learning. Both are the two largest democracies in the world, facing challenges on their polity recently. A second commonality is the nature of federal polity where the local government is at the bottom of the governmental hierarchy.

Covid-19 is an urban phenomenon spreading rapidly in cities, given their population density. At the time of writing, the US had 27.1 million cases, accounting for 8% of its population, with 465,000 deaths. India has managed with a caseload of 10.8 million, amounting to less than 1% of its population, with 155,000 deaths. Even if the cases due to the virus in India were underreported, Covid-19 cases account for possibly 2% of its population, although the prevalence of Covid-19 antibodies is much higher.

> Lessons the US can learn from India's lockdown strategy and Covid-19 management

The pandemic exposed the vulnerability of the US despite its global stature and world-class research institutions; it can learn from Covid-19 management in India, where steps led not only to flattening of the curve, but also depressing it.

During the initial stages of the pandemic, India resorted to locking down its cities, even restricted the movement of people outside their houses, let alone allowing their inter-district or inter-state movement, and closed a number of public activities. India also adopted testing, quarantining, contact tracing and selective hospitalisation gradually.

Nonetheless, given the number of migrant and informal workers, the lockdown pushed them out of their jobs. They became the face of the crisis, even while the lockdown strategy itself was well-intended.

Such a strategy of lockdown is deemed to be more appropriate for a developed country like the US, where migrant workers are few and informality nearly absent. Unfortunately, the US did not resort to any conscious strategy to tackle the pandemic, given its indicative nature of governance. The lack of proactive policies with regard to the pandemic is quite striking given the concern for lives in the US, a country pioneering in evidence-based decision-making, buttressed by its science and technology breakthroughs in world-class institutions.

Second, although the US initially restricted schools/colleges, and work from home continues for firms and higher educational institutions even today, other restrictions similar to what Europe or Asia tried—restricting restaurant hours, or banning the conduct of social functions—did not happen. There is sufficient evidence that, in the US, the pandemic spread rapidly in family-related events and functions, not so much in public crowds.

The US is an extremely free society, where citizens abhor the idea of 'restrictions' on activity. Just like India reformed economically and became a net lender on the global stage post its rapid economic growth in the past decades, the time has come for the US to socially reform democratically. This is needed to enable the US to come out of its vulnerability particularly to the virus, by being more prudent and having a sense of public responsibility rather than unmitigated individualism. The wearing of masks by Biden and Kamala Harris hopefully signals social reform starting from the top.

The way forward on MSP

Public procurement needs to continue for staple cereals, but farmers of non-staple food crops must be provided with direct income transfers

CSC SEKHAR
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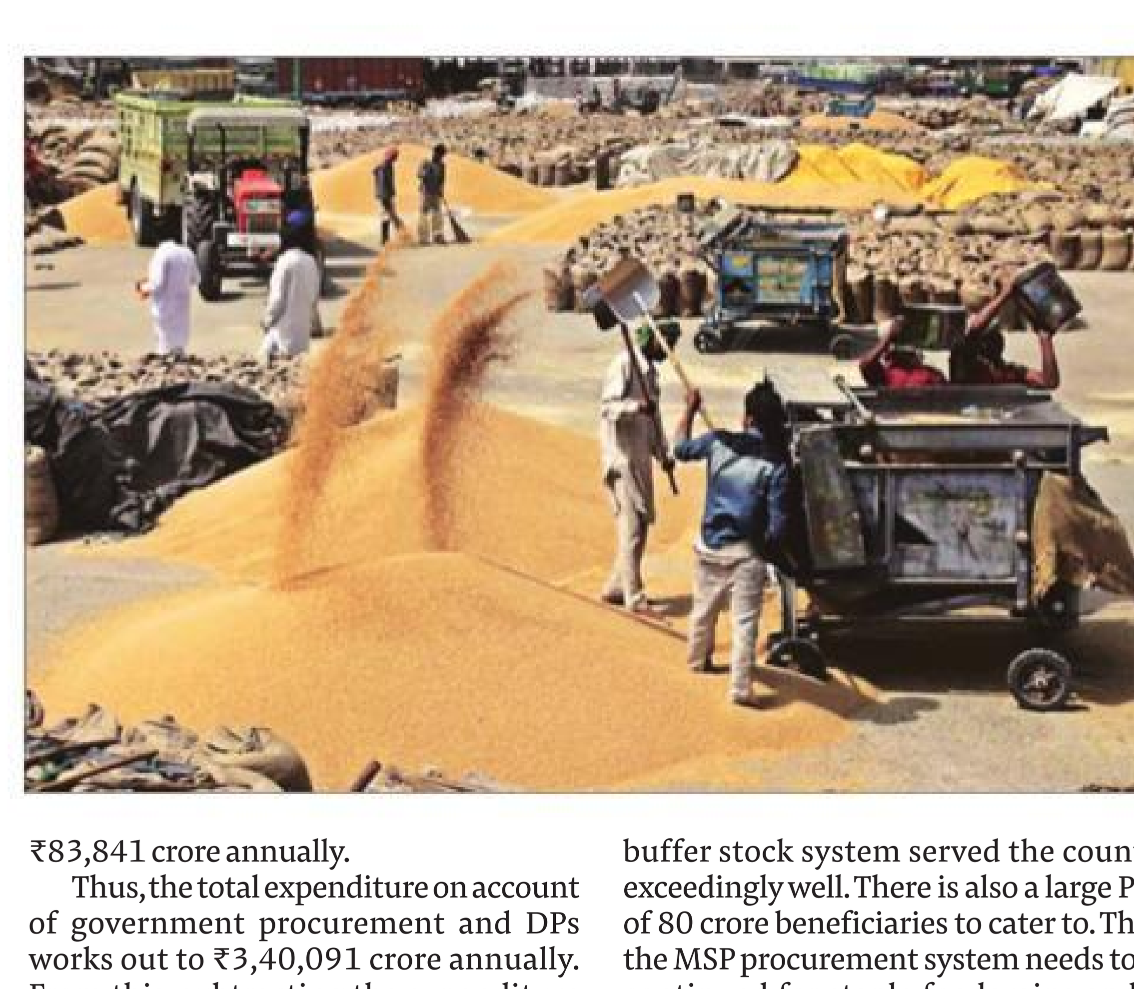


THE STALEMATE OVER farmers' protests appears to be a long-drawn one and the implementation of the recent farm laws appears stalled for now. One of the key demands of farmers and the opposition parties is to make MSP a legal right. What is the feasibility of this move and its implications, both fiscal and administrative? Are there better alternatives?

Making MSP a legal entitlement makes it a justiciable right, and there are two ways of ensuring this. The first is through physical procurement by the government. The second is to allow farmers to sell in the private market and if they get a lower price than MSP, then to reimburse the difference between the two. Such a payment is called 'deficiency payment (DP)'. Procurement is the best option for ensuring MSP. But there are two constraints—physical storage capacity and administrative capability (governance), which can limit the quantum of procurement. Thus, farmers also need to be supported through DPs.

The total production of 14 major food crops, which include staples rice and wheat along with three coarse cereals, five major pulses and four major oilseeds, was 321 million tonnes (MT) in 2019-20. A part of the production is kept by farmers for home consumption and other uses. Using the current marketable surplus ratios (MSR) from the '*Agricultural Statistics at a Glance 2019*', the expected marketed surplus (MS) of these crops works out to 261 MT. But the storage capacity available with the Food Corporation of India (FCI), state agencies, the Central Warehousing Corporation and the cooperative sector is only about 98 MT as per estimates by the Committee for Strengthening Negotiable Warehouse Receipts (2015). Given this storage capacity, which also holds the existing grain stocks and stocks of other crops like cotton, it will not be possible for the government to procure more than 30% of the marketed surplus, which is about 78 MT. The rest needs to be picked up by the private market, for which DPs are needed.

Fiscal costs

On public procurement: Rice and wheat are procured by the government and distributed through the PDS at a highly subsidised issue price of ₹3 per kg and ₹2 per kg, while the economic cost is ₹36 per kg and ₹24 per kg, respectively. The difference between the economic cost and the issue price constitutes the food subsidy. If MSP is legalised, the remaining crops also need to be procured and also disposed in an orderly way. Since assured procurement will very likely induce much larger supply in the short run, these crops may need to be sold at subsidised prices. Assuming that the ratio of economic cost and MSP of these crops is similar to rice and wheat (which is 1.78 in the last four years) and the crops can be disposed at 50% of their MSPs, the subsidy to be paid to the FCI and other agencies works out to ₹2,56,250 crore annually.

On DP: Since only 30% of the production can be procured by the government owing to storage constraints, nearly 70% of the MS needs to be absorbed by the market. When the market price falls below MSP, DP needs to be paid equalling the difference between the two. The steeper the fall of market price below MSP, the larger is DP. Assuming an average fall of 20% of the market price below MSP, which is a more likely scenario for most crops considered here, the quantum of DP is estimated to be ₹83,841 crore annually.

Thus, the total expenditure on account of government procurement and DPs works out to ₹3,40,091 crore annually. From this, subtracting the expenditure already incurred on procurement of wheat and rice as food subsidy in 2019-20, which is ₹1,08,688 crore, we get the additional expenditure needed for providing MSP to the remaining crops, which works out to ₹2,31,403 crore. This constitutes a 95% increase in the food subsidy budgeted in the 2021-22 Budget (₹2,42,836 crore)!

Direct payments

It is important to explore other options that may be fiscally prudent and administratively convenient. One such is direct payments to farmers. However, it needs to be noted that during the Covid-19 crisis as also food crises in 1975 and 2008, India's buffer stock system served the country exceedingly well. There is also a large PDS of 80 crore beneficiaries to cater to. Thus, the MSP procurement system needs to be continued for staple foodgrains and, if possible, be extended to pulses.

A different approach is needed for non-staple food commodities. For many non-staples, MSPs are announced with little or no procurement. This is really ineffective. A gradual movement to an income-based support system is needed. PM-KISAN is attempting this, but the support under it is grossly inadequate. The economic rationale for the payment of ₹6,000 per farm per annum is not clear and does not appear to be based on systematic analysis of costs and returns of farming. Using the data on crop and state-wise A2 cost of cultivation published by the Commission for Agricultural Costs and Prices (CACP)—which represents the basic costs incurred by the farmer on inputs and land leased, area under various crops in different states, and the number of small and marginal holdings in the country—the weighted cost of cultivation (with area under crops and number of holdings as weights) works out to ₹16,769 per farm. This is nearly 2.8 times the current payment under PM-KISAN. Data of 2015-16 has been used for these computations so that direct payments do not affect the marginal production (current production). Given the fiscal space available to the Union government, it may not be possible to cover the entire cost. Covering 50% of the cost will entail an annual expenditure of ₹1,22,187 crore, which is much less than the estimated expenditure for procurement plus DP system. Also, if rice and wheat holdings that get the benefit of MSP are excluded, then this expenditure may be even less.

If MSP is legalised for all food crops considered here, the budgeted food subsidy for 2021-22 will increase from the current 1.2% to 2.3%. In case of enhanced PM-KISAN payments, the corresponding increase is from 0.4% to 0.6%. Since DPs do not affect marginal production, farmers are likely to align their supply with the demand conditions. In conclusion, public procurement needs to continue for staple cereals, but farmers of non-staple food crops need to be provided with direct income transfers—these are fiscally prudent, obviate the need for physical procurement and storage by the government, do not distort current production, and also provide a basic income to farmers. These will also address the main concern over the recent farm laws related to the vulnerability of small and marginal farmers and may help these farmers to avoid distress sales.

eFE

MONDAY, MARCH 1, 2021

DIGITAL WORLD

Anant Maheshwari, president, Microsoft India

"Today every company is a tech company. Organisations are building digital infrastructure, changing business models, and adopting best-in-class technology to develop unique digital capabilities."

CHESS & CLOUD

Why the right moves matter

Similar to the game of chess, enterprises need to do their due diligence to get their cloud journey right

SUDHIR CHOWDHARY

Vaibhav Gawde, head – Solution Engineering, Oracle India

TOP-END performance, consistently lower costs, easy integration and smooth cloud migration have made cloud an alluring choice for businesses. However, making the right cloud choice can sometimes be tricky for an organisation, given previous IT investments, complex processes that cut across multiple departments, a number of cloud providers to choose from and the reality of hybrid IT setups.

Vaibhav Gawde, head—Solution Engineering, Oracle India, suggests that in a cloud-first world, organisations may consider cloud infrastructure as their key pawn to make the winning moves—faster innovation, better customer experience and sustained growth. "There is a reason why every grandmaster advises chess enthusiasts to not play the plan, but play the board instead. Similarly, it's important that organisations remain always agile," he says. "Year 2020 validated the need for rapid rethinking and swift execution. The ones that did get their moves right last year in an unprecedented business environment have been able to improve business resilience, while not losing sight of the bigger picture."

Cloud adoption on the rise

In the last three to four quarters, there has been a noticeable surge in demand for secure cloud services. Rishu Sharma, principal analyst – Cloud and Artificial Intelligence, IDC India, says, "The current environment has been an accelerator for cloud adoption in India. While varied functions are leveraging cloud for collaboration, improved efficiencies and business outcomes, businesses are looking at cloud as a platform for digital innovation."

How Indian ISVs stand to gain from this cloud growth

Software-as-a-Service (SaaS) is by far the largest component of India's overall public cloud services market, according to IDC's Covid-19 impact survey, with more than 56% of Indian organisations planning to increase their investments in SaaS services in the next few months. Indian independent software vendors (ISVs) with cloud-based SaaS offerings are expected to benefit greatly from this demand.

"India based ISVs are helping customers in their digital transformation journeys. It is imperative to innovate at a faster rate while de-focusing from the mundane tasks of IT management. Cloud provides this flexibility and allows them to concentrate on their core business objectives," says Sharma.

In sync with this market demand, Oracle is positioning its cloud infrastructure as a growth accelerator for ISVs. The enterprise cloud major recently announced that a large number of Indian ISVs are choosing to run their business critical applications on Oracle Cloud Infrastructure (OCI). Midsize ISVs including GOFRUGAL, Medexpert, Ameyo, Information Dynamics, Jocata, IBSFINtech, Invensoft, TecWink, QuarkCube.IO, amongst others, recently moved to OCI to improve application performance and accelerate business growth, according to a release from the company.

Santhana Gopalan R, CTO of GOFRUGAL Technologies, a digital-first company offering cloud and mobile ERP solutions to retail, restaurant and distribution businesses, said, "With OCI, our customers have gained a more flexible, scalable and sustainable cloud platform, and have reported much better application performance, with 50% lesser spends."

Arpit Vashishtha, head – Cloud Infrastructure, Ameyo, which offers omnichannel contact centre capabilities to over 2000 customers globally, said, "With OCI, we have overcome performance challenges and gained a high availability and scalable infrastructure, which further encourages us to offer new services to our customers. We have also reduced our costs significantly."

In addition to performance, ISVs also look for a transparent, predictable pricing structure with their cloud provider. "Only Oracle provides the industry's most transparent and predictable pricing structure, helping ISVs benefit from consistently lower costs," claims Gawde.

DECODING DATA

Value discovery of data via data marketplaces

Uma Ganesh

DATA IS CONSIDERED the new oil and therefore businesses have been making significant efforts to streamline methods and systems that enable in effective collection, categorisation and organisation of data supporting in the decision making processes. Most of the attention so far has been on mining the data generated by the business through its own transactions and extract useful insights from them for enhancing the customer experience or productivity of resources being deployed.

In the next phase of this journey we are going to see significant attention on accessing and procuring data from market places. Businesses will start realising the real value of their own data and would also be able to add more value to their own data blending with the data available from other external sources. According to Gartner Report, by 2022, 35% of large organisations will be either sellers or buyers of data via formal online data marketplaces.

Data marketplaces should not be confused with data lakes and data warehouses as the latter pertain to the storage and analysis of internal data only whereas the former enables in access to data from third parties. Data marketplaces enable businesses to access a variety of data that is categorised based on location, domain or customer profiles and as per requirement could choose appropriate data. Data exchanges are built around high levels of security and consistency and quality of data and thus build confidence in all stakeholders in the monetizing process. Some data marketplaces like Ocean Protocol are integrating blockchain into their solution to ensure anonymity in access to the data and data providers.

Personal data marketplace enables individuals to monetise their own data by selling it to the platform providers and B2B data marketplace enables massive data aggregation from multiple data providers thus making it convenient to buy and sell data as required. Both these data marketplaces have been prevalent for a while now and with sophisticated tools are seeing higher adoption rates.

Currently, however, the third category of data marketplace derives data from sensors and IoT which is at a nascent stage with only 20% companies managing to monetise their data as per Gartner. The volume and types of real time data being gathered through sensors and IoT are extremely valuable for understanding consumer behaviour and improve sales in particular. Steamr and DaweX are examples of data marketplace providers which facilitate machine to machine transactions related to data.

Data marketplaces and exchanges create economies of scale and reduce the costs of third-party data. Data marketplace architecture is also evolving and data buying companies like Facebook, Amazon and others would have to calibrate their architecture on an ongoing basis with the increasing realisation of customers to seek value in the data they can access from them. It is estimated that by 2030 over 1 million organisations shall monetise their data assets and according to Accenture, data marketplace will unlock more than $3.6 trillion in value.

Data marketplaces are enabling businesses to be in an advantageous position to derive better insights and be able to make new offerings to their customers combining their own data with the datasets that can be procured. Eventually organisations would be able to derive true value for their own data through these data marketplaces. For a long time valuation of assets was centred around the physical hard assets but in the last two decades we started seeing trends of valuing human capital. In a not so distant future it would be the quality and quantity of data owned by companies whose value is likely to form a part of the asset valuation. Here in lies the important role of data marketplaces and exchanges—for they would be in a position to help determine the value of such data.

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

UV-C DISINFECTION

Keeping our offices germ-free

Signify is offering UV-C disinfection lighting services for companies looking to re-open their workplaces

FE BUREAU

WORKPLACES ARE GRADUALLY opening up and it is extremely important for an employer to ensure the safety of its employees returning to office in the current pandemic. Towards this, lighting major Signify has added an extra layer of safety with the launch of Signify UV-C Disinfection Services in the country. "We have leveraged our expertise in UV-C lighting to offer UV-C disinfection lighting services that offer a safe and proven solution for disinfection" said Sumit Joshi, vice-chairman and managing director, Signify Innovations India.

UV-C lighting is a chemical, residue and absorption free method that can be used to disinfect air, water and surfaces. All bacteria and viruses tested to date are said to respond to UV-C radiation. The effectiveness of Signify's UV-C light sources to inactivating SARS-CoV-2, the virus that causes COVID-19, has been validated by Boston University.

For its UV-C disinfection services, the company has designed a customised service package wherein a team of highly trained professionals first study the site carefully to understand the requirements, followed by the disinfection process using specially designed UV-C products and a scientific methodology to determine the unique dosage needed for that site. After the disinfection is complete, the team also provides a site assessment report and a strick-on certificate.

Cushman & Wakefield has deployed Signify's UV-C disinfection services for its office in Gurugram.

Microgravity is developing an entertainment hub and gaming arena with state-of-the-art free-roaming technology for multiplayer virtual reality games, which includes simulators, virtual reality bays, classic video gaming docks and a golf experience using advanced projection and simulation technology. The first flagship store in Gurgaon will use Signify's UV-C disinfection services for daily disinfection.

Signify's UV-C lamps emit a radiation peak at 254 nm which is near the germicidal efficiency peak and therefore ideal for disinfecting air, surfaces, objects and water.

Gadgets

OKINAWA DUAL ELECTRIC TWO-WHEELER

Carrying heavy loads won't be an issue with this bike

The Dual is a sturdy and powerful electric two-wheeler with loading capacity upto 200 kg, a huge incentive for the delivery service sector

SUDHIR CHOWDHARY

PETROL PRICES ARE at an all-time high. Switching to electric vehicles is the need of the hour, both for businesses as well as individual consumers, stresses Jeetender Sharma, founder & managing director, Okinawa Autotech, a fast-growing electric vehicle maker. "With the rise of e-commerce and last-mile deliveries fueled by the Covid-19 pandemic, it has become imperative for businesses in the delivery segment to consistently innovate, reduce operational costs, and increase efficiency."

Recently, Okinawa Autotech brought out its new electric two wheeler – Okinawa Dual. "This marks our entry into the B2B EV segment, we aim to electrify last mile delivery for businesses in India," says Sharma. "Dual is a one-of-its-kind scooter that is set to disrupt the market. We aim to capture a significant share in the market within the next two years."

An innovation that promises to provide a huge amount of relief to those engaged in the delivery business, battling rising fuel costs, this B2B electric two-wheeler costs ₹58,998, comes packed with advanced technology, and can be customised to the varied needs of delivery companies.

The Dual is said to be the first EV for B2B segment to offer loading capacity on the front as well as the back of the vehicle; overall loading capacity is 200 kg. It is designed to cater to the niche requirements of delivery – from heavy items such as gas cylinders, heavy hardware equipment, water cans, etc., to daily items such as groceries, medicines, cold storage, etc. Okinawa is offering additional customised accessories such as delivery box, stackable crates, cold storage boxes for medicines, cylinder carrier, lab on wheels, etc.

Okinawa Dual is available in two colours – Fire Red (our trial unit) and Sunshine Yellow. It is a good mix of trendy looks and a sturdy build (70% metal body, and is quite a head-turner too.

Technical-speak, the Dual is powered by a 250 Watt electric motor that has a top speed of 25 kmph. The low speed keeps it outside of stipulations like registration or driver's license to use it. With a kerb weight of 75kg, the Dual features a disc brake at the front and a drum-brake on the rear side. For ease of charging, the company has included a 48W 55Ah detachable battery that can be charged 80% in 1.5 hours and entirely in about 4-5 hours, delivering a 130 km range on a single charge. The Li-ion battery pack ensures incomparable fast charging, making it highly reliable for B2B use.

To ensure maximum comfort, Okinawa Dual comes with features such as remote on function, side footrest, hard mat design, etc. Mobile phone holder, charging port, water bottle carrier, are amongst the many other utility features of the Dual. I am sure the delivery boys will find these quite useful. Okinawa Autotech is offering a three-year warranty on battery, and three years or 30,000 km (whichever is earlier) warranty on Powertrain.

While Okinawa Dual is essentially intended for the B2B segment, it can also be bought for personal use. For personal utilisation, Okinawa is offering an additional push-type pillion, a lower 48V 28Ah battery that can be charged 80% in 45 minutes and entirely in about 2-3 hours offering a range of 60km in single charge.

During the trial period, the Dual came across as a sturdy and powerful electric two-wheeler; the ride is great and comfortable. The pick-up is impressive and so is its battery life.

For those who are looking for a two-wheeler that can be used for last-mile deliveries, the Okinawa Dual is a very good offering. It has a sturdy design and build that is suited for rough use. It can load upto 200 kg, which is truly great for delivering packages! Highly recommended for delivery boys.

KEY FEATURES

- Colours: Glossy Red, Sunrise Yellow
- Loading capacity: 200 kg
- Range: 130 km on a single charge
- Speed: 25 kmph
- Remote on function, detachable battery, push type pillion footrest
- Controller: EABS (Electronic Assisted Braking System with regenerative braking)
- Lights: LED
- Estimated street price: ₹58,998

OPPO ENCO X EARPHONES

These earphones give you a musical high

Packed with high-end specs, the Enco X promises users a rich and detailed sound experience

SUDHIR CHOWDHARY

THE MARKET IS flooded with wireless earphones these days. Whether you want an affordable pair for the gym or an expensive pair for listening when travelling, there is a model for every budget thereby, making the choice difficult for the user. If you are ready to splurge, then Oppo's Enco X can be a good choice; it is a fantastic pair of true wireless noise cancelling earbuds with very good battery life. Priced at ₹9,990, it seems the primary motive of the R&D guys at Oppo was to create something special for those who care about their audio the most. Trust me, the Enco X does not disappoint one bit.

Co-created by Oppo and Danish Hi-Fi brand, Dynaudio, the Enco X pair of earphones comes in a classic design, is comfortable to wear for long hours and has an easy fit. It comes in two colours – Black and White. The earphones combine a custom acoustic design and advanced software to provide a good listening experience with Hybrid Active Noise Cancelling.

Using a dual microphone design, the earphones provide active noise cancelling with multiple modes allowing the users to customise and choose the strength of noise reduction to better fit their daily listening needs through the four different settings: Max Noise Cancellation, Noise Cancellation, Transparency Mode, and Noise Cancellation Off. These settings allow users to block out the world whether indoors or outdoors and focus on what they are listening to.

More on the tech front. As Oppo's annual flagship TWS earphones, the Enco X earphones are supported by the self-innovated DBEE 3.0 Sound System and LHDC (low latency and high-definition audio codec) wireless transmission, bringing you the bliss of Hi-Fi. This technology enables users to have distinct and detailed levels of sound in any given scenario. Basically, LHDC is a coding technology that wirelessly transmits high-resolution audio, which produces a stronger audio density and gives a well-rounded audio with natural depth. Additionally, it ensures a seamless audio transmission with accurate speed and data volume.

In terms of actual usage, the superior audio experience is kept seamless with algorithm-controlled active noise-cancelling thanks to the dual-core Bluetooth chip. Four noise reduction options are available, including the new, humanised Transparency mode. Wireless charging is supported, and you can stream upto 25 hours on a single charge. Plus, the Enco X earphones support reverse charging from a phone anytime, freeing you from charging anxiety.

- Estimated street price: ₹9,990

Investor

MONDAY, MARCH 1, 2021

EXPERT VIEW

We remain positive on the long-term outlook for Sun's efforts in specialty products, where it should eventually achieve operating leverage benefits with pick-up in prescriptions and sales

—HSBC

● SUN PHARMACEUTICALS RATING: **BUY**

Market trends augur well for Ilumya sales in US

No incremental hurdles for brand due to competition; better than expected rise in specialty sales would be key catalyst; 'Buy' maintained

SUN REPORTED STRONG pick-up in specialty products sales in Q3FY21 mainly on impressive Ilumya (anti-IL brand) sales. It surpassed FY20 sales of $94 m for Ilumya in 9MFY21 on improved commercial execution as well as continuous market expansion for anti-IL (interleukin) inhibitor drugs. Overall anti-IL drug sales in the US at $11.5 bn grew ~31.5% y-o-y in 2020 (after 38% y-o-y growth each in 2018 and 2019) with robust sales reported by key brands – Novartis's Cosentyx, Eli Lilly's Taltz, JNJ's Stelara and Tremfya, and AbbVie's Skyrizi. After COVID-19 disruptions in H1, most of the brands saw strong recovery in H2CY20, which in our view implies strong demand and growing market size for anti-IL drugs.

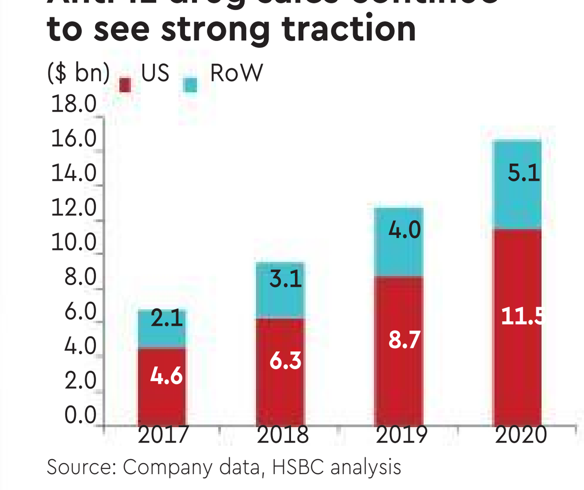
No incremental hurdles for Ilumya on rise in competition, in our view: We believe there are a few concerns on Ilumya on (i) rise in competition with potential entry of UCB's bimekizumab, and Eli Lilly's mirikizumab in near- to medium-term; and (ii) ongoing high spend on R&D and marketing. While competition and ongoing costs for specialty drugs are inevitable, we do not see incremental hurdles for Ilumya as: (i) anti-IL market is growing and it has always been a competitive space where Sun is competing against stronger competitors (e.g. Novartis, AbbVie); (ii) newer drugs are weighing themselves against established brands (e.g. Cosentyx), so any potential market shift may happen there rather than disrupting relatively small brands like Ilumya, in our view; (iii) Sun has largely optimised marketing costs for Ilumya and clinical trial costs for an additional indication is well within its budgeted R&D.

Remain Buy on operating leverage benefits: We remain positive on the long-term outlook for Sun's efforts in specialty products, where it should eventually achieve operating leverage benefits with pick-up in prescriptions and sales. We expect US specialty sales to reach $625 m in FY23e (37% of total US sales) from ~$340-345 m in FY20 (~24% of US sales). We assume Ilumya sales in the US to reach $225 m by FY23 (from ~$80-85 m in FY20), implying a sales CAGR of 23%.

Valuation: We value Sun's base business by discounting the one-year forward fair value, which is based on 24x (Gordon growth-based PE, unchanged) our December 2022e EPS estimate of ₹29.37. We add a NPV of ₹50 per share (unchanged) for Ilumya and Cequa to the base business value to arrive at our fair value TP of ₹700.

HSBC

Anti-IL drug sales continue to see strong traction



Source: Company data, HSBC analysis

● BRITANNIA INDUSTRIES
RATING: **BUY**

Firm widening the gap with its peers

It is poised to gain market share in biscuits; valuations are inexpensive; upgraded to 'Buy' with TP of ₹4,120

THE BRITANNIA MANAGEMENT'S efforts in the last few years on (i) expanding distribution, especially direct reach which is now at 2.3m outlets (next only to HUVR) while its total reach is now the best for any listed Food company; (ii) boosting R&D capabilities, after setting up a new R&D centre five years ago; (iii) successful implementation of its low unit packs strategy, leading to consistently strong growth in the hinterland; (iv) consistent cost rationalisation; (v) continued investments in boosting overall and regional manufacturing capabilities (including the ongoing ₹15 bn on its mega facility in Ranjangaon); and (vi) its new regional strategy (similar to HUVR's highly successful WIMI strategy) is resulting in consistently widening moats over peers in Biscuits (market leadership has extended for 37 quarters now) and in the broader $40-bn Food category where BRIT made an impressive initial foray in FY20.

Exciting long-term opportunity

With the widening of its moats, BRIT has strengthened its right to win and is poised to gain further market share (currently only in the mid-30s) in the Biscuits category, which contributes ~80% of sales, and in the overall $40 bn Packaged Food industry.

Remarkable track record

BRIT's track record over the last 10 years ending FY20 is extremely strong, with topline and earnings ahead of peers. This is remarkable given that most FMCG peers have struggled to post double-digit CAGR over the last three-to-five years.

Valuation and view

Inexpensive valuations: The extraordinary strong base in FY21e (40% EPS growth forecasted), led by high in-home consumption and low material and A&P costs, does put some pressure on the next few quarters, particularly in Q1FY22 where the base has shown 105.4% EPS growth. However, beyond that it will become less challenging in subsequent quarters. On the other hand, the stock is now attractive at 36.5x FY23e EPS, a discount to its 3/5 year average P/E multiple of 48x/46x and also on a relative basis as compared to its peers.

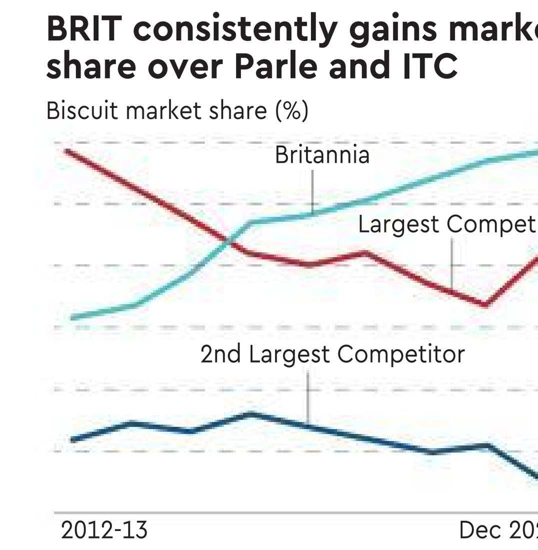
Since our downgrade in Nov'19 on challenging valuations and rising raw material costs, the stock's underperformed its peers

A favourable risk-reward ratio: Since our downgrade in Nov'19 on challenging valuations and rising raw material costs (not a concern now), the stock has underperformed peers (4% return v/s double-digit average returns by its peers). While we remain cautious due to challenges to FY22 earnings growth, we believe downside is limited as the narrative is likely to move to FY23 and beyond in the next few months.

Upgrade to Buy: Immense structural opportunity, remarkable track record, RoEs of over 40% and an attractive risk-reward ratio on FY23e earnings, after its recent underperformance, lead us to upgrade BRIT to **Buy**. Our TP of ₹4,120 (based on 45x FY23e EPS) implies an upside of 24% from its CMP.

MOTILAL OSWAL

BRIT consistently gains market share over Parle and ITC



Source: Company, MOFSL

● MAHINDRA CIE
RATING: **BUY**

Strong show at the end of calendar year

CY21/22e EPS up ~6/4%; TP raised to ₹253; stock is undervalued; 'Buy' retained

MAHINDRA CIE AUTOMOTIVE'S (MACA's) Q4CY20 operating margins were ahead of consensus estimates. Consolidated sales rose ~14% y-o-y to ₹16.4 bn. India revenue share in Q4 (52%) surpassed Europe (48%) while India PBT contribution rose to ~64%. India business clocked six-quarter high margins at ~15.3% (up ~271bps y-o-y) while clocking ~17% revenue growth. MACA incurred incremental costs to streamline Europe operations, which restricted margins (down 86bps at 11.9%).

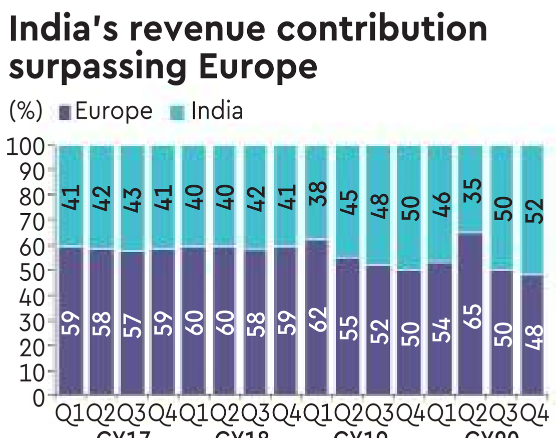
Company registered healthy FCF of ~₹2 bn in CY20, and we expect cumulative FCF of ~₹11.8 bn over CY21e-22e. We expect India revenues to grow at ~20% CAGR over CY20-22e driven by market growth and new order wins. Bulk (>60%) of MACA's profitability (PBT) is now driven by India business while consensus still seems focussed on the Europe business. Stock remains undervalued (~11x P/E / 9% FCF yield on CY22E basis). Maintain **Buy**.

Key highlights: India business grew on the back of new customer additions (25 added in CY20). Consolidated Ebitda margin rose only 99bps to ~13.7% inclusive of additional costs in Europe business. India business has crossed the 15% CIE margin target even as the industry cycle enters a growth phase in CY21/CY22.

Maintain BUY: We believe MACA is a well-diversified MNC. We raise our estimates (by ~6%/4% for CY21e/CY22e, respectively) factoring in the better margin trajectory in domestic business. We raise our target multiple in view of the rise in contribution of India profitability to 15x (earlier: 13x) CY22e EPS of ₹17.1. Maintain **Buy** with a revised TP of ₹253/share (earlier: ₹213).

ICICI SECURITIES

India's revenue contribution surpassing Europe



Source: Company data, I-Sec research

Personal Finance

● MUTUAL FUNDS

Why floater funds are showing promise

With interest rates expected to go up, investors are flocking to floater funds. But keep in mind the credit risk

SAIKAT NEOGI

WITH INTEREST RATES likely to move up, smart investors are investing in floater funds of mutual funds. The assets under management (AUM) in this category have nearly doubled from ₹32,481 crore in May 2020 to ₹62,638 crore in January 2021. In fact, while investors pulled out ₹33,408 crore from debt mutual funds in January, floater funds reported net inflows of ₹3,128 crore.

Floater funds invest at least 65% of their total assets in floating-rate instruments. These funds benefit from a rising interest rate scenario as the coupons on such instruments are adjusted upwards when interest rates move north. Given the dearth of floating rate instruments in the Indian debt markets, these funds typically invest in fixed-coupon bonds and use derivative instruments such as interest rate swaps to convert the fixed-rate receivables into floating-rate.

Dhaval Kapadia, director, Investment Advisory, Morningstar Investment Adviser (India), says in the recent past, interest rates have moved lower across the yield curve to multi-year lows following sharp rate cuts and other measures by Reserve Bank of India. "Concerns over a roll-back of these support measures leading to a possible upward move in interest rates have increased the attractiveness of the floater funds category. As a result, this category has seen increased traction over the past 6-8 months. The recent Budget announcement of higher government borrowing coupled with rising interest rates across the globe has further exacerbated concerns over a pick-up in interest rates. Hence, the floater funds category may further attract investor interest," he says.

ILLUSTRATION: SHYAM KUMAR PRASAD

Returns from funds

Floating rate funds invest in AAA-rated instruments. On average, the category has offered 7.8% returns for one year, 8.48% for two years and 8.19% for three years. In the current scenario, these funds can generate good returns in the near term.

Harshad Chetanwala, co-founder, MyWealthGrowth, says traditionally, whenever interest rate rises, return on floater funds also goes up as the funds predominantly invest in floating rate instruments. "As the interest rates are expected to increase gradually in coming quarters, the benefit of increasing interest rate will also pass on to the floater funds," he says.

What to look out for

As floater funds are a new category— there are eight funds at present— and the AUM in this category is mostly dominated by corporates and HNIs, retail investors must understand the default or credit risk.

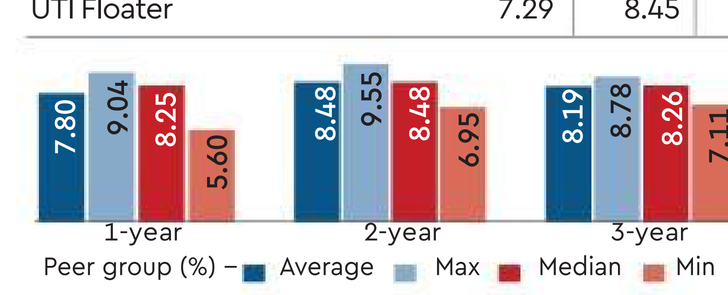
Brijesh Damodaran, managing partner, BellWether Advisors LLP, says when investing in debt schemes, be it liquid, floater, duration or accrual funds, one must look at the portfolio constitution and the risk associated in it. "With increasing yields, the returns on the shorter end of the curve are going to be low," he says.

Floater funds are highly sensitive towards interest rate and hence the returns will fluctuate as and when interest rate changes.

Chetanwala says the return from floater funds are expected to go along with the interest rate. "Along with that investors should look at the portfolio of the fund and check the quality of holdings before investing. Like every debt fund except gilt funds, even floater funds can invest in debt instruments of private institutions along with the government. Hence floater funds do carry default or credit risk," he notes.

Returns from floating rate funds (%)

	1 year	2-year	3-year	Fund size as on Jan 2021 (₹ cr)
Aditya BSL FRF	6.98	8.00	8.04	9,684
Franklin India Floating Rate	5.60	6.95	7.11	236
HDFC Floating Rate Debt Whls	8.25	8.51	8.26	16,001
ICICI Pru Floating Interest	9.04	9.40	8.78	13,323
Kotak Floating Rate	8.49	-	-	4,721
Nippon India FRF	8.94	9.55	8.75	16,057
UTI Floater	7.29	8.45	-	2,538



Source: Morningstar India

All Direct plans – Growth option

Returns for 1-year is cumulative, 2 and 3-year annualised

Performance as of February 24, 2021

Investing in EPF & Ulips? Take note of I-T changes

Budget 2021 has proposed a monetary limit on income tax exemption allowed on investments made in EPF or Ulips

● TAX TALK

SHAILESH KUMAR

THE EMPLOYEES PROVIDENT Fund (EPF) scheme has been one of the preferred investment options for the salaried taxpayer. In FY20, EPF had offered an interest rate of 8.50%, which is much higher than that offered by commercial banks on term deposits. Again, interest income from investment in EPF was also exempt from income tax, without any monetary limit. Thus, EPF was an attractive investment option, especially for employees in higher salary brackets who would make additional voluntary investment in EPF over and above 12% of salary as required under EPF regulations.

Another popular investment instrument for middle-class taxpayers has been unit-linked insurance plans (Ulips). Like EPF, income/ bonus arising from Ulips to the investors has been exempt from income tax without any monetary limit, which made Ulips an attractive investment option. Additionally, Ulips offered an option of availing tax-free returns linked to the securities market, which made it all the more attractive post withdrawal of income tax exemption to long-term capital gains from sale of listed securities.

However, in Budget 2021 the government has proposed to impose a monetary limit on income tax exemption allowed in respect of investments made by individual taxpayers in EPF or Ulips.

Tax on EPF

The government has proposed that if an individual's investment in his EPF account exceeds ₹2.5 lakh in any financial year starting on/ after April 1, 2021, interest earned on such investment in excess of ₹2.5 lakh would not be eligible for income tax exemption. This move will not only impact employees making voluntary EPF contribution over and above mandatory contribution of 12% of basic salary, but also those high salaried employees, whose annual contribution in EPF exceeds ₹2.5 lakh even if their contribution is limited to 12% of basic salary. It may be noted that income tax exemption will continue in respect of contributions made till March 31, 2021, even if annual contribution in these earlier years exceeded the newly introduced monetary limit of ₹2.5 lakh.

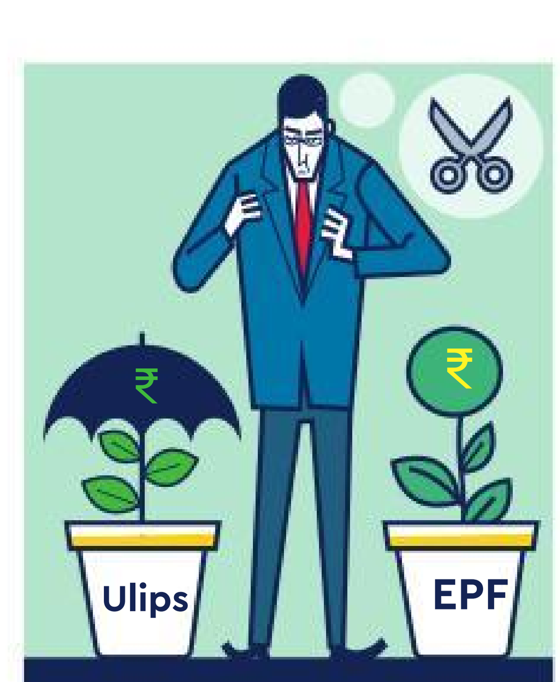


ILLUSTRATION: SHYAM KUMAR PRASAD

Tax on Ulips

Similarly, for Ulips, the government has proposed that income tax exemption allowed under Section 10(10D) will be available only to those policies issued on/ after February 1, 2021, where annual premium or aggregate of annual premium does not exceed ₹2.5 lakh. It may be noted that income tax exemption will continue in respect of Ulips issued till January 31, 2021, even if annual premium in earlier years or even in future years exceeds the newly introduced monetary limit of ₹2.5 lakh in future years.

Taxpayers must keep in mind these new proposed changes in income tax law, while planning their future investments.

The writer is partner, Nangia & Co LLP

BrandWagon

MONDAY, MARCH 1, 2021

NUMEROLOGY

India's top celebrity brands and their valuation (2020):

- Virat Kohli: **$237.7 mn**
- Akshay Kumar: **$118.9 mn**
- Ranveer Singh: **$102.9 mn**

— Duff & Phelps

AUDIO DEVICES

Carvaan 2.0: WiFi-enabled nostalgia

Saregama wants to create additional revenue streams with the new versions of its music player

VENKATA SUSMITA BISWAS

SAREGAMA CREATED THE portable music player Carvaan in 2017 — designed to resemble a radio from yesteryear — for technophobes. It was born out of the observation that songs from the '50s, '60s and '70s are difficult to access for music listeners. "The 40+ Indian living in smaller towns, today, is not very comfortable with the contemporary music media — be it smartphones, memory sticks, or download options," the company had said at launch. Saregama MD, Vikram Mehra, calls it the "lean-back listening experience", one that cuts out interruptions like ads and notifications, and requires no intervention from the user.

Four years on, Carvaan is more than just a device that plays Rafi's hits. Carvaan 2.0 connects to WiFi, thus opening the device, which previously came with pre-loaded songs, to the world of podcasts and other audio content. People can sing along with the karaoke feature in the latest version of the product, create playlists on the Carvaan mobile app and connect with the device through the app. Going ahead, the company wants to extract advertising and subscription revenue from the product.

Tuning up for revenue

Carvaan always had Bluetooth functionality, which meant it could be used as a wireless speaker if a user chose to do so. Further, none of the audio content (songs or podcasts) is exclusive to the Carvaan platform. Despite these factors, Mehra expects Carvaan 2.0's ability to render podcasts at the turn of the dial will appeal to the same cohort of listeners it targeted when the product was launched — people looking for convenience above all else.

Presently, Saregama earns a 20-25% profit margin through retail sales of Carvaan. Through podcasts, it wants to move from the one-time margin business to an initial margin plus advertising and subscription fee-driven model. Mehra hopes that Carvaan's promise to share 40% of ad revenue with content creators will attract them to the platform. However, that's still some time away. It may take the company at least another two years of selling Carvaan 2.0 to begin monetising podcasts.

In 2017, Saregama said it was targeting a potential market size of 25 million homes. According to Mehra, the product has reached 10% of this market size as of February 2021; it has sold a total of 2.26 million units (overall) until Q3 FY21. Carvaan 2.0 was launched in mid-2019.

Old-world charm

Carvaan's success in creating a new product category of preloaded music players inspired a few others to replicate the business. But those have not proliferated as much. "With Carvaan, one is not just investing in a music experience, but in nostalgia. A partner who can bring a memory to life at the press of a button," says Karthik Nagarajan, chief content officer, Wavemaker India.

Even as the product's aesthetics and music content are hailed as its unique selling points, whether its modern avatar will be as groundbreaking as its predecessor, is a matter of debate. Anchit Chauhan, director – brand strategy, Dentsu Webchutney, says that people will be less likely to buy a piece of smart technology from Saregama, as opposed to Google or Amazon. "Carvaan was launched at a time when there were only Bluetooth speakers. Now that smart speakers are popular, they are competing with Carvaan, because using a voice command is more convenient than pushing a button," he adds.

Carvaan will have to be careful with the nature of content when dabbling in podcasts. "Podcasts are a very intimate and one-on-one form of content unlike music, which is community or group-driven sometimes," points out Nagarajan. He says it is difficult to imagine a Carvaan device in the middle of a living room airing a podcast that the entire household is hooked onto. "It may work for fictional or devotional audio content, but certainly not for the conversational kind."

A study on digital audio advertising by Xaxis revealed that 97% of surveyed users listened to music on their smartphones. Despite this, 71% advertisers surveyed said they spent less than 10% of their advertising budgets on audio ads. Podcasts are a sub-segment of digital audio advertising. Carvaan may not have it easy, considering how music streaming platforms have been struggling to attract advertisers.

SMARTPHONES

Getting back in the game

How Poco hopes to beat the biggies in the value smartphone segment

DEVIKA SINGH

LAUNCHED AS A sub-brand of smartphone giant Xiaomi in 2018, Poco — armed with a new logo and mascot — is attempting to create a distinct identity for itself of late. While its flagship device Poco F1 managed to create a flutter in the market, the brand has not been able to sustain the buzz. After almost two years of no activity, Xiaomi spun off its sub-brand into an independent company last year. In the later part of 2020, Poco got back in the game with new devices, slowly making some headway into the online smartphone market.

According to Counterpoint India's *Smartphone Monthly Model Tracker*, Poco emerged as the third-largest online smartphone brand in India in November 2020, after Xiaomi and Samsung. The data from the research firm also shows that while Poco sold only 375,000 units in 2019, the sales of its devices skyrocketed to over 4.5 million in 2020.

What's different

Although Poco operated in the mid-premium (above ₹20,000) segment initially, after separating from the parent company, its focus has now shifted to the value segment (below ₹20,000), which constitutes 90% of the smartphone market in the country in volume terms. Biggies Xiaomi, Samsung and Realme have a tight grip on it.

To get a foothold in this segment that sees at least a dozen smartphones launches in a year, Poco has devised a "different" approach. It plans to have a lean portfolio and focus on the performance of the products. Last year, the brand launched the C, M and X series, and has nine devices in the market in total. Anuj Sharma, country director, Poco India, says the strategy is to "launch high-performance phones, unique designs, and sell them to the right set of people."

Lately, the value segment has seen saturation in terms of specifications, experts say. Even though brands such as Xiaomi and Realme have made inroads into this market with their feature-heavy phones, their offerings are almost homogenous today. Poco hopes to leverage this opportunity by doubling down on features while maintaining competitive pricing. For instance, Poco C3 priced at ₹7,499 offers 3GB RAM and a triple camera, whereas Realme C11, at the same price, offers 2GB RAM and a dual camera set-up.

While Poco sold only 3.75 lakh units in 2019, its sales skyrocketed to 4.5 million in 2020, according to Counterpoint Research. It emerged as the third-largest online smartphone brand in India in November 2020

In a bid to create distinction, Poco has opted for a mascot instead of "roping in a brand ambassador like every other smartphone brand". Sharma says the company has also decided to stay away from premium properties like IPL, and instead continue investing in digital marketing.

Stronger presence

While Poco gained from its exclusive partnership with Flipkart initially, it may not be a viable retail strategy. Industry watchers say, the company will have to expand to offline in order to gain scale. "A large group of consumers wants to see the product and experience it before making a purchase decision; therefore, an offline presence is vital," says Prachir Singh, senior research analyst at Counterpoint Research.

The online channel gained ground last year, and now contributes about 45% to smartphone sales; however, the offline market still contributes the majority share.

Another challenge for Poco could be shaking off the 'Xiaomi sub-brand' identity, especially since it still offers after-sales service through Xiaomi's over 1,500 centres. "It could be limiting for Poco as customers then assume both the brands to be the same," says Navkender Singh, research director, IDC.

To gain higher brand salience, Poco, like other smartphone brands, may need to launch products in related categories like earphones and wearables. Apart from expanding its smartphone range in 2021, the company does plan to enter the truly wireless (TWS) segment, going ahead.

In The News

Dentsu Impact to handle creative duties of Zeno Health

ZENO HEALTH (FORMERLY Generico) has assigned its mainline and digital creative duties to Dentsu Impact India, the creative agency from dentsu international. Zeno Health is a pharmacy chain in India that focusses on generic medicines. Dentsu Impact has been tasked with building a strong foothold for the pharmacy brand across the country. A Mumbai-centric campaign is on the cards.

MullenLowe Lintas bags two new businesses

AKZONOBEL, THE GLOBAL paints company, has brought Mullen Lintas aboard as its creative agency in India. The agency's mandate is to deliver on the growth objectives and business opportunities of the brand in the Indian subcontinent. Meanwhile, Lowe Lintas has won the creative mandate of OLX's Waah Jobs, which operates in the blue-collar staffing and recruitment industry.

Sharekhan partners with Mirum for ORM

BROKING FIRM SHAREKHAN has appointed Mirum as its social listening partner. As part of the mandate, Mirum will provide end-to-end ORM (online reputation management) services to Sharekhan. The account will be serviced from Mirum's Mumbai office.

Airtel launches ad tech platform

BHARTI AIRTEL HAS entered the multi-billion-dollar advertising business with the launch of Airtel Ads — a brand engagement platform that will allow advertisers to curate 'consent-based and privacy-safe' campaigns to its customers in India. The beta phase saw campaigns from brands such as PepsiCo, Zomato and Cred.

Licious ropes in Simeran Bhasin as VP, brands & new ventures

LICIOUS HAS NAMED Simeran Bhasin as VP – brands and new ventures, with an eye on pan-India expansion. She will spearhead new business forays, and drive brand strategy and integrated marketing. Bhasin has previously worked with Wildcraft and Titan.

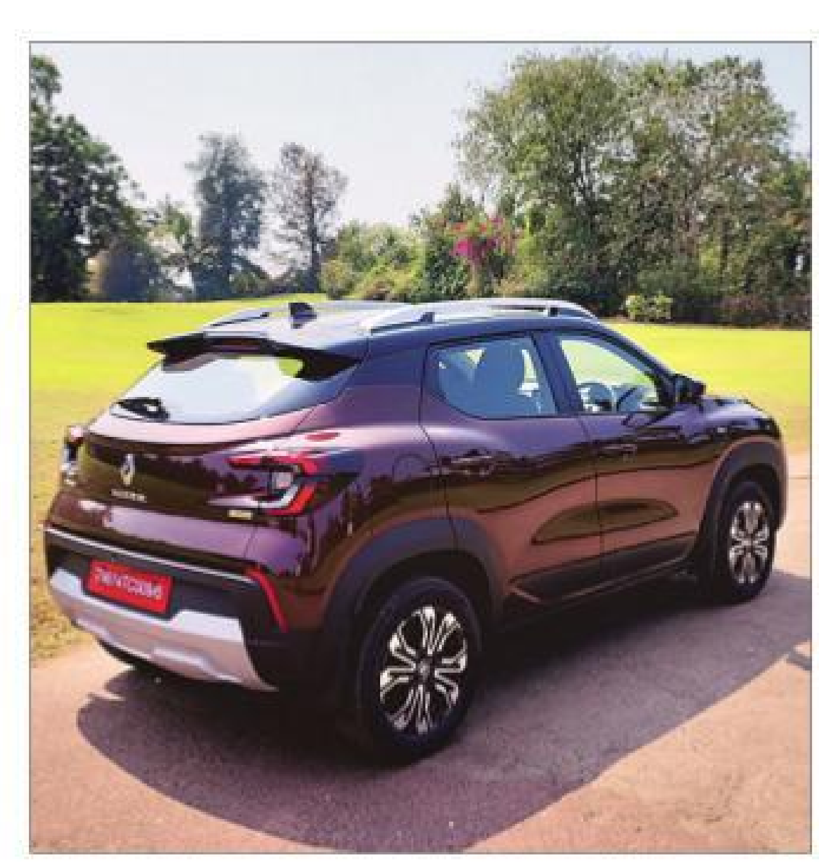
FoxyMoron has a new NCD

FOXYMORON HAS NAMED Dhruv Warrior as its national creative director. He joins from VMLY&R Dubai, where he was an associate creative director.

Motobahn

CAR REVIEW: RENAULT KIGER

Creates a sweet spot for itself



Not necessarily the best sub-4 metre SUV out there, but definitely the most value-for-money

VIKRAM CHAUDHARY

RENAULT MIGHT BE late to arrive at the sub-4 metre SUV party, but it has come prepared. With the Kiger, it has created a sweet spot for itself in the ultra-competitive sub-4 metre SUV segment (along with Nissan Magnite, with which the Kiger shares the platform).

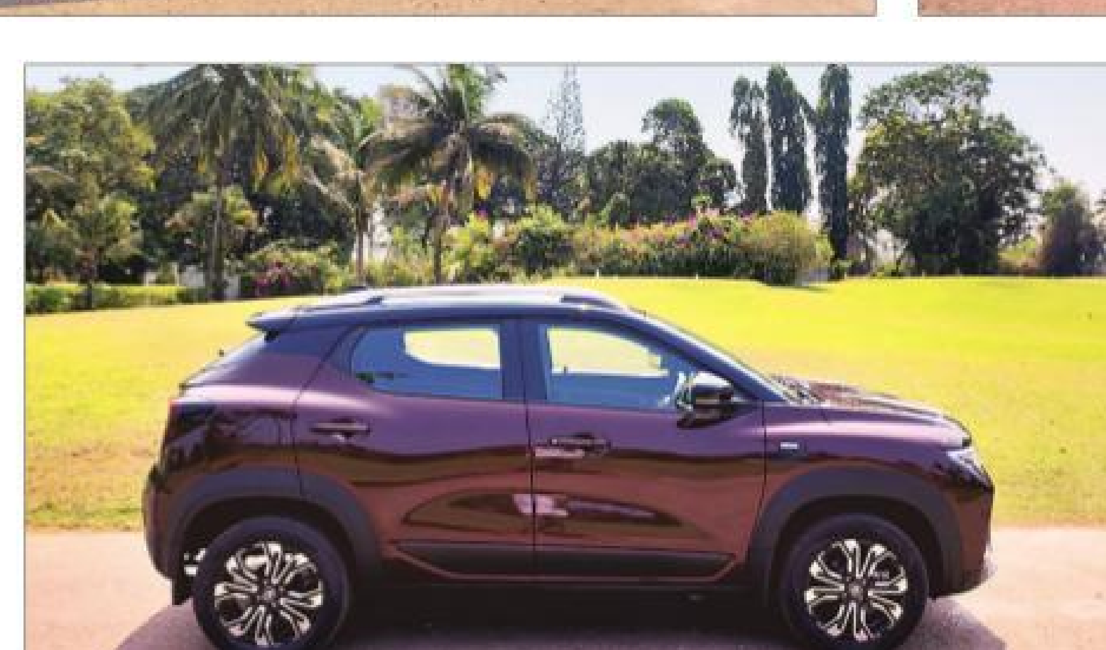
First, the segment: With sales of 3,32,406 units in the April-December 2020 period—according to industry body SIAM—sub-4 metre SUVs are next only to hatchback cars in popularity. They also formed half of total SUV sales in India (6,77,107 units in the same period) and almost one-fifth of total passenger vehicle sales (17,77,874 units).

Now, the car: The top-end variant has muscular lines on the body, roof rails and high ground clearance (205mm) for an SUV look, wheel arch cladding, spoiler, skid plates ... you name it. At the same time, let's understand the Kiger (like many others in its segment) is a crossover SUV, and so the 'profile' of a hatchback gets reflected every now and then.

The cabin has plenty of 'functional' storage spaces, the dashboard has a distinctive design, and it appears to be the most spacious SUV in its segment—with a massive 405 litres of cargo space. I found the rear seating area of the Kiger almost as spacious as that in SUVs a class above (such as Hyundai Creta).

But cost-cutting measures are visible. For example, the plastic quality—on the dashboard, doors—doesn't appear to be as good as you would find in competitor SUVs like Kia Sonet or Hyundai Venue.

It gets a 999cc petrol engine in three specifications—naturally aspirated with manual and AMT gearbox options (72PS; 96Nm), the turbocharged petrol manual (100PS; 160Nm), turbocharged petrol CVT automatic (100PS; 152Nm). The claimed fuel-efficiency is 20 km/litre.



PRICES (Ex-showroom)

Variants	Energy MT	Energy EasyR AMT	Turbo MT	Turbo Xtronic CVT
RXE	₹5,45,000			
RXL	₹6,14,000	₹6,59,000	₹7,14,000	
RXT	₹6,60,000	₹7,05,000	₹7,60,000	₹8,60,000
RXZ	₹7,55,000	₹8,00,000	₹8,55,000	₹9,55,000

(Energy has 999cc petrol engine with 72PS power; Turbo has same engine but with 100PS power)

Specifications

- **Engine:** 999cc petrol
- **Power:** 72PS; 100PS (turbo)
- **Gearbox:** Manual, CVT, AMT
- **Fuel efficiency:** 20 km/litre
- **Ground clearance:** 205 mm
- **Fuel tank:** 40 litres

Renault offered me the drive experience of only the turbo petrol variant.

In the right gear, it's surprisingly quick from any speed to any speed. What helps acceleration is that the Kiger, at about 1,000 kg of weight, is a relatively light SUV. It offers that 'excitement' you get accelerating from 0-100 km/h in about 10 seconds. The steering feedback—mechanical signals that the front tyres send to the steering wheel—is accurate and you feel most bumps and dips on the road through the steering wheel.

However, the engine is noisy, and at higher RPM a lot of that noise can be heard inside the cabin.

The best thing about the Kiger is its price—variants powered by the 72PS engine are priced ₹5.45 lakh to ₹8 lakh, and turbo variants (100PS) are priced ₹7.14 lakh to ₹9.55 lakh (ex-showroom). For comparison, Sonet is priced ₹6.79-12.89 lakh, Venue ₹6.87-11.49 lakh and Maruti Suzuki Vitara Brezza ₹7.39-11.2 lakh. Agreed, the Kiger may not be the best sub-4 metre SUV out there, but is the most value-for-money (along with the Magnite). At such prices, the Kiger is also within 'easier' reach of prospective entry-level hatchback buyers.

It appears to be the most spacious SUV in segment (huge 405 litres of cargo space. But plastic quality is not as good as in Sonet or Venue

Infrastructure

MONDAY, MARCH 1, 2021

EXPERT VIEW

Gujarat private port volumes fell sequentially from 20.6 mnt in Dec 2020 to 19 mnt (-8% m-m, 13.4%y-y). Mundra volumes fell sequentially from elevated levels in Dec 2020, but remained strong, rising ~18% y-y

—Nomura

RE INTEGRATION

Gas power a way out of RE woes

Gas-based power, which can be ramped up and down quickly, unlike coal-based electricity, offers a good option for offsetting the vagaries of renewable energy

ANUPAM CHATTERJEE

THAT RENEWABLE ENERGY (RE) faces challenges like uncertainty and intermittency of supply, making electricity load management units across the country reluctant to draw it, is well known. What is less known is the role gas-based power—of which India has under-utilised capacity—can play to smoothly integrate RE in the grid system, given that it can be ramped up and down much faster than other conventional sources.

To put this advantage gas generation enjoys into perspective, while the ramp-up rate for coal-based power plants is around 2% per minute, it is as high as around 6% for gas-based power plants. This was evident during the solar eclipse on June 21 last year when hydro and gas generation had to be ramped up by 30% and 13%, respectively, to make up for a 28% fall in renewable power. Later, when RE was ramped up by 37%, hydro and gas power supply could be immediately brought down by 18% and 17%, respectively, with coal-based power not being of much use in load adjustment.

While there is the option of using storage systems to get round the problem of uncertainty that renewable energy faces, these continue to be expensive. Though storage costs have come down considerably over the years, it still works out to be prohibitively expensive to supply storage-based renewable power to financially weak power distribution companies (discoms).

Another factor in favour of gas being used to shore up renewable supply is the large gas capacity standing idle in India owing to fuel supply issues. The 24,900 MW of gas-based power capacity the country has operated at average utilisation levels of 26% in the April-October period of this fiscal. Around 12,000 MW of gas plants are stressed assets, 6,000 MW did not generate any power in this period, while more than 3,600 MW operated at a plant load factor of below 15%.

Elaborating on the phenomenon, Fatih Birol, executive director of the International Energy Agency (IEA), tells *FE*, "flexibility is critical as far as RE is concerned. Our numbers show that peak electricity demand is reached in the evening when there is no sun, causing a mismatch between power demand and supply from solar." He adds, "we need all kinds of options to bridge this deficit, ranging from hydro power to natural gas to batteries, because it is just as important for the power supply to be secure as it is clean".

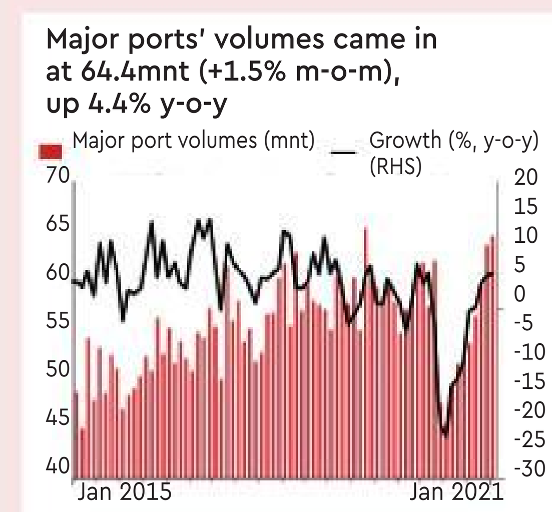
Though it is touted as one of the cleanest energy sources, the share of electricity from gas-based power plants remains less than 4% in India. The average plant load factor (PLF) of India's gas-based power plants increased by only three percentage points in the April-October period even though spot LNG prices fell by about 22% y-o-y. On costs, Deepesh Nanda, CEO, GE Gas Power South Asia, says that with the latest technology, the variable cost of gas-based power at 62% plant efficiency can be around ₹3.6/unit even at gas prices of $8/mbtu, allowing it to compete with other conventional sources.

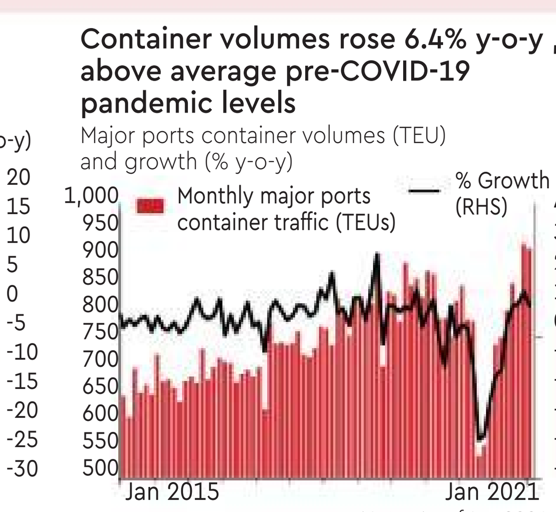
Industry watchers say serious policy intervention is required to salvage India's gas power plants which, in turn, can make renewable energy more attractive. "Gas should be bundled with renewables for supply of firm power, and coal as a source of energy should not be allowed for such bundling," a senior official of a gas power generator says on condition of anonymity. Apart from the long-standing demand of the industry to bring gas under GST, preferably in the 5% slab, gas plants would benefit if, like coal, there was a separate allocation bucket of domestic natural gas for the power sector.

DATA MONITOR

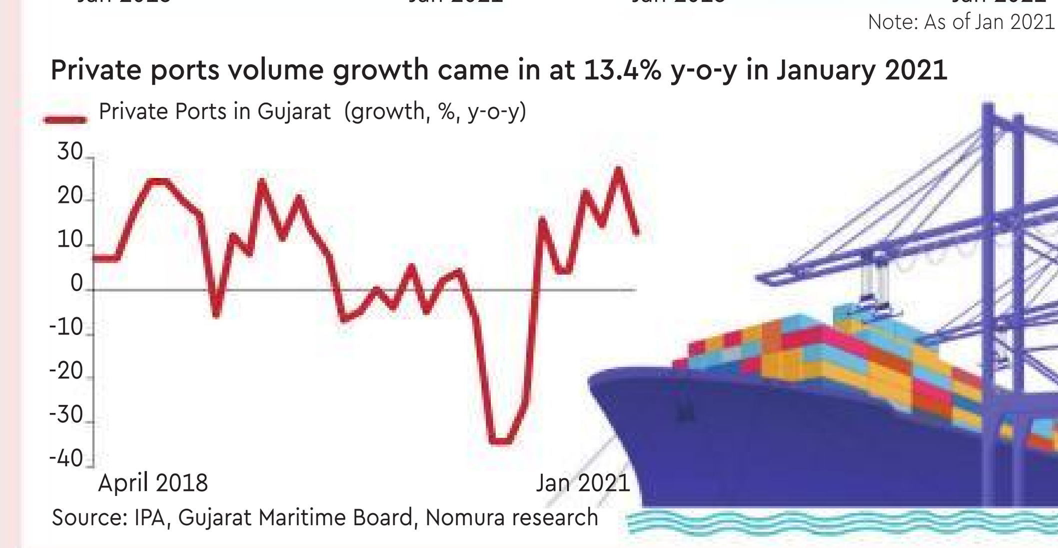
Healthy growth for port volumes in January

Major ports' volumes grew by 4.4% y-y (+1.5% m-m) in Jan 2021, led by strong growth in container volumes (+6.4% y-y in tonnage terms) and POL volumes (up 3.1% y-y, the first month of y-y growth since Feb'20). In TEU terms, major ports' container volumes of 930k TEUs were up 8.1% y-y (down ~1% m-m), and were significantly above pre-COVID-19 levels (avg. for Apr 2019-Feb 2020) of 836k TEUs.





Note: As of Jan 2021



Source: IPA, Gujarat Maritime Board, Nomura research

Quick View

448 infra projects show cost overruns of over ₹4.02 lakh crore

AS MANY AS 448 infrastructure projects, each worth ₹150 crore or more, have been hit by cost overruns totalling more than ₹4.02 lakh crore, according to a Ministry of Statistics and Programme Implementation report. Of the 1,739 such projects, 448 reported cost overruns and 539 were delayed. "Total original cost of implementation of the 1,739 projects was ₹22,18,210.29 crore and their anticipated completion cost is likely to be ₹26,20,618.44 crore, which reflects overall cost overruns of ₹4,02,408.15 crore (18.14% of original cost)," the ministry's latest report for January 2021 said. The expenditure incurred on these projects till January 2021 is ₹12,29,517.04 crore, which is 46.92% of their anticipated cost. The number of delayed projects decreased to 401 if delay is calculated on the basis of the latest schedule of completion, it said.

JNPT, MbPT aim to bag ₹47,000 cr of investments

TWO STATE-RUN PORTS in the Mumbai Metropolitan Region announced on Wednesday that they are in the process of bagging investment proposals worth over ₹47,000 crore for infrastructure development from the private sector and government entities. The announcements, which came a week ahead of the Union government-organised Maritime India Summit, include over ₹20,000 crore of proposals being eyed by the Mumbai Port Trust (MbPT) and over ₹27,000 cr by the Jawaharlal Nehru Port Trust (JNPT). MbPT Chairman Rajiv Jalota said the bulk of the investment proposals for the port were from the oil and gas and cruise shipping sectors.

India added 3.2 GW of solar capacity in 2020

INDIA ADDED 3,239 MW of solar capacity in 2020, down 56% from the previous year, a report has said. The addition of 3,239 MW solar capacity was the lowest in five years, Mercom India Research said in its report on Tuesday, adding the country's total solar installed capacity stood at 39 GW as of December 2020. Large-scale solar projects of 2,520-MW capacity accounted for 78% of the installations, registering 60% y-o-y decline.

Startups

KLUB

Flexible growth capital for brands

Klub is a a fintech platform that provides growth financing to new-age, niche consumer brands through a unique revenue-sharing model

SUDHIR CHOWDHARY

Klub co-founders Anurakt Jain (L) and Ishita Verma

BENGALURU-BASED KLUB is a fintech platform that provides growth financing to new-age niche but popular consumer brands through a unique revenue-based financing (RBF) model. Launched last year, Klub has enabled over 20 direct-to-consumer (D2C) brands including TagZ Foods, Tjori and Pipa Bella to raise capital from their patrons. It has empowered brands across fashion, beauty, personal care, FMCG, D2C, food services, subscription, ed-tech and online-first retailers with growth capital by combining financial product innovation, community engagement and deep data-driven analytics.

Co-founders Anurakt Jain and Ishita Verma, who had earlier worked in venture capital, investment banking, and entrepreneurship, recognised it is difficult for young brands and founders to raise capital through traditional financing methods, leaving many without access to capital and the necessary bandwidth to focus on a growing business. "Through our unique marketplace setup, we aim to not only provide them access to alternative financing but also to an exclusive community where brands and investors can come together to explore and grow together more holistically," says Jain. According to Jain, RBF takes a revenue share as returns instead of equity dilution or fixed EMIs.

"Klub is an ideal investment platform for brands that need flexible, non-dilutive capital. It provides brands with scalable capital and ~30% of the brands funded through Klub have availed additional capital as they scale," he says. "Our investment platform combines financial product innovation, deep data-driven analytics, high-frequency collections, and community engagement."

As a sector and stage agnostic player, Klub funds recurring marketing, inventory, and capex spends of its client brands. Klub is also the only player offering a hybrid model for investment by raising capital from both NBFCs and financial institutions alongwith individual patron investors across different products, says Jain. "Our mission is to improve access to a flexible, founder-friendly form of capital to the early stage ecosystem. Another aspect that makes our funding model unique is that Klub invests and provides risk participation in every brand on its platform, operating on the mantra of being a skin-in-the-game partner."

With brands in the D2C space having seen robust growth in the last few years, Klub has facilitated funding for nearly 30 brands and have onboarded nearly 1,000 patrons. "Our revenues have tripled over the last quarter of 2020 owing to our unique product offering and mushrooming growth in the D2C space. We are now looking to grow this community to over 350 brands and over 5000 patrons in 2021 alone," he informs.

Klub had raised $2 million in its pre-seed round led by Sequoia Capital India's start-up scale-up programme Surge. Other participants in this round included EMVC Fintech Fund, Better Capital, Tracxn Labs, and 9Unicorns. "Our angel investors include Naveen Tewari, founder and CEO, InMobi Group; Kunal Shah, founder & CEO, Cred; Shradha Sharma, founder & CEO, YourStory. We have not raised any further rounds of funding post this but will do so soon," he says.

According to Jain, fintech is well-positioned for growth in a post-Covid market with increased digital adoption and solutions incorporating the market volatility. "Underlying market fundamentals have accelerated in three to four quarters, what would have taken three to four years." Additionally, a revenue surge of over 200% was witnessed in 2019 in the consumer brands across sectors in India. The total market for consumer brands in SEA (where Klub looks to expand to in 2021) is expected to go over $400 billion by 2023 with new-age brands contributing to a growth of 25%. "The new market capitalisation in this sector is expected to hit $1 trillion over the next decade," he says.

Having an early focus on consumer products with an online-first approach and a unique alternate financing model, Klub became a pivotal support system for the consumer-dependent D2C startups grappling with the pandemic. "Flexible financing solutions for SMEs and alternative investment products for investors will do well in 2021, alongwith underlying platforms powering the digital transformation of the fintech ecosystem," says Jain.

APPINVENTIV

Inventing apps for every sector

This Gurgaon-based app maker enables early-stage startups scale up with the help of strategic digital operations

SRINATH SRINIVASAN

GURGAON-BASED APPINVENTIV, a bootstrapped startup which makes applications for businesses in different sectors, stands out among today's Indian startups. While most startups usually focus on one sector and try to develop expertise in it, either eyeing a large market share or sustained operations over the years ahead, Appinventiv operates in over 20 sectors, ranging from blockchain, retail, healthcare, hospitality to social networking.

Saurabh Singh, director, Appinventiv, says the secret behind its success is its investment in research and development and believing in its in-house teams. "When we started expanding our scope, we started scouting for talent who would study the market and give us a realistic picture of which technology to focus on and which sectors are looking for the technology," says Singh.

Due to this, Appinventiv is able to manage acquiring clients and the gestation period to develop product/service base on a technology and take it to market. Being bootstrapped also helps the app development company to take quick decisions when it comes to venturing into new territories. This is also the reason Singh believes Appinventiv was able to go through the Covid-related lockdown relatively unscathed. "Banking, financial services and insurance (BFSI) and healthcare were sectors that grew greatly and enabled our business during

Saurabh Singh, director, Appinventiv

the lockdown. We prioritised them. In the recovery ahead, we expect more digital adoption and believe technologies such as blockchain will see more traction," he says.

In addition, Appinventiv has enabled early-stage startup businesses by helping them go through the initial phase of funding and further scaling by strategising digital operations. According to Singh, the company has helped its startup clients raise cummulative funds worth around $650 million, to date. "One of the things we focus on, once the business plan is set for a client, is to roll out its product as soon as possible," he says.

Some of the top clients of Appinventiv include Ikea, Melltoo and Domino's Pizza. Today, it has over 500 employees working from India, USA, Australia and UAE. Appinventiv has clocked over 75% growth in revenue in the first half of FY 2020-21 compared to the first half of FY 2019-2020 when the company's revenues stood at ₹40 crore. It aims to clock ₹100 crore in revenue in FY 21-22.

When it comes to hiring talent, the app development company hires tech graduates and even ones without a degree. "Today, we are in a position to find talent irrespective of their qualification. Skills have taken the front seat compared to degrees, today," he says.

Quick View

PM Modi inaugurates host of projects in W Bengal, Tamil Nadu

PRIME MINISTER NARENDRA Modi inaugurated on Monday last the 4.1-km extension of the Kolkata Metro Railway from Noapara to Dakshineswar, built at a cost of ₹464 crore. He also dedicated to the nation the third line between Kalaikunda and Jhargram, doubling of the Azimganj-to-Khagraghat Road section, the fourth line between Dankuni and Baruipara, and the third line between Rasulpur and Magra. On Thursday, he dedicated to the nation key projects in Tamil Nadu, including the 2x500 MW Neyveli new thermal power plant, built at a cost of ₹7,800 crore, and laid the foundation stone for important initiatives in the state. He inaugurated virtually a 709-MW solar power project of NLC India Limited. He also laid the foundation stone for the extension, renovation and modernisation of the Lower Bhavani Project System.

Ind-Ra revises outlook for infrastructure to 'stable'

INDIA RATINGS AND Research (Ind-Ra) on Thursday revised the outlook for infrastructure for 2021-22 to 'stable' from 'negative'. The stable outlook factors in the contracted revenue visibility, long-tenor contracts enabling financial flexibility to an extent and improving people traffic and cargo volumes, on the back of a strong economic recovery expectation for FY22, it said. "Ind-Ra has revised the overall infrastructure sector outlook to stable for FY22 from negative, while maintaining a negative outlook on airports and wind power projects," the rating agency said in a statement. Despite the doom and gloom beginning mid-March 2020, most sub-verticals of the infra sector had shown resilience and were above pre-Covid levels.

$304-m pact with AIIB for power network in Assam

THE CENTRE ON Tuesday signed an agreement with the Asian Infrastructure Investment Bank (AIIB) for a loan of $304 million (over ₹2,200 crore) to improve the power transmission network in Assam. According to an official release, the fund will be utilised for the 'Assam Intra-State Transmission System Enhancement Project', aiming to improve the reliability, capacity and security of the power transmission network in the state.

Education

MONDAY, MARCH 1, 2021

HYBRID LEARNING WILL CONTINUE

Rajesh Bysani, Chief Product Officer, Brainly

In coming years, 5% of schools in India will be likely using digital collaboration and project-based learning models. A hybrid model will evolve where education happens in schools, but students continue to practice through homework or exam preparation by using online platforms.

INTERVIEW: AJAY KELA, President & CEO, Wadhwani Foundation

Starting-up? Focus on soft skills

According to the recent TiE Delhi-NCR-Zinnov report 'COVID-19 and the Antifragility of Indian Start-up Ecosystem', *15% of start-ups have temporarily closed shop, 44% have a cash runway for less than six months, and 52% are struggling to raise funding. "The impact of the pandemic on entrepreneurship and the start-up ecosystem was harsh," says Ajay Kela, president & CEO, Wadhwani Foundation. In an interview with* FE's **Vikram Chaudhary**, *he adds that there was a positive side to the pandemic, i.e. many tenacious and creative entrepreneurs changed their approach, re-strategised, pivoted and survived, displaying remarkable resilience, innovation and perseverance. Excerpts*:

The Wadhwani Foundation announced the Sahayata Initiative last year. How has it been able to support SMEs?

It has helped 1,000 SMEs in India and Mexico through business survival, growth and helped build their capabilities to leverage current opportunities in the marketplace. This support was led by the expansion of Wadhwani Foundation's internal team to 60 business consultants and a 500-plus network of consultants and subject-matter experts, advisors and mentors.

Under the 'Sahayata Covid-19 Skilling' initiative, we have trained 1 lakh healthcare workers (including Asha and Anganwadi workers) with interactive videos, while under the 'Sahayata Public Health Innovation' we funded six early-stage companies that have the potential to make a large-scale impact in public health infrastructure.

With the new world of work in 2021, which all areas should entrepreneurs focus on this year?

While the pandemic has dealt a debilitating blow to many sectors, it has also opened immense opportunities for others. Sectors like healthcare, logistics, e-commerce, fintech, agri and edtech are acknowledged as the ones that will ride the growth wave in the near term. Recent funding trends show that it goes beyond these to include HR-tech, cleantech, retail-tech, online gaming, automotive/mobility and cloud-based enterprise software.

Soft skills such as customer-centricity, critical thinking, problem-solving, and flawless written and verbal communication provide a competitive edge to any upcoming entrepreneur

How important is upskilling to succeed as an entrepreneur?

Entrepreneurship, by its very nature, faces uphill challenges, uncertainty and an ever-changing work and market environment. While the unwavering entrepreneurial spirit defines any start-up journey, it is some of the acquired softer skills, such as customer-centricity, critical thinking, problem-solving, and flawless written and verbal communication, which can provide any upcoming entrepreneur with a competitive edge.

Have you actively empowered students to create start-ups?

We inspire, educate and support entrepreneurs at various stages of their journey. For example the Wadhwani National Entrepreneur Network (NEN) runs a one-year practitioner's course on entrepreneurship for professionals and master's and graduating students. Under the NEN we have trained over 3,000 entrepreneurship faculty and over 10 lakh students over the last 10-15 years. We also have the Wadhwani Venture Fastrack that drives start-up success, measured in terms of revenue and customer growth.

With companies shifting outside China, does this present an opportunity to Indian students who can think big, and maybe launch new start-ups?

With China's increasing isolation in world trade and global supply chains getting restructured, many companies across Europe and US are now aggressively looking at India as an alternative supply hub to China. The 'Make in India' and 'Atmanirbhar' thrust by the Indian government is accelerating this trend of de-risking from China. Indian entrepreneurs who capitalise on this opportunity by addressing product gaps and build capabilities to scale production have a big opportunity here.

MU launches the disinfecting robot MUDRA

FE BUREAU

HYDERABAD-BASED Mahindra University has made a disinfecting robot called the MUDRA (Mahindra Universite UV Desinfectant Robot Autonome). It is designed to disinfect rooms, labs, offices, shop floors and various other enclosed spaces using ultraviolet-C (UVC) rays.

"The MUDRA is an indigenously designed, developed in-house and funded disinfecting robot, which helps sanitise surfaces," said Yajulu Medury, vice-chancellor, Mahindra University. "It can make on-demand and pre-planned disinfections without any human intervention."

According to the US FDA, UVC radiation has been shown to destroy the outer protein coating of the SARS viruses. "It has been designed to navigate autonomously, and can move from room to room on a floor automatically without any human intervention. It also has the capability to operate elevators and move from one floor to another using Wi-Fi or wireless connectivity," added Deep Seth, assistant professor, Ecole Centrale School of Engineering, Mahindra University, and the faculty involved in this development.

The MUDRA automatically switches off its UVC function whenever it detects human presence.

Putting Indian toys on global stage

The Toy Fair 2021 is a shot in the arm for the industry: Vivek Goyal of PlayShifu

PlayShifu co-founders Vivek Goyal and Dinesh Advani

VIKRAM CHAUDHARY

AT THE ONGOING India Toy Fair 2021—inaugurated by Prime Minister Narendra Modi—educational toys for kids have taken centre-stage. "The Indian toy market, estimated at $1 billion, is growing at the rate of 10-15% every year. Educational/STEM toys account for over 30% of all toys, and parents are investing in smart toys that are both fun and educational," said Vivek Goyal, co-founder & CEO, PlayShifu—the Indian start-up that offers educational toys under three platforms: Orboot (AR-powered globe), Plugo (story-based STEM game kits) and Tacto (board games with digital gameplay; it will be launched later this year).

PlayShifu toys are currently being used by over 6 lakh children across 35 countries.

Goyal added that such educational toys can help bridge the gap between day-to-day studies and practical hands-on learning, and also help build STEM skills in children, which is the focus of the National Education Policy 2020.

"STEM learning can be introduced to children as early as their second birthday," he said. "This learning can become more engaging with educational toys, especially those that provide phygital interactions."

A recent report by the Early Childhood STEM Working Group (of the University of Chicago) noted that introducing high-quality early STEM experiences during early age provides much-needed stimulus to children's natural curiosity.

The government, on its part, has been making efforts towards the evolution of the toy industry in general. Recently, it introduced the safety BIS certification for the toy industry that has been made mandatory from January 2021 onwards

During the Covid-19 lockdown and the resultant schooling at home, PlayShifu witnessed all-time highs in returning users, time spent and activity progress. "Our active user count shot up by 60% in the first three weeks of the lockdown. Children collectively spent 20.8 million minutes on our Orboot and Plugo platforms, resulting in 45% jump in daily activity from March through May. Similar trends continued throughout the year," Goyal said. "We added 3.5 lakh new users across the world by the end of 2020. With 63% kids deeply engaged beyond 30 days, we are happy with the lasting impact we made in these testing times."

PlayShifu saw the first major surge in demand in late-February post schools shutting down. The next spike was in mid-March when it made the Orboot app free-for-all. Over 30,000 new parents downloaded Orboot and Plugo between March and May. "In January-August 2020, our Amazon sales grew by 400% as compared to the same period the year earlier, and our direct to consumer sales on our website grew by a whopping 1,300%," Goyal added. "Also, between March and May 2020, online purchases from tier-2 and tier-3 cities went up by 60% and users from tier-2 and tier-3 cities grew by 20% on our platforms."

Goyal said the ongoing Toy Fair 2021 will put Indian toy-making on the global map. "While we already manufacture in India, we are looking forward to sparking new connections with more local partners and furthering our collective cause to bring joy to every child across the country. The fair is a huge opportunity that can benefit the entire ecosystem, and enable us all to thrive."

The government, on its part, has been making efforts towards the evolution of the toy industry in general.

Recently, it introduced the safety BIS certification for the toy industry that has been made mandatory from January 2021 onwards. Additionally, state governments have been contributing to this initiative by planning to allocate land for dedicated toy parks and arenas.

2021

Imarticus to go on global expansion spree

To expand in 10 countries in 2021, starting with Dubai

Nikhil Barshikhar, founder of Imarticus

FE BUREAU

IN A BID to establish a larger international footprint, Imarticus Learning, the Indian professional education firm, will be expanding its operations in Middle Eastern and North African (MENA) countries starting with Dubai, the UAE. The brand looks to expand to Saudi Arabia, Oman, Kuwait, Qatar, Jordan, Egypt, Kenya, Nigeria and Ethiopia.

Imarticus Learning will be basing its headquarters and the main campus in Dubai, along with a state-of-the-art hybrid learning centre. From its vast portfolio of professional education programmes, the firm will be offering its data science prodegree, digital marketing prodegree, and PG analytics & AI initially.

In due course of time, Imarticus Learning will also be introducing programmes such as banking and wealth management, financial analysis prodegree, certificate in fintech, digital transformation and corporate leadership in the MENA market.

The company has targeted the following milestones by the end of this year:

- A learning centre in Dubai;
- Batch launch for B2C programmes in March;
- Digital skills academy for corporate clients in April;
- Launch of a learning centre in Saudi Arabia in October.

Nikhil Barshikhar, founder of Imarticus Learning, said, "We will be aggressively expanding our international footprint this year in several countries in the Middle East and North Africa region, starting with Dubai. Further to this, we will continue to collaborate with our vast network of corporate partners who have an established presence across the world to offer industry-endorsed programmes in the MENA region. Our offerings will cater to all working professionals with up to 15 years of experience, fresh graduates, and local talent without discrimination. We are looking forward to this year and we will be announcing more such developments."

Imarticus Learning added that it will also be partnering with Ivy League colleges to bring their offerings to the MENA region, along with upskilling programmes for aspiring bankers.

Science & tech

CRYPTOCURRENCY

Still on the sidelines

An outright ban on cryptocurrencies may not be the most practical option

KAUSHALYA VENKATARAMAN

THIS WEEK HAS seen revived global interest in cryptocurrencies, with Elon Musk breaking headlines by investing more than $1.5 billion in Bitcoin. In India, however, cryptocurrencies (such as Bitcoin and Ether) are currently trading at a discount.

This is largely because cryptocurrencies have been operating in a regulatory grey area. In 2013, the Reserve Bank of India raised concerns over the potential financial, operational, legal and consumer protection risks emanating from crypocurrencies. In 2018, the central bank issued an order stating that banks and financial institutions shall not deal with crypto-related businesses, and all regulated entities falling within the purview of RBI shall stop providing services to such platforms. The Supreme Court struck down the provisions which literally banned crypto-trade in 2020.

Meanwhile, the government has sought to introduce draft bills to regulate/ban cryptocurrencies. The 'Cryptocurrency and Regulation of Official Digital Currency Bill, 2021' is to be tabled before Lok Sabha in this session. The latest bill seems slightly more positive and forward-looking than the previous one, titled the 'Banning of Cryptocurrency and Regulation of Official Digital Currency Bill, 2019'. It seems to suggest that instead of an outright ban, the government intends to regulate cryptocurrencies. Though the text of the proposed 2021 bill is not yet out, the gist of the regulations available on the Lok Sabha website seem to highlight that this is indeed not the case as under the 2021 bill only RBI will be empowered to create an official digital currency. The fate of cryptocurrencies such as Bitcoin and Ether is murky as the 2021 bill seeks to prohibit 'private cryptocurrencies' though it is not clear what would be considered as a 'private cryptocurrency.

India has always been a cautious player when it comes to adopting new revolutionary technology. This is even more so when it concerns technologically advanced financial products. In this space, RBI has always followed a conservative approach that some argue has stifled innovation in the fintech space, while others state is a necessary evil.

In developed economies, such as the United Kingdom, Australia, and the United States, cryptocurrency is not banned but rather regulated in varying degrees. In the United Kingdom, the government is currently conducting consultations to understand how to regulate crypto-assets to ensure consumer protection, financial stability and market integrity. From a tax perspective, they are treated as an asset and gains, if any, are subject to capital gains tax. In Australia, the government regulates every person involved in the life cycle of crypto-assets from issuers, intermediaries, miners, exchanges and trading platforms. From a tax perspective, it is treated as an asset similar to the UK. The United States of America has been the pioneer in cryptocurrencies, and the government regulates them to a limited extent. From a tax perspective, cryptocurrencies are treated as 'assets' similar to the UK and Australia.

Currently, there are only a handful of countries that have banned cryptocurrencies (eg Morocco), and even in those countries, the ban has not prevented individuals from trading in cryptocurrencies because of the decentralised nature.

Therefore, an outright ban on cryptocurrency by the Indian Government may not be the most practical option since not only will it stifle innovation in this space but will also fail to curb Indians from investing and trading in cryptocurrency in offshore jurisdictions (as was the case with foreign exchange derivatives as investing offshore would fall into a grey area).

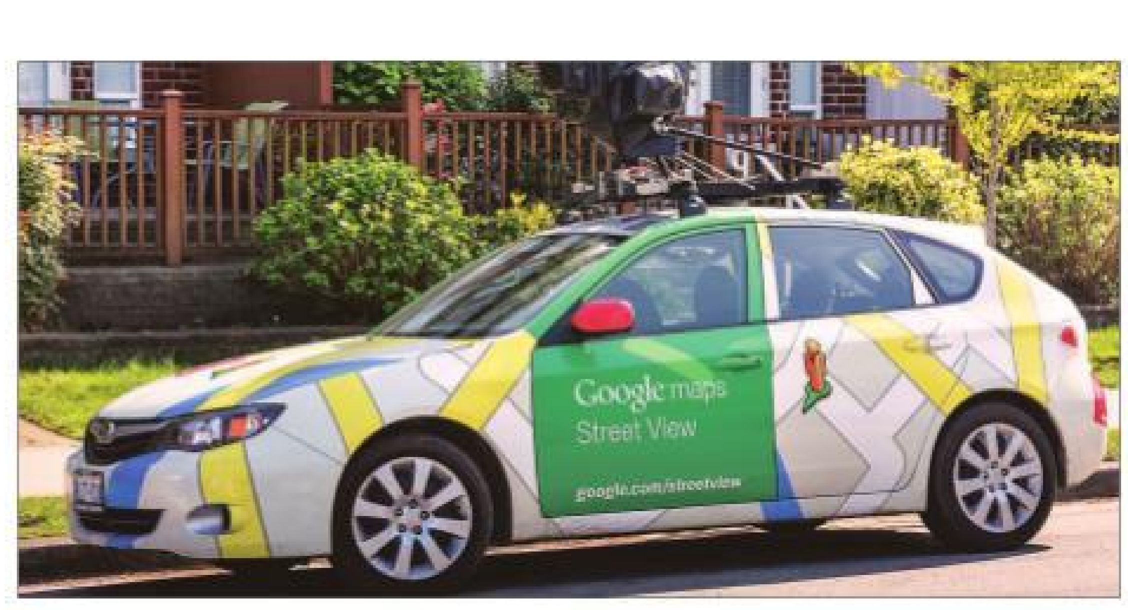
Regulation of cryptocurrency would be a middle ground and would provide the regulator with oversight into the operations of the players and would also help in protecting the consumers and curbing money laundering concerns.

The author is Partner, Chandhiok & Mahajan Advocates and Solicitors. Views are personal

EAVESDROPPER

Finding new roads

New spatial norms bring endless possibilities for Jio, Facebook and Google



ISHAAN GERA

JUST HOW SHACKLED Indian processes and regulations have been is evident from the fact that a map company would have had to get approvals from concerned departments if it wanted to start a Google Map kind of service until a fortnight ago. Google itself was running with limited operations in the country. While it had enabled street view for most major cities globally, India did not allow this due to security concerns. This is also one reason why Google could not collate ground data regarding blockades and one-way roads with its satellite navigation systems.

The government, last month, opened the space for geospatial navigation. The new guidelines will take effect when the government's space arm Isro is negotiating deals with Qualcomm and Xiaomi to imbed its NavIC chips, which can rival GPS and other navigation systems. The opening up of the sector will allow Isro to partner with more start-ups, creating services on top of this technology.

Besides, it shall open the field for many new technologies like AR and VR to innovate in Indian conditions. While the guidelines restrict spatial navigation to only Indian companies, they do allow the likes of Google to licence the technology. They also allow drone operators to create navigation systems that can make drone deliveries a reality.

More important, however, are the use cases that may emerge from an AR perspective. The way we approach navigation, at present, is viewing objects on a 2D screen. However, Facebook and others are trying to bring the same experience to AR glasses. So, it makes mapping easier and more intuitive. Imagine being able to recognise shops as you walk past them and then pay for things as you can see prices and information in real-time with a blink of an eye.

Facebook, last year, unveiled Project Aria to test company's vision. Facebook hopes that its AR glasses will record the world and relay it back to the company in real-time to help it create 3D images and populate its software with more information. The idea is not limited to capturing street views but peeking inside buildings to understand the world better. It can track the location of items and deliver better advertisement depending on what people see and experience while walking on the road. Sort of a mind-reading trick without actually doing so.

Jio, last year, also announced its own AR glasses. The cheaper version is expected to make shopping more interactive; while Jio has not talked about recording data as of now, if it can do so in the future, the company can garner a larger share of advertisements.

Google has had its AR glasses in the business for long now. After the last one's failure, it can now expand its reach given people are taking to the idea.

But this shall all depend on data exchanges and how much control over data citizens and the government are willing to allow these companies. For now, all have a chance to find new roads.

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US authorises single-dose Corona vaccine of J&J

JULIE STEENHUYSEN
February 28

THE US GOVERNMENT has authorised Johnson & Johnson's single-dose COVID-19 vaccine, enabling millions more Americans to be vaccinated in the coming weeks and setting the vaccine up for additional approvals around the world. The J&J vaccine is the third authorised in the US, following ones from Pfizer/BioNTech and Moderna, both of which require two doses.

The US Food and Drug Administration announced the emergency use authorisation of the J&J vaccine for adults aged 18 and olders following Friday's unanimous endorsement by the agency's panel of outside experts. Shipments to vaccination sites are expected to begin Sunday or Monday.

President Joe Biden hailed the move but cautioned Americans against celebrating too soon. "Things are still likely to get worse again as new variants spread," he said in a statement, urging people to continue washing their hands, wearing masks, and maintaining social distancing. "There is light at the end of the tunnel, but we cannot let our guard down now or assume that victory is inevitable," he said.

Both the Pfizer and Moderna vaccines, which are based on new messenger RNA technology, showed higher efficacy rates in pivotal trials that used two doses versus J&J's single-shot vaccine. Direct comparison, however, is difficult because the trials had different goals and J&J's was conducted while more contagious new variants of the virus were circulating.

"We believe that people should take the vaccine they are able to access," the FDA's acting commissioner, Dr. Janet Woodcock, said in a call after the authorisation, noting the three vaccines had not been studied head-to-head. "We feel that each of these vaccines will be effective, will prevent hospitalization, deaths and should be used," she said.

18 dead on bloodiest day of Myanmar protests

AGENCIES
February 28

MYANMAR SAW ITS deadliest day since the February 1 coup, with the United Nations saying authorities killed at least 18 protesters in a stark escalation of violence to quell persistent demonstrations against military rule.

The deaths came after soldiers and police officers fired live ammunition into crowds in six cities across Myanmar, which also left more than 30 people wounded, UN Human Rights Office Spokesperson Ravina Shamdasani said in a statement on Sunday. Myanmar's government said 12 people died.

Myanmar has been in chaos since the Army seized power and detained elected government leader Aung San Suu Kyi and much of her party leadership on February 1, alleging fraud in a November election her party won in a landslide.

The coup, which brought a halt to tentative steps towards democracy after nearly 50 years of military rule, has drawn hundreds of thousands onto the streets and the condemnation of Western countries.

"Myanmar is like a battlefield," the Buddhist-majority nation's first Catholic cardinal, Charles Maung Bo, said on Twitter.

Police were out in force early and opened fire in different parts of the biggest city of Yangon after stun grenades, tear gas and shots in the air failed to break up crowds. Soldiers also reinforced police.

Several wounded people were hauled away by fellow protesters, leaving bloody smears on pavements, media images showed. One man died after being brought to a hospital with a bullet in the chest, said a doctor who asked not to be identified. A woman died of a suspected heart attack after police swooped to break up a Yangon teachers' protest with stun grenades, her daughter and a colleague said.

Sunak promises plan to plug hole in public finances

ALEX MORALES
February 28

Chancellor of the exchequer Rishi Sunak promised he will be "honest" with the British public when he sets out his plan to fill the gaping hole in the UK finances wrought by the pandemic.

"We do have a challenge in our public finances and if we don't do anything, borrowing will continue to be at very high levels even after we've recovered from Covid; debt will continue to rise indefinitely," Sunak said on Sunday in a *Sky News* interview. "That's not a good situation."

Speaking ahead of Wednesday's budget, he said he will "level with" the public and outline a blueprint to address the deficit in a "fair" way.

The chancellor's comments hint at tax rises and spending cuts to come as he grapples with how to close a budget deficit that's on course to swell to 400 billion pounds ($557 billion) this year. The Institute for Fiscal Studies has estimated he may need to bring in tax increases of about 60 billion pounds in the coming years in order to balance the books.

The chancellor refused to comment on specific fiscal measures, saying he would lay out his plan to shore up the finances in his budget presentation on March 3. "I want to level with people about that, about the problem that that causes and the challenges that it presents us with and be honest about our plan to address those," he said.

Sunak did not deny when repeatedly asked to confirm reports that he told Conservative members of Parliament he wants to cut taxes before the next general election in 2024, but stressed: "I'm a Conservative and I believe in lower taxes."

Interest rates

The chancellor has committed some 300 billion pounds to fighting coronavirus and supporting businesses and workers through the pandemic this fiscal year in an attempt to buttress the economy against the worst effects of three damaging lockdowns.

UAE steps back from wars as Joe Biden reasserts W Asia role

LIN NOUEIHED, ZAINAB FATTAH & SYLVIA WESTALL
February 28

THE UNITED ARAB Emirates is scaling back its role in foreign conflicts, accelerating a shift from policies it pursued after the 2011 Arab Spring, with the new administration in the US a key factor.

The oil-rich nation has significantly reduced arms and logistical support for Libya's eastern-based military commander Khalifa Haftar, said five people familiar with the matter, as a UN-led process to unify the North African country gathers momentum.

The UAE is also dismantling parts of its military base in Eritrea's port of Assab, vacating troops and hardware used to support the Saudi-led coalition's war in Yemen, according to two of the people, who spoke on condition of anonymity.

The move comes as President Joe Biden's arrival in the White House prompts a recalibration among Gulf allies. They had enjoyed particularly close ties with Donald Trump and welcomed his decision to abandon the 2015 nuclear deal with Iran. Biden has already sought to re-engage the Islamic Republic and reboot coordination with NATO and Europe. He's also signalled he'll be less tolerant of US allies engaging in conflicts that undermine Washington's objectives.

China's factory activity expansion in Feb misses expectations: Official PMI

CHINA'S FACTORY ACTIVITY expanded in February at a slower pace than a month earlier, hitting the lowest level since last May and missing market expectations after brief COVID-19-related disruptions earlier in the year.

The official manufacturing Purchasing Manager's Index (PMI) fell to 50.6 from 51.3 in January, data from the National Bureau of Statistics (NBS) showed on Sunday, remaining above the 50-point mark that separates growth from contraction.

Analysts had expected it to decline to 51.1.

Chinese factory activity normally goes dormant during the Lunar New Year break as workers return to their home towns. This year, the government appealed to workers to remain local to curb the spread of COVID-19.

China eked out 2.3% economic growth last year.

REUTERS

Registration for next phase of Covid vaccination to open today

PRESS TRUST OF INDIA
New Delhi, February 28

THE NEXT PHASE of the COVID-19 vaccination drive for people above 60 years and those aged 45 and above with comorbidities will begin from March 1 and registration on the Co-WIN2.0 portal will open at 9 am on Monday.

Citizens will be able to register and book an appointment for vaccination, anytime and anywhere, using the Co-WIN 2.0 portal or through other IT applications such as Arogya Setu.

Registration will open at 9 am on March 1 at *www.cowin.gov.in*, the ministry said. All citizens that are aged, or will attain the age of 60 or more as on January 1, 2022 are eligible to register, in addition to all such citizens that are aged, or will attain the age of 45 to 59 years as on January 1, 2022, and have any of the specified 20 comorbidities.

This information was shared during the orientation workshop organised by the Union Health Ministry and the National Health Authority for the 10,000 private hospitals under Ayushman Bharat PMJAY, more than 600 hospitals empanelled under CGHS and other private hospitals empanelled under State Government's Health Insurance Schemes, on Co-WIN2.0.

The modalities of the new features integrated in the Co-WIN2.0 digital platform were explained to them. The private empanelled Covid-19 Vaccination Centres were also trained on various aspects of the process of vaccination and management of adverse events following immunization through video conference with the support of the National Health Authority (NHA).

Success!

Indian Space Research Organisation (Isro)'s Polar Satellite Launch Vehicle PSLV-C51, carrying Brazilian satellite Amazonia-1, lifts off from the Satish Dhawan Space Centre in Sriharikota, on Sunday. PTI

Biden says Saudi announcement to come today; White House plays down new steps

REUTERS
Washington, February 28

PRESIDENT JOE BIDEN has said his administration would make an announcement on Saudi Arabia on Monday, following a US intelligence report that found Crown Prince Mohammed bin Salman had approved the killing of journalist Jamal Khashoggi.

The Biden administration has faced some criticism, notably an editorial in the *Washington Post*, that the president should have been tougher on the crown prince, who was not sanctioned despite being blamed for approving Khashoggi's murder.

Asked about punishing the crown prince, Saudi Arabia's de facto ruler, who is also known as MbS, Biden said: "There will be an announcement on Monday as to what we are going to be doing with Saudi Arabia generally."

Biden did not provide details.

But a White House official suggested no new significant steps were expected.

"The administration took a wide range of new actions on Friday. The president is referring to the fact that on Monday, the State Department will provide more details and elaborate on those announcements, not new announcements," the official said.