



VOL. XLVI NO. 186, 18 PAGES, ₹6.00 (PATNA ₹6.00, RAIPUR ₹7.00) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

Paytm

# Launching Paytm Mini App Store



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8 October 2020 at  
<https://developer.paytm.com>

Branch Office: Circle SASTRA Centre: West Delhi; 8/1, 1st Floor, Abdul Aziz Road, Karol Bagh, New Delhi

**POSSESSION NOTICE (For Immovable Property/Movable Property)**

Notice is hereby given under the Securitization and Reconstruction of Financial Assets and Enforcement (Security Interest) Act, 2002 and in exercise of power conferred under Section 13(4) and 13(12) read with Rules 8 & 9 of Security Interest (Enforcement) Rules, 2002 the Authorized Officer issued a Demand Notice on the dates noted below in table herein after, calling upon them to repay the amount within the 60 days from the date of receipt of the said notice.

The borrowers and guarantors having failed to repay the amount, notice is hereby given to the under noted borrowers and guarantors and the public in general that the undersigned has taken possession of the property described herein below in exercise of powers conferred on him/her under Section 13(4) of the said Act read with rules 8 & 9 of the said rules.

The borrowers & Guarantor in particular and the public in general is hereby cautioned not to deal with the property and any dealing with the property will be subject to the charge of Punjab National Bank for the amounts and interest thereon.

Name of Borrower/Guarantor | Details of Secured Asset(s) | Amount O's in Notice | Date of Demand Notice / Date of Possession

1) Vinod Kumar	Housing Property (32/3 GF Near Shyam Sunder Mandir, West Patel Nagar, Delhi-110008	Rs 72,54,218/- as on 30/09/2019 further interest & cost until payment in full.	25.11.2019/ 01.10.2020
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Date: 05/10/2020 (Authorized officer)

Place: Delhi

**PUBLIC NOTICE**

General public is hereby informed that our client, M/s. Muthoot Finance Ltd. (GSTIN 32AABCT0343B1Z7), Registered Office: 2nd Floor, Muthoot Chambers, Banerji Road, Kochi - 682018, Kerala, India CIN: L65910KL1997PLC011300, Ph: +91 484-2396478, 239471, Fax: +91 484-2396506 muthootgroup.com, www.muthootfinance.com is conducting Auction of ornaments (NPA accounts for the period up to 31.12.2018 & Spurious/Low quality accounts for the period up to 31.12.2019), pledged in its favour, by the defaulting Borrowers, as detailed hereunder. All those interested may participate.

**First Auction Date:** 12.10.2020

**Jaunpur (Up):** MSL-2546

**Second Auction Date:** 13.10.2020, Auction Centre: First Floor, Property No. 359, Civil Court Road, Main Pur, Jaunpur

**First Auction Date:** 12.10.2020

**Jhansi-Kanchehri Choraha:** MSL-3973

**Second Auction Date:** 13.10.2020, Auction Centre: Muthoot Finance Limited, First Floor, Property No. 775 Old No. 529, Kanchehri Choraha, Kanpur Road, Jhansi, U.P 284001

**First Auction Date:** 12.10.2020

**Varanasi-Nadesar:** MSL-2282, Varanasi-Mehmoorganj: MSL-237, Varanasi-Ardali Bazar: MSL-10695

**Second Auction Date:** 14.10.2020, Auction Centre: Second Floor, Property No-D-59/103, D-4, Aggarwal Building, Sigma, Mehmoorganj Road, Sigma, Varanasi-U.P

**First Auction Date:** 12.10.2020

**Gorakhpur-Medical Road:** PPL-690

**Second Auction Date:** 15.10.2020, Auction Centre: Muthoot Finance Limited, First Floor, Sri Ram Tower, 33 Kasia Road, Betiabhatia Chowk, Gorakhpur-23001

**First Auction Date:** 12.10.2020

**Allahabad-Civil Lines:** MHL-93, Allahabad-Shivcharan Road: MTL-1620

**Second Auction Date:** 17.10.2020, Auction Centre: Ground Floor, Property No. 9/9 Manmohan Park, Katra, Allahabad, Uttar Pradesh-211002

**First Auction Date:** 12.10.2020

**Rampur (UP):** MGL-104, 113, 145, 150, 176, 180, 186, 216, 224, 228, MSL-4051, 4869, 4977, 5043, 5105, 5177, 5305, 5404, 5516, 5517, 5520, 5521, 5541, 5617, 5696

**Second Auction Date:** 16.10.2020, Auction Centre: Muthoot Finance Limited, Ground Floor, Makarhi Ganj, Dadua Bazar, Gonda, UP

**First Auction Date:** 12.10.2020

**Saharanpur-Court Road:** MGL-1551, MLS-13, MSL-6853, 6993, 8484, 8872, 9080, Saharanpur-Chakrata Road: MGL-103, 1319, 1356

**Second Auction Date:** 20.10.2020, Auction Centre: Muthoot Finance Ltd., First Floor, Gill Colony, Opp. Prashavnath Plaza, Court Road, Saharanpur, U.P-247001

**First Auction Date:** 14.10.2020

**Moradabad-Civil Lines:** MGL-425

**Second Auction Date:** 15.10.2020, Auction Centre: First Floor, Station Road, Budh Bazar, Near Maharaja Hotel, Moradabad-244001

**First Auction Date:** 14.10.2020

**Rampur (UP):** MSL-5173

**Second Auction Date:** 16.10.2020, Auction Centre: Shabad Gate Road, Opp. Jamate Tus Salehath Girls Degree College, Rampur, U.P. Pin: 244901

**First Auction Date:** 14.10.2020

**Lucknow-Alambagh:** MSL-7114, 7841, Lucknow Chowk - Lucknow: CPL-98, 110, MSL-3274, 3566

**Second Auction Date:** 17.10.2020, Auction Centre: First Floor, Lekhraj-II, Lekhraj Market, Faizabad Road, Indira Nagar, Lucknow, U.P-226016

The auctions in respect of the loan accounts shown under the branch head will be conducted at the respective branches.

However, please note that in case the auction does not get completed on the given date(s), then in that event the auction in respect thereto shall be conducted/continued on **Second Auction Date** at the given Auction Centre, and further in case the said ornaments are still not successfully auctioned on these dates then such auction shall be continued on subsequent days thereafter, at this same venue.

No further notices shall be issued in this respect.

**Kohli & Satti, Advocates, A 59A, First Floor, Lajpat Nagar-II, New Delhi - 110024**

**Note:** Customers can release their pledged ornaments before the scheduled auction date, against payment of dues of our client. Customer can also contact Email ID: auctiondelhi@muthootgroup.com or Call at 7834866464, 7994452461.

**Pooled Municipal Debt Obligation (PMDO) Facility**

**The Security Trustee Vistra ITCL (India) Ltd.(formerly IL&FS Trust Company Limited)**

**The IL&FS Financial Centre Block G, Plot C 22, Bandra Kurta Complex Bandra(E) Mumbai 400051.**

**SALE NOTICE FOR SALE OF IMMOVABLE PROPERTIES**

**E-auction Sale Notice for Sale of Immovable Assets under Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest, Act, 2002 read with proviso to Rule 8(6) of the Security Interest (Enforcement) Rules, 2002.**

Notice is hereby given to the public in general and to the Borrowers & Guarantors that the below described immovable property mortgaged/charged to the Secured Creditor, the constructive possession of which has been taken by the Authorized Officer of Vistra ITCL (India) Limited, the Security Trustee, acting on behalf of the Pooled Municipal Debt Obligation (PMDO) lenders, will be sold by E-auction on "AS IS WHERE IS", "AS IS WHAT IS and "WHATEVER THERE IS" basis on 05.11.2020 for the recovery of Rs.2,985,758,90/- (Rupees Two Hundred and Ninety Nine Crores Fifty Seven Lakhs Fifty Eighty Nine Thousand Nine Hundred and Ninety Only) as on January 31, 2018 together with interest @ 12.50% p.a with monthly rests from February 1, 2018 till payment / realisation, due to the Secured Parties including the PMDO lenders from the Borrower, i.e., Ansal API Infrastructure Limited and the Guarantors, i.e., Ansal Properties and Infrastructure Ltd., Mr. Sushil Ansal and Mr. Pranav Ansal. The details of reserve price, earnest money deposit and the terms and conditions of the sale are provided herein below and on website www.matexnet.com.

**DESCRIPTION OF THE PROPERTIES**

Description of Immovable Properties given as collateral security to the Borrower and statement showing details

All rights and benefits of the Mortgagors No. 2, 4 and 6 ams (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.0518Hectare in Khasra No. 426 located at Village Muzaffarnagar Ghoswal, Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 427, South Khasra no. 423, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/7/2007 in favour of M/s Ansal Properties and Infrastructure Ltd., Sale deed no. 4177 dated 7/3/2007 in favour of M/s Girija Shankar Properties Ltd, Sale deed no. 2128 dated 7/3/2007 in favour of M/s Ansal Properties and Infrastructure Ltd, and Sale deed no. 7851 dated 15/9/2006 in favour of KatraBuildTechPvt. Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of M/s Bestower Realtors Pvt. Ltd., Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

All rights and benefits of the Mortgagors No. 4 (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.0518Hectare in Khasra No. 426 located at Village Muzaffarnagar Ghoswal, Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 427, South Khasra no. 423, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/7/2007 in favour of M/s Bestower Realtors Pvt. Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of Ansal Properties and Infrastructure Ltd., and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

All rights and benefits of the Mortgagors No. 20 & 27 and (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 1.1098 Hectare in Khasra No. 429 located at Village Muzaffarnagar Ghoswal, Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 64, South Khasra no. 428, East Khasra no. 430, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 4799 dated 5/6/2006 in favour of Sh. Lakshmi S/o Sh. Puran Kori, Sale deed no. 9549 dated 4/11/2004 in favour of Mr. Bhikhu S/o Shyam Lal and Sale deed no. 9627 dated 5/11/2004 in favour of Mr. Bhikhu S/o Shyam Lal

All rights and benefits of the Mortgagors No. 2, (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.0045 Hectare in Khasra No. 431 located at Village Muzaffarnagar Ghoswal, Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 428, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/3/2007 in favour of M/s Ansal Properties and Infrastructure Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of Ansal Properties and Infrastructure Ltd., and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

All rights and benefits of the Mortgagors No. 2, (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.9247 Hectare in Khasra No. 430 Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 428, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/3/2007 in favour of M/s Ansal Properties and Infrastructure Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of Ansal Properties and Infrastructure Ltd., and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

All rights and benefits of the Mortgagors No. 2, (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.9247 Hectare in Khasra No. 430 Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 428, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/3/2007 in favour of M/s Ansal Properties and Infrastructure Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of Ansal Properties and Infrastructure Ltd., and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

All rights and benefits of the Mortgagors No. 2, (as per Memorandum of Entry recording creation of mortgage by deposit of title deeds dated 23rd August, 2011) in lands to the extent of 0.9247 Hectare in Khasra No. 430 Pargana Bijnaur, Tehsil & District Lucknow, Uttar Pradesh bounded by North Khasra no. 428, East Khasra no. 425, West Khasra no. 417, pursuant to the following sale deeds: Sale deed no. 2442 dated 16/3/2007 in favour of M/s Ansal Properties and Infrastructure Ltd., Sale deed no. 9257 dated 22/10/2007 in favour of Ansal Properties and Infrastructure Ltd., and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd. and Sale deed no. 6614 dated 7/6/2008 in favour of Ansal Properties and Infrastructure Ltd.

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STEPHEN S ROACH

US's negative domestic savings & soaring CAD will weaken dollar

NEW DELHI, MONDAY, OCTOBER 5, 2020

SUNIL JAIN

New labour Codes will help attract firms looking to relocate from China, but need to act on red-tape, bad policy

FINMIN REPORT

'Economy on recovery path, Covid caseload may have peaked'

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COVID BATTLE

After mixed messages from White House, Trump says 'real test' ahead



# FINANCIAL EXPRESS

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## GERMANY

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## IN THE NEWS

**Govt weighs legal options in Voda tax arbitration case**

THE GOVERNMENT is weighing its legal options after losing the high-profile international tax arbitration case against Vodafone as it looks to limit damages not just in this matter but also in case of a separate lawsuit with Cairn Energy goes against it, reports PTI.

**Assembly polls: LJP walks out of NDA in Bihar**

THE LOK Janshakti Party (LJP) on Sunday walked out of the ruling National Democratic Alliance (NDA) in Bihar ahead of the state Assembly polls, as it attacked chief minister Nitish Kumar and announced that it would fight JD(U) candidates in the elections, reports PTI.

## DISINVESTMENT

## LIC listing not likely in FY21

Preparatory work, including amendment to LIC Act, delayed



**₹2.1 lakh cr**  
Disinvestment revenue target for FY21

**₹90,000 cr**  
Budgeted receipts from LIC IPO and stake sale in IDBI Bank

**₹17,131 cr**  
Disinvestment receipts so far this fiscal

PRASANTA SAHU

New Delhi, October 4

THE MEGA INITIAL public offering (IPO) of insurance behemoth Life Insurance Corporation (LIC) won't materialise in the current financial year owing to tardy progress in preparations and paucity of time to complete the formalities, sources aware of the matter told FE.

Selling a 10% stake in LIC is crucial for the revenue-hungry government to meet the FY21 disinvestment target of ₹2.1 lakh crore.

Without the LIC IPO, the disinvestment receipts could at best be around ₹1 lakh crore, even assuming the much-delayed BPCL stake sale will be completed by March 31.

A Cabinet proposal has been floated by the department of financial services recently to amend the LIC Act to make it compatible with the Companies Act and proposing in-principle approval to dilute up to 25%

equity in the demutualised LIC in tranches. As per the note, the IPO size is to be in the range of 5-10%, depending on the market appetite at the time of the offer.

"However, it is not feasible to float the IPO in the next six months as a lot of preparatory work is pending," a senior official told FE.

Usually, the IPO preparation and processes take 6 to 9 months before the offer hits the market.

Continued on Page 4

## CHANGING TIMES

## Trai may drop plan to fix floor prices

FE BUREAU  
New Delhi, October 4

WITH A NEW chairman assuming office from October 1, sources said the Telecom Regulatory Authority of India (Trai) is likely to drop the proposal of putting in place floor prices for both data and voice tariffs as it is felt there's no need for such a measure now.

There is a view in the government that the health of the telecom operators has improved substantially since December 2019, when they all raised tariffs by up to 50%. Further, the Supreme Court has allowed them to pay their adjusted gross revenue (AGR) dues in instalments over a 10-year period.

Since tariffs are under forbearance, the operators are free to raise tariffs whenever they want so that the govern-

ment or the regulator are not seen to be party to fixing any kind of floor price as it may be seen as anti-consumer.

Continued on Page 5

September wholesale despatches have been strong... Monthly wholesale numbers are not a good indicator of what is happening. September was good on a low base. Also, at the end of August the inventory dipped below 80,000, which is 50,000 less than it should be. Our norm is that dealers need to have one month's stock; if there aren't enough cars in the showroom, the buyer will go elsewhere. The numbers look good but that does not mean we are in a happy situation. The September retail sales are not high.

How are you reading the demand in the festive season and beyond?

At the moment, we have good prospects till December because the Navratras will

start in mid-October, which is a good period, and then we have Diwali. In December, most companies offer discounts to clear models, and the month often sees some of the highest sales because customers get good deals. After that, however, we have no visibility. Since Q1 was a washout and Q2 was spent adjusting to the new operating protocol, we won't get to last year's figures. However, provided January to March is reasonably good, H2FY21 will be as good as H2 last year.

Is the share of first-time buyers to total buyers going up? I don't have the exact numbers, but what is apparent is the sales of compact and entry-level cars have grown faster than the overall sales.

Given Maruti's share of cars priced less than ₹10 lakh is about 60% compared with the market level of 50%, are average realisations getting hit?

It is true we have a high share of compact and smaller cars but that is also helping compensate for the loss from the absence of diesel vehicles. Despite not having diesel models, we have 50% of the market. But yes, the average selling price would be impacted.

Continued on Page 4

## COVID-19

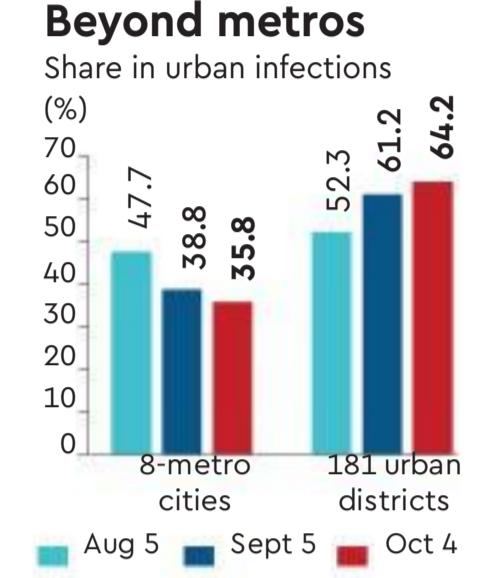
## Infections growing faster in tier-II cities

ISHAAN GERA  
New Delhi, October 4

INDIA'S MAJOR CITIES may still be the only ones accounting for over 1 lakh infections and adding 2,000-3,500 cases everyday, but other urban districts now account for a larger share of total infections.

Till August, the cases were divided equally among eight major cities (Delhi, Kolkata, Mumbai, Pune, Chennai, Hyderabad, Bengaluru and Ahmedabad) and 181 other urban districts.

Now, these 181 districts account for a two-third share in total infections, with the pace of increase having outstripped that in the eight cities. Between August 5 and October 4, infections pan-India trebled; in the eight cities, there was a 2.2 times increase while in other urban districts, the



increase was 3.7 times.

One reason for this is the rise of infections in tier-II cities. In Raipur, for instance, infections have grown tenfold over the last two months.

Continued on Page 4  
■ Govt estimates utilising up to 50 crore vaccine doses by July 2021, Page 4

## Cases in N-E double in a month

ISHAAN GERA  
New Delhi, October 4

WHILE INFECTIONS IN India increased 1.7 times between September 4 and October 4, the North-East has been one of the fastest-growing regions with infections doubling since September 4.

Assam, at present, accounts for three-fourths of the region's infections,

but other states in the area have started growing faster. While Assam's infections grew only 1.6 times during this period, neighbouring Arunachal Pradesh, which till now has only 10,000 Covid-19 infections, reported a growth of 2.3 times between September 4 and October 4.

Continued on Page 4

## FE SPECIALS



## BRANDWAGON, P10

Pinning hopes on festive demand

Consumer durable companies are revamping their product ranges and bolstering their offline presence

## eFE, P8

Cloud technologies & Covid-19

The need to be digital and doing it agilely on the cloud is imperative, says SAP's Kulmeet Bawa

## PERSONAL FINANCE, P9

Benefits of investing in ETFs

Exchange traded funds are becoming popular due to low cost, transparent pricing and liquidity

## INFRASTRUCTURE, P11

Covid-19 alters logistics of trade

E-commerce growth has spurred demand for temporary warehouses, even as logistics sector's prospects are good

## SCIENCE &amp; TECH, P12

India's self-driving car

Fully researched working prototype of India-specific AV technology may be ready in the next three years

## QuickPicks

## GST Council meeting today likely to be stormy affair

THE GST Council meeting on Monday may turn into a stormy affair, with non-BJP ruled states still being in disagreement with the Centre on the compensation issue, reports PTI.

Opposition-led states like West Bengal, Punjab and Kerala have not yet accepted the borrowing option given by the Centre. PAGE 4

## Over 1 lakh local shops, kiranas to facilitate Amazon India's delivery

AMAZON INDIA on Sunday said it has enabled over 1 lakh local shops, kiranas and neighbourhood stores across the country through its various initiatives, a move that will help serve more customers this festive season, reports PTI. Its initiatives include

'Local Shops on Amazon' and Amazon Easy stores. PAGE 5

financialexpress.in



FINMIN REPORT

'Economy on recovery path, Covid caseload may have peaked'

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● INTERVIEW: RC BHARGAVA, chairman, Maruti Suzuki

## 'Second half of this year could be as good as it was last year'

The auto sector has had a rough time but Maruti Suzuki chairman RC Bhargava believes the festive season could be a reasonably good one. Bhargava tells Sunil Jain and Shobhana Subramanian the share of first-time buyers is going up. Edited excerpts:

start in mid-October, which is a good period, and then we have Diwali. In December, most companies offer discounts to clear models, and the month often sees some of the highest sales because customers get good

deals. After that, however, we have no visibility. Since Q1 was a washout and Q2 was spent adjusting to the new operating protocol, we won't get to last year's figures. However, provided January to March is reasonably good, H2FY21 will be as good as H2 last year.

Is the share of first-time buyers to total buyers going up? I don't have the exact numbers, but what is apparent is the sales of compact and entry-level cars have grown faster than the overall sales.

Given Maruti's share of cars priced less than ₹10 lakh is about 60% compared with the market level of 50%, are average realisations getting hit?

It is true we have a high share of compact and smaller cars but that is also helping compensate for the loss from the absence of diesel vehicles. Despite not having diesel models, we have 50% of the market. But yes, the average selling price would be impacted.

Continued on Page 4

## STICKY WICKET

## IPL starts probe after player reports corrupt approach

AMLAN CHAKRABORTY  
New Delhi, October 4

THE INDIAN PREMIER League (IPL) has launched an investigation after one of the players in this year's tournament in the United Arab Emirates (UAE) reported being approached for possible corruption, the league's integrity chief told Reuters on Sunday.

"Yes a player has reported an approach. We are looking into it. No further details can be given at present" Ajit Singh, head of the anti-corruption unit of the Indian cricket board, said in a text message without identifying the player or the franchise.

Continued on Page 4

## DO MINIMUM SUPPORT

prices (MSPs) stand as a bulwark against artificial hammering down of market prices? Procurement value (at MSPs) was hardly 26% of the total market value of the 22 crops for which the benchmark prices were announced in the 2019-20 crop season (July-June), according to an FE estimate.

Even in case of the 10 crops that were actually procured by the government in 2019-20, the purchases made up for just about 33% of their total market value.

If wheat, paddy and cotton, where MSP purchases were 37%, 44% and 30%, respectively — much higher than in the case of other crops — are excluded, the total MSP procurement value of the remaining 19 crops for which MSPs existed in the season, was a dismal 9% of their total market value.

Moreover, assuming that crops represented roughly 55% of the gross value added (GVA) in the overall agriculture and allied sector in FY20 (the

COVID BATTLE

After mixed messages from White House, Trump says 'real test' ahead

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## BIG UNLISTED FIRMS

## MCA may ask for more frequent filing of financial statements

PRABHUDATTA MISHRA

New Delhi, October 4

DO MINIMUM SUPPORT prices (MSPs) stand as a bulwark against artificial hammering down of market prices? Procurement value (at MSPs) was hardly 26% of the total market value of the 22 crops for which the benchmark prices were announced in the 2019-20 crop season (July-June), according to an FE estimate.

If wheat, paddy and cotton, where MSP purchases were 37%, 44% and 30%, respectively — much higher than in the case of other crops — are excluded, the total MSP procurement value of the remaining 19 crops for which MSPs existed in the season, was a dismal 9% of their total market value.

Moreover, assuming that crops represented roughly 55% of the gross value added (GVA) in the overall agriculture and allied sector in FY20 (the

Output value is based on mandi rates and procurement value on MSP of each crop, % share is calculated accordingly

# Economy

MONDAY, OCTOBER 5, 2020

**ELECTRIFICATION DRIVE**

Piyush Goyal, railway minister

By 2023, the Indian Railways will be the world's largest 100% electrified rail transport system

## Quick View

### Personal Data Protection Bill likely in Budget

THE PERSONAL DATA Protection Bill, which proposes to put restriction on use of personal data without explicit consent of citizens, is likely to be tabled in the next year's Budget session of Parliament, according to a source. The draft of the bill, approved by the Cabinet in December 2019, proposes a penalty of up to ₹15 crore and up to three-year jail term for company executives for violating privacy norms.

### Consultancy for NPS structuring

THE PENSION FUND Regulatory and Development Authority (PFRDA) will engage a consultancy that will make suggestions for organisational structuring as it seeks to segregate the NPS Trust. In the Union Budget for 2019-20, the government had proposed to separate the NPS Trust from the pension regulator in order to address issues over conflict of interest.

### Paswan undergoes heart surgery

UNION MINISTER AND Lok Janshakti Party patron Ram Vilas Paswan has undergone a heart surgery, his son Chirag Paswan said on Sunday. Paswan (74) has been in hospital for the last few weeks.

### REC trading may resume from Oct 28

ENERGY EXCHANGES IEX and PXIL have expressed hope that renewable energy certificate (REC) trading will resume after three months on October 28 as electricity tribunal APTEL has concluded hearing on the REC pricing issue.

### FINMIN REPORT

## 'Economy on recovery path, Covid cases may have peaked'

**FE BUREAU**  
New Delhi, October 4



two farm Bills, the finance ministry report insisted the reforms in the agricultural sector were "more overdue than even the labour reforms as the existing laws kept the Indian farmer enslaved to the local mandi and their rent-seeking intermediaries".

"The local monopolists created by this legal infrastructure enabled the intermediaries to prosper at the cost of the farmer, especially the poor ones without the wherewithal to store their produce," it said. The farm sector reforms enable the farmer to sell

### LIC listing not likely in FY21

Besides the pandemic, in this case, the LIC Act, 1956, needs to be amended to transition it from mutual structure (where policyholders are de-facto owner) to a corporate body (where shareholders are owners with authorised and subscribed capital structure) as per the Companies Act.

Currently, LIC pays 95% of its surplus to policyholders and 5% to the government (Section 28 of LIC Act), that has to change as profits need to be shared with all shareholders when it becomes a joint stock company. Similarly, the books of accounts have to be prepared in compliance with the Companies Act.

As far as amending the LIC Act is concerned, a Bill may be tabled in Parliament in December, the earliest such opportunity available as the House is currently adjourned

sine die.

While the exact valuation of the insurer -- which often plays White Knight to the government, is not available, it is believed to be worth ₹8-11.5 lakh crore, meaning a 10% IPO could fetch the government ₹80,000-1,10,000 crore. Private valuation firm RBSA Advisors recently estimated LIC's worth to be in the range of ₹9.9-11.5 lakh crore. The Centre had estimated receipt of ₹90,000 crore from the IPO of LIC and full or partial sale of residual (47.1%) stake in IDBI Bank in BEFY21, the bulk of this was expected from LIC listing.

LIC has a lion's share in India's insurance business with close to 70% first-year life insurance premia fetched by it, thanks partly to the comfort of sovereign guarantee.

In a recent commentary, S&P said it considered the proposed float of shares of LIC to be crucial for the government to consolidate its fiscal position following the spike in the deficit this year.

While the government has taken into account lower realisation from the sell-off exercise in FY21, "we would keep up the pressure" on the disinvestment department to realise the budgeted target, economic affairs secretary Tarun Bajaj said last week, announcing no change in the enhanced borrowing plan for this fiscal.

With net tax revenues declining 30% on year in April-August (the budgeted growth was 21% in FY21 over the actual of FY20), some analysts see fiscal deficit even doubling from the budgeted target of ₹8 lakh crore.

So far this fiscal, the Centre has garnered around ₹17,000 crore or 8% of the FY21 disinvestment target. The Centre is now banking on the sale of its entire 52.98% stake in BPCL along with a clutch of other transactions to minimise the shortfall in its non-debt capital receipts from the budgeted level in the current fiscal. The government was earlier expecting ₹70,000-80,000 crore from the BPCL sale. However, the BPCL stock declined 34% between October 3, 2019 (₹531.9) and October 1, 2020 (₹353.25). The last date to submit expressions of interest for BPCL has been extended a fourth time to November 16, making it a race against time to complete the deal by the end of FY21.

**Second half of this year could be as good as it was last year:**  
Bhargava

From cutting corporate tax rates to more flexible labour policies, the government has made a lot of changes to attract investment. Do you

where he gets the best deal.

The upcoming festive season is expected to further accelerate this momentum across several sectors, it said, reiterating that the government is open to taking further measures to soften the Covid blow.

"With India unlocking, demand resurgence is palpable in many sectors.... This is despite headwinds of increasing Covid cases in non-metro cities and rural areas and rising food prices," it said.

Several high-frequency indicators like PMI data, GST mop-up, toll collections, e-way bills, power consumption and auto sales have shown an uptick in September. The rebound signals pent-up demand and points at further recovery prospects for manufacturing, according to the report.

The GST collection in September touched ₹95,480 crore, up 4% from a year before, while

the manufacturing PMI index hit its peak in over eight years last month. Exports grew 5.3% year-on-year, in September, rail freight revenue earnings were up by 13.5% and power consumption grew 4.2%. Other indicators like e-way bills, kharif sowing, cargo traffic and passenger vehicle sales, too, showed upward movement. Agriculture remains the "sweet spot" and the growth of which will continue in the coming months.

The ministry exuded confidence that positive results from implementation of the ₹21-lakh crore Atmanirbhar Bharat package and graded unlocking of the economy have caused the recent turnaround in high frequency indicators. "All this makes the ministry confident that its effort to mitigate impact of Covid-19 are on the right track towards faster recovery of economy to normalcy," the report added.

Govt estimates to utilise up to 50 cr Covid vaccine doses on 25 cr people by July 2021: Vardhan

**PRESS TRUST OF INDIA**  
New Delhi, October 4

**THE CENTRE ESTIMATES** to receive and utilise 40-50 crore doses of Covid-19 vaccine covering 20-25 crore people by July next year and it is preparing a format for the states to submit by October-end their list of priority population group to receive the vaccine, Union health minister Harsh Vardhan said on Sunday.

He said priority would be given to health workers engaged in Covid-19 management in getting the vaccine. During an interaction with his social media follow-

### Cases cross 65-lakh mark

**INDIA'S COVID-19** case-load went past 65 lakh, while the number of people who have recuperated from the disease crossed 55 lakh, according to the Union health ministry data updated on Sunday. The recovery rate stands at 84.13%. The total cases climbed to 65,49,373 with 75,829 people testing positive in the last 24 hours.

ers on 'Sunday Samvad' platform, he said a high-level expert group is going into all the aspects of vaccines and the health ministry is preparing a format in which states will submit lists of priority population groups.

The list of frontline health workers will include both government as well as private-sector doctors, nurses, paramedics, sanitary staff, ASHA workers, surveillance officers and many other occupational categories who are involved in tracing, testing and treatment of patients. This exercise is targeted to be completed by the end of this October.

### Stormy GST Council meet likely today

**THE GST** Council meeting on Monday may turn into a stormy affair, with non-BJP ruled states still being in disagreement with the Centre on the compensation issue.

While as many as 21 states, mostly ruled by BJP or parties which have supported it on issues, had till mid-September opted to borrow ₹97,000 crore to meet the GST revenue short-

fall in the current fiscal, opposition-led states like West Bengal, Punjab and Kerala have not yet accepted the borrowing option given by the Centre. Sources said in the 42nd meeting of the Council on October 5, opposition-led states would object to the Centre's borrowing options and demand alternative mechanism for funding GST compensation deficit.

### may ask for more frequent filing of financial statements

The Companies (Amendment) Act, 2020, provided for preparation of financial results of prescribed classes of unlisted companies on a periodical basis. These will be required to be audited or at least reviewed by an external professional.

Sources in the government said MCA will call a meeting of the stakeholders later this month to deliberate on the reporting periodicity and the classes of companies that would be asked to file financial statements more regularly.

The criteria could include turnover or paid-up share capital or a combination of both. "The ministry intends to utilise this for better compliance and to bring in more transparency in functioning of unlisted companies, especially large unlisted firms," one of the sources said.

In 2011-12, the MCA introduced eXtensible Business Reporting Language (XBRL). One of the features of XBRL was early fraud detection it allowed. Besides listed companies, firms having paid up capital of ₹5 crore or above and those with turnover of ₹100 crore or above have to file information in XBRL. NBFCs, HFCs and companies engaged in banking and insurance sector are exempted from filing of financial statements under XBRL.

"XBRL has not been as effective in early fraud detection as was expected. Intention was that as income tax and sales tax officials scrutinise tax filings/data, the MCA will have a similar facility to track companies," a source said.

Welcoming the MCA's move, Nangia Andersen India's partner (regulatory) Nischal Arora said while frequency of filing and applicability on a specific class of companies will be known only once the Centre issues corresponding rules, this requirement can be viewed as a government response to the recent setbacks suffered by the financial sector from NBFCs.

"The move does allow the companies regulator to keep a timely check on movement of financial assertions of large unlisted companies. The amendment will further strengthen early fraud detection capabilities of the companies regulator," he added.

Arora said the government needs to first devise a balanced formula to identify systematically important unlisted companies based on their paid-up

### Covid-19 infections growing faster in tier-II cities

While the capital of Chhattisgarh had reported only 3,338 cases on August 5, on October 4, that had jumped to 34,890 infections.

The increase has been even more dramatic in Nagpur as cases have gone up 13.6 times from 5,952 on August 5 to 80,937 on October 4.

Cities in Uttar Pradesh, which last week recorded

four lakh infections, have also witnessed a high growth during this period.

Infections in Lucknow have increased 5.5 times from 9,805 to 54,387, whereas Kanpur has quadrupled its count to 25,549.

Within two weeks, Maharashtra will have 14 districts with over 50,000 infections. Meanwhile, the only major

tournament in a bio-secure bubble would make it harder for illegal gambling rings to approach players.

The matches are being played in Dubai, Abu Dhabi and Sharjah without spectators, and player movements are strictly regulated as part of the league's Covid-19 protocols.

The eight-team tournament was shifted to UAE as the novel coronavirus continues to surge in India where the death toll has crossed 1,00,000.

— Reuters

### Does MSP matter? Govt procurement just 7% of agri GVA

Since the overall output value of the agriculture and allied sector (which tends to be higher than its GVA) was expected to be around ₹40 lakh crore in 2019-20, procurement made up for even a smaller fraction of it — just 6%.

However, minimal MSP operations are, these tend to have a bearing on market prices of all crops, the defenders of the MSP system say. Really? Except for wheat and paddy, the only two crops in the case of which MSP operations are substantial, market prices don't seem to be impacted by real MSPs or the possibility thereof. Even in the case of some 22 items (of over 1,000 crops grown) for which MSPs are announced, the aggregate market prices through the respective crop seasons tend to be below MSPs, the differential being roughly 15% on an average, a cursory look at the prices in the last few seasons by FE revealed.

In the 2019-20 crop year, for instance, the market prices of arhar, gram and groundnut ruled 16.6%, 16.7% and 10.8% below their respective MSPs. The analysis is based on the pan-India weighted average mandi prices during the October-January period for kharif crops and those between March and June period for rabi crops.

Despite the Food Security Act that led to ramping up of paddy and wheat procurement

metropolis to report such a quick pace of infections, as other urban centres, is Bengaluru, where infections have gone up fourfold to 2,45,700 in these two months.

In Andhra Pradesh, 10 of 12 districts have reported over 50,000 cases. On Monday, East Godavari will become the first district outside of major cities to record 1 lakh infections.

by FCI and others and the recent half-hearted efforts by Nafed to purchase pulses at MSPs, albeit in small quantities, value of MSP purchases continues to be a small fraction of the country's agriculture.

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— Reuters

capital/turnover/profits. Thereafter, it will have to seek the right mix of financial data that would enable it to ascertain whether a company requires further inspection of books by RoC or can be referred to the SFIO for further investigation.

AMRG & Associates CEO Gaurav Mohan said, "The government's intention seems to bring big unlisted companies on a par with provisions of listed companies. There are a number of unlisted firms having mammoth turnovers and net worth, the likes of which are Parle Products, Zomato, Flipkart, Patanjali Ayurved and many more. Amendment will introduce more compliance on part of notified unlisted companies which are a major contributor to the Indian economy."

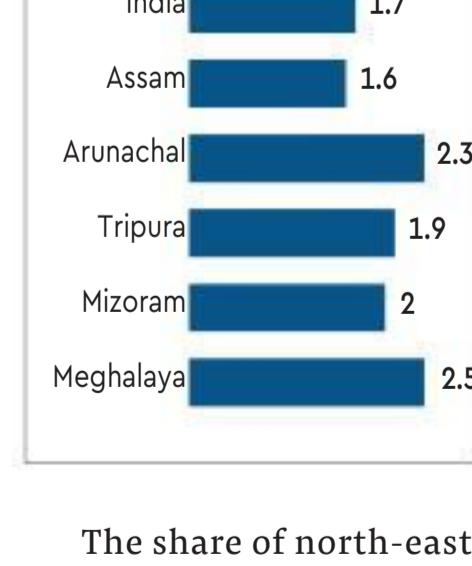
### Covid infections in N-E double in a month

Tripura, which is the second-most infected state in the region with 26,362 infections, recorded an increase of 1.9 times.

Though Assam also accounts for 74% of the region's tests, other states have a higher positivity rate — daily cases upon daily tests. On October 2, while Assam's positivity rate was 4%, it was 8.8% in Arunachal Pradesh, 5.8% in Manipur, 6.9% in Meghalaya, 11.4% in Nagaland. Sikkim and Tripura had a positivity rate of 9 and 9.8%, respectively. The only state to have a lower positivity was Mizoram at 2.6%.

### North-East grows faster than India

(No. of times increase between Sept 4 & Oct 4)



The share of north-eastern states is still relatively low — they account for 3.9% of India's total infections — but low health infrastructure is also a concern. For instance, while India has 68 doctors for every one lakh people, Assam and Arunachal Pradesh have only 50 doctors. WHO prescribes a norm of 100 doctors for every lakh people. The ratio is much more skewed in Mizoram, Nagaland and Tripura. Sikkim is the only state to have 163 doctors for every one lakh persons.

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SI. No.	Tender No.	Item	Approx. Estimated Value of Material (Rs. In Lakh)	Due Date of Opening of Tender (Technical -Bid)





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## BIS NORM

# Delay in panel supplies from China seen to hit 500 MW solar rooftop projects

VIKAS SRIVASTAVA  
Mumbai, October 4

**AN OVER 20%** month-on-month increase in solar module prices from China during both August and September of 2020 coupled with a delay in BIS certification of existing and new models has impacted the rooftop solar installations in the country. According to engineering, procurement and construction (EPC) players, around 200 MW capacity is addition is currently being held up, and if the situation persists, the stalled under-construction capacity might increase to over 500 MW. India imports around 85%



talline cells technology used by the developers.

Raghav Mittal, co-founder & CEO of SunAlpha, a major Indian solar EPC player, told FE that they are in the midst of placing module orders for a large EPC project pipeline over the next two quarters. "We are

working with all stakeholders to absorb the price volatility currently prevalent in the module supply market. Our focus is on ensuring smooth delivery of projects without anyone getting the short end of the stick."

Mittal further stated that the pricing arbitrage in Indian

and overseas market often leads to shipments finding their way to India after satiating the overseas demand first thereby making it difficult for developers in India to deliver as per planned timelines in case of delayed shipments.

It is learnt that the Ministry of Power has given BIS certification to few Chinese panels last week, however the uncertainty still prevails among the Chinese manufacturers.

Kapil Dongle, Head, Business Development (West) at Fourth Partner Energy told FE, that Indian EPC players are finding it difficult to source raw material from China. Supply shocks like

halting of production, floods and minor fires have rocked the market there, at the same time the recovery in demand across geographies is witnessing an upwards trend – leading to increase in panel prices.

Moreover, the government's plan to introduce Basic Customs Duty has also impacted sentiment.

"Suppliers are asking EPC players to renegotiate contracts which have already been signed at much lower rates. If this trend continues, it could result in EPC players looking at sourcing from countries other than China and increased reliance on domestic suppliers," said Dongle.

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## Vedanta's profit tumbles 24% as lockdown hurts output, demand

SWANSY AFONSO &  
BAIJU KALESH  
October 4



Key insights

**BILLIONAIRE ANIL AGARWAL'S** commodities conglomerate Vedanta posted a 23.5% drop in quarterly profit as one of the world's strictest lockdowns hit production and demand.

Group net income slumped to ₹1,033 crore (\$141 million) in the three months to June from ₹1,351 crore a year earlier, the company said in a statement late Saturday.

Sales fell 25.9% to ₹15,687 crore.

Vedanta's main businesses include zinc, aluminium and oil and gas, all of which have been hit by a slump in demand due to the coronavirus pandemic.

Agarwal's London-based Vedanta Resources is in the process of taking Mumbai-

listed Vedanta private by buying out minority shareholders to simplify its investments.

Vedanta Resources is in talks with banks for a further \$600 million to finance the delisting after already securing \$3.15 billion in loans and bonds, according to people familiar with the information.

Vedanta had net debt of ₹24,787 crore at the end of June. Vedanta's Hindustan Zinc, also Asia's most valuable zinc producer, reported a 23% drop in June-quarter profit on lower prices and production.

India's economy posted its worst slump in the three

months ended June as disruptions caused by the Covid-19 outbreak brought Asia's third-largest economy to a halt. Economists expect growth to shrink in the year through March 2021, in the first such contraction in more than four decades.

Shares of Vedanta rose 0.4% on Thursday to close at 137.45 rupees in Mumbai. The stock has slid 9.8% this year compared with a 6.2% fall in BSE benchmark index. Analysts have 11 buy recommendations on the company, 4 holds and 0 sells, according to data compiled by Bloomberg.

—BLOOMBERG

## Lok Janshakti Party walks out of NDA in Bihar, targets Nitish & bats for BJP-led govt in state

PRESS TRUST OF INDIA  
New Delhi, October 4

**THE LOK JANSHAKTI** Party (LJP) on Sunday walked out of the ruling National Democratic Alliance in Bihar ahead of the state assembly elections, which begins from October 28 in three phases, under Kumar's leadership of the NDA in the state.

The BJP, which heads the NDA, has already announced that the alliance will fight the polls under Kumar's leadership, and he will be chief minister again if people vote it back to power. Due to ideological differences with the JD(U), a member of the alliance at the national level and in the assembly polls, the Lok Janshakti Party has



LJP president Chirag Paswan decided to fight the elections in Bihar separately from the alliance, a party statement said.

"We will triumph," was the brief comment of Chirag Paswan as he sported a victory sign after the meeting.

However, the LJP is likely to continue as the member of the NDA at the Centre as of now,

more so as its patron and the only member in the Modi government, Ram Vilas Paswan, has undergone heart surgery in the national capital and will remain hospitalised for a few weeks.

The BJP's relations with the regional party have remained cordial, and the LJP has maintained that it will not contest against candidates of the saffron party. The LJP also said that it has no "bitterness" with the BJP and has often lauded prime minister Narendra Modi's leadership.

However, the LJP's decision has thrown open new possibilities in the Bihar polls as the party may end up damaging the JD(U)'s prospects at several seats.

Last month, an international arbitration court ruled that the Indian government seeking ₹22,100 crore in taxes from telecom giant Vodafone using retrospective legislation was in "breach of the guarantee of fair and equitable treatment" guaranteed under the bilateral investment protection pact between India and the Netherlands.

Finance Ministry sources said the government will decide on challenging the award before a court in Singapore - which was the seat of the

programme, which was launched in April this year, now has more than 20,000 retailers in 400 cities, including Meerut, Ludhiana, Saharanpur, Surat, Indore, Ernakulam and Kanchipuram. More than 40 per

cent of the sellers are coming from outside the top 10 cities. Its other programmes include Amazon Easy stores, I'Vee Space and Amazon Pay Smart Store.

"This festive season, we are focused on helping our sellers and other MSME partners grow their business and bounce back from the recent challenges. In the last few months we have seen businesses of all sizes increasingly adopt technology into their business," Amazon India vice-president Manish Tiwary said.

The integration of Amazon's programmes with one lakh-plus ubiquitous neighbourhood stores - for selling online, to help customers buy online, to make deliveries and enable contactless payments - is a testament of the adaptability and inventiveness of Indian entrepreneurs, he added. Recently, Walmart-owned Flipkart had said it has onboarded more than 50,000 kirana shops to strengthen its supply chain and delivery capabilities ahead of the upcoming festive season.

With this, Flipkart has significantly expanded its kirana onboarding programme to make deliveries to customers in more than 850 cities, it had said.

E-commerce companies see a large chunk of their business coming in during the festive sales and they make significant investments ahead of time to ramp up their capacity to be able to handle the spike in orders.

Festive season sees players holding multiple sale events, timed around Dussehra and Diwali.

Electronics, fashion and home furnishing are some of the categories that see a huge demand during the festive

season.

A report by RedSeer estimates that festive sales this year are expected to almost double and touch \$7 billion in gross merchandise value (GMV) as compared to \$3.8 billion in the same period last year.

Walmart-owned Flipkart will host its annual 'The Big Billion Days' sale from October 16-21, while Amazon.in is expected to announce its sale dates next week. Value-focussed e-commerce marketplace Snapdeal will hold its first sale in mid-October to coincide with Navratri festival. Its next two sales will run in late October and early November.

Amazon India said it has over 50,000 Amazon Easy stores across the country, which provides assisted shopping for 'new to e-commerce' customers. Under this model, Amazon works with several network partners across India and trains store owners to help customers find and buy products from Amazon.in, while enabling additional revenue streams for entrepreneurs and businesses.

## Worst is behind: RFL chairperson

HAVING PAID ₹6,500 crore to lenders since the change of management in 2018, Religare Finvest (RFL) is likely to complete its debt restructuring by December and start new business from next financial year, Religare Enterprises chairperson Rashmi Saluja said.

RFL, a NBFC arm of Religare Enterprises, has been barred from undertaking fresh business as it is under corrective action plan of RBI since January 2018 due to its weak financial health.

The company has been in financial distress, primarily due to alleged misappropriation of funds by erstwhile promoters Shivinder Singh and his brother Malvinder Singh.

"Worst is behind...while all other business are performing, RFL is slowly getting out of woods. Two years ago, all four wheels (of RFL) were in the ditch and the wheels were stuck. Now the wheels are on the ground and we are refuelling for a take off," Saluja told PTI in an interview.

### From the Front Page

## Auto, pharma firms to be hit hard by cap on MEIS benefits

Sources said in a meeting with commerce and industry minister Piyush Goyal last month, top representatives of various export promotion councils and other trade bodies expressed concerns over the capping of the MEIS benefits, highlighting that medium and large exporters who are primarily responsible for driving growth are badly hit by the move.

Exporters are also upset that even this limit can be revised down, as the government has limited the overall outgo under the MEIS to just ₹5,000 crore between September and December.

Earlier this fiscal, starved of resources following the Covid-19 outbreak, the revenue department "suddenly" capped the outlay for the MEIS at just ₹9,000 crore for the April-December period, which meant that exporters may be deprived of over two-thirds of the benefits they usually get under this scheme. This forced the commerce ministry to block the online module for claiming the MEIS benefits since July 23.

However, the online module has been reactivated since September 1.

The MEIS outgo was about ₹40,000 crore in FY19 and ₹43,500 crore in FY20.

According to a commerce ministry estimate, about 98% of the exporters who claim MEIS will remain unaffected by the changes and less than 2% are likely to be impacted as per analysis of

claims in the relevant period of 2018-19. However, exporters have highlighted that these 2% exporters account for a substantial chunk of the exports covered under the MEIS.

Exporters have said they typically firm up deals after factoring in the MEIS scripts, which range from 2% to 5% of the export turnover, depending on the products or shipment destinations. So, any abrupt or premature withdrawal of or reduction in benefits by the government will, therefore, erode exporters' margins proportionately, at a time when they are already bruised by a Covid-induced cancellation of orders.

Merchandise exports witnessed a record 60% year-on-year crash in April, though the pace of contraction has since narrowed. The exports grew 5.3% on year in September, the first rise since February. However, risks from external headwinds still remain quite strong.

Calling the MEIS an inefficient scheme, NITI Aayog recently said while liabilities under the programme grew as much as 32.2% y-o-y in FY19, exports of the MEIS-covered items rose by only 10.4%. In FY18, the MEIS covered 47.8% of Indian exports but 85.6% of total exporters, mainly because the scheme encompasses many labour-intensive sectors filled with small and medium businesses.

**Trai may drop plan to fix floor prices**

The floor price was the only

major issue on which the consultation process was started by former Trai chairman RS Sharma, but it was not completed. Before open-house sessions could take place, the Covid-19 pandemic struck and Sharma, who superannuated on September 30, refused to hold open-house sessions online as the industry demanded.

Though there's no laid-down process, sources said going by convention, a new chairman is free to examine the issue afresh - he can begin a new consultative process, take forward the process initiated by Sharma, or drop the matter altogether.

In the past, ex-chairman Rahul Khullar had initiated a consultation paper on net neutrality but the process could not be completed as his tenure came to an end. Sharma, who succeeded Khullar, issued a fresh consultation process and then issued not one but a set of recommendations which were quite different from the way Khullar had planned the exercise.

Sources said new Trai chairman PD Vaghela is likely to first examine whether the issue needs to be taken forward as much time has elapsed since the consultation paper was floated. It is likely that the new chairman may approach the issue quite differently and may have different priorities.

Though the telecom operators such as Bharti Airtel and Vodafone Idea still feel that a floor price is needed as the pricing power of the operators needs to strengthen to restore the financial health of the sector, the government now feels otherwise. The latter feels that with the pandemic and the work-from-

home trend, telcos have seen a jump in data usage, and it makes no sense to put in place a floor price for tariffs as it would be seen to be anti-consumer.

The government had last year in November in the aftermath of the Supreme Court's verdict on AGR dues pushed for the idea, though tariff is a domain of the regulator. After that, in December all the operators had increased tariffs by up to 50%, which has seen a jump in their average realisation per user.

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Finance Ministry sources said the government will decide on challenging the award before a court in Singapore - which was the seat of the

court that the government had sold to recover a part of the tax demand. It also includes the dividends and tax refund seized.

Sources said Vodafone International Holding (a Netherland company) had in February 2007 bought 100% shares of Cayman Island-based company CGP Investments for \$11.1 billion to indirectly get 67% control of Hutchison Essar - an Indian company.

The tax department felt the deal was designed to avoid capital gain tax in India and so imposed a tax demand, which was rejected by the Supreme Court in 2012.

If a separate arbitration panel were to hold a demand for ₹10,247 crore in taxes using the same retrospective legislation as illegal, the government will have to pay Cairn ₹11,000 crore.

This is the amount equivalent to the value of shares of



arbitration, after taking legal opinion.

Last month, an international arbitration court ruled that the Indian government seeking ₹22,100 crore in taxes from telecom giant Vodafone using retrospective legislation was in "breach of the guarantee of fair and equitable treatment" guaranteed under the bilateral investment protection pact between India and the Netherlands.

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The tax department felt the deal was designed to avoid capital gain tax in India and so imposed a tax demand, which was rejected by the Supreme Court in 2012.

To stop abuse and plug the loophole of such indirect transfer of Indian assets, the government in 2012 amended the law to make such transfers taxable in India, they said adding Vodafone was slapped with a fresh demand which the firm contested through international arbitration.

## Shri Ramnath Goenka

April 18, 1904 - October 5, 1991

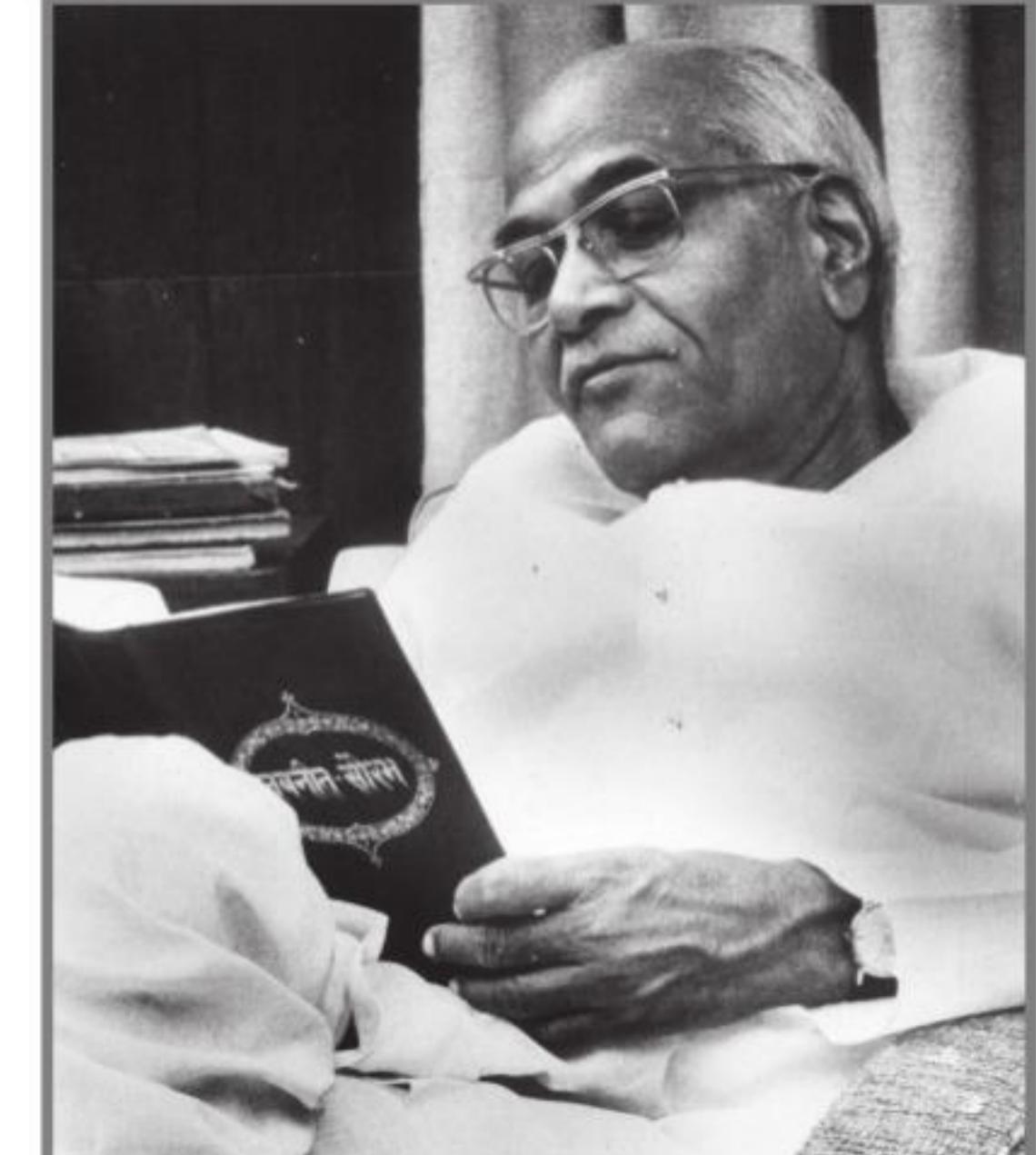
Be forthright, be frank,  
Be fearless, whatever the odds.

Never hesitate to take a stand if you believe in it.

Never hesitate to speak out boldly against the wrongs.

And always, ensure that you illuminate the truth

behind the events. ■



New Delhi

# Opinion

MONDAY, OCTOBER 5, 2020

## RationalExpectations

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## Enough to attract China-refugees?

Attractive tax rates and fixed-term contracts good for firms that wish to relocate; but a lot of red-tape remains, as does bad policy

**P**ERHAPS THE BEST thing about the Opposition's campaign against the three agricultural Bills passed by Parliament is that this muted the opposition to the four labour Codes that were also passed. Journalists tend to focus primarily on the hire-and-fire clauses and, to that extent, the changes are incremental; after all, allowing firms with up to 300 workers—it is 100 at present—to fire them without getting government permission is something Yashwant Sinha had proposed around two decades ago.

But evocative as it is, hire-and-fire is just one of the problems employers face given India has, believe it or not, 463 Acts on labour across the Centres and states which involve 32,542 compliances—the permissible level of glare from the lighting, the gap between machines and even the quantity of drinking water in a factory are specified by the government!—and 3,048 filings in a year. A single factory in one state doesn't have to do all 3,048 filings, this applies to a company that has a factory in each state or Union territory; a single factory with up to 500 workers has to do 120+ filings in a year, so just compliance costs—without including the waste of top management time for smaller firms—could add up to 7-8% of turnover.

The biggest change, of course, is allowing fixed-term contracts for all jobs in the future. In the past, a firm may not have wanted to fulfil, say, a 2-mn jeans order from Walmart since, once the order was fulfilled, the owner would be stuck with the thousands of people he hired. In the post-reforms' world, he will just give a fixed-term contract to the workers and, so, doesn't need to fear expanding his business. In a sense, just as Vajpayee's government did with government pensions—all new entrants were moved to the New Pension Scheme—the existing benefits have been grandfathered; this mutes opposition, but for new firms, all employees can be on fixed-term contracts where the 300+ rule does not apply. Along with the sharp cuts in corporate tax rates, India suddenly looks a lot more attractive for those looking to relocate from China; indeed, Apple and several others in the mobile-manufacturing space are getting even more benefits.

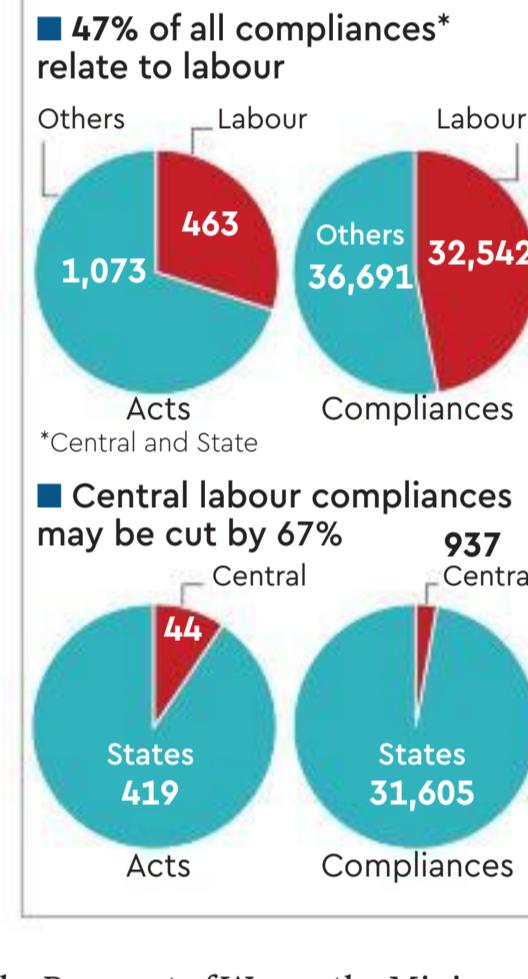
Of the 1,536 Acts that govern all economic activity in the country (see graphic), 30% pertain to just labour; in terms of the compliances and periodic filings, 46-47% pertain to labour, going by a compilation by Avantis Regtech, a TeamLease company that deals with compliances ([www.teamleasecompliance.com](http://www.teamleasecompliance.com)). So, any simplification here is a boon for industry/services. In the case of the 44 central Acts that had 1,458 sections, 937 compliances and 135 filings in a year, there has been a dramatic change; all the Acts have been subsumed into four Codes with, and this is the operative part, just 480 sections (that's a reduction of 67%).

The Code on wages, for instance, subsumes the Payment of Wages, the Minimum Wages, the Payment of Bonus and the Equal Remuneration Acts and, instead of maintaining 12 registers for them, the law cuts this to a third; Avantis believes this can be cut to just one with some rejigging, as has been done in Karnataka already. While the central Act now specifies 52 minimum wages, keep in mind the Karnataka law has 1,440 minimum wages! The social security Code subsumes nine Acts—like the ones on maternity benefits, gratuity, and provident fund—and the registers that need to be maintained are down from over 20 to just one or two, and the number of returns in a year are down from 36 to just one.

But, and there is always a but when it comes to Indian reforms, less than a tenth of the labour laws are those of the central government; 3-4% in the case of compliances and filings. So, for a factory owner to really breathe easy, the central labour reforms have to be carried over to the states. The good news here is that, starting now, none of the changes the states propose—say, raising the 300 limit to 1,000—require the approval of either their own legislatures or the central government; it can just be done by notification. Indeed, after taking central permission, fixed-term employment has already been allowed by 12-13 states, the 300-threshold is already the rule in 16 states.

While most states are expected to change their laws over the next year or two—23 have already allowed some level of self-certification of compliance and online filing as opposed to the paper-based era—what is important is to, almost every day, cut red-tape. Though the central government continues to boast about the jump in the easily-gamed Ease of Doing Business (EoDB) rankings, 70% of the 1,536 central and state Acts have not even been touched; if businesses still need to make 3,570 filings in a year—other than labour—it is difficult to see how any credible claim of EoDB can even be made.

And, for the China-refugees, important as it is, it is not just the compliance burden that is the issue, it is the bad—and unreliable—policy environment that needs to be fixed. If the central and state governments owe businesses ₹10+ lakh crore, that can hardly be good news for investors such as in the power sector, nor can the MEIS export benefits suddenly getting curtailed, or import consignments from China getting delayed, or the fact that the government refuses to even honour international arbitration awards, the different rules for Indian and foreign e-commerce players, the hounding of seed-tech firms like Monsanto, the mess in India's telecom or oil policies... the list is a long one. It is no one's case that reforms get done overnight and, to that extent, the labour-law reforms are welcome, especially when seen along with the reforms in agriculture marketing and contract farming. But it took the present government six years to get the labour and agriculture reforms; that is a glacial pace when you look at how India's competitors, including China, continue to power ahead.



## HazyUNDERSTANDING

Indian leaders have pushed the drug debate towards stigmatising users; that doesn't help tackle addiction

**W**HILE INDIAN POLITICIANS wage a proxy battle against each other over the 'stories' of drug-use—pot, blow, everything in between and beyond—by celebrities that TV news channels dredge up by the dozen, the media and the people of New Zealand have simply shrugged off prime minister Jacinda Ardern's admission to having taken when she was younger. Ardern, bear in mind, faces a national election soon, and marijuana legalisation is a hot-button partisan issue. In India, where one incarnate of cannabis (aka marijuana) is treated as holy, politicians and the media have only projected 'holier than thou' posturing on recreational drug use. Indeed, their stigmatisation of drug users would suggest they have very little understanding of the public health position on drug use.

Perhaps, India needs its own Bill Clinton. Clinton, during his first presidential campaign, was posed a question of surgical precision over past drug use. To many, his answer would have sounded absurd—he had smoked pot, but he hadn't inhaled. That he went on to become president, and that George W Bush after him didn't face any significant electoral repercussions when he was outed over drug use, made it possible for a Barack Obama to own up to his own recreational use of drugs. The list of leaders and achievers who have experimented with drugs is long. This is not to advocate drug use, but to point out that stigmatisation of users does nothing to beat the problem of addiction.



**BRIDGING THE GENDER GAP**  
German chancellor Angela Merkel  
Twenty-five years after the Beijing Declaration, equality should be a given. But we still have a long way to go. Let's work together to really target the Beijing goals. The faster the better

## GREENBACK'S VALUE

NEGATIVE NET DOMESTIC SAVINGS IN THE US AND A SOARING CURRENT-ACCOUNT DEFICIT WILL WEAKEN THE DOLLAR QUITE FAST

## The vise tightens on the dollar

STEPHEN S  
ROACHFaculty member at Yale University and author of *Unbalanced: The Codependency of America and China*

nine consecutive quarters, averaging -1.7% from the second quarter of 2008 to the second quarter of 2010.

But the most important aspect of this development was the speed of the collapse. At -1% in the second quarter, the net saving rate fell fully 3.9 percentage points from the pre-COVID 2.9% reading in the first quarter. This is, by far, the sharpest one-quarter plunge in domestic saving on record, dating back to 1947.

What has triggered this unprecedented collapse in net domestic saving is no secret. COVID-19 sparked a temporary surge in personal saving that has been more than outweighed by a record expansion in the federal budget deficit. The Coronavirus Aid, Relief, and Economic Security (CARES) Act featured \$1,200 relief checks to most Americans, as well as a sharp expansion of unemployment insurance benefits, both of which boosted the personal saving rate to an unheard of 33.7% in April. Absent these one-off injections, the personal saving rate quickly receded to a still-lofty 17.8% in July and is set to fall even more sharply with the recent expiration of expanded unemployment benefits.

Offsetting this was a \$4.5 trillion annualised widening of the federal deficit in the second quarter of 2020 (on a net saving basis), to \$5.7 trillion, which swamped the \$3.1 trillion surge in net personal saving in the same period. With personal saving likely to recede sharply in the months ahead and the federal budget deficit exploding toward 16% of GDP in the current fiscal year, according to the Congressional Budget Office, the plunge in net domestic saving in the second quarter of 2020 is only a hint of what lies ahead.

A shift in the Fed's policy strategy is a new ingredient in the mix. By moving to an approach that now targets average inflation, it is sending an important message: zero-interest rates are likely to persist for longer than previously thought

This will trigger a collapse in the US current-account deficit. Lacking in saving and wanting to invest and grow, the US must import surplus saving from abroad and run massive external deficits to attract foreign capital. Again, this is not esoteric economic theory—just a simple balance-of-payments accounting identity.

The validity of this linkage was, in fact, confirmed by the recent release of US international transactions statistics for the second quarter of 2020. Reflecting the plunge in domestic saving, the current-account deficit widened to 3.5% of GDP—the worst since the 4.3% deficit in the fourth quarter of 2008 during the global financial crisis.

Like the saving collapse, the current-account dynamic is unfolding in an equally ferocious fashion. Relative to the

2.1%-of-GDP current-account deficit in the first period of 2020, the 1.4-percentage-point widening in the second quarter was the largest quarterly deterioration on record (dating back to 1960).

With the net domestic saving rate likely headed into record depths of between -5% and -10% of national income, I fully expect the current-account deficit to break its previous record of 6.3% of GDP, recorded in the fourth quarter of 2005. Driven by the explosive surge in the federal budget deficit this year and next, the collapse of domestic saving and the current-account implosion should unfold at near-lightning speed.

It is not just rapidly destabilising saving and current-account imbalances that are putting downward pressure on the dollar. A shift in the Federal Reserve's policy strategy is a new and important ingredient in the mix. By moving to an approach that now targets average inflation, it is sending an important message: zero-interest rates are likely to persist for longer than previously thought

This new bias toward monetary accommodation effectively closes off an important option—upward adjustments to interest rates—that has long tempered currency declines in most economies. By default, that puts even more pressure on the falling dollar as the escape valve from America's rapidly deteriorating macroeconomic imbalances.

In short, the vise is tightening on a still-overvalued dollar. Domestic saving is now plunging as never before, and the current-account balance is following suit. Don't expect the Fed, focused more on supporting equity and bond markets than on leaning against inflation, to save the day. The dollar's decline has only just begun.

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## Penalising cartels & enforcer's dilemma

The July 10 ruling of the CCI, issuing only a cease-and-desist order to the cartel players, has sparked off a lot of debate. But, the fact is that the competition law allows the CCI to calibrate punishment, and it acted in the interest of fast market-correction

**T**HE JULY 10 RULING of the Competition Commission of India (CCI) that let off cartel participants with a mere "cease and desist" warning and didn't impose any monetary penalty has generated a lot of debate and curiosity about the approach of the body in dealing with cartel cases in the future. The CCI concluded that several composite brake block (CBB) manufacturers cartelised to fix prices, limit supply, allocate market and rig bids of CBB tenders. The competition regulator had initiated the probe after receiving references from various Indian railway zones against CBB manufacturers alleging that they had cartelised by offering identical bids and reductions in price in response to the tenders floated by railway zones. After finding the players guilty of cartelisation, the CCI noted various mitigating and attenuating factors such as continued cooperation of the players with investigation and inquiry, admission of guilt, low revenue from cartelised products and the economic impact of COVID-19 on credit needs and liquidity of MSMEs; the commission refrained from imposing any monetary penalty.

No doubt, cartels are considered to be the most pernicious and egregious manifestations of anti-competitive behaviour and, consequently, a serious infraction of the competition law. Yet, the legislature itself, in its wisdom, chose not to criminalise such behaviour; rather, it provided a civil dispensation under the competition law to deal with such behaviour. In fact, recently, the Competition Law Review Committee (CLRC), which revisited the entire competition law, argued against such treatment.

The law prescribes a very enabling and flexible framework and the CCI is explicitly empowered to issue all or any of the remedies provided under the law, which include imposition of monetary penalty or issue of cease and desist order simpliciter. In fact, the law even envisages certain redeeming features of cartels such as efficiency-enhancing arrangements that take such cartels out of the purview of the statutory presumption of appreciable adverse effect on competition, which, in any event is rebuttable, and not absolute. The concept of crisis cartels is well-recognised across jurisdictions. Earlier, when the CCI imposed heavy penalty of ₹6,300 crore upon cement companies for cartelising, there was criticism on quantum of the penalty, and this ultimately resulted in a ruling by Supreme Court which decreed that only relevant turnover (from cartelised products), and not the total turnover, to be taken into account by the CCI while imposing monetary penalties. This not only substantially and significantly weakened and diluted the deterrence of law, but also created arbitrage opportunities for cartels.

In this case, the CCI explicitly revealed its mind in choosing against imposition of monetary penalties. To begin with, the parties cooperated during investigation and inquiry stage before the director general and the CCI, respectively and did not dispute and rather admitted their involvement. Such cooperation by the parties facilitated an early completion of investigation and inquiry, which otherwise involved multiple tenders spanning over many years. This resulted in faster market correction. In fact, in the context of leniency applicants (i.e., those who admit guilt and make vital disclosures alongwith continued cooperation), the law itself envisages waiver of penalties upto 100%.

One would appreciate that the ultimate objective of any anti-trust authority is to strive for speedier and faster market-corrections and not imposition of crippling monetary penalties and collection of revenue;

these, in any event, are heavily contested and stayed by Appellate Tribunal and Supreme Court before attaining finality, thereby postponing the market-correction to a future and distant time. Markets are dynamic, and any anti-competitive behaviour

must be dealt with swiftly. Also, one has to appreciate the impact of such heavy penalties upon the vendors who were mostly MSMEs and the product concerning the infringement (CBB) constituted only a small part of their businesses.

Many governments and competition agencies have relaxed the competition law framework during the pandemic by issuing relevant advisories. Back home, even the Insolvency and Bankruptcy Code has been suspended during the current times. Can this tempered public policy action be seen as a licence to defaulting borrowers and alleged swindlers of public money? On earlier occasions also, the CCI has refrained from imposing monetary penalties due to varied and case-specific facts, including abject lack of awareness of competition law on the part of small players—validating the very reason the legislature gave the CCI room for such flexibility; else, the statute itself could have provided for imposition of specified penalties. So, this is neither a first nor the last case where the CCI has calibrated penalties in proportion to the situation.

The CCI has explicitly warned the vendors against indulging in such behaviour in the future, failing which such conduct would be construed as recidivism and will invite aggravated penalties. This sufficiently protects the interests of procurer in future tenders. So, the regulator has to strike a balance by moulding remedies dynamically, keeping in view the larger goals of faster market-correction, rather than act like a cane-wielding headmaster to discipline market participants.

Finally, it is a settled law that discretion vested with the authorities should be exercised judiciously and fairly. Remedies in each case need to be crafted taking into consideration the specific and peculiar circumstances of each case. Decision in one case cannot set a precedent for future cases without regard to attendant facts.

SUKESH MISHRA

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Views are personal

## LETTERS TO THE EDITOR

### Covid-19 trumps Trump

It is sad (and to some extent, stunning) news that US president Donald Trump running for re-election and First Lady have tested positive for Covid-19 just 31 days before the presidential election. We wish them a speedy recovery.

President Trump often grabbed headlines for his ambivalent and cavalier attitude to wearing masks and keeping physical distancing. While flaunting his mask after pulling it off from the inside of his suit during the first presidential debate in Ohio he mocked Joe Biden for wearing the biggest mask he has ever seen all the time. His promise of a vaccine before the election day (November 3) has few takers.

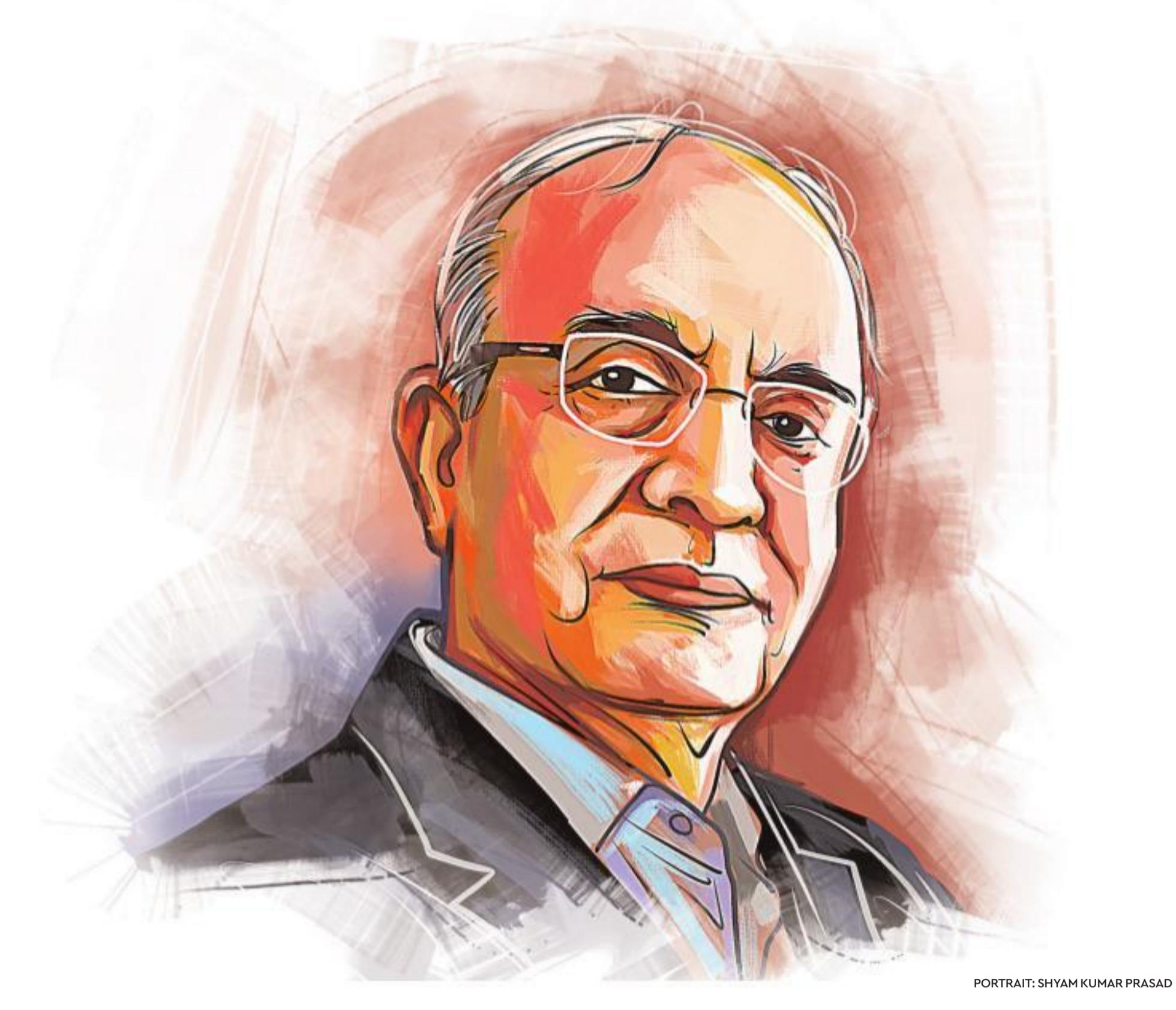
In the USA the number of Covid-19 cases exceeded 7.16 million and the death toll climbed past 205,500. This is not the moment to say 'I told you so', but it can be emphasized that a pandemic is better responded to by science. Trump cannot be blamed for catching the infection, for anyone can contract the virus. No doubt life is full of uncertainties. Still it is important to take precautionary measures suggested by medical experts to protect oneself and others in a pandemic time. Trump attended crowded rallies and many maskless onlookers. A contagious disease is indifferent to one's station in life and does not distinguish between the powerful and the weak. Trump's sickness with the SARS-CoV-2 has belied his claim that the 'virus is behind us'.

— G David Milton, Maruthancode Stubble burning

If the government incentivises Punjab farmers over the MSP, it will worsen the problem as farmers can then never be shifted out of paddy cultivation that is harming the state's soil. The EPCA's stand is for the best. The government should indeed heed its advice.

— Sumona Pal, Kolkata

Write to us at [feletters@expressindia.com](mailto:feletters@expressindia.com)



PORTRAIT: SHYAM KUMAR PRASAD

While the government has been rolling out schemes to attract global manufacturers to set up shop in India, RC Bhargava, chairman, Maruti Suzuki, believes these may work in specific sectors such as mobile phone manufacturing. Bhargava tells Sunil Jain and Shobhana Subramanian he is not sure companies that are moving out of China will necessarily move to India as the situation on the ground, by and large, remains hostile. Excerpts:

September wholesale despatches have been strong...

Monthly wholesale numbers are not a good indicator of what is happening. September was good, on a low base. Also, at the end of August, the inventory dipped below 80,000, which is 50,000 less than it should be. Our norm is that dealers need to have one month's stock; else, if there aren't enough cars in the showroom, the buyer will go elsewhere. The numbers look good, but that doesn't mean we are in a happy situation. September retail sales are not high.

How are you reading the demand in the festive season, and how sustainable do you think the demand would be?

At the moment, we have good prospects till December, because the Navratras will start in mid-October, which is a good period, and then we have Diwali. In December, most companies offer discounts to clear models, and December often sees some of the highest sales because customers get good deals. Post that, however, we have no visibility. Since Q1 was a washout and Q2 was spent adjusting to the new operating protocol, we won't get to last year's figures. However, provided January to March is reasonably good, H2FY21 will be as good as the second half of last year.

Have you had to support your dealers with the demand dropping due to Covid-19?

A few dealers needed some support, but by and large banks have been very helpful in providing working capital, there was the moratorium also...

Are you expecting a lot of discounting?

Discounts are determined almost on a day-to-day basis. It is not a fixed amount,

## RECORD CAFE: RC BHARGAVA 'Still too many roadblocks in India'

and is largely a function of supply and demand. If there is a waiting list for a particular model, there is no point in offering a discount, but if there is a surplus and you want to push sales, we have some incentive schemes.

Is the share of first-time buyers to total buyers going up?

I don't have the exact numbers. But what is apparent is that sales of compact and entry-level cars have grown faster than overall sales.

Given Maruti's share of cars priced less than ₹10 lakh is about 60% compared with the market level of 50%, average realisations getting hit?

It is true we have a high share of compact and smaller cars, but that is also helping compensate the loss from the absence of diesel vehicles. Despite not having diesel models, we have 50% of the market. But yes the average selling price would be impacted.

There is strong competition from Kia's Sonet...

Kia has done well, but the market is also growing. On a base of 35 lakh cars, if we can manage 8%, that's 2,80,000 additional cars a year, and that is a lot of cars, so there is scope for other players to grow.

**The attitude of the bureaucracy and the political system towards manufacturing isn't friendly enough. The PM may be industry-friendly, but the same can't be said of the bureaucracy**

One or two companies cannot be picking up all the demand; it is simply not possible for a company to add a line for 2,50,000 cars every year. Earlier much of the market was shared by Maruti and Hyundai, now others have come in.

A lot of the success of a car also depends on the availability of spare parts, after-sales service. The Kwid (Renault) did very well initially, and then it just petered out.

How much of the market will be electric cars in the next few years?

That depends on the changes in the tax policy. What has happened is that the cost of cars has gone up, not because of manufacturing costs, but because of the changes due to safety and environment norms. If you exclude these costs, and do a like-to-like comparison, the cost of the car has come down in real terms.

What are your views on the GST rate structure?

The government realises that if you want sustainable high demand, which is required to grow manufacturing and employment, we need to make cars affordable. But the resources are not available, and there are conflicting demands on them, making a reduction of GST on cars both politically and finan-

cially difficult. But what we forget is that by putting high taxes, we reduce volumes, and by doing that you put a brake on manufacturing and employment. Also, whenever taxes have come down, there has been buoyancy in revenues.

From cutting corporate tax rates to more flexible labour policies, the government has made a lot of changes to attract investment. Do you see more foreign firms coming to India, especially those looking to exit China?

There are certain specific schemes such as those for making cell phones which look like they will have an impact. But whether in general companies moving out of China will come to India in big numbers—and not go to Vietnam, Cambodia or Indonesia—is an open question. I am not sure we have done enough to attract these companies to India. The attitude of the bureaucracy and the political system towards manufacturing is not friendly enough. The bureaucracy has been shy of supporting the private sector, and acting as facilitator. The prime minister may be industry-friendly, but the same can't be said of the bureaucracy, especially at the level of the states. And several moves like the agriculture Bills which will boost rural demand are facing tough opposition.

### Where is the problem?

If you look at what happens in the states, the time it takes to get approvals and clearances before you can run operations, a lot of it still costs money. It is not as though it is being done without consideration. I don't think corruption has gone away at the field level, not at all.

Look at our input policies... the system is weighted against industry which pays much higher prices in order to subsidise others.

When a firm comes into a country, it does so with a plan to expand. But if you have such high taxes—as on automobiles—how will the demand grow? That's why there are such few firms in India with global scale even after being here for 50–60 years. If you aren't able to grow agriculture incomes, this hits rural demand... all of this keeps industry away.

Is the lack of stability of policy a factor? The MEIS benefits, to name the latest problem, were suddenly capped. Restricting/delaying Chinese imports may be required from a nationalist point of view, but it hurts business...

The long-term stability of policies is an absolute necessity for creating confidence amongst investors and enabling them to invest in India. We have not had any problems with imports from China. While I am not sure of exactly what has been happening, if restrictions/delays are affecting other manufacturers, this would not be positive for investors. Again, take the issue of royalties. This was settled last year when SEBI revised the change to 2% royalty and restored the 5% limit. Apparently, the government now feels that royalty payments should be justified in terms of technology received. While that is correct, the impression should not be given that the royalty policy can be frequently reviewed.

Has the problem with Indian labour laws been sorted out? You can have as many fixed-term employees as you want now.

My view is quite different from yours. We need a certain amount of flexibility to hire on fixed-term contracts, but the core of a factory has to be permanent employees... it is only when their long-term future is tied to a company that you will benefit from their learning. A lot of the productivity improvement we have got is due to our workers' commitment and their ideas... this can't happen in a hire-and-fire regime where people are incentivised to jump from one job to another. Labour has to be made a partner for a company to do well.

### FARM BILLS

## Strengthening agriculture

SANDEEP SABHARWAL

The author is CEO, SLCM Group. Views are personal

Connected agri-value chain required for the success of agri-reforms



**O**N SEPTEMBER 14, the government replaced the three ordinances issued during the lockdown by introducing a trio of Bills on agriculture reforms in Parliament—Farmers' Produce Trade and Commerce (Promotion & Facilitation) Bill, 2020; Farmers' (Empowerment & Protection) Agreement of Price Assurance and Farm Services Bill, 2020; and Essential Commodities (Amendment) Bill, 2020.

These Bills present a global vision for agriculture with seamless opportunities for farmers and the agri-fraternity. The step aims to marry agriculture with technology and the government is of the view that the proposed agri-market reforms will attract investment in infrastructure and offer farmers competitive remuneration.

These reforms are well-intentioned and will help connect archaic India with real India, and to achieve that an integrated platform play would be required. Though doubts have been raised over the existence of the traditional system of mandis, going by the fine print of the proposals of these Bills it can be said that mandis aren't going anywhere and their importance is only going to amalgamate into a larger vision.

The proposed reforms pave the way for introducing technology into agriculture through which crops can be managed remotely. These intend to make tech-driven warehouses a virtual mandi where trading could be done through trading platforms. To understand this, one must recall the old days of stock exchanges when trading was done through an open outcry system. Buyers and sellers used to operate from a specific area of the trading called the trading pit and purchased and sold stocks through the open outcry system. In the pit, brokers matched customers' buy-and-sell orders through shouting and hand-signalling. But with technology the pit has ceased to exist. Trading became digital and a person sitting in Guwahati can trade in the scrip listed on the stock exchange of a company operating from Tamil Nadu. A similar vision is presented through these Bills—a lady, for example, sitting in Jodhpur, would be able to trade in mustard in a mandi of Punjab. These Bills envisage a change in the way transaction in agriculture takes place in India.

For this paradigm shift what is required is smart warehousing—where smart warehouses are integrated with real-time data embedded in artificial intelligence doing real-time tracking of facilities and providing error-free results on the status of the warehouse and the products stored within as well as in transit. A smart warehouse linked to such platforms using paperless quality control, paperless trading and financing could usher in an era for a platform play in the agri-market and the companies with smart warehousing would act as stimuli in streamlining the agri-environment. For this, focus must be on the development of an Integrated Paperless Framework for Agrifood Trade Facilitation with embedded components such as paperless quality control, paperless trading and financing.

Take the example of quality control. Agro and food commodities are particularly subject to severe hygiene standards in storage facilities as inappropriate humidity or randomly variable temperatures may alter product quality, making them unfit for consumption, and therefore humidity data are inevitably collected at all stages in a storage process. Now if the entire system of quality control moves to a paperless system then the data could be obtained in real-time which will ensure that all processes are connected from inputs to outputs and are traceable. It can then be embedded in a smart warehouse that will make it easier to monitor the composition of each lot precisely along the chain.

Trade in agricultural and food products is more complex than trade in manufacturing—regulations are stricter, paperwork is more cumbersome and logistics are more complex. Therefore, a paperless system would not only increase the efficiency of agri-trade, but would also help in the conversion of warehousing into smart warehousing, thus guaranteeing food security for all. Once that is achieved, the realisation of the vision of transforming Indian agriculture into a profession with seamless opportunities won't be difficult.

## OVER THE BARREL

# Lessons from Covid-19

Can Covid-19 compel the government to look at inherited structural problems through a different prism?

VIKRAM S  
MEHTA

The author is chairman, Centre for Social and Economic Progress

the finance minister allocated ₹90,000 crore (later raised to ₹1.25 lakh crore) to discoms in her ₹20 lakh crore stimulus package. This is roughly the amount the government portal PRAAPTI indicates are the dues owed by discoms to power generators. The CSEP study suggests, however, that these are gross underestimates and that this liquidity infusion will be inadequate. They point to the figure put out by the Power Finance Corporation for March 2019 of ₹2.27 lakh crore. More insightful, perhaps, is their suggestion that, were all the stakeholders involved in the electricity value chain (viz. generators, transmission companies, discoms, consumers, regulators and state governments) to clear their dues to each other, discoms would look much stronger. Discoms are owed

about ₹1.8 lakh crore by consumers alone, of which a third is due from state governments themselves. This latter payable is over and above the subsidy shortfall of ₹70,000 crore, cumulative over a 10-year period, which state governments had committed to pay but never did.

Discoms are, no doubt, inefficient and the losses on account of aggregate technical and commercial (ATC) leaks are avoidable. But when these losses are set against the amounts owed to them by the various state governments and the 'opportunity losses' that they have incurred because of the failure of the regulators to fix cost-related tariffs, it is clear the financial plight of discoms has more to do with political and regulatory issues than operational dysfunctionalities. Under such circum-

stances, the infusion of liquidity and/or single-pronged solutions such as privatisation would simply not address the underlying reasons for the malaise. What is required, instead, is a multipronged and networked overhaul of the entire discom sector and, in particular, the regulatory structure and their deliverables. All stakeholders will have to take a haircut.

The study forewarns that the financial hole into which discoms have fallen will deepen in light of Covid-19. This is because of the sharp decline in the demand for electricity by industrial and commercial entities who pay 'full price' to discoms and whose revenues cross-subsidise agricultural and rural households. It avers that even when demand picks up, these entities may not return in full measure to discoms,

but may instead turn to renewables to meet their requirements. The consequent loss of revenues would pitch discoms over the edge unless, before then, the sector is overhauled.

Looking ahead and picking up on the underlying message contained in this study, several generic questions need to be asked. Is there any reason to hope that the government might indeed pick up the cudgels for a wholesale structural reform? Might it be that in a post-Covid-19 world, the government will find itself under pressure to step out of the frame within which its responses have been traditionally developed? Might we see a narrowing of the gulf between the prescription of a solution and its implementation?

I do not have answers, but I recently

heard a new word, 'Geo-civics'. It was used by Anne-Marie Slaughter, CEO of the think tank New America, to suggest that the problems of the world are planetary and require, therefore, globally-networked solutions unconstrained by the limits of national boundaries, economics, technology or social identity. She alluded specifically to the pandemic and global warming, but she could just as well have been talking about racism, refugees, inequality and/or fundamentalism. She also made a point that generation Z and the millennials have different priorities from their parents and are increasingly impatient to see progress on these planetary issues.

I do not want to make too much of a word, but I will admit, it did trigger the thought that, perhaps, Covid-19 will introduce a new pressure point on the government and that would compel them to look at inherited structural problems through a different prism. This pressure point could be our youthful population who must realise increasingly that their future hinges on the effectiveness of the government's policy response to the uncertain and evolving pressures of changing economic and industrial structures, job profiles and social dynamics. This youthful bulge should be less accepting of entrenched vested interests, status quo and incremental change. I wondered—admittedly an academic and somewhat abstract reflection—and whether such pressure will move us towards a more collaborative and networked model of governance built on the platform of 'civitas' (the social body of the 'cives' or citizens)? And if so, whether that might not be a reason to expect an affirmative response to the above questions?





**MAKING GOOD USE OF TECH**  
Roshni Nadar Malhotra, chairperson, HCL Technologies

As technology becomes a dominant force in all businesses and facets of life, we need to ensure that it is used as a force-for-good and sustainability.

**INTERVIEW: KULMEET BAWA**, President & Managing Director, SAP Indian Subcontinent

# Cloud technologies are critical for businesses to weather Covid-19 crisis

German enterprise software maker SAP aims to build a foundation of long-term value for its customers by exploring and developing new business models, trends, and technologies—all through the lens of helping customers become intelligent enterprises, now and in the future. Kulmeet Bawa, the new president & managing director, SAP Indian Subcontinent, emphasises that the impact of the pandemic on economy and businesses has been felt majorly by MSMEs across the country. "Our Global Bharat initiative is designed to enable MSMEs augment business operations and re-access critical processes that overcome inefficiencies and make them globally competitive by equipping them with digital technologies," he tells Sudhir Chowdhary in a recent interview. Excerpts:

#### What are your key priorities for SAP India?

With a strong and rich history of innovation for more than 48 years, SAP is at an inflection point of becoming a "true cloud company" which is most critical in today's context. I am a firm believer that cloud technologies are instrumental for businesses in processing Big Data and developing new business models. The need to be digital and doing it agilely on the cloud is imperative.

Our aim is to elevate customer experience and make it easier to not only have access to the right solutions but also the

business values that can help them run better. SAP is in a unique position to deliver the software for integrated, end-to-end business processes like in a suite. SAP's business technology platform (BTP) helps customers turn their data into business value.

How is SAP helping companies transition to cloud solutions during the pandemic?

SAP globally has evolved into the leading cloud company by growing its cloud business from €100 million in 2009 to €7 billion in 2019. Our cloud solutions and platforms drive our fast-growing business and our cloud revenue in 2018 overtook our net new on-premise license business.

We have helped customers reduce costs and strengthen control with user-friendly procurement and contract management tools thus strengthening their financial supply chain through accounts payable automation and working capital optimisation. Along with Ariba, our acquisitions of Qualtrics and Success Factors are helping customers make this shift to the cloud in a seamless manner. Qualtrics has been a



great success and has outperformed our expectations with 2019 growth in excess of 40%. This enabled us to support customers in every step of the way by generating insights from a combination of operational (O) and experience (X) data.

Given the demographic advantage and technology resources available in India, we have the potential to leapfrog with automation and digitisation. SAP gives customers full choice to transition to the cloud at their own pace:

- Public cloud, private cloud, on-premise, and hybrid solutions
- Full integration of applications with core ERP software, cloud or on-premise.

What technology do you foresee emerging as a lifesaver for MSMEs?

As a market leader in enterprise application software with 80% of our customer base in India being in the SME segment, SAP understands the requirements of emerging businesses and offers an innovative range of solutions.

These options are around business models, faster implementations, deployment models or across industry functionality—all of this which enables emerging businesses meet their current and future requirements.

We have been working towards enhancing the digital journeys of the MSMEs and support them with relevant technologies and skills. We opened access to SAP solutions for various organisations who need help to continue their business like Ariba. The platform will allow MSMEs to connect with buyers and suppliers thus helping them gain access to the marketplace.

With the Global Bharat initiative, SAP is supporting Indian SMEs to gain scale and be globally competitive in the new environment. The programme is designed to enable MSMEs, augment business operations and re-access critical processes that overcome inefficiencies and make them globally competitive by equipping them with digital technologies.

What are your plans to overcome the challenges thrown by Covid-19 to businesses and markets?

SAP remains committed to its long-term strategy and prospects and will continue to invest in innovation. We expect to emerge from the Covid-19 crisis in an even stronger competitive position than before.

Our multi-year emphasis on building a strong base of more predictable revenue has made SAP more resilient than ever. Combined with an even more prudent expense management and a continued focus on innovation we will weather the Covid-19 crisis and emerge stronger than before as we have done in past downturns. Our updated guidance demonstrates that even in this challenging environment SAP remains healthy and stable.

#### FEELING REAL

## Getting smart with AR & VR

Can immersive technologies usher in a new era in learning?

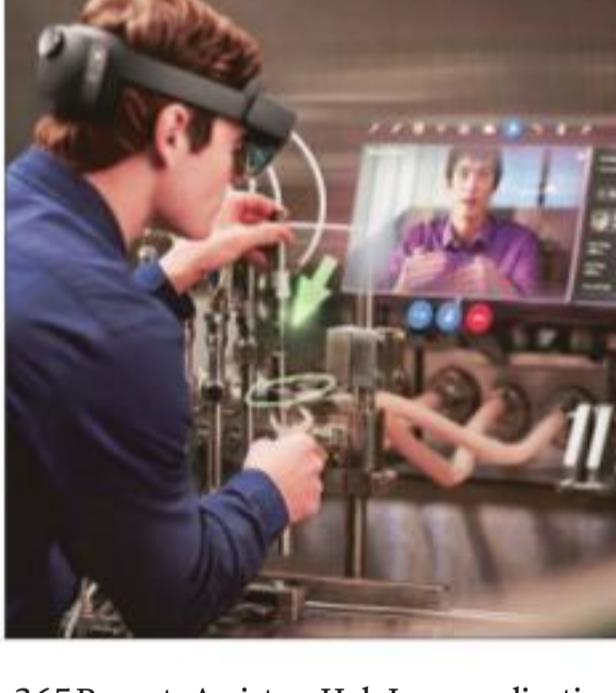


**Uma Ganesh**

**WE HAVE BEEN** hearing about Augmented Reality (AR) and Virtual Reality (VR) for quite some time now with VR gaming sets like Oculus and Vive being touted as game changers in the entertainment industry. However, lately there has been a marked increase in the adoption of AR and VR and other immersive technologies in the corporate sector which is beginning to see value in them specially in the post Covid era.

Sports action in competing scenarios, navigation during difficult flight paths, coping with war zone dynamics are some of the examples where AR/VR, Mixed Reality (MR) and Extended Reality (XR) applications have been used for equipping personnel with the required skills before embarking on their mission. Some of these technologies are beginning to be deployed in the context of remote working and remote training by the corporates. With a large number of employees still expected to work from home in the foreseeable future, skilling them effectively to adapt to the emerging needs of the business is becoming a priority for organisations.

Employees handling assignments that are mission-critical and are working with hazardous materials or high-risk environment are able to mitigate the risk by being trained in an immersive environment ahead of their deployment. Microsoft's Dynamics



365 Remote Assist on HoloLens applications used for field service repairs and training are now being used for remote support and advanced expertise in medical scenarios where medical expertise are not to be found. The MET in New York, the Louvre Museum in Paris, the Vatican Museum in Rome and Rijksmuseum in Amsterdam are examples of museums that have enabled thousands of art aficionados from around the world to visit the galleries virtually.

The National Gallery of Prague has been enabling those with visual disabilities see, touch and feel the 3D sculptures with the help of a pair of haptic gloves. Healthcare workers who are required to be trained speedily and get themselves acclimated to the patient environment with the constraint of physical presence for such familiarisation are seeing the benefit of AR/VR based training. The programme being developed by NIELIT and CII in India is an example of this application. Product companies are working on enhancing the user experience with the help of immersive technologies and soon virtual interactions would be vastly superior and different from the current methods.

Overall, the Galaxy S7+ comes across as a great work and entertainment device that has a good display and quality audio; there are plenty of productivity apps present and the note-taking functionalities are noteworthy. Flitting between apps or general browsing experience—everything works smoothly here. The S Pen is a huge draw here. Good work by Samsung to lure the next-gen consumer in the new normal.

Creativity, instructional design, domain knowledge and technical know-how of immersive technologies have to come together to be able to create the path-breaking and innovative learning experience. Several provinces in China are earmarking dedicated spaces as VR villages offering grants to support content development and nurture the startups. Such models could be emulated and we too need to plan for labs to be set up in various locations across the country to encourage new ideas for experimentation and to energise the startup eco system around immersive technologies.

The EMRCs across the country have some of the state-of-the-art studios and digital infrastructure but they are underutilised. These centres could be encouraged to create partnerships with the private sector specifically with the view to build capability for learning content creation with the emerging immersive technologies. With the systematic plan it is possible to empower Indian talent and make them equipped with a whole range of skills to meet the global shortage and demonstrate that India could be a true knowledge power.

**The Talent Track**, a corporate training solutions company

## Tech Bytes



**Parvez Mulla, COO - HDFC Life**

### HDFC Life, IvyCap to incubate startups

HDFC LIFE, A leading life insurance firm and IvyCamp, an initiative of IvyCap Ventures, have jointly launched the third phase of Futurance—a corporate engagement programme to identify startups that are building innovative and next-gen capabilities in the insurance sector. Last year in June, HDFC Life and IvyCamp announced the first phase of the initiative, followed by its second phase in December 2019. After a successful conclusion of phase two where three startups across health-tech and AI solutions were shortlisted (Wealthy Therapeutics, a health-tech startup; Worxogo, an AI sales coach; and Pulse Active Stations Network, a healthcare startup), phase three of Futurance programme is now underway. This will scout for startups across Blockchain application; Policy management from start to end; Virtual reality for customers; AR/VR solutions with AI to enhance sales and servicing in insurance; Non-invasive medical innovation; Alternate solutions to replace medical tests; Insta Agent: AI based sourcing, selection and management of sales agents. Parvez Mulla, COO – HDFC Life, said "HDFC Life has focused on leveraging technology to offer value at every stage of the relationship with its customers and partners. The pandemic has given a fillip to technology across industries. Covid-19 has tested us but our investment in digital has given us the tech edge."

### Atal Tunnel goes high-tech with Siemens tech

Siemens Ltd, the flagship listed company of Siemens AG, will implement state-of-the-art tunnel automation and digital technologies in the Atal Tunnel built under the Rohtang Pass on the Leh-Manali highway to boost operational efficiency and safety. Siemens' technologies provide electrification, automation and digitalisation solutions for local and remote monitoring, connectivity, lighting, ventilation, power distribution and fire safety systems within one of the world's longest and highest altitude tunnels. Sunil Mathur, MD & CEO, Siemens Limited, said, "Siemens installed its latest technologies here to ensure that the electrical, ventilation and fire safety systems can be deployed and continuously monitored in a completely reliable and safe manner under the most challenging environmental conditions."

## Gadgets

### SAMSUNG GALAXY TAB S7+ A slick slate for work and play

**The 12.4-inch Galaxy Tab S7+ comes with an attractive display, powerful processor and low latency S Pen to meet your work and entertainment needs**

**SUDHIR CHOWDHARY**

**LAPTOPS VERSUS TABLETS?** That's the million-dollar question middle-class families, comprising office-going parents and school-going children—presently cooped up indoors because of the pandemic—are grappling with these days. If you ask me, tablets are a viable alternative for many people looking to get things done on the go. They are extremely portable, so you are not bound to particular areas such as your study or newly-found work spaces in your homes. In addition, due to their smaller size, tablets tend to have much better battery life than laptops; remember, the latter pack in more hardware, hence are more powerful. Working or studying from home, or simply web browsing or watching videos—there is growing preference for the slates.

Here's an indicator. Recently, Samsung India announced that all units of Galaxy Tab S7+ have been sold out in the country amid huge demand for the firm's most premium and powerful tablet. Packed with high-end features and seamlessly integrated into the Galaxy ecosystem, the Galaxy Tab S7+ is built to support users in every pursuit—from work to play, and everything in between. The large immersive display, powerful processor and low latency S Pen ensure very good productivity and entertainment.

Our review unit was the ₹79,999-a-



#### SPECIFICATIONS

- Dimensions: 185.0 x 285.0 x 5.7mm
- Display: 12.4-inch Super AMOLED display
- Processor: Qualcomm Snapdragon 865+ processor
- Camera: 13MP + 5MP (rear), 8MP front camera
- Memory & storage: 6GB RAM + 128GB storage; microSD card upto 1TB
- Battery: 10,090mAh
- Estimated street price: ₹79,999

piece Mystic Black, 6GB RAM and 128GB ROM variant; it is also available in Mystic Bronze and Mystic Silver colours. It is powered by the all-powerful Qualcomm Snapdragon 865+ processor that is

extremely fast and powerful, with minimal lag, so it can run intense games and multitask with ease. The Tab comes with an improved S Pen in the box. The S Pen's biggest leap in responsiveness to date, reduces lag significantly and lets you write with real time precision.

The Tab S7+ features a 12.4-inch Super AMOLED display that is bigger, brighter and much faster. At 120Hz refresh rate, the responsive display instantly reacts to what's on your screen. It intelligently adjusts the refresh rate based on your content and helps you save battery as you watch and scroll. Your screen turns on when you double tap it. For audio, there is Quad speaker sound by AKG and Dolby Atmos. In actual usage, the Tab S7+ offers a great cinematic experience. Streaming a movie or watching snack videos on YouTube, everything is a visual and audio treat on this Android slate.

The Galaxy S7+ comes with a mighty and intelligent 10,090mAh battery that promises up to 14 hours of video playback.

Even after all that, you don't have to power down. You can power up and keep going with Fast Charging, the fastest tablet charger. Essentially, this means you can binge-watch your favourite shows from sunup to sundown.

Fast forward to the S Pen. You can use this together with some interesting pre-loaded stuff, such as Clip Studio Paint to illustrate and create comics with the help of storyboarding, inking, and other tools. There's subscription to premium apps including YouTube Premium for four months, Clip Studio Paint for six months and a 30-day trial on Canva Pro. For the more serious user, with Samsung Notes you can import PDF files and jot down memos, sign documents and make comments right on the PDF. Samsung Note can be shared in various formats. You can also export Samsung Note to Microsoft Word or PowerPoint to share with others.

Another interesting feature I discovered was Noteshell; this gives you more choice in how you take notes. Whether you prefer using S Pen or typing, its fluid note-taking feels natural as you learn or create. With the Noteshell Club Exclusive, you can access hundreds of notebook covers and paper templates free.

The Galaxy S7+ comes with Book Cover Keyboards sold separately. With this, you can tilt the slate all the way back to 165 degree. Believe me, it's like converting your tablet into a serious work-focused PC. The Book Cover Keyboard's free stop hinge lets you find your perfect angle for sending emails, blogging or studying. Coming with a larger trackpad and intuitive function keys, the keyboard gives you a seamless experience, and when used together with DeX you get a PC-like experience with a single tap.

Overall, the Galaxy S7+ comes across as a great work and entertainment device that has a good display and quality audio; there are plenty of productivity apps present and the note-taking functionalities are noteworthy. Flitting between apps or general browsing experience—everything works smoothly here. The S Pen is a huge draw here. Good work by Samsung to lure the next-gen consumer in the new normal.

ambitious and decided to see if the files would open on the iPad Pro as well as it too has a USB Type-C port. And I was pleasantly surprised. Though it took a tad longer, the files read and opened just fine from the drive itself. The SanDisk Ultra Dual Drive Luxe showed up in the panel in the Files folder like it would on a Mac.

The only thing users need to keep in mind is that given the metallic design, the SanDisk Ultra Dual Drive Luxe does heat up a bit at times, especially when the computer it is plugged into is also warm. And when you try to run a video from the drive, it again feels a bit warm.

The SanDisk Ultra Dual Drive Luxe is a good option for those struggling with multiple devices and files that need to be opened across all of these all the time. At a price point of ₹2,169 for 128GB, the SanDisk Ultra Dual Drive Luxe is a good value-for-money accessory for those with multiple devices.

■ Estimated street price ₹2,169

**An external storage with a USB 3.1 Type A on one side and USB Type C on the other**

**NANDAGOPAL RAJAN**

**THERE WAS** a time when moving files between a laptop and smartphone was among the more frustrating things you could do. The levels of frustration went up a few notches if you were using an iPhone. But things have changed a lot over the past few years and the new SanDisk Ultra Dual Drive Luxe is quite small despite the 128GB storage inside.

So what is the SanDisk Ultra Dual Drive Luxe? Well, it is an external storage with a USB 3.1 Type A on one side and USB Type C on the other. The 'premium metal design' means there is a metallic swivel cover that protects the side that is not in use. There is a key ring hole on one side of the swivel cover so that you can carry this around easily and not lose it. In fact, losing it could be a factor as the SanDisk Ultra Dual Drive Luxe is quite small despite the 128GB storage inside.

The first thing I noticed about this device is how fast it is. On the USB 3.1, San-

Disk claims it can move files as fast as 150MB/second. In real life, this meant I could copy my entire backup for June, about 3GB, into the drive from the MacBook Pro in a flash. I was actually waiting to stare at the progress bar for a few minutes. But nothing like that happened and the files were copied even before I realised.

I could open the same file soon after on the Samsung Galaxy Note 20 Ultra, easily reading the files from the drive without even saving them on to the smartphone. This is when I got a little bit over

ambition and decided to see if the files would open on the iPad Pro as well as it too has a USB Type-C port. And I was pleasantly surprised. Though it took a tad longer, the files read and opened just fine from the drive itself. The SanDisk Ultra Dual Drive Luxe showed up in the panel in the Files folder like it would on a Mac.

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# Investor

MONDAY, OCTOBER 5, 2020

## EXPERTVIEW

Using our estimates of sales and EBITDA margins for the next two years, L&T is now priced for 0% long-term sales growth by 2024, which appears overly pessimistic

—Credit Suisse

## ● L&amp;T RATING: OUTPERFORM

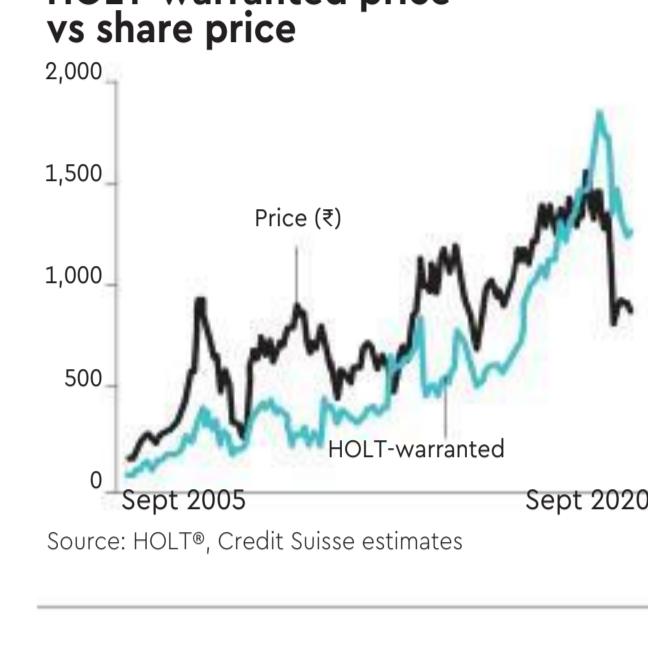
## Mkt undervaluing stock's prospects

Rising value of subsidiaries could be a reason, as also defence segment; recovery in tendering activity augurs well; 'Outperform' retained

**WE TRY TO** contextualise the underperformance of L&T, with one of the possible reasons being increasing value of subsidiaries, driving up the holdco discount. The stock has upside even if we build in 50% holdco discount (from 25% currently). Tender activity data seems resilient and has recovered from the sharp April-June decline and bodes well for L&T's inflow recovery also (FY21 target ₹1 trn; ₹350 bn done as per CSe in H1).

While Defence is a small component of business (2.5% of consolidated revenue), some restriction in specific mandates may be limiting participation and holding back value discovery. CSe HOLT suggests 0% revenue growth by 2024 at current price. HOLT suggests 41% upside now compared to the average HOLT suggested downside of 30% earlier.

We retain an **Outperform** on sector/geography diversification, balance sheet, track record, likely normalisation



boosting prospects, and attractive valuations. Downside risks are weak cycle (the Middle East, government finances) and project issues (compensation costs, etc.).

**Subsidiary valuation up; diluting EPC and driving higher holdco discount:** Subsidiary valuation has gone up and a larger proportion of value in the stock is now ex-EPC. This has been driving up the holdco discount. Subsidiary valuation has particularly gone up during COVID-19 as the IT business has re-rated upwards while Finance has sustained its value post a sharp decline in end-March. We build in a 25% holdco discount on the current price to get



our TP (implied discount is higher ~35%).

**Upside even at 50% holdco discount:** If we use the average holdco discount (50%) for three key companies listed in the market, then the fair value TP changes to ₹1,020 and implied P/E of the core business EPC is -13x.

**Defence is small (2.5%) but could be driving ESG resistance:** Defence is small (~2.5% of consolidated revenues), but the stock is restricted in some mandates, which limits participation. While the overall shareholding has been stable past several years, it could still be holding back full value discovery. ESG has driven meaning-

ful derating in many stocks such as NTPC, Coal India, and ITC.

**HOLT suggests stock prices in nil revenue growth at current levels:** Historically, L&T has traded at a 30% premium to the HOLT-warranted price (between 2014 and 2019) but is now showing a 41% upside potential post its de-rating this year. Using our estimates of sales and Ebitda margins for the next two years, L&T is now priced for a 0% long-term sales growth by 2024, which appears overly pessimistic.

**Overall announcement/tendering/awarding activity resilient:** Data suggests that the overall announce-

ment/tendering and award activity has recovered from a sharp drop in the April-June period. Some revival is visible, with L&T reporting inflows of ₹125 bn in Q2FY21 so far, implying a total EPC inflow of ₹225–250 bn in Q2FY21 (~45% y-o-y decline in H1EPC inflows). We have a full-year target estimate of ₹1,069 bn of EPC order inflows. EPC orders may amount to ₹350 bn (CSe) in H1FY21e—thus, ₹650–700 bn needs to come through in H2FY21. Depending on restoration of normalcy, this is still within reach.

CREDIT SUISSE

## ● IT: Q2FY21 PREVIEW

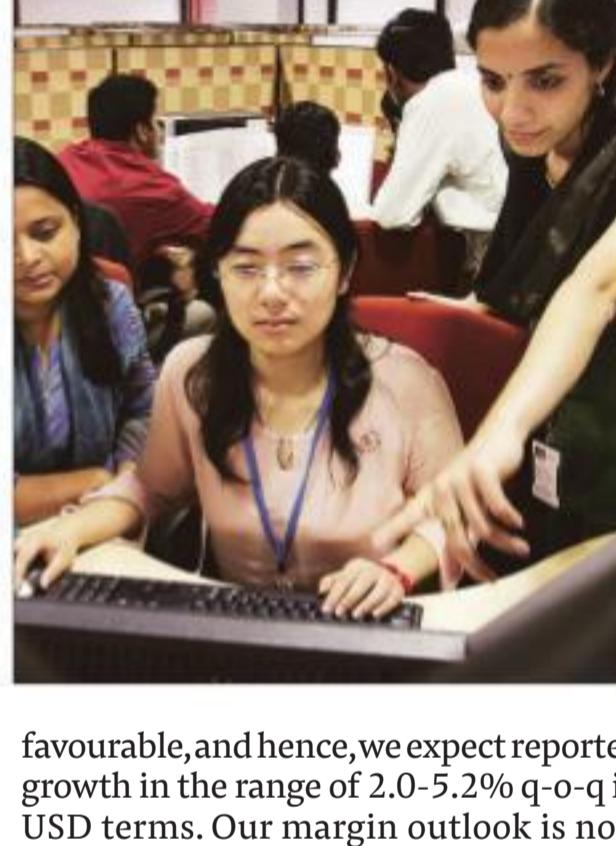
## Strong Q2 is priced in by valuations

While FY22 recovery hopes are intact, recent euphoria worrisome in the near term; LTTS downgraded to 'Hold'

**INVESTOR SENTIMENT** on Indian IT stocks appears buoyant driven by positive surprises in Q1FY21 and then the recent HCLT announcement. We continue to like the sector, especially in the medium to long term, but the recent euphoria is a little worrying to us near term. In the past six months, IT companies have seen revenue declines of 4–10%, just a normalisation of some of the one-time issues themselves should drive decent growth in Q2FY21. However, deal signings in Q2FY21 were not as strong as we had earlier expected, which does not bode well for Q3FY21 or even Q4FY21e. Based on typical seasonalities, Q3FY21e could be a shade better but is unlikely to be materially better.

**What to expect for Q2FY21e and upside triggers**

We expect Infosys to raise its FY21 guidance to 1–3% growth (from 0–2%). No change in guidance could be a slight negative surprise for the investors in light of the recent re-rating of the sector. For HCLT, guidance for Q3 and Q4 is for 1.5–2.5% sequential growth as of now, and we don't expect a change in this guidance, but if management alludes to higher confidence in the upper end of the guidance, that could be a positive surprise. We expect revenue growth of 1.2–3.5% q-o-q in constant currency terms across all the companies. On top of that, the cc impact is



# Personal Finance

## ● PASSIVE INVESTING

## Wake up to the benefits of investing in ETFs

Low cost, transparent pricing, liquidity and ability to meet asset allocation needs are making exchange traded funds (ETFs) popular

SAIKAT NEOGI

**AS RETURNS FROM** most categories of equity mutual funds have been disappointing, investors are increasingly looking at investing in exchange traded funds (ETFs). Low cost, transparent pricing, asset allocation needs and liquidity have led to a spurt in interest for ETFs. Asset management companies (AMC) are launching several new fund offers in ETFs for passive investing. The assets under management of 82 ETFs touched a record high of ₹2.06 lakh crore in August.

An ETF is a basket of securities such as Nifty 50 index or BSE Sensex 30 index and is traded throughout the trading hours. As ETFs trade on bourses, an investor must have a demat account to buy and sell them. All ETFs mirror the benchmark they represent, the returns are in line with the benchmark they represent and the lower costs increase the net returns in the long term. As ETFs do not do active investment, the errors are just limited to tracking the index called tracking error, which is negligible.

The robust order book visibility and WLSI's leadership in the home textile space compel us to revise up target EV/Ebitda to 7.0x (5.0x earlier)—its pre-covid five years' average—with a revised TP of ₹75 (₹48 earlier). Maintain **Buy**. Sustained higher spends on bed/bath linens or shift in business from China could drive further rerating.

**WELSPUN INDIA**  
RATING: BUY

**Revival of US demand boosts outlook for firm**

FY21/22e Ebitda up 3/1% given robust order book and leadership; TP raised to ₹75

**WE REVISE UP** Welspun India's (WLSI's) utilisation estimates and hence FY21/22e Ebitda 3/1% given: (i) sustenance of uplift in US consumer spends spurred by state support; and (ii) lower inventory levels at global retailers driving restocking. Also, with the flooring business locking in capacity via tie-ups, we envisage the segment to achieve operational break-even next year.

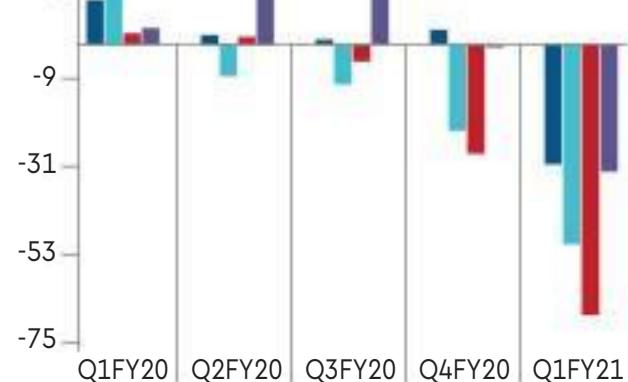
The robust order book visibility and WLSI's leadership in the home textile space compel us to revise up target EV/Ebitda to 7.0x (5.0x earlier)—its pre-covid five years' average—with a revised TP of ₹75 (₹48 earlier). Maintain **Buy**. Sustained higher spends on bed/bath linens or shift in business from China could drive further rerating.

**Catalysts in place to sustain strong traction in US:** In our April update, given the widespread pandemic, we were uncertain of demand triggers for the home textile space. However, a combination of factors has spurred demand for bed/bath linens. WLSI, by virtue of being the No.1 player in the US in this category, has gained from this revival; in fact, the company has outperformed domestic peers as well. In addition, we envisage lower cotton costs to provide a margin tailwind in the coming one–two quarters.

**Outlook: Normalisation multiple; maintain Buy**—Though order book remains strong, sustenance of the demand will be key to further rerating. In addition, possible business shift from China could drive another leg of structural growth (similar to FY10–14); no signs of this yet in the home textile segment.

EDELBWEISS

**WLSI's outperformance versus peers**  
(%): Welspun Trident Himatsingka Indo Count



## Benefits of ETFs

Analysts say investors will prefer ETFs as many actively managed funds have failed to beat their benchmark returns. As ETFs are indexed-based, holdings are transparent because of the daily disclosure of portfolio. ETFs witness high volumes because they are traded on the stock exchanges. This helps in easy exit and liquidity and higher trading volume will make a particular ETF more liquid.

As the fund manager tracks the index stock and invests in the composition of the index, the operating cost becomes lower and investors have to pay a lower expense ratio. The expense ratio of an ETF is usually less than 0.5% as compared to 2–2.5% for

an actively managed equity mutual fund. The trading value of an ETF will be based on the net asset value of the underlying stocks that an ETF represents.

## Asset allocation

For investors, ETFs provide a good tool of asset allocation. Experts say investors can construct customised portfolios keeping in mind their financial goals, investment time and risk tolerance. If an investor invests in an index ETF for the long term, then the market volatility will not have much impact on the returns. By investing passively over a long period of time, an investor's returns can be more than those from active stock picking. However,

investors must also keep in mind that ETF investments cannot tap the high growth potential from some small and mid-cap stocks that may come up at times.

Unlike open-ended mutual funds, investors get the benefit of intraday movements in the market in ETFs. Investors must keep in mind that ETFs are like stocks. So, the investor will have to pay brokerage every time he makes a purchase.

## Diverse products

There are equity, debt and gold ETFs. Retail investors are also moving to debt ETFs, especially the government's debt ETF because of safety and better returns. And gold ETFs have reported stellar performance in the last one year.

The Bharat Bond ETF is India's first corporate debt ETF managed by Edelweiss Asset Management Company. It invests in AAA rated paper of state-owned companies and the ETF will hold the bonds till maturity. The credit risk in Bharat Bond ETF is next to nil. These bonds are ideal for those in high income group because of tax-efficient returns. As it is a debt product, the long-term capital gains tax is at 20% post-indexation.

Gold ETFs from asset management companies are an ideal way to invest in the precious metal. Open-ended gold ETFs invest in physical gold and the returns are benchmarked on the real returns on investment in physical gold, subject to tracking errors. Investors are preferring to invest in gold ETFs because of the Covid-19 pandemic, slowing economy and rising inflation.

favourable, and hence, we expect reported growth in the range of 2.0–5.2% q-o-q in USD terms. Our margin outlook is now even better as we see 30–100 bps margin expansion q-o-q across all the companies.

Our optimism for FY22e recovery intact. Pipelines across the sector are rich with deals, providing 'cautious' confidence for the medium term (FY22e/23e growth).

**Despite our not overly positive view on H2FY21e, we expect IT earnings to be a lot more resilient versus the rest of the market given the long term attractive compounding opportunities**

## Lockdown effect on rents: Need clarity on tax impact

Whether it is rent waivers or vacant property due to lockdown, the government needs to consider the tax impact on rental income

## ● TAX TALK

CHIRAG NANGIA

AS WORKING FROM home has become the new norm, many people have relocated to their hometowns leaving their rental accommodations. Many tenants have renegotiated rents or have requested for waiver of the same. This has given rise to many tax related issues.

Tax consequence of waiver, failure to pay rent

The 'annual value' of a let-out property is deemed to be the sum for which the property might be expected to be let out from year to year (i.e., market rate) or the actual rent received whichever is higher.



ILLUSTRATION: SHYAM KUMAR PRASAD

Many tenants have requested their landlords to either waive or reduce the rent. So, how would the waiver affect tax liability?

In the current situation, in case of full/partial waiver of rent, difficulty arises as to what should be the comparative fair rental value—market rent prevalent before the outbreak of the pandemic or after. Rationally, lower rental values existing post lockdown ought to be considered as fair rent. Therefore, if rent is partially waived on an ongoing basis then the same would be in line with the prevalent market rates, determinants of the annual value. Separately, a complete waiver for a few months, would not make any difference as the comparison is of 'annual' rent.

Further, the Act provides that unrealised rent shall not form part of the actual rent received or receivable. However, this provision is operational where the defaulting tenant has vacated the premises or steps have been taken to compel him to vacate the same. The landlord must have taken all reasonable steps to institute legal proceedings for recovery of unpaid rent or should have satisfied the assessing officer that legal action would be useless. These conditions are not functional in the cur-

rent circumstances, with the force majeure clause being in force.

Tax effect of vacancy of rented accommodation

The law stipulates that where the property was left vacant during the whole or any part of the financial year, due to which, the landlord may have received less than

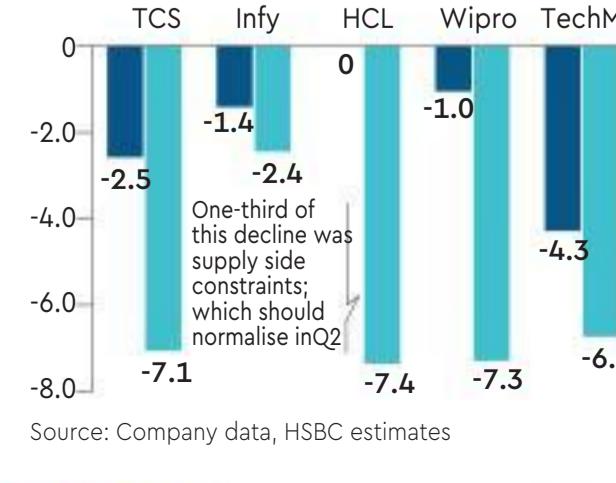
expected rent, then only the actual amount would be brought to tax, even if the same is less than fair rent. The property cannot be said to be 'vacant' if the same is merely 'not in use'. Temporary vacancy due to the tenant's discretion of not using it would not entail any tax consequence and the rent in respect of the same would still be 'receivable' by the landlord, thus taxable.

Likewise, if the owner merely allows the tenant to pay the rent/ part of it at a later point, he would still be liable to tax on the entire annual rental income as the same is still 'receivable' during the year, even though delayed.

The government has not yet considered the tax impact of the lockdown measures on rental income. It is expected that by next year, at the time of reporting the income for the current fiscal, the government will introduce measures to alleviate such issues. For instance, it may impose tax only on actual rent received for the current year irrespective of fair rental value or may do away with the condition of initiation of legal proceedings in case of vacancy.

The writer is director, Nangia Andersen India. Inputs from Vasudha Arora

Pickup in Q2 is coming off very low base; normalisation of multiple one-off supply-side constraints in Q2 will itself likely provide reasonable growth in the quarter



# BrandWagon

MONDAY, OCTOBER 5, 2020

DEVIKA SINGH

**THE CONSUMER DURABLES** market in India was valued at ₹90,000 crore in 2019, according to industry estimates, but is expected to decline to ₹80,000 crore due to the loss in sales during the lockdown period, and the downturn in sales of air conditioners. With the festive season approaching—which contributes nearly half of their yearly sales—consumer durable companies are beefing up their product and marketing strategies, all guns blazing.

Over the past few months, consumers have increasingly sought products that offer convenience, in the absence of house help. According to Euromonitor International, over 56 million units of dishwashers were sold in India in 2019, and this is expected to rise to 70 million this year. Similarly, the microwave category—which has been witnessing a flat retail volume since 2017—is expected to touch 1,548 million this year, the report states.

**In-store tactics**  
Lloyd (part of Havells) forayed into the refrigerator segment in September with 25 models, across the entry-level and high-end range, priced between ₹10,000 and ₹84,990. The company plans to launch 25 more models of refrigerators and dishwashers by Diwali. The aim is to use its network of 15,000 general trade retailers to sell products priced at the low-end; while modern trade and retail chains such as Kohinoor Electronics, Reliance Digital, Sargam Electronics, Tata Croma and e-commerce will be tapped to sell the high-end products.

For its dishwasher range, starting at ₹20,000, the company is eyeing double-income households, and retailing through modern trade stores, retail chains and e-commerce. "Since dishwashers are only getting popular in India now, we need to educate customers and dispel myths around it, through displays and demonstrations," says Sashi Arora, CEO, Lloyd.

Haier India is setting up displays of its smart home range, launched in February, which includes smart TVs, refrigerators, washing machines and ACs. Satish NS, senior vice president, sales and marketing, Haier India, says the company has trained 3,500 shop executives for these demonstrations.

Meanwhile, Voltas plans to leverage its strength in the AC category to drive pen-



## CONSUMER DURABLES

# Pinning hopes on festive demand

**Consumer durable companies are revamping their product ranges and bolstering their offline presence in time for the festive season**

etration and sales of home appliances. Although most of these companies have witnessed growth in the online channel recently, offline still contributes around 90% of their sales, and, hence, remains their focus. Digital, however, is a priority when it comes to marketing. About 40% of Haier India's marketing budget will be spent on digital this year, as compared to just 10% last year, with an emphasis on search engine optimisation and search engine marketing.

According to Satish NS, consumers are "increasingly searching and researching products online and then moving offline to experience them", making digital mar-



keting an important part of the company's strategy.

Cashbacks, exchange offers and consumer financing schemes are also being launched. Lloyd, for instance, plans to offer zero down payment and extended period EMI schemes.

### Caution over celebration

Sales offers and discount schemes are not going to be compelling enough, unless companies cut down prices, retail experts say. "Earlier, consumers would not mind spending extra for the latest feature; but this year, they will be very sensitive to pricing, and will buy based on the need," says Harminder Sahni, managing director, Wazir Advisors.

Attractive pricing may not be something these companies will be able to afford though. According to Harsha Razdan, partner and head – consumer markets and internet business, KPMG in India, price hikes are inevitable for a few consumer durable products, due to supply chain disruptions and a rise in import duties. It's pertinent to note that most consumer durable companies are heavily reliant on imports from China.

Job losses and salary cuts across industries could mean fewer people willing to splurge during the festive season.

According to Euromonitor International, there has been a 21% rise in the unemployed population in India in 2020, as compared to 2019. "In such a scenario, consumers are going to cut down on discretionary spends this year, and hence festivities could be muted," says Anurag Mathur, head, retail and partner, PwC.

Despite the not-so-optimistic outlook, companies in this space hope to match up to last year's sales.

## DIGITAL MEDIA

# Filling the TikTok void

Even with TikTok gone, short-format video apps struggle with monetisation



VENKATA SUSMITA BISWAS

**AFTER THE INDIAN** government banned short-format video app TikTok on June 29, a string of strikingly similar apps cropped up. That apart, Facebook's Instagram launched Reels for the Indian market in early July, and YouTube introduced its own TikTok rival — Shorts — in September.

Before it was banned, TikTok had about 200 million users in India and 120 million monthly active users (MAUs). The void left by TikTok has resulted in its users and content creators scrambling to find the next best alternative, resulting in the fragmentation of the app's user base. Consequently, advertisers who relied on TikTok to reach a wide audience have all but exited the short-format video space.

### Wooing brands

Despite a number of new apps offering advertising opportunities such as hashtag challenges, video ads and branded filters, advertisers are wary. "Brands that were advertising on TikTok have not moved their spends to new short-format video platforms. They prefer to invest on platforms they have more faith in, such as Instagram, Facebook and YouTube," says Suraj Nambiar, managing partner and national media head, Tonic Worldwide.

Platforms such as Roposo, Trell and Chingari find far fewer takers than TikTok, say digital media buyers. Roposo has around 55 million MAUs — nearly half that of TikTok when it was banned — and Trell has about 30 million.

Most of these platforms have not explored monetisation fully. For instance, Instagram's Reels is yet to be monetised, and YouTube Shorts is currently testing waters in India. Roposo, says Bikash Chowdhury, CMO, Glance, the company that owns the app, offers two main advertising solutions for brands: standard display advertising (static), and video and brand integrations through hashtag challenges.

Shrenik Gandhi, CEO and co-founder, White Rivers Media, says the apps that are hoping to be the new TikTok lack the technological prowess. "The algorithms that made TikTok addictive and, therefore, an attractive avenue for advertisers, were very advanced. The app could recommend personalised content on loop to keep the user scrolling endlessly," he adds.

Some like Trell want to carve a niche of their own to get out of TikTok's shadow. "Our differentiator is that we are a three-to-five-minute storytelling plus commerce app, where 70% of our content creators are women," says Sahil Deswal, its VP — growth and monetisation. Kiko TV, meanwhile, has focussed its efforts on social commerce.

### Onboarding users

Since monetisation is highly dependent on the number of users, content is a big draw on these platforms. However, content creators have no incentive to be present on a platform with few users. "On average, about 10-15% of users on a platform are active content creators," says Chowdhury. This chicken and egg situation has prompted platforms to enrol popular content creators on their apps as a first step towards monetisation.

Actor-comedian Danish Sait has been roped in by Roposo to create cricketing content. MX Player's TakaTak has added rapper Badshah to its list of celebrity content creators. Zee5's HiPi is creating dance, fitness, and IPL-based content with influencers, actors and stand-up comedians.

Another approach is strategic content tie-ups. Chingari and Roposo have entered into strategic content partnerships with ALTBalaji, while Sharechat has acquired HPFFilms, a digital video production company, to augment content on its short-format video app MoJ.

Additionally, platforms are signing exclusivity deals that will force the creator to post content only on one app and not move back to TikTok if the app returns. For example, in an exclusive content tie-up, a content creator with four million followers could earn ₹2 lakh every month for a period of six months. Further, the platform could repack and migrate a person's TikTok content onto their apps for a hefty sum.

## In The News

### DDB Mudra wins creative duties of Protinex

**DANONE HAS AWARDED** the creative duties of Protinex, its nutritional supplement brand, to DDB Mudra. The brand communication will be centred on creating awareness about protein deficiency across consumer touchpoints. Himanshu Bakshi, MD, Danone India, says, "Protein awareness is an important part of our brand commitment, since the understanding about protein is very nascent in India."

### Dell hires VMLY&R as lead creative agency in India

**DELL HAS APPOINTED** VMLY&R as its lead creative agency in India for both the consumer and small business portfolio. The agency has been tasked with creating an overarching 'connected consumer experience' for Dell, which will span mainline, digital and social communications, platforms and experiences, and data.

### K Madhavan elected as president of IBF

**THE INDIAN BROADCASTING Foundation (IBF)** Board has elected Star & Disney India's managing director, K Madhavan, as its new president. He will succeed

NP Singh, India MD and CEO, Sony Pictures Networks, who held the position for two years.

### Langoor Havas bags a new business

**LANGOOR HAVAS** has won the digital transformation mandate for Organic Tattva Group, an organic foods company. The agency says the digital strategy will involve bringing together its "deep platform thinking capabilities and experience in marrying data, creative and technology".

### RSH Global brings Madison Media on board

**MADISON MEDIA HAS** been appointed the media AOR of RSH Global, which owns the personal care brand Joy. The account will be handled by Platinum Media, a unit of Madison World.

### Shaun Nanjappa Chendira elevated at Discovery

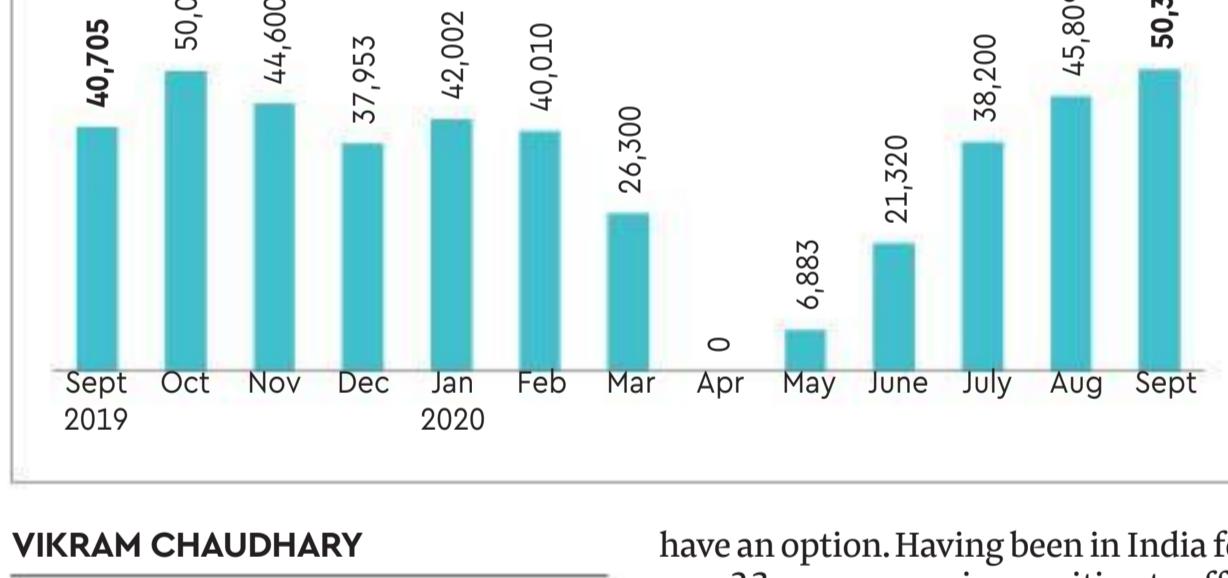
**DISCOVERY HAS ELEVATED** Shaun Nanjappa Chendira as head of advertising sales – South Asia. He was previously revenue head for kids & vernacular, Discovery India.

# Motobahn

## THE 'CHOICE' ROUTE

# Hyundai goes all out to push car sales

What has helped is the amount of choice on offer—from manual to automatic and from petrol to diesel



### VIKRAM CHAUDHARY

**IN ADDITION TO** the pent-up demand and a section of commuters shifting from public transport to private vehicles post-lockdown, what has helped sales of Hyundai cars, in particular, is the sheer amount of choice on offer, says a company executive. In September 2020, it sold 50,313 cars in the domestic market, a 23.6% increase over the 40,705 cars it sold in September 2019.

Hyundai India offers hatchback cars, sedans, SUVs and an electric car. As far as fuel options are concerned, it sells seven petrol engines (four naturally-aspirated, three turbocharged), four diesel engines, two CNG engine options, and one electric. It also has a range of gearbox options: two manual, one iMT, and five automatic.

"The aim is to be in the consideration set of any Indian buyer for any type of mobility need related to four-wheelers," says Tarun Garg, director, Sales & Marketing, Hyundai Motor India.

"Be it owning a new car or a used car for shared mobility or even subscribing a car, we

have an option. Having been in India for over 23 years, we are in a position to offer the customer whatever she wants."

Over the last few years, the sales share of automatic gearbox cars is increasing. Auto industry experts FE talked to said from 2-3% in 2013, today automatic gearbox cars form about 20% of the market. In CY19, the sales share of automatic variants in Hyundai's Santro was 22%, in the Creta it was 17%, in the Verna 20%, and in the Nios a high 28%.

Hyundai India offers five automatic options—AMT, 6AT, 8AT, IVT and DCT.

"While we offer five automatic options, we also offer a technology that falls between automatic and manual, i.e. the iMT (intelligent Manual Transmission). We don't want to limit the choice for the buyer, but have instead brought in all the technologies available globally," Garg says. "The iMT is priced just about Rs 20,000 over a manual gearbox."

Not discontinuing diesel engines post-BS6 also contributed to Hyundai sales. Last month its diesel car sales were 27% of the total cars it sold. "Telangana,



PHOTO: VIKRAM CHAUDHARY

The aim is to be in the consideration set of any Indian buyer for any type of mobility need related to four-wheelers.

— TARUN GARG, DIRECTOR, SALES & MARKETING, HYUNDAI MOTOR INDIA



Punjab, Uttar Pradesh, Andhra Pradesh, Maharashtra and Madhya Pradesh still are diesel engine markets, with 45-50% diesel engine car sales. Because we offer diesel engines and because we are able to offer our customers such a wide choice, we have been able to enhance our sales numbers and take market leadership in some of the segments," Garg adds.

In the company's new Creta, for example, during the April to August 2020 period, the diesel variant sales percentage was 6.2%, and even in the Verna it was close to 33%.

Another area where Hyundai has attracted buyers is the connected car segment. It offers 'connectivity' features in five models (Venue, Verna, Creta, Elantra and Tucson), and had sold 59,538 units collectively till August 2020—the connected car technology was first launched in the Venue in May 2019.

While Maruti Suzuki is the market leader in CNG vehicles, Hyundai India, Garg says, had sold close to 2,500 CNG cars in August 2020, and aims to reach the 3,000-unit per month mark soon.

service package, 2+3 years extended warranty, and 2+3 years roadside assistance complimentary with the booking.

For the sake of size comparison, at 4,208mm long and 1,794mm wide, the Q2 is smaller than even Hyundai Creta, and slightly bigger than subcompact SUVs such as Maruti Suzuki Vitara Brezza. In India, the Q2 will directly compete with cars such as Mini Countryman.

Balbir Singh Dhillon, head of Audi India, said, "Our fifth launch for the year, the Q2 opens up a new segment of buyers for the brand. It is a luxury all-rounder that is big on features and extends the successful Q family."

In 2020, Audi India has launched the Q8, A8 L, RS 7 and RS Q8. The price of the Q2 will be announced during its launch in a few weeks' time.

# Audi India to launch its smallest car yet—the Q2



Opens bookings for the Q2 crossover SUV; its fifth product launch in 2020

### FE BUREAU

**AUDI INDIA HAS** opened bookings for its smallest car yet. The Q2 crossover SUV can be booked for Rs 2 lakh at either its dealerships or online.

Smaller than the Q3, the Q2 will be feature-rich, i.e. equipped with connectivity, infotainment and driving assistance systems. It will be powered by the 2.0-litre TFSI petrol engine, which, the company says, can accelerate the car from 0-100 km/h in just 6.5 seconds. The company is also offering five years'

# Infrastructure

MONDAY, OCTOBER 5, 2020

## EXPERTVIEW

With the gradual easing of lockdown restrictions and government efforts to revive the economy, project awarding has not only recovered from the May'20 low (of ~₹72 bn) but is also ahead of the Apr'19-Aug'20 monthly average of ~₹157 bn  
—Anand Rathi

## LOGISTICS SECTOR

## Covid-19 alters logistics of trade

**Growth in e-commerce** has led to a demand for temporary warehouses, with occupiers seeking alternative sites to service customers better, even as prospects remain good for the sector

INDRONIL ROYCHOWDHURY

**WITH E-COMMERCE DRIVING** the logistics sector in the time of Covid-19, there has been a spike in demand for temporary warehouses, signalling a structural shift in the approach of companies and investors even as the overall sentiment remains positive. While industrial leasing in the top eight cities of India stood at 11 million sq feet in the first half of 2020, the pandemic has led to demand growing for warehouses with a lease tenure of 6-11 months.

Occupiers are looking for alternative locations as it helps in continuity of business and mitigates delays in delivery. The urban logistics sector is thus considering conventional retail spaces, banquet and marriage halls for alternative use as city warehouses. Besides there are upcoming markets like Guwahati, Lucknow, Patna, Jaipur, Coimbatore, Rajpura, Indore, Vijayawada, Hosur and Kochi on which the



sector is focussing, seeking to enlarge its footprint. Growth prospects for these markets have brightened with the government unveiling the Atmanirbhar Bharat programme which aims at self-reliance.

Yogesh Shevade, head – Industrial Services, JLL India, an investment and real estate management firm, says the challenge posed by Covid-19 has made large companies consider outsourcing supply chain management for the sake of efficiency. With realtors shifting their focus to development of logistics real estate, manufacturing firms are trying to get space on lease, seeking 'ready to occupy and built to suit industrial spaces' with higher specifica-

cations and pre-approved usage.

As for investors, there is a growing trend towards acquisition of logistics platforms rather than individual assets. The investment of ₹380 crore by global private equity (PE) giant Blackstone in the Mumbai-based AllCargo Logistics and the PE company's tie-up with the Hiranandani Group's GreenBase to build industrial warehousing across India, entailing an investment of ₹2,500 cr, illustrate this trend. Although these deals were struck before the lockdown, the mood guiding them has persisted, albeit with some change in approach. Investors are trying to gain captive tenant networks and achieve scale, the

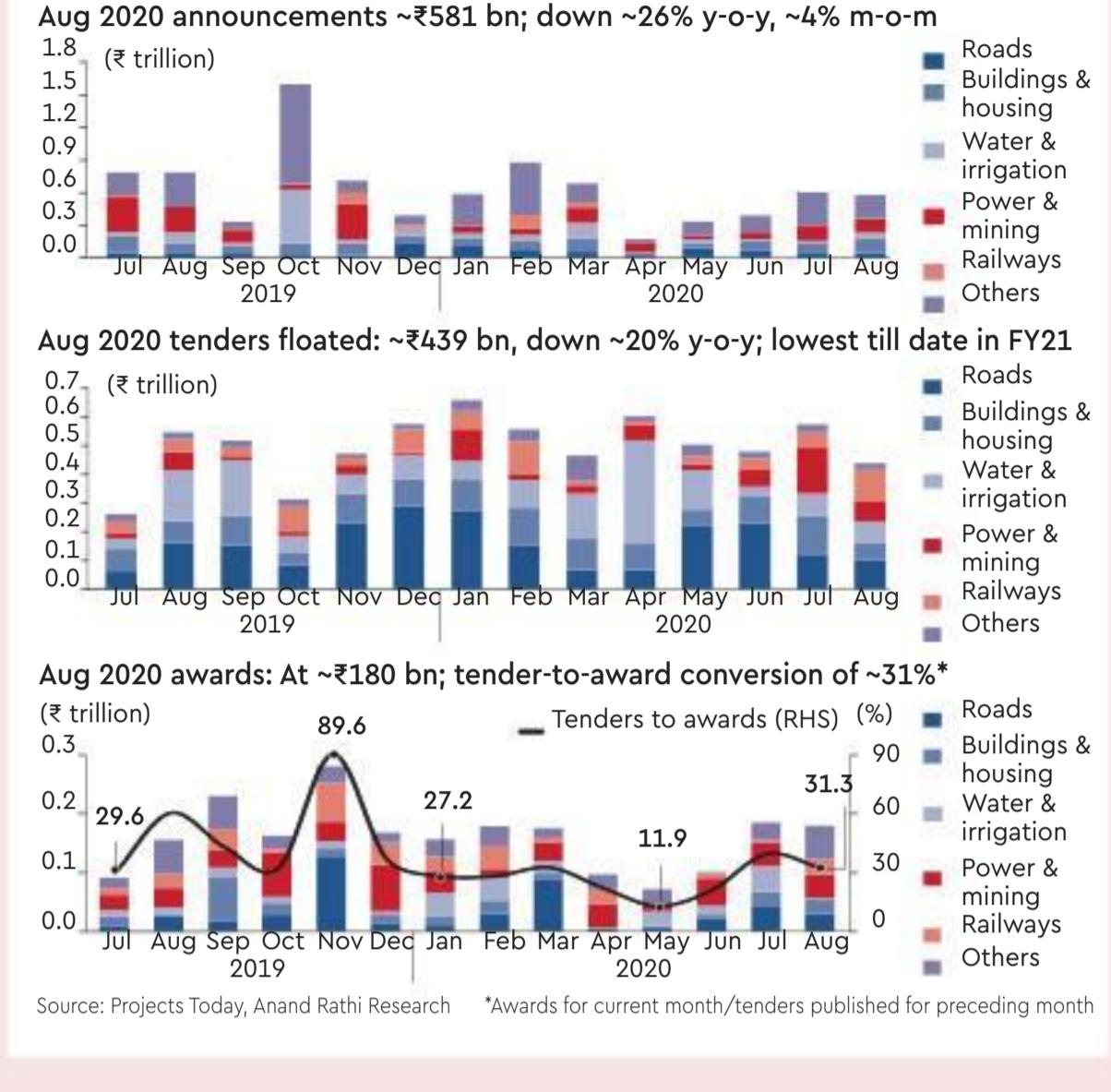
scope for which is large in India. Says Ramesh Nair, CEO and country head India, JLL, "while growth of the logistics sector in value terms is likely to slow down and there may be yield contraction in some markets, investor confidence and capital values are expected to remain intact." In fact, the growth of internet penetration rates, expansion of online grocery and omni-channel retailing and integration of technology with warehousing and storage which the pandemic has fuelled, augurs well for logistics real estate as an asset class. At \$195 billion, industrial and logistics real estate is already the second largest asset class globally.

According to a JLL report, the reimagining of the logistics sector is making occupiers embrace technology, innovative solutions, modern processes and digital transformation to meet evolving consumer habits. Vital in this context is the low e-commerce penetration in India – a mere 5%, as against online retail sale accounting for 14% of global retail sales in 2019. Its rapid growth in the coming years will push the creation of suburb warehouses, in-city warehouses, tier-1 and tier-2 city warehouses and multi-storied warehouses, the report says. For instance, this trend is on ample display at Dulaghar in Howrah – which is growing fast as a global trading hub for readymade garments – with a number of multi-storied warehouses having come up and many more at the development stage.

## DATA MONITOR

## Awarding activity up ~15% y-o-y in August

Investments worth ~₹581 bn were announced in the infrastructure sector in Aug'20 (down ~26% y-o-y). Of these, the private sector accounted for announcements worth ~₹296 bn. New tenders worth ₹439 bn were floated in the month; while down ~20% y-o-y, this was higher than the FY20 average of ₹432 bn. At ~₹180 bn, Aug'20 awards were ~15% higher y-o-y and ahead of the past 24 months' average awarding of ~₹175 bn.



Source: Projects Today, Anand Rathi Research \*Awards for current month/tenders published for preceding month

## Quick View

## Startups

## SENSEGIZ TECHNOLOGIES

### Helping businesses reopen safely

This IoT startup provides solutions to companies to mitigate risks, keep employees safe and prevent future business shutdowns due to Covid-19

SUDHIR CHOWDHARY

The thought behind his IoT and hardware venture—SenseGiz Technologies—first came to Abhishek Latthe when as a student of Mechatronics in Southampton, UK, he left behind his bag in a train. While the 'Lost and Found' department later found it, that incident inspired him to develop a device that could track lost belongings. In 2013, Latthe launched SenseGiz Technologies in Belgaum, Karnataka. During the initial years, the startup came up with two products based on IoT—FIND, a device tracker that alerts the owner about the location of his belongings, and the second, a wearable device to focus on health safety monitoring. However, in 2018, the company pivoted from a B2C to a B2B model and built on its earlier products to come up with COIN, a sensor-based versatile product that could help provide varied solutions for large enterprises.

SenseGiz has offices in Pune and Bangalore and offshore offices in Japan and the US, with 45 employees spread across engineering, sales, and marketing and admin-

istration roles. "SenseGiz creates enterprise and industrial IoT products for sensor-based condition monitoring, security, and real-time asset/people tracking applications using a combination of proprietary mesh connected hardware, cloud, analytics, and apps," informs the founder & CEO. "SenseGiz products are patented and built in India with a robust R&D team while operations are in India, Spain, South Africa, Japan, and the US."

In the current Covid-19 pandemic landscape, the company tweaked the previous technology to help prevent further business shutdowns. Now, FIND and COIN aims to enforce social distancing and contact tracing, which can help com-

In a coin-sized form factor, we get motion sensing, temperature, and humidity sensors inbuilt that will help customers by improving their efficiencies, productivity, security, and reducing costs.

— ABHISHEK LATTHE,  
CEO AND FOUNDER,  
SENSEGIZ TECHNOLOGIES

panies keep their employees safe. Currently, the key focus of the product is to enable companies to implement social distancing and detailed historical contact tracing at workplaces to minimise interruption and promptly isolate only the distressed people and areas.



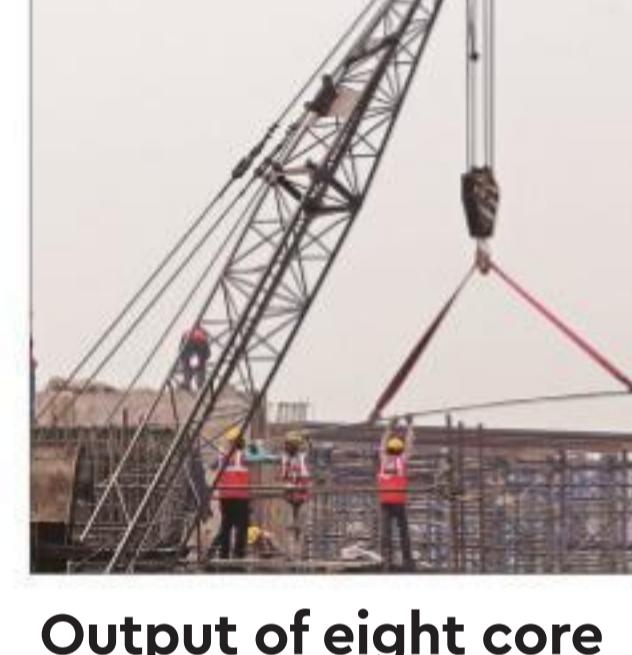
"In a coin-sized form factor, we get motion sensing, temperature and humidity sensors inbuilt that will help customers by improving their efficiencies, productivity, security and reducing costs," says Latthe.

COIN thus is an end-to-end solution for predictive maintenance, environment condition monitoring, perimeter security, and real-time indoor asset and people management, which uses a combination of proprietary mesh connected hardware, cloud, analytics, and machine learning. So far, SenseGiz has sold over 30,000 devices worldwide and is currently deployed in the US, Japan, South Africa, India, Spain, Singapore, Brazil and the Middle East.

According to Latthe, SenseGiz has recently won the Samadhan Covid Challenge run by the education ministry where the goal was to find the best digital solutions against Covid-19. In 2015, the company raised ₹3 crore in funding from Karnataka Semiconductor Venture Capital Fund and again in March 2019, it raised \$335,000 from Keiretsu. It is now looking to raise funds in a Series A funding round later this year.

"SenseGiz has posted 100% growth in terms of numbers for FY19-20, and is looking to triple that in FY20-21 despite the pandemic. The company's revenue is growing at 52% year-on-year," he says, adding, "We aim to be a ₹100 crore revenue company in the next two years."

## Quick View



## Output of eight core sectors declined by 8.5% y-o-y in August

CONTRACTING FOR THE sixth consecutive month and also registering a sequential decline, the output of the eight infrastructure sectors dropped by 8.5% y-o-y in August, mainly due to a decline in production of steel, refinery products and cement. The eight core sectors had contracted by 8% in July and by 0.2% in August 2019, showed data released by the commerce and industry ministry on Wednesday. Barring coal and fertiliser, all sectors recorded negative growth in the month. The output of steel, refinery products, cement, natural gas, crude oil and electricity declined by 6.3%, 19.1%, 14.6%, 9.5%, 6.3% and 2.7%, respectively. On the other hand, coal and fertiliser production grew by 3.6% and 7.3%, respectively. For the April-August period, the sectors' output dipped by 17.8% y-o-y, compared to growth of 2.5% in the same period last year.

## Gas price slashed by 25%, rate now lowest on record

NATURAL GAS PRICE touched the lowest rate on record after the government on Wednesday slashed it by 25%, denting revenues of producers like ONGC. The price of gas was cut to ₹1.79 per mmBtu for six months beginning October 1 from the earlier \$2.39, an order of the Oil Ministry's Petroleum Planning and Analysis Cell (PPAC) said. This is the third straight reduction in rate in one year. The price was cut by a steep 26% to \$2.39 in April. The rate paid to producers of new gas from difficult fields such as deepsea has also been cut, to \$4.06 per mmBtu from \$5.61.

## NDB loans for Mumbai Metro, RRTS projects

THE NEW DEVELOPMENT Bank (NDB) of the BRICS countries has approved a \$241-million loan for the Mumbai Metro and \$500 million for the Delhi-Ghaziabad-Meerut Regional Rapid Transit System (RRTS) projects. The two loans were approved by the NDB Board, the Shanghai-based bank said recently. The loan for the Mumbai Metro Rail II Project would be used to implement the Metro rail Line 6 project in the financial capital. The loan of \$500 mn for the RRTS Project would be used for construction of a 82.15-km rapid rail corridor connecting Delhi to Meerut.

## PHOOL.CO

### Solving the temple-waste problem

This IIT Kanpur-backed biomaterial startup converts floral waste into charcoal-free incense products

SUDHIR CHOWDHARY

PHOOL.CO IS NOT your run-of-the-mill entrepreneurial venture. An IIT Kanpur-backed biomaterial startup founded by two engineering graduates, Ankit Agarwal and Prateek Kumar in July 2017, it is focused on the circular economy. It converts floral waste into charcoal-free luxury incense products. Recently, it raised \$1.4 million in a pre-Series A funding round. The funding round was led by IAN Fund and San Francisco-based Draper Richards Kaplan Foundation.

With deep-tech research, the startup has developed "Fleather" leveraging its flower recycling technology. Fleather is a viable alternative to animal leather and



Ankit Agarwal, founder, Phool.co and (R) the firm's innovative products

the startup was recently presented PETA India's Best Innovation in Vegan Fashion' award for this product.

According to co-founder Ankit Agarwal, Phool.co provides a sustainable solution to the monumental temple-waste problem in India. "Through our efforts, we aim to build natural alternatives to synthetic chemical-based products by using deep-tech and research. We are perhaps



India's first natural incense brand taking a digital-first approach and have a first-mover advantage as bio-leathers are barely available in India." Phool.co has expanded its operations to Tirupati, Andhra Pradesh. During the lockdown, it ensured its supply chain was not disrupted by sourcing flower waste directly from the distressed horticulture farmers, bringing them critical income in the toughest of times.

On the recent funding, he said, "We are delighted to get IAN on board as an investor and the funds raised will be used to advance the research and scale the operations." Earlier, Phool.co had raised ₹3.38 crore in a seed round from Social Alpha (FISE), DRK Foundation, IIT Kanpur and Balmer Lawrie, among others.

The IAN Fund, a ₹375 crore fund, is a differentiated seed/early-stage Fund which aims to transform India's entrepreneurial landscape. It invests in innovative companies in sectors including healthcare and medical devices, VR, AI, software as a service, marketplaces, fintech, Big Data, Artificial Intelligence, agritech and hardware. Padmaja Ruparel, founding partner, IAN Fund said, "Innovative solutions for the sustainable development of the community is the need of the hour. Phool.co's circular economy model brings triple bottom benefits of environmental, social, and financial sustainability."

For its endeavour to make sustainable products, Phool.co has received several international recognitions including the United Nations Young Leaders Award for Sustainable Development Goals, United Nations Momentum of Change Award at COP 2018, Asia Sustainability Award 2020, Hong Kong, Alquity Transforming Lives Awards, London and Breaking the Wall of Science, Berlin.

# Education

MONDAY, OCTOBER 5, 2020

## EXPERT VIEW

We have launched the Vidyamandir Intellect Quest, the scholarship test that will provide an opportunity to IITJEE and NEET aspirants to prepare under the guidance of industry icons and teachers from IITs and premier colleges. The fee for it is set at ₹99.

—Brij Mohan, Co-Founder, Vidyamandir Classes

## Language is a life skill

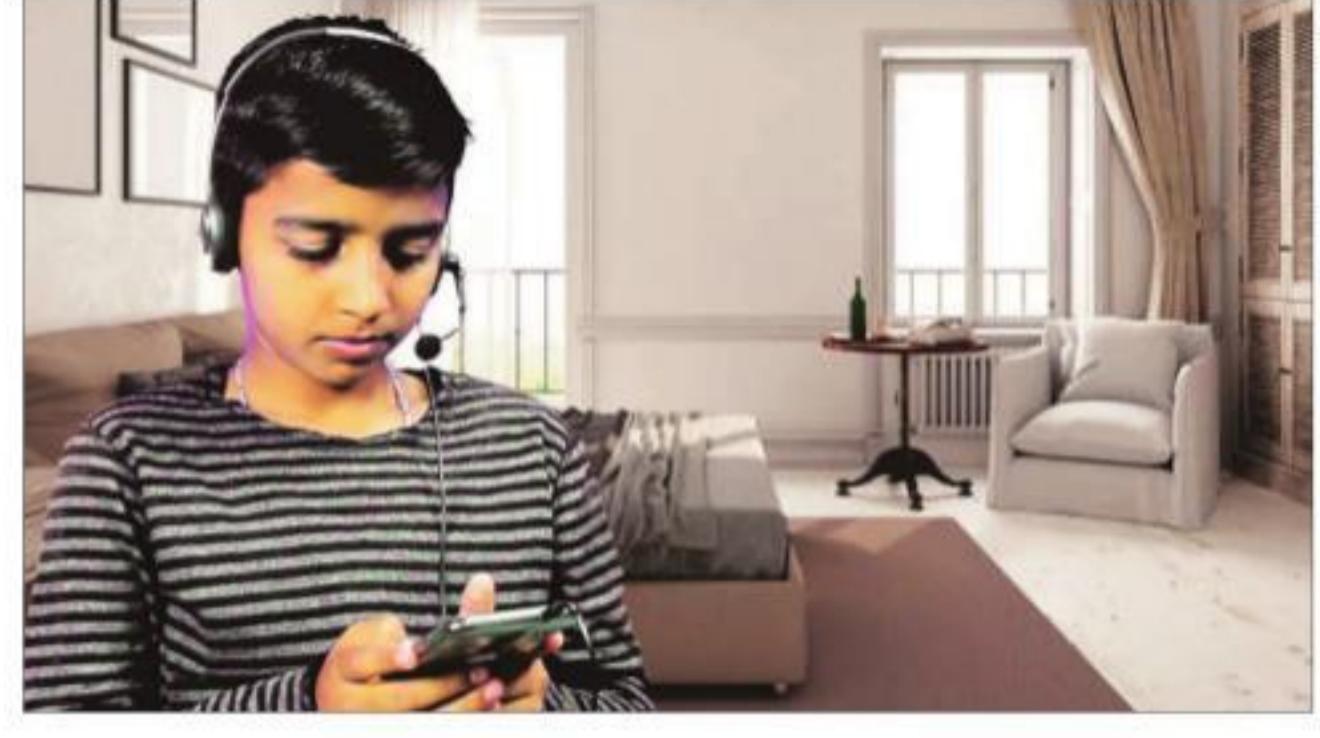
**Covid-19: The importance of English, as a medium of communication, grows**

VIKRAM CHAUDHARY

**ENGURU, THE SELF-LEARNING** spoken English app, has 1.3 million monthly active users, and two-thirds of those are from outside tier-1 cities. "This highlights the appeal the language has in smaller cities," says Arshan Vakil, founder & CEO of enguru. "English is not just a medium of communication; it is more of a life skill. Candidates looking for jobs in sectors like IT, hospitality, retail and academia are expected to communicate well in English."

The Covid-19 pandemic, he says, has propelled concepts like remote work and online learning, and businesses will soon realise they can tap into a global pool of talent instead of just local ones. "English is bound to grow into even more of a global language as the willingness to hire across borders will increase," Vakil says. He adds India can offer a strong talent pool, provided this talent can communicate well. "The need of the job market is to have a workforce proficient in modern communication and interpersonal skills."

As per a 2012 survey by the Economist Intelligence Unit, 70% executives said their workforce will need to master English to realise corporate expansion plans. Then, only 4% of men and 2% women in wage employment in India reported speaking fluent English. Rahil Rangwala,



director, India Programs, Michael & Susan Dell Foundation (MSDF), says it is critical for the youth from low-income families to have access to learn to speak English. "In a country with paucity of qualified English teachers, technology is essential to solving this problem at scale," he says. MSDF was the first institutional investor in enguru, and continues to work with it to help the youth from low-income families get quality access to English language training.

"I've seen how the ability to speak well in English has transformed the confidence of young men and women. Yet 66% college graduates do not speak the language, and with the rush in digitisation due to Covid-19, more jobs will need knowledge of working English," Rangwala says.

One of the better ways of learning a new language, experts argue, is immersing

oneself in the language as much as possible. "However, we want to ensure users feel comfortable with enguru and are not overwhelmed. So we have designed enguru to support 20 languages (12 Indian) to provide easy-to-understand context to all the users. Actual classes are not language-specific, and Hindi or Tamil or Bengali speakers are all in the same class," says Vakil.

While enguru was launched as a self-learning app that used speech recognition to give users feedback on their speaking skills, it has since evolved to also include interactive live classes where users get an option to join a class of 25, 12 or six students and interact with peers and teachers. "Classes are conversational, in line with our goal to help users improve their ability to articulate themselves and subsequently help in their careers," adds Vakil.

### Tech Avant-Garde certifies 3,100 teachers

## FE BUREAU

**AS MANY** as 3,173 teachers got recognised as Microsoft Innovative Educator (MIE) digital classroom teachers after passing a test by Tech Avant-Garde (TAG), an edtech company and a global training partner of Microsoft in Education. As part of the Knowledge L'avenir Conclave (KLC) webinar series, which started on Teacher's Day 2020, and will continue till November 2020, 300 teachers trained nearly 5,000 teachers (in the last few days) from across the country. The first assessment test was held on September 28.

As it is important for teachers to get a degree in teaching to be a qualified teacher, TAG said it's important to be recognised as a digital teacher holding the MIE certificate.

Ali Sait, CEO of Tech Avant-Garde, said, "If teachers are not digitally skilled, our formal education will collapse and it will have a serious impact on our human capital."

Going forward, TAG-Microsoft will deploy tech-driven ideas such as Skype in Classroom and virtual field trips instead of the traditional 'chalk and talk' model. As home schools become the new normal, cognitive learning, mixed reality, immersive learning, IoT and AR-VR will eventually reach students at home.

## Academics flourishes in multidisciplinary setting

Integrate different subjects into a meaningful whole

## VIKRAM CHAUDHARY

**COVID-19 HAS** impacted newer and older universities in distinct ways, says Sahil Aggarwal, co-founder & CEO of Sonipat, Haryana-based Rishihood University. "Newer universities like ours are establishing a culture, which requires people to spend time together and learn from each other. It cannot be done online to the same degree. On the positive side, it has created a culture of lifelong learning," he says.

Another upside of the lockdown has been the usage of technology in education. "Artificial intelligence, in particular, has made it easier to provide personalised learning experiences. Students can learn at own pace and find personal guidance. Even things like improving our language and communication, finding our areas of strength and weakness, etc, are being aided by technology," Aggarwal says.

He is of the view that, going forward, universities must aspire to help students realise their full potential—not only their intellectual growth, but also emotional, physical and spiritual growth. "This needs a curricular approach that integrates different subjects into a meaningful whole, rather than boxed knowledge in a particular area. The learning environment, including the physical and technology

space, should be such that students achieve their full potential through peer interactions, faculty mentorship, projects, extracurricular activities, and so on," Aggarwal says.

Lastly, he says that academic disciplines flourish in a multidisciplinary environment. For example, the way a child

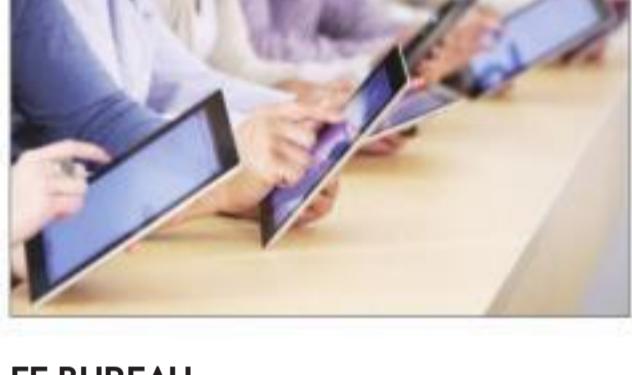


learns can be influenced by the way a learning space is designed. The quality of public health can be improved by the way health guidelines are communicated. "At Rishihood, we use an interdisciplinary curriculum design and delivery method. Some of our courses are taught by faculty coming from different academic areas. Some topics are delivered by industry mentors. Students are encouraged to combine their learning set from different courses and different academic areas to reach new dimensions of knowledge and its application," he adds.

## ● DATA LITERACY

## Qlik expands presence to 400 Indian universities

Provides lecturers free and ready-to-teach resources



## FE BUREAU

## Science & tech

## ● THE RIGHT DRIVER

## Students inch closer to an Indian self-driven vehicle tech

Fully researched working prototype of India-specific AV technology may be ready in the next three years

## RAHUL CHHABRA

explaining the purpose behind their India-specific effort.

According to the National Highway Traffic Safety Administration (NHTSA) of the US, their country can reduce the number of road accidents through the use of automated vehicles by a substantial amount, since 94% of the serious accidents are due to human error. "For a country like India with a very high number of road accidents, this safety assurance is no less than a fortune," said Anirudh Chakravarthy, a computer vision researcher at Sally.

The team estimates that a substantial part of a fully researched working prototype of their India-specific autonomous vehicle technology may be ready in the next three years.

Apart from being among the few university teams in India working on autonomous driving models, Team Sally dreams of revolutionising the way India drives. "Self-driving vehicles open up mobility options for people with disabilities. India can be the leading supplier of autonomous vehicles if the technology is developed efficiently. Especially in the public transport domain, big Indian vehicle makers can use this technology and export their products which can be a



big boost for the economy," said Harsha Baskar, another team member.

Constantly battling challenges thrown up by Covid-linked campus restrictions, the 28-member student team currently carries out its research activity remotely under the supervision of Professor Bijay Kumar Rout, BITS Pilani.

Team Sally is divided into four major subsystems—computer vision, simultaneous localisation and mapping, navigation and mechanical design.

Computer vision team's mission is to allow the machines to gain 'vision' or 'sight'; SLAM subsystem helps in the autonomous building of a localised map for the machine; navigation subsystem discovers the optimum route from one point to another along with local path planning, and mechanical design aims to build frameworks for the car to execute a response—like handling of steering, acceleration and cruise control—based on insights received from other subsystems.

As for the financial part of the research, Garg said the institute has provided the team with the support of ₹1 lakh.

"We also received a cash prize amounting ₹50,000 from DRDO for a prototype we demonstrated at DRDO Robotics & Unmanned Systems Exposition 2018, winning the first prize."

"In addition to this, we have also received funds of around ₹2 lakh for the vehicle which is an Alto 800 car (on which we build the autonomous system)," said Shankara Narayanan, senior SLAM researcher at Sally Robotics.

According to a National Crime Records Bureau (NCRB) report, during 2014, 1.41 lakh people were killed and 4.77 lakh injured in 4.50 lakh accidents. By 2030, road accidents are expected to become the fifth leading cause of death in India.

According to a World Health Organisation report, 3% of India's GDP amounting ₹3.5 lakh crore is lost due to road accidents.

Simplilearn starts PGP in Six Sigma

Simplilearn and the University of Massachusetts Amherst (UMass Amherst) have started PGP in Lean Six Sigma, for engineers, CXOs, analysts, mid-level professionals. Learners will acquire skills about the tools needed to implement quality control in operations, production cycles and process outcomes through reengineering.

### TCS iON opens NQT to all corporates

TCS iON has said that its National Qualifier Test (NQT) will now be a common gateway test for several participating corporates for their fresher recruitment programmes. This test will provide candidates access to open positions at many corporates, helping corporates get an in-depth understanding of applicants' cognitive abilities, and reduce evaluation overheads.

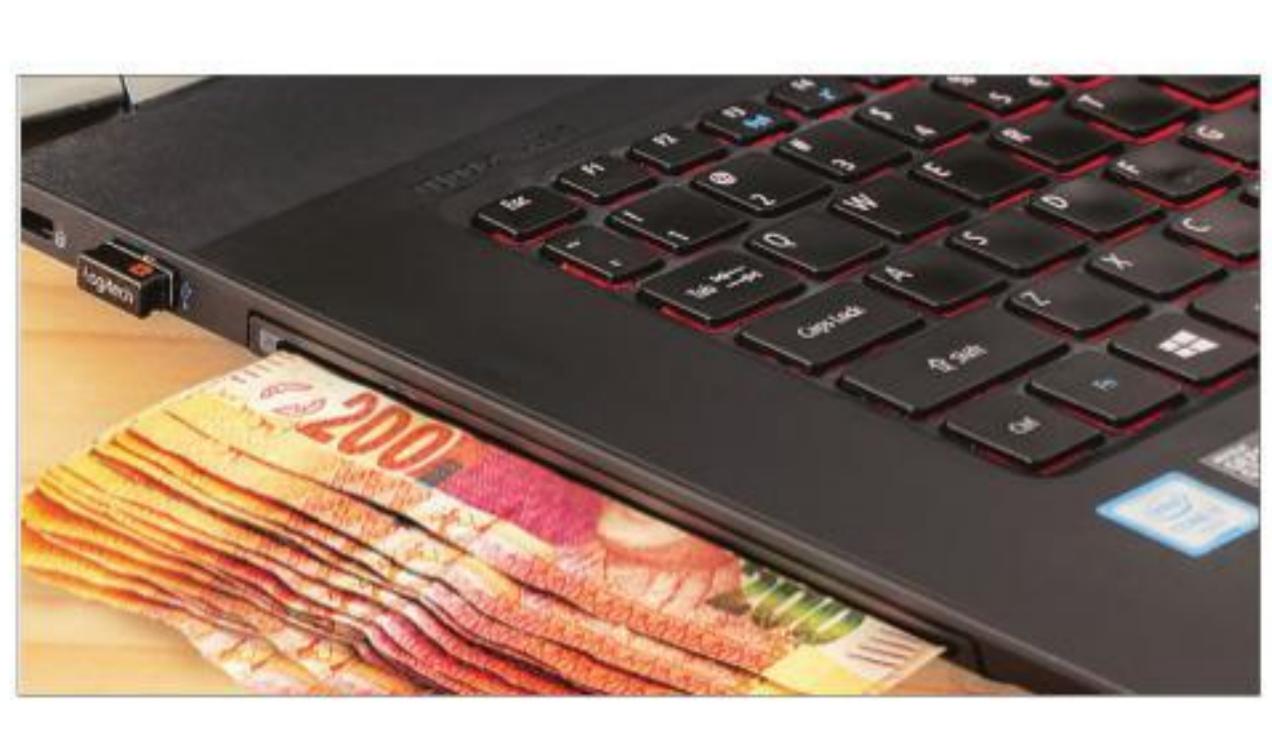
FE BUREAU

## New-gen banking

## GAURAV SHARMA

**MILLENNIALS AND GEN Z** are the most significant demographic and economic force of our times. This year alone, millennials will constitute 35% of the global workforce. Within a decade, their aggregate income will surpass \$4 trillion. A major bank in Australia that redesigned a credit card to appeal to millennials specifically discovered that usage volumes grew by 70% and new accounts by 40%. Similarly, in India, the share of millennials in new lending increased by 4.6% between 2015 and 2018.

By 2030, MZ (Millennials and Gen Z) in the US will witness a five-fold increase in their wealth as they are set to inherit \$68 trillion from their Baby Boomer parents—one of the most massive wealth



transfers seen in modern times. Thus, banks today are facing a broader competitive threat due to a fundamental change in customer behaviour.

Most millennials and Gen Z view their current relationships with the banks as transactional, and they will not hesitate to jump ship the moment a better service provider comes along. While banks across the world are chasing returns to survive, millennials are flocking to neo-

banks, non-banks, and entities like WhatsApp to transact. They are mobile natives who don't like picking up the phone to make a call. They would instead tweet to their bank than write an email.

So, digital banking applications will have to evolve from being just a window of transactional services to providing a holistic outlook of financial wellbeing. A bank built for the millennial must adopt autonomous finance, predictive person-

alisation, and function as their financial wellbeing manager.

Thus, from strengthening mobile banking apps and offering chatbots to high visibility and integration with all other parts of their life, banks will have to do it all.

Besides, Gen-Z consumers are 25% more likely to share personal information and interact with chatbots to let a company deliver a truly personalised experience. Autonomous finance makes this possible.

FinTechs catering to millennials offer an excellent example of the possibilities available to a bank needed to create a genuinely millennial banking experience—from using AI to provide auto-calibrating investment portfolios to providing exceptional financial advice based on one's income, life-stage, and aspirations.

We are all aware of what Amazon and Uber did to our lives. However, we are still banking the same way our parents did.

A redesigned bank ought to be truly customer-centric.

Author is founder of Atlantis Capital



## SKF Elixer India Pvt. Ltd, continuously working towards Make in India initiative and achieving a milestone year over year

The dynamic and visionary Managing Director of SKF Elixer India Pvt. Ltd, G Ramakrishna Achar, hailing from Gangolli, Kundapur, in Karnataka, is the inspiration behind the phenomenal growth of the group. In 1987, Achar founded SKF Industries, in a hired shed, in Moodbidri, with an initial capital of INR. 25,000.

Beginning with the manufacturing of Rice Cookers, the company grew exponentially, thanks to Achar's entrepreneurship and vision and today the company has an annual turnover of INR 2000 million and an infrastructure of INR. 500 million with a highly experienced, dedicated and professional team of technical,

administrative and marketing personnel.

The company has had the distinction of designing and manufacturing for the first time in India, a 1000 ton/day capacity Paddy Boiler-cum-Drier plant. SKF has more than 4000 installations all over India and abroad, the latest being in Costa Rica. It is a remarkable achievement considering Achar has done all of it from a remote village of Bannadka, near Moodbidri, Mangaluru. This is truly a Make in India initiative years back. Innovation, flexibility and complete solutions have ensured continuous improvements in quality and performance of the equipment.

### SKF ELIXER - ORYZA

This plant enables the miller to

produce any type of rice, as per the market demands at the most economical rate. Steamed rice is in great demand in the market today because of fast food in vogue globally. SKF ORYZA plant is built wholly of stainless steel, and produces the most hygienic, world-class steamed rice.

Majorly five types of rice are processed in India - Raw rice, Steamed rice, Half-boiled rice, Basmati rice and Boiled (Sella) rice.

SKF ORYZA can process and produce all these five types of rice of the best quality as it incorporates total PLC automation. SKF ORYZA is highly efficient and guarantees the best quality of output and reduces the breakage in further processing, thereby

increasing the yield of head rice. The return on investment could be as low as six months.

### EFFLUENT TREATMENT PLANT

Designed for treating waste water from parboiling plant that is safe for disposal into the environment, SKF VULCAN ETP & STP are the only plants in the country manufactured with stainless steel.

Thus, SKF Elixer India Pvt. Ltd, that is also known for producing state-of-the-art water purifiers for varied purposes, has been able to revolutionise rice/grain processing activity in the country through its innovative ideas and methods. It is no wonder that rice millers from across the country and globe prefer SKF processing plants for their reliability and quality.

### LEADERSHIP

G Ramakrishna Achar  
Founder Chairman  
& Managing Director



Under G Ramakrishna Achar, SKF Elixer has witnessed steady and sustainable growth.



Prajwal Achar, Joint Managing Director, who has imbibed his father's vision and continues to push the boundaries, guides it towards future milestones.

Today, SKF Elixer leads in three spheres -  
Paddy Processing  
Mineral Water Plants  
Waste Water Management Solutions

## THREE SPHERES OF SUSTAINABLE ENGINEERING THREE POWERHOUSES UNDER ONE ROOF

PADDY PROCESSING PLANTS

MINERAL WATER PLANTS

WASTE WATER MANAGEMENT SOLUTIONS

### PADDY PROCESSING

TECHNOLOGY AT ITS BEST

ALL-IN-ONE  
SINGLE / DOUBLE BOILED  
STEAM / BOILED  
RAW PADDY DRIERS



Built with stainless steel, SKF Elixer is a zero-maintenance product with a high level of automation and is suitable for multiple requirements. The output is available as per recipe without manual handling.

### SKF VULCAN ETP & STP

## THE FUTURE OF WASTE WATER MANAGEMENT IS HERE & NOW !



Exclusively designed for hotels, food processing industries, hostels, hospitals, apartments and workshops.

The custom-made SKF Vulcan ETP & STP is a boon to every establishment, grappling with issues of waste water.

The operations of the plant consist of collection, treatment and disposal.

- STAINLESS STEEL
- MODULAR
- PRE-FABRICATED
- SKID MOUNTED
- 1 KLD TO 500 KLD
- AUTOMATIC & SEMI-AUTOMATIC OPTIONS
- NON-CORROSIVE
- LOW MAINTENANCE

**elixer™**

PUREST WATER. HEALTHIEST LIFE.



## PURITY IN EVERY DROP & DROPLET

MINERAL  
WATER  
PLANTS



COMMERCIAL PLANTS  
25 LPH to 1,000 LPH



RO UV UF TDS  
TECHNOLOGY  
  
INSTITUTIONAL  
PLANTS  
15 LPH to 100 LPH

FOOD & BEVERAGE  
25 LPH to 500 LPH



FILLING COUNTERS  
100 LPH to 500 LPH



DOMESTIC PLANTS  
10 LPH



Available with  
PLAIN  
COLD  
HOT  
options

Elixer RO / UV / UF / TDS CONTROL technology removes all contaminants, retains the essential minerals and brings the TDS, pH level to that of natural mineral water to give you 100% pure, mineral drinking water from your own source.

## SKF Elixer India Pvt. Ltd

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Website: www.skfelixer.in

Toll Free No.

1800 103 4065



New Delhi

# Quick View



**Huawei: Sony, Kioxia seek US nod for supply**

**SONY AND KIOXIA Holdings have applied for US approval to continue supplying Huawei Technologies, Nikkei reported on Sunday. If confirmed, the move follows other companies that recently received licences from the US.**

**Honda confirms 17th US death in air bag rupture**

**HONDA MOTOR SAID on Saturday it has confirmed a 17th US death tied to a faulty Takata air bag inflator, which was to blame for the August 20 crash of a 2002 Honda Civic in Mesa, Arizona.**

**Hong Kong to issue bonds of up to \$1.9 bn**

**HONG KONG PLANS to issue as much as 13 billion yuan (\$1.9 billion) of inflation-linked bonds to encourage residents to take part in the city's financial development, according to Financial Secretary Paul Chan.**

**China probes former aide to VP Wang Qishan**

**CHINA IS INVESTIGATING a long-time colleague of Vice President Wang Qishan for alleged "serious violation of laws and party rules," Chinese authorities announced.**

**New Caledonia set to vote 'no' to breaking away from France**

**REUTERS Paris, October 4**

**VOTERS ON THE South Pacific archipelago of New Caledonia were on course to reject breaking away from France after nearly 170 years of colonial rule in a referendum on Sunday, partial results showed.**

**With votes from 249 out of 304 polling stations tallied, the partial results showed the "no" camp ahead with 54.8% support and expanding its lead, Ursula von der Leyen, agreed in**

## COVID FIGHT

# Trump says 'real test' ahead, after mixed messages from White House

**President's condition is improving and he could return to the White House as early as Monday, the doctors leading his treatment said**

**ALEXANDRA ALPER AND JEFF MASON Washington, October 4**

**PRESIDENT DONALD TRUMP told Americans from his hospital room that the next few days will be the "real test" of his treatment for Covid-19, after a series of contradictory messages from the White House caused widespread confusion about his condition.**

**In a four-minute video posted on Twitter on Saturday from his hospital suite at Walter Reed National Military Medical Center, tired-looking Trump said he was feeling "much better."**

**"Over the next period of a few days, I guess that's the real test, so we'll be seeing what happens over those next couple of days," Trump said into the camera, seated in front of an American flag and wearing**



President Donald Trump works in the Presidential Suite at Walter Reed National Military Medical Center

PHOTO: REUTERS

**a jacket and open-necked shirt. The remarks came hours after differing assessments of his health from administration officials left it unclear how ill the president had become since he tested positive for the new coronavirus on Thursday night, a matter of enormous public concern.**

**A White House team of doctors said on Saturday morning that Trump's condition was improving and that he was already talking about returning to the White House. One doctor said Trump told them, "I feel like I could walk out of here today."**

**Within minutes, White House chief of staff Mark Meadows gave reporters a less rosy assessment, telling them,**

**"The president's vitals over the last 24 hours were very concerning and the next 48 hours will be critical in terms of his care. We're still not on a clear path to a full recovery."**

**Meadows, whose initial comments were delivered on condition that he not be identified, altered his tone hours later, telling Reuters that Trump was doing "very well" and that "doctors are very pleased with his vital signs."**

**He did not clarify the discrepancy in his comments. A Trump adviser who spoke on condition of anonymity said the president was not happy to learn of Meadows' initial remarks.**

**Administration officials have described the move to**

**Walter Reed as precautionary.**

**Another source who was briefed on Trump's condition said the president was given supplemental oxygen before he went to the hospital. The decision to hospitalise Trump came after he had experienced difficulty breathing and his oxygen level dropped, according to a source familiar with the situation.**

**White House doctor Sean P Conley told reporters outside the hospital on Saturday that**

## Biden leads by 10 points

**DEMOCRAT JOE BIDEN opened his widest lead in a month in the US presidential race after President Donald Trump tested positive for the coronavirus, and a majority of Americans think Trump could have avoided infection if he had taken the virus more seriously, according to a Reuters/Ipsos poll released on Sunday. The October 2-3 national opinion poll gave little indication of an outpouring of support for the president beyond his core group of followers.**

**Among those adults who are expected to cast ballots, the poll found that 51% were backing Biden, while 41% said they were voting for Trump. Another 4% were choosing a third-party candidate and another 4% said they were undecided.**

**Biden's 10-point edge over Trump is 1 to 2 points higher than leads Biden posted over the past several weeks, though the increase is still within the poll's precision limits of plus or minus 5 percentage points.**

— REUTERS

**Walter Reed as precautionary.**

**Another source who was briefed on Trump's condition said the president was given supplemental oxygen before he went to the hospital. The decision to hospitalise Trump came after he had experienced difficulty breathing and his oxygen level dropped, according to a source familiar with the situation.**

**He declined to give a timetable for Trump's possible release from the hospital, and later had to issue a statement saying he misspoke after appearing to suggest Trump had been diagnosed as early as Wednesday.**

— REUTERS

**Trump had not had trouble breathing, and was not given oxygen at Walter Reed. "The team and I are extremely happy with the progress the president has made," Conley said.**

**He declined to give a timetable for Trump's possible release from the hospital, and later had to issue a statement saying he misspoke after appearing to suggest Trump had been diagnosed as early as Wednesday.**

— REUTERS

# Pompeo shortens travel to Asia

**FARIS MOKHTAR  
October 4**

**US SECRETARY OF State Michael Pompeo will shorten his travel to Asia this week as the White House deals with the spread of the coronavirus among its top officials.**

**Pompeo will visit Tokyo from October 4-6 for a meeting of the foreign ministers of four of the Indo-Pacific region's biggest democracies, State Department spokeswoman Morgan Ortagus said in a statement. His earlier itinerary included trips to Mongolia and South Korea on October 6-8.**

**President Donald Trump entered the hospital on Friday evening after announcing earlier in the day that he and first lady Melania Trump had been diagnosed with Covid-19. His is the most prominent case in what has become an outbreak of coronavirus among top Republican leaders, as well as Trump's inner circle.**

**The president's campaign launched "Operation MAGA" to send out surrogates who would attest to his vitality and keep his voter base motivated until Trump recovers enough to resume campaigning in person.**

**Pompeo and his wife have tested negative for the virus.**

**Pompeo is meeting with the foreign ministers of Japan, Australia and India — so called the Quad group that is seen as**



**a counter to China's influence in the region. Beijing has made clear its opposition to the US's "Indo-Pacific strategy," which was conceived to elevate India as a potential regional counterweight to China.**

**The meeting is also one of the highest-profile diplomatic gatherings for the Trump administration before the US presidential election, where policy toward Beijing has become a major campaign issue. It also comes as China and India try to defuse tensions on their disputed Himalayan border.**

**The Quad gathering will "focus on pressing issues of the Indo-Pacific region," Ortagus said.**

**"Secretary Pompeo expects to be travelling to Asia again in October and will work to reschedule visits on that trip, that is now just a few weeks off," she said.**

— BLOOMBERG

# Johnson doesn't want a no-deal Brexit but says can live with it

**REUTERS London, October 4**

**BRITISH PRIME MINISTER**

**Boris Johnson does not particularly wish for the Brexit transition period to end without a new trade deal in place but believes that Britain could live with such an outcome, he said on Sunday.**

**With the December 31 expiry of the transition period fast approaching, Johnson and the head of the EU's executive, Ursula von der Leyen, agreed in**

**a phone call on Saturday to step up negotiations on a post-Brexit deal.**

**"I think it's there to be done," Johnson said during an interview on BBC television.**

**"Alas, there are some difficult issues that need to be fixed, and there's no question that the EU needs to understand that we're utterly serious about needing to control our own laws and our own regulations, and similarly they need to understand that the repatriation of the UK's fisheries ... is**

**very important."**

**Asked whether he was worried about the potential impact of a no-deal situation in the middle of the Covid-19 pandemic, Johnson said: "I don't want the Australian WTO-type outcome, particularly, but we can more than live with it."**

**"I think the people of this country have had enough ... of being told that this will be impossible or intolerable. I think we can prosper mightily under those circumstances."**

**The government last week**



**told importers and exporters they would have to complete extra paperwork whether there was a deal or not and that a lack of preparation on their part could lead to 100 km queues of trucks.**

**That prompted accusations from the opposition that ministers were setting up industry to take the blame for any chaos that might follow a botched Brexit.**

**The EU says any deal must be sealed by the end of October, or in the first days of November**

**at the latest, to leave enough time for ratification by the bloc before the end of the year.**

**More trade talks are due in London next week and in Brussels the following week before the 27 national EU leaders meet over October 15-16 to assess progress. London has also said it wants clarity by October 15 on whether a deal is possible or not.**

**An estimated trillion euros (\$1.17 trillion) of annual trade would be at stake if they fail to reach an agreement.**

# Airbus executive expects 15,000 job cuts, says aviation outlook worse than expected

**REUTERS Berlin, October 3**

**THE OUTLOOK FOR the aviation industry has deteriorated again due to rising coronavirus infections and renewed travel restrictions, Airbus chief operating officer Michael Schoellhorn was quoted as saying on Saturday.**

**Tensions have long run deep between pro-independence indigenous Kanaks and descendants of colonial settlers who remain loyal to Paris.**

**More than 180,000 long-term residents are registered to vote "yes" or "no" on the question: "Do you want New Caledonia to gain its full sovereignty and become independent?"**

**Airbus has said it needs to shed 15,000 posts worldwide.**

**In an interview with the Handelsblatt business daily, Schoellhorn said the situation in early autumn was**



**worse than the company had expected during the summer, adding that the planned 15,000 job cuts would**

**be the minimum.**

**As some Airbus factories were already underutilised before the pandemic as quickly as anticipated,**

# Britain to deny asylum to illegal migrants

**REUTERS October 4**

**THE BRITISH GOVERNMENT will routinely deny asylum to migrants who board boats to cross the English Channel or come to Britain through illegal routes, the Sunday Times reported.**

**"In terms of substance, I do not see any German locations at risk at the moment," he said.**

**Airbus chief executive Guillaume Faury said last month the planemaker would do its best to cut costs without resorting to compulsory redundancies, but it could not guarantee they won't happen.**

**In a letter to staff in September, Faury warned that Airbus may have to carry out compulsory layoffs after air travel failed to recover from the pandemic as quickly as anticipated.**

**Under new laws that will be unveiled by interior minister Priti Patel on Sunday, the government will unveil its "fair borders bill," outlining its plan of a two-tier system in which migrants are treated differently if they pay criminal gangs to help them come to Britain.**

**New legal routes will be created for those who are at genuine risk of harm, and foreign criminals and asylum seekers not at risk will be deported.**

**In the two-tier system, migrants will be treated differently if they pay criminal gangs to help them come to Britain**

**"Currently, everybody that comes to our country and makes an asylum claim, they are treated the same, irrespective of the route through which they have entered our country — and that simply isn't right," Patel said in an interview with the London-based newspaper.**

**Earlier this week, the British government came under fire after media reports revealed it had studied housing asylum seekers on disused oil rigs, banishing them to camps in Moldova or Papua New Guinea.**

**unions now fear that the management could decide to shut down entire locations.**

**At least for Germany, Schoellhorn ruled out taking such a move.**

**"In terms of substance, I do not see any German locations at risk at the moment," he said.**

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**Earlier this week, the British government came under fire after media reports revealed it had studied housing asylum seekers on disused oil rigs, banishing them to camps in Moldova or Papua New Guinea.**

**Saudi Arabia's Finance Ministry seems to think that oil prices will stay around \$50 a barrel for at least the next three years. That's according to Goldman Sachs Group's analysis of the kingdom's pre-budget statement released on September 30.**

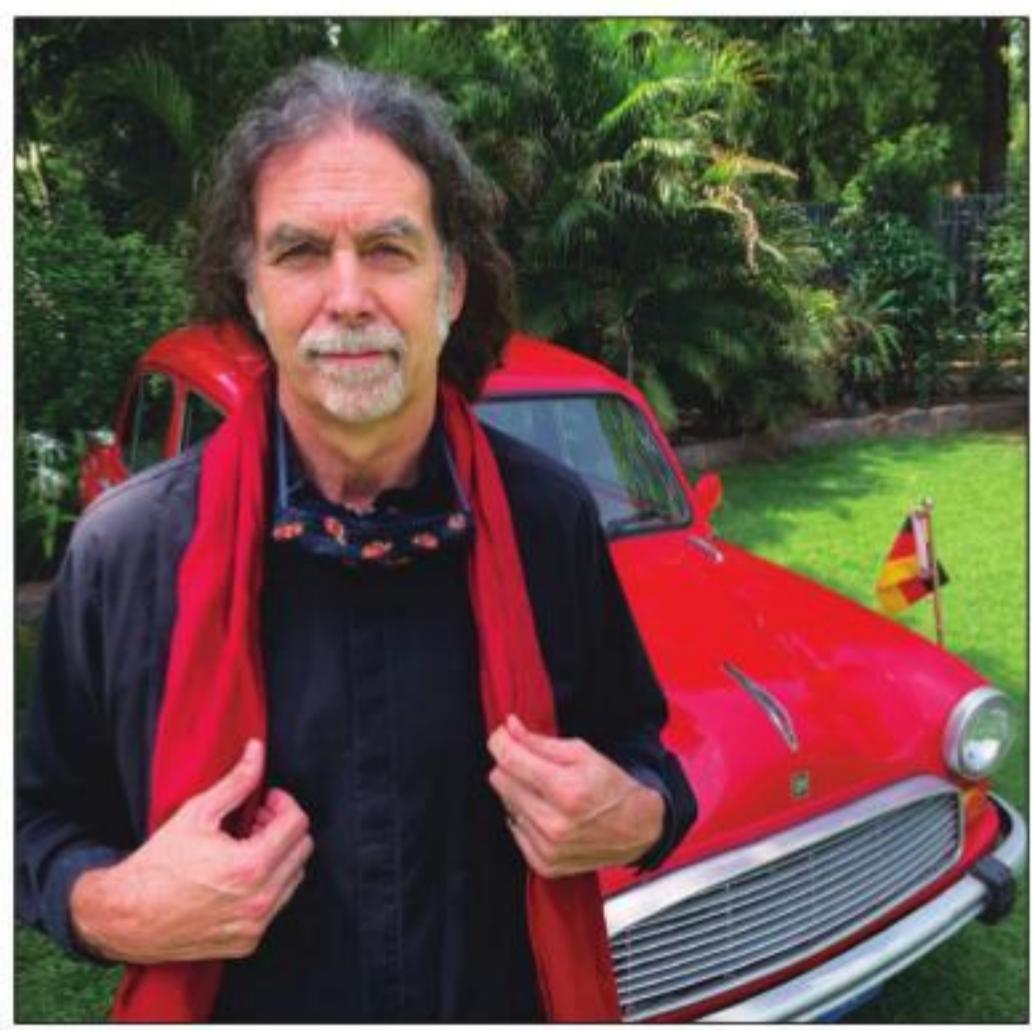
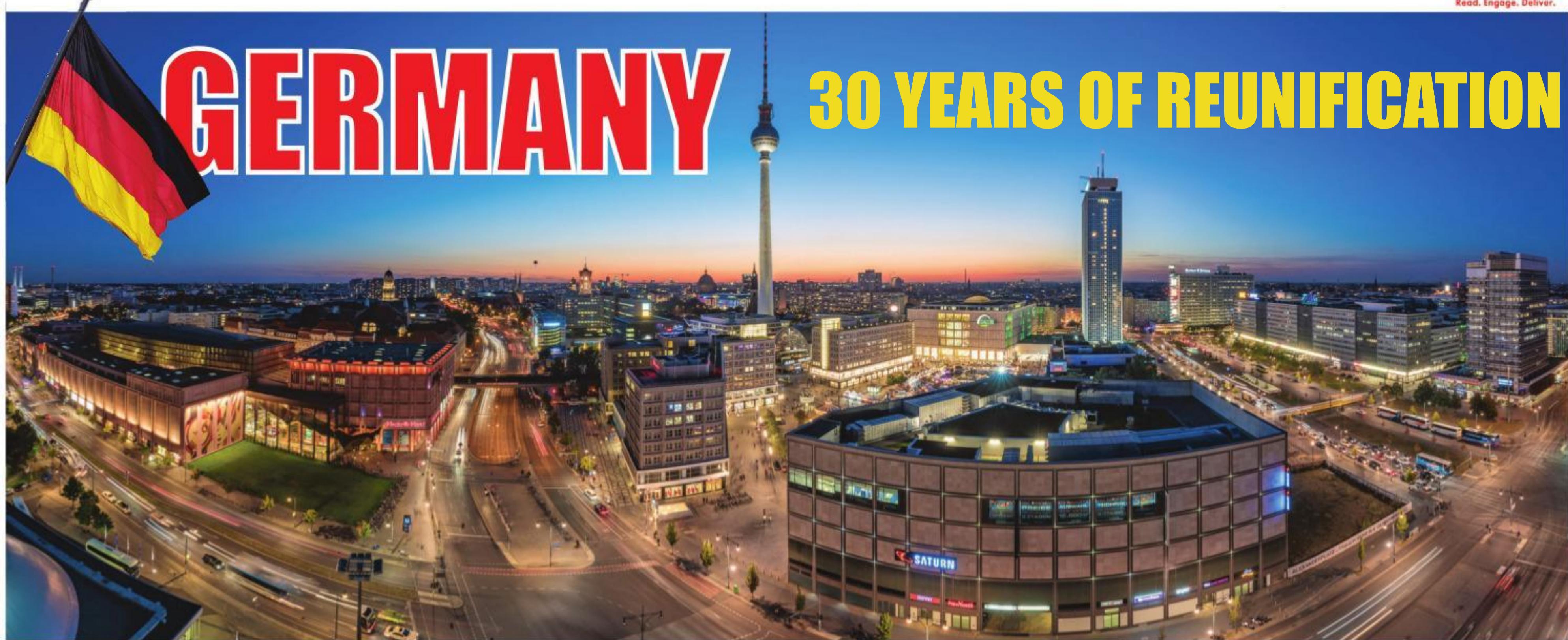
**"Using our own estimates for the breakdown of government revenues, we calculate that the numbers presented in the budget statement are based on an average oil price of around \$50 a barrel between 2020 and 2023," said Farouq Soussa, a London-based analyst at Goldman.**

**Market action on Friday suggested some investors may have been positioning for a stimulus announcement in the midst of the selloff.**

**The S&P 500 sectors representing industrials and financials, two groups that are more sensitive to a broad economic recovery, rallied 1.1% and 0.7%, respectively, while the broader index declined.**

**Even with worries over Trump's condition, "the fiscal program has been the loudest noise in the market," said Armin Holzer, macro and correlation defence strategist at EAB Investment Group.**

**Fresh stimulus could speed economic healing from the**



## A MIRACLE OF UNITY

THIS YEAR, ON OCTOBER 3, the Germans celebrate a turning point in their history: 30 years of reunification of East and West Germany. On this day in 1990, Germany was finally reunited, after 40 years of separation and Cold War. This 'miracle' of unity would not have been possible without the courageous, peaceful protests of citizens in former East Germany, nor without the support and trust of the former Allied Powers, the countries of Europe, and the international

community. Germany's unification went hand in hand with an ever-closer European Union, delivering unprecedented peace and prosperity for our continent. Nothing symbolises this more than the reconciliation between France and Germany, who have, respectively, become each other's closest friends and partners.

During the present time of great uncertainty, as the whole world is taken to task by a ruthless pandemic and is facing dire economic fallout, we draw inspiration from the strength that comes from unity.

The reunification of Germany would never have come about without the courageous, peaceful protests of citizens in former East Germany, nor without the support and trust of the former Allied Powers, the countries of Europe, and the international community, says **Walter J. Lindner**, German Ambassador to India

Our historical experience has taught us, that to achieve this, we need creativity, wisdom, and, above all, public engagement and multilateral cooperation.

Germany and India enjoy a strong strategic partnership, driven by regular consultations at the top level. We work together in many areas, from trade and investment to climate change, education, science, and development. We also cooperate on the world stage such as the United Nations, the G20 and the World Health Organisation.

Every year, we celebrated this historical event with many of you, at our Embassies and Consulates, at our Oktoberfest, and various other events. During Corona times, this is not possible. So the Embassy and our four German Consulates have come up with a rather unique surprise: a re-make of the epic Scorpions song 'Wind Of Change', performed by German and Indian musicians. You can find it on YouTube under <https://www.youtube.com/c/GermanyinIndia>.

## SWEET, SWEET MEMORIES ARE MADE OF THIS!

As Germany celebrates 30 years of reunification, the four Consul Generals of the German Missions across India look back at the eventful time that finds its place not only in history books but is also etched boldly in their own minds and hearts

On October 3, 1990, everything was just fantastic...

1989 and 1990 were breathtaking years...

"The Fall of the Berlin Wall and the German Reunification coincided with my decision to join the German Foreign Service. 1989 and 1990 were breathtaking years. It was history in the making. Looking back, I am very happy that the reunited Germany stayed and stays firmly rooted in Europe. Cooperation and partnership for peace and prosperity are lasting pillars of our foreign policy. They also shape our close relationship with India."

— Karin Stoll

German Consul General in Chennai



A united Germany can only prosper by striving for an ever closer EU...

"As a Berliner, I have the most vivid memories of the short period of time, from the fall of the Berlin Wall in 1989, to the reunification of Germany on October 3, 1990. That night, celebrating with thousands of Germans and non-Germans in front of the Brandenburg Gate just reinforced my conviction: A united Germany can only prosper and live up to her historic responsibilities by striving for an ever-closer European Union."

— Manfred Auster

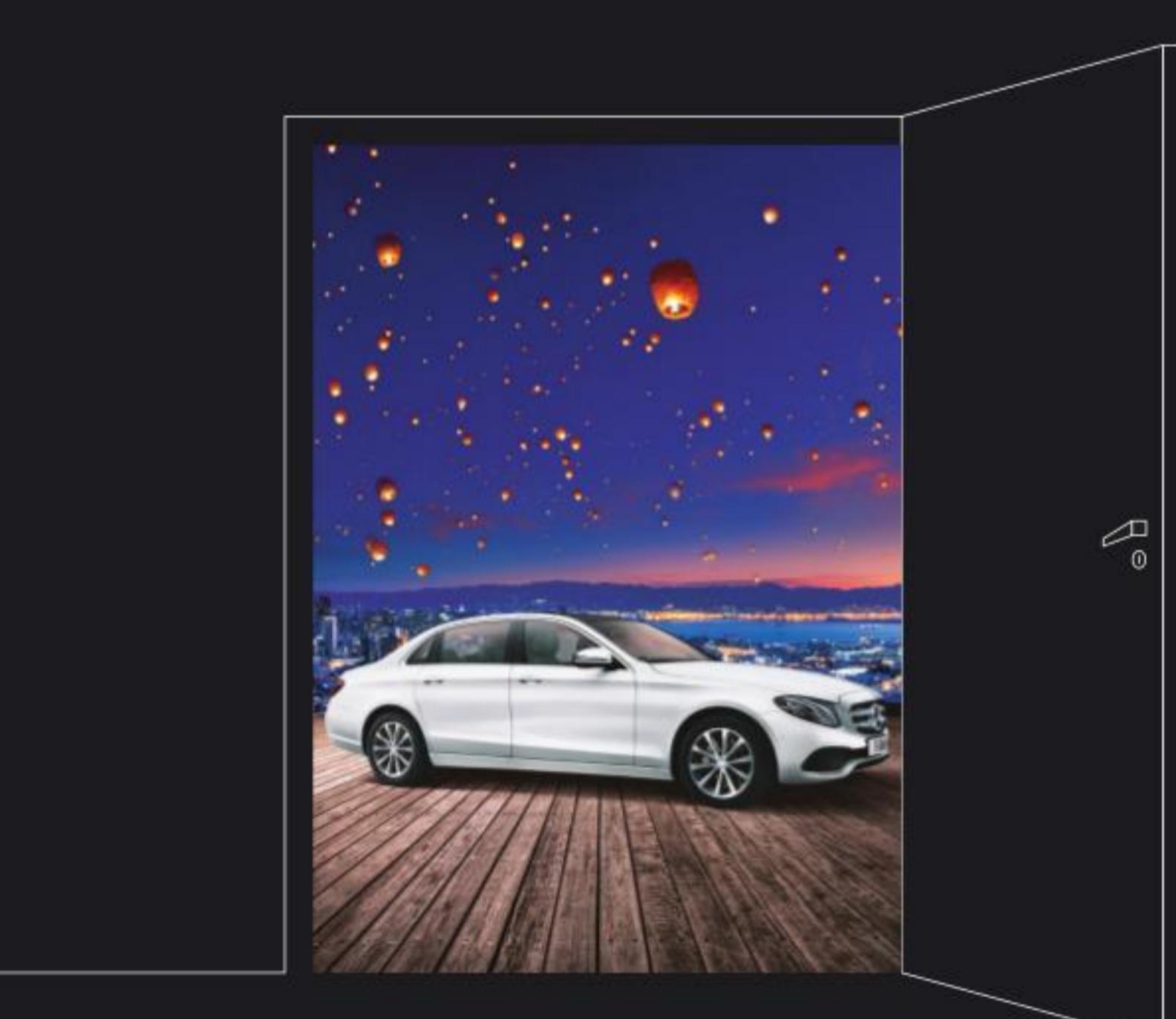
German Consul General in Kolkata

The moments of joy will be enshrined, forever, in my memory...

"October 3, 1990! I was posted in Tokyo at that time. Hence, I was unfortunately only a distant spectator of this historic event. But I was overwhelmed by the wide sympathy and the excellent media coverage of the celebrations at the Brandenburg Gate, Berlin, in Japan on this occasion. The vivid moments of joy at the celebrations will be enshrined forever in my memory."

— Achim Burkart

German Consul General in Bengaluru



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# LET US BE STRONG AND RESILIENT

Just as a reunified Germany was possible with the courage, strength and resilience of the people, Dr. Juergen Morhard, Consul General of Federal Republic of Germany in Mumbai, says that another kind of strength, resilience and unity is the need of the hour



**F**REEDOM IS THE MOST PRECIOUS POSSESSION. And although we commemorate thirty years of a reunified Germany this year, the pandemic has unfortunately driven us into a state of temporary confinement. We are all adjusting to what some people like to call the *new normal*: a time characterised by masks, sanitizers, and gloves. The elegant and safe *namaste* has replaced the firm handshake, the home space has replaced the office, and while the virus is running wild, the world is trying hard to get back on its feet. The German Embassies and Consulates have been busy, too – from arranging repatriation flights to facilitating exports of medicines, from assisting German companies in India to start anew to reopening our range of services in a gradual and cautious manner – taking care of our staff members and the visa applicants by adopting safe SOPs, also in line with government restrictions, so that nobody catches the virus.

As we take in our stride the virus and its impact, we are also excited about favourable times. Later this year, the DSB International School (German School Mumbai) will have a new address. The school is relocating to a new purpose-built campus, which will ensure a sustainable learning environment and allow for modern and innovative teaching: custom-designed spacious classrooms, a sports area with a swimming pool, and carefully planned internal spaces will provide for a rich learning environment. With the French International School and DSB International School under one roof, one can look forward to a hi-tech Euro-Campus in the heart of Mumbai city.

Another milestone in the field of education is the diamond anniversary of DAAD (Deutscher Akademischer Austausch Dienst) or the German Academic Exchange Service that turns sixty this year. The organisation has done significant work since its inception in India in 1960. A brief look back at history shows that DAAD has a long tradition of uniting people and academia. DAAD provides information about higher education and research in Germany, administers a large variety of scholarships to students, scholars, post-docs, and senior researchers from both India and Germany.

On the trade front, the past three months saw us more engaged with the German industry than ever before. Together with the German business and industry associations, the Consulate has initiated

and been a part of many conversations and discussions on the impact of COVID-19 on Indo-German trade and the challenges faced by German companies in India. These are testing times, but it is in times like these that partnerships and cooperation shine. I take this opportunity to thank all levels of Indian state governments in our jurisdiction who guided us well and continue to do so in these challenging times of COVID-19.

So while Germany celebrates thirty years of reunification, today, there's a need for another kind of global unity – for nations to come together for a greater good: to fight global issues like climate change, and of course, the pandemic. We remain optimistic that this, too, we shall overcome. After all, it is said that tough times don't last. And we'd like to hold on to that thought.

## FAST FACTS



Brandenburg Gate, West Berlin

**Germany (officially the Federal Republic of Germany)** is a country located in Central Western Europe, which lies between the Baltic and North Seas to the north; and the Alps, Lake Constance, and the High Rhine to the south. It borders Denmark to the north, Poland and the Czech Republic to the east, Austria and Switzerland to the south, France to the southwest, and Luxembourg, Belgium, and The Netherlands to the west.

A founding member of the European Economic Community in 1957 and the European Union in 1993, Germany is a part of the Schengen Area, and a became co-founder of the Eurozone in 1999. Germany is a member of the United Nations, NATO, the G7, the G20, and the OECD.

Known for its rich cultural history, Germany has been continuously the home of influential and successful artists, philosophers, musicians, sportspeople, entrepreneurs, scientists, engineers, and inventors.

Germany has over 2 millennia of history. Berlin, its capital, is home to art and nightlife scenes, the Brandenburg Gate, and many sites relating to WWII. Munich is known for its Oktoberfest and beer halls, including the 16th-century Hofbräuhaus. Frankfurt, with its skyscrapers, houses the European Central Bank.

**Full Name:** Federal Republic of Germany

**Capital:** Berlin (also the largest city)

**Other Major Cities:** Munich, Hamburg, Frankfurt, Stuttgart, Dresden, Leipzig, Cologne

**Government:** Federal Parliamentary Republic

**President (Head of State):** Frank-Walter Steinmeier

**Chancellor (Head of Government):** Angela Merkel

**Reunification of Germany (National Day):** October 3, 1990

**Anthem:** Das Lied der Deutschen (The Song of the Germans)

**Area:** Total 357,022 sq km (137,847 sq mi)

**Population:** 83,166,711 (2019 estimate)

**GDP (PPP):** Total \$4.444 trillion

Per capita \$46,653 (2019 estimate)

**Currency:** Euro

1 Euro = 1.17 USD

1 Euro = 86.20 Indian Rupees

**National Flower:** Blue Cornflower (Knapweed)

**Official Bird & Animal:** Bundesadler (Black Eagle)

**Time Zone:** GMT +1

**Internet TLD:** .de and .eu

**Calling Code:** +49

**Driving:** On the right



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 **FORGING AHEAD INTO THE FUTURE** 

The story began long back when Ravi Technoforge Pvt. Ltd., was known as Saurashtra Iron Forging Pvt. Ltd. Today, it is a well-established and well-known engineering and manufacturing company situated at Pipaliya village of Rajkot district, in the western part of Gujarat. It produces high precision forged and turned bearing races and other forged components. Making humble beginnings, today RTL stands tall at 30,000 MT per annum capacity with state-of-the-art facilities spread over Ten acres of land and exports to Ten Countries including Germany.



The year was 1990, when the founder of the company, Mr. Amruttal Bharadia established RTL. Starting off as a small contractor with the Birla Group of Companies in Porbandar, Mr. Amruttal Bharadia always aspired to develop high precision manufacturing facilities. In 1990, as the Indian market was opening up, he seized the opportunity to shift from contracting to manufacturing and also shifted base to Rajkot, which was emerging as a hub for forged and machined components for India as well as the world. Since then the company has grown because of his hard work of almost three decades and the able support of his younger brother, Mr. Rajesh Bharadia, an engineer with a passion for quality, automation and technology.

RTL started production of bearing rings in 1992 at its Shapar Plant. With production, also began the struggle with quality issues, competition, unknown products and market conditions. With consistent efforts, RTL established its presence as one of the preferred quality suppliers to SKF and FAG (now Schaeffler) in India. Looking at the quality and delivery performance of RTL, it was selected by SKF Germany as its supplier and the first export business started with SKF Germany in 2006. There after, there was no looking back. Over the years, RTL expanded to other European countries and USA under the chairmanship of Mr. Amruttal, who relentlessly worked towards development of world class facilities, people and system.

Mr. Rajesh Bharadia, Joint Managing Director was instrumental in achieving automation, system implementation, quality, new products and outreach to new markets and customers. In 2010, while setting up new facility, the visionary Chairman of the company, Mr. Amruttal and Mr. Rajesh knew the importance of developing quality products and consistency in supply for which latest technology machinery were required. Hence, they selected Sakamura and Manyo of Japan and Wagner of Germany and imported machines to augment production levels and deliver wide variety of products.

The wide experience in supplying to various National and International customers and a legacy of three decades in precision manufacturing has enhanced the expertise of the company to the level of excellence. Ravi Technoforge Pvt. Ltd. is an IATF 16949, ISO 14001 & ISO 45001 company certified by TÜV and Green Flow category & preferred supplier to SKF, Schaeffler, TIMKEN to name a few. The company is managed by industry experts in various management and leadership roles.

The company went through two economic recessions in the last decade yet emerged stronger. It is still withstanding the current turbulent times of Covid-19. This year RTL not only won large export orders from new customers in Germany, USA and other parts of Europe, but also initiated activities for foreign collaboration to get investment and bring new technology and business to the company and further augment its presence in the value chain as a top-quality supplier. The vision of both promoters gives fuel to RTL's journey. With this strength, the journey continues.

**Ravi Technoforge Pvt. Ltd.**

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E-mail : [info@ravitechnoforge.com](mailto:info@ravitechnoforge.com) | Web : [www.ravitechnoforge.com](http://www.ravitechnoforge.com)



# GERMANY

## 30 YEARS OF REUNIFICATION

# Hydrogen Energy – A Roadmap To The Future

In the post-COVID-19 era, dramatic changes will be the need of the hour if we are to win against climate change. Germany has taken the first big step by announcing an ambitious hydrogen roadmap. India is following suit, slowly but surely, and has the promise to leapfrog to the waste-to-wealth and hydrogen reality, says Siddharth R. Mayur



**H**YDROGEN, THEY SAY, is the new oil, and that being true, Germany is going to be the new Mecca for energy. German engineering's contribution to building a better world and furthering human progress is indispensable, and the new innovations on the hydrogen pathway by German companies and institutes promise to usher in a new energy revolution in the world.

The dynamic transition from a fossil-based world to a de-carbonised one adopted by Germany will be a role model for the rest of the world. India, which is emerging as one of the largest emitters of greenhouse gases, has a lot to benefit from the close ties that it enjoys with Germany.

Technologies in waste management, the power to fuels, green hydrogen, fuel cells, solid-state and salt batteries hold a very large potential for cooperation. Germany as a technology provider, and India as an inexpensive manufacturing hub and one of the largest markets to commercialise, these technologies present a very interesting synergy.

German technology clubbed with Indian entrepreneurship can create a sustainable hydrogen economy model. India, with its vast

counterparts. As a matter of fact, there already exist successful ventures of German companies with Indian entrepreneurs in the field of hydrogen and fuel cells.

It is an idea whose time has come. In the post-COVID-19 era, dramatic changes will be the need of the hour if we are to win against climate change. Germany has taken the first big step by announcing an ambitious hydrogen roadmap. India is following suit, slowly but surely, and has the promise to leapfrog to the waste-to-wealth and hydrogen reality.

These are exciting times, despite the gloom of the virus. The world around us is ready for a fundamental change. On October 3, we celebrate 30 years of the reunification of Germany. This month also marks the birth anniversary of Mahatma Gandhi, who encouraged everyone to *be the change*. Germany and India must unite to *be the change*, and bring about a cleaner new world.

*The author is a participant of the 'Energy Transition-German Hydrogen Policy' themed-trip organised by the German Federal Foreign Office, and founder of h2e Power Systems, India's first Fuel Cell & Green Hydrogen company.*



People from East and West Germany gathering at the Berlin Wall

## OCTOBER 3, 1990 A RED LETTER DAY

Just under a year after the destruction of the Berlin Wall on November 9, 1989, East and West Germany reunited after 45 years, on what is known today as 'Unity Day'

**S**INCE 1945, when Soviet forces occupied eastern Germany, and the United States and other Allied forces occupied the western half of the nation at the close of World War II; divided Germany had come to serve as one of the most enduring symbols of the Cold War.

Some of the most dramatic episodes of the Cold War took place there. The Berlin Blockade (June 1948–May 1949), during which the Soviet Union blocked all ground travel into West Berlin, and the construction of the Berlin Wall in 1961 were perhaps the most famous. With the gradual waning of Soviet power in the late 1980s, the Communist Party

in East Germany began to lose its grip on power. Tens of thousands of East Germans began to flee the nation and by late 1989 the Berlin Wall started to come down.

Shortly thereafter, talks between East and West German officials, joined by officials from the United States, Great Britain, France, and the USSR, began to explore the possibility of reunification. Two months following reunification, all-German elections took place and Helmut Kohl became the first Chancellor of the reunified Germany. Although this action came more than a year before the dissolution of the Soviet Union, for many observers the reunification of Germany effectively marked the end of the Cold War.

## BERLIN A Political Centre

Even in the Unification Treaty it was determined that Berlin be the capital. On June 20, 1991, the Deutsche Bundestag passed a resolution to also move the Seat of Government and Parliament from Bonn – since 1949 the capital of the Federal Republic – to Berlin. Since the move in 1999, Germany once again has in Berlin a pulsating political centre that bears comparison with the major cities of the big European neighbouring states. In addition to the newly designed Reichstag building, symbols of this are the Chancellery and the open Brandenburg Gate, which represents the overcoming of the country's division. For a while, there had been fears that the Government's move to Berlin could become an expression of new German megalomania, with which the country's economic and political weight would upset the status quo in Europe again. These fears proved to be wrong. Rather, German Unity was to be the initial spark that led to the overcoming of the division of

Europe into east and west.

As such, Germany actually played a pioneering role in the political and economic integration of the continent. In addition, it gave up one of the most important instruments and symbols in the unification process, the Deutschmark, to create a European Monetary Union, the Eurozone, which would not exist without Germany. Nor, despite their being heavily involved in the unification process, have the various federal governments since 1990 ever lost sight of European integration, but have played an active role in its development, which culminated in the Lisbon process.

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# Contact tracing, key to reining in Covid virus, falls flat in West

The West's public health systems have not matched the success in parts of eastern Asia where the fear of epidemics became more ingrained after SARS & MERS

THE NEW YORK TIMES  
London, October 4

AS THE CORONAVIRUS stampeded across Europe and the United States this spring, governments made their depleted citizens a tantalising promise: Soon, legions of disease detectives would hunt down anyone exposed to the virus, confining them to their homes and letting everyone else get on with their lives.

Nearly eight months on, as a web of new infections spreads across Europe and the US, that promise has nearly evaporated.

Despite repeated vows by the Western nations to develop "world-beating" testing and tracing operations, those systems have been undone by a failure of governments to support citizens through onerous quarantines or to draw out intimate details of their whereabouts.

That has shattered the hope of pinpoint measures replacing lockdowns and undermined flagging confidence in governments.

Beholden to privacy rules, Western officials largely trusted people to hand over names to contact tracers. But that trust was not repaid, in large part because governments neglected services that were crucial to winning people's cooperation: a fast and accurate testing system, and guarantees that people would be housed, fed and paid while they isolated.

Public health leaders fell in love with the idea of contact tracing as an important tactic — and it is — but that'd be like if you're going into war and were just talking about the tanks," said Brian Castrucci, president of the d Beaumont Foundation, a public health charity in Maryland.

Just as important, officials overlooked the impact of raging mistrust in government and a thicket of conspiracy theories about the virus's spread. Fearful of plunging themselves or their friends into a painful period off work, infected patients have handed over a paltry number of contacts and often flouted self-isolation rules. The contact tracers are struggling to reach people who test positive, and being rebuffed once they do.

In theory, countries were to build mass testing programs that would provide quick diagnoses. Then a group of tracers would find others who had crossed paths with the infected



## TRACING THE VIRUS

- In Spain, contact tracers identify, on average, only three contacts for each known case
- In New York City, each infected person hands over an average of 1.1 other names
- In England, people are neither handing over many contacts — about five, on average — nor following the rules
- However, in Taiwan, an infected person names more than 15 contacts on average, and tracers often interview patients in person

person and tell them to stay home. Elected officials presented the system as a critical bridge between lockdown and a vaccine, allowing them to contain small outbreaks without shutting down large parts of society. But construction of that bridge has been rocky, at best.

The West's public health systems have not matched the success in parts of East Asia where the fear of epidemics became more ingrained after SARS and MERS. Following those outbreaks, places like Taiwan and South Korea built robust tracing systems and legal frameworks for limiting civil liberties during an epidemic. Some contact tracers have used cellphone and credit card data to identify people who were potentially exposed. But in Europe and the US, which have largely relied on the public to provide information and follow quarantine rules voluntarily. The response has been spotty.

The West also ran up against the blunt fact that contact tracing, while useful in containing limited cases, has become overwhelmed by a new explosion of infections. In the past week, Europe has averaged about 60,000 new daily cases, while the US is registering more than 40,000.

Following those outbreaks, places like Taiwan and South Korea built robust tracing systems and legal frameworks for limiting civil liberties during an epidemic. Some contact tracers have used cellphone and credit card data to identify people who were potentially exposed. But in Europe and the US, which have largely relied on the public to provide information and follow quarantine rules voluntarily. The response has been spotty.

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With tests results lagging in many countries, contact tracers cannot get ahead of the virus. In Paris, people wait up to a week to get testing appointments and results. England recently recorded a backlog of nearly 200,000 untested lab samples, making it impossible to track the virus through newly reopened schools.

## Cleric-cum-politician new head of anti-govt alliance in Pak

FIREBRAND CLERIC-CUM-POLITICIAN Maulana Fazlur Rehman has been unanimously appointed as the chief of the newly-formed Pakistan

Democratic Movement (PDM), an anti-government alliance launched by 11 Opposition parties to oust Prime Minister Imran Khan.

The decision was taken during a virtual meeting of the Opposition parties attended by Pakistan Muslim League-Nawaz (PML-N) supremo and three senior politicians.

time former prime minister Nawaz Sharif, Pakistan Peoples Party (PPP) chairman Bilawal Bhutto Zardari, Balochistan National Party chief Sardar Akhtar Mengal among other senior politicians.

—PTI

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## ATAM VALVES LIMITED

Corporate Identification Number: U27109PB1985PLC006476

Our Company was originally incorporated as a Partnership Firm in 1982 which had Vimal Parkash Jain, as one of the Partners and commenced the business from mid-1982. Later, Vimal Parkash Jain founded and incorporated "Atam Valves Private Limited", a private limited Company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated September 30, 1985 bearing Registration Number 6476 issued by Registrar of Companies, Punjab, HP & Chandigarh by taking over the entire business of Atam Valves, a Partnership Firm. Subsequently, our Company was converted into a public limited Company pursuant to special resolution passed by the shareholders dated November 09, 2017 and the name of our Company was changed to "Atam Valves Limited" to reflect the legal status of our Company pursuant to a fresh certificate of incorporation granted by the Registrar of Companies, Chandigarh, dated November 24, 2017 bearing Corporate Identification Number U27109PB1985PLC006476 For further details, please refer the chapter titled "History and Certain Corporate Matters" beginning on page 124 of the Prospectus.

Registered Office: 1051, Industrial Area, Jalandhar, Punjab – 144 004 Tel No: 0181 5001111 | Email: cs@atamvalves.com | Website: www.atamvalves.in |

Contact Person: Natisha Choudhary, Company Secretary & Compliance Officer

PROMOTERS OF THE COMPANY: VIMAL PARKASH JAIN AND AMIT JAIN

## BASIS OF ALLOTMENT

INITIAL PUBLIC ISSUE OF 11,25,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- EACH ("EQUITY SHARES") OF ATAM VALVES LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 40 PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ 30 PER EQUITY SHARE), AGGREGATING TO ₹ 450.00 LAKHS ("THE ISSUE"), OF WHICH 57,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00/- FOR CASH AT A PRICE OF ₹ 40 EACH AGGRGATING ₹ 2.30 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 10,68,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR CASH AT A PRICE OF ₹ 40.00 PER EQUITY SHARE, AGGRGATING TO ₹ 427.20 LAKHS IS HERINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.27 % AND 25.89 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00/- EACH AND THE ISSUE PRICE IS ₹ 40.00/- EACH.

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ISSUE OPENED ON: SEPTEMBER 18, 2020

ISSUE CLOSED ON: SEPTEMBER 25, 2020

The Equity Shares of the Company offered through the Prospectus dated September 08, 2020 are proposed to be listed on the SME Platform of BSE Limited ("BSE SME") in terms of Chapter IX of SEBI (ICDR) Regulations, 2018. Our Company has received an In-principle approval dated September 02, 2020 from BSE Limited for listing our shares and also for using its name in the offer document for listing of our shares on BSE SME. For the purpose of the Issue BSE Limited will be the Designated Stock Exchange. The Issue is being made through the Fixed Price Issue process, the allocation in the Net Issue to the Public category is made per Regulation 25(2) of the SEBI (ICDR) Regulations, 2018 as amended from time to time, wherein a minimum 50% of the net issue of shares shall be allocated to retail individual investors and (b) remaining to: (i) individual applicants other than retail individual investors; and (ii) other investors including corporate bodies or institutions, irrespective of number of specified securities applied for; Provided that the unsubscribed portion in either of categories specified in clauses (a) or (b) may be allocated to applicants in the other category. All investors have participated in this offer through ASBA process including through UPI mode (as applicable) by providing the details of the respective bank accounts / UPI ID as applicable in which the corresponding application amounts were blocked by Self Certified Syndicate Banks (the "SCSBs") / Sponsor Bank as the case may be. For details in this regard, specific attention is invited to chapter titled "Issue Procedure" on page 224 of the Prospectus.

## SUBSCRIPTION DETAILS

### Details of the application:

The Issue has received 32,79,000 applications (before rejections and Bids not Banked) for 11,25,000 Equity Shares (Including Market Maker Application of 57,000 Equity Shares) resulting 2.91 times subscription. The details of the applications received in the Issue (before technical rejections but after Bids not banked) are as follows:

### Details of valid Applications Received (Before Technical Rejection and after bids banked)

CATEGORY	NUMBER OF APPLICATIONS	NUMBER OF EQUITY SHARES	SUBSCRIPTION*
Market Maker #	1	57,000	1.00
Other than Retail Individual Investors	60	13,38,000	2.51
Retail Individual Investors	610	18,30,000	3.43
<b>TOTAL</b>	<b>671</b>	<b>32,25,000</b>	<b>2.87</b>

\*Rikshaw Securities Limited is the sole Market Maker to the Issue

\*Subscription time have been computed on the basis of the issue size as per the Prospectus.

Details of bids not banked are detailed below:

CATEGORY	NUMBER OF APPLICATIONS	NUMBER OF EQUITY SHARES
Other than Retail Individual Investors	0	0
Retail Individual Investors	18	54,000
<b>TOTAL</b>	<b>18</b>	<b>54,000</b>

Details of applications rejected by the Registrar on technical grounds are detailed below:

CATEGORY	NUMBER OF APPLICATIONS	NUMBER OF EQUITY SHARES
Market Maker	0	0
Other than Retail Individual Investors	2	21,000
Retail Individual Investors	35	1,05,000
<b>TOTAL</b>	<b>37</b>	<b>1,26,000</b>

Details of valid Applications Received (After Technical Rejection):

CATEGORY	NUMBER OF APPLICATIONS	NUMBER OF EQUITY SHARES	SUBSCRIPTION
Market Maker	1	57000	1.00
Other than Retail Individual Investors	58	1317000	2.47
Retail Individual Investors	575	1725000	3.23
<b>TOTAL</b>	<b>634</b>	<b>3099000</b>	<b>2.75</b>

ALLOCATION: The Basis of Allotment was finalized in consultation with the Designated Stock Exchange i.e. SME Platform of BSE Limited (BSE SME) on September 30, 2020

A. Allocation to Market Maker (After Technical Rejections): The Basis of Allotment to the Market Maker, at the issue price of ₹ 40.00/- per Equity Share, was finalized in consultation with BSE SME. The category was subscribed by 1.00 time. The total number of shares allotted in this category is 57,000 Equity shares in full out of reserved portion of 57,000 Equity Shares.

B. Allocation to Retail Individual Investors (After Technical Rejections): The Basis of Allotment to the Retail Individual Investors, at the issue price of ₹ 40.00/- per Equity Share, was finalized in consultation with BSE SME. The category was subscribed by 3.23 times. Total number of shares allotted in this category is 6,06,000 Equity shares.

No. of Shares Applied for (Category wise)	No. of Applications Received	% to total	Total No. of Shares applied in Retail Individual Investors category	% of total	Proportionate Shares Available	Allocation per Applicant (Before Rounding Off)	Allocation per Applicant (After Rounding Off)	Ratio of Allottees to the Applicants	Total No. of Equity Shares allotted	Surplus/ (Deficit)
3000	575	100	1725000	100	606000	1053.91	3000	202:575	6,06,000	0
<b>Total</b>	<b>575</b>	<b>100</b>	<b>1725000</b>	<b>100</b>	<b>606000</b>				<b>6,06,000</b>	<b>0</b>

C. Allocation to Non-Retail Individual Investors (After Technical Rejections): The Basis of Allotment to the Non-Retail Individual Investors, at the issue price of ₹ 40.00/- per Equity Share, was finalized in consultation with BSE SME. The category was subscribed by 2.47 times. Total number of shares allotted in this category is 4,62,000:

No. of Shares Applied for (Category wise)	No. of Applications Received	% to total	Total No. of Shares applied in Retail Individual Investors category	% of total	Proportionate Shares Available	Allocation per Applicant (Before Rounding Off)	Allocation per Applicant (After Rounding Off)	Ratio of Allottees to the Applicants	Total No. of Equity Shares allotted	Surplus/ (Deficit)
6000	32	55.18	192000							