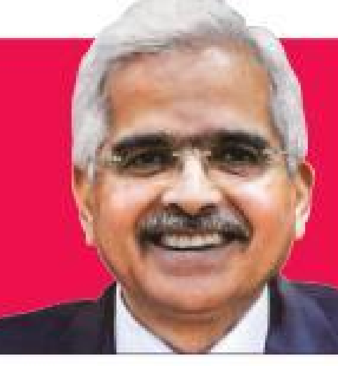

NEW DELHI, FRIDAY, APRIL 23, 2021

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IN THE NEWS

PM announces India-US 2030 climate pact

TO IMPROVE access to finance for clean technologies, Prime Minister Narendra Modi on Thursday announced the launch of 'India-US climate and clean energy agenda 2030 partnership', reports **fe Bureau** in **New Delhi.** He made the announcement, addressing the online climate summit at the invitation of US President Joe Biden.

JLR output at two UK plants hit by chips shortage

OUTPUT AT two of Jaguar Land Rover's (JLR) British car factories will be temporarily halted from Monday, due to Covid-19 supply chain disruption, including a lack of semi-conductors, the firm said on Thursday, reports **Reuters.**

EC bans vehicle rallies, roadshows in West Bengal

SAYING Covid safety norms were being flouted in West Bengal during campaigning, the Election Commission on Thursday banned roadshows and vehicle rallies in the state and said no public meet having over 500 people would be allowed, reports **PTI.**

REASSURANCE

Reforms on course despite Covid: FM

Adds saving lives top priority of govt right now

FE BUREAU
New Delhi, April 22

FINANCE MINISTER Nirmala Sitharaman said on Thursday that despite the fresh challenges to economic management caused by the second, virulent Covid wave, key budgetary proposals including the creation of a state-owned development finance institution (DFI) and an ambitious agenda laid out for privatisation were very much 'on course'.

Since the focus right now was on saving lives, vaccination and addressing the deficits in managing the Covid patients, the question of reliefs to economic agents like another loan moratorium was yet to be deliberated upon, she said.

Speaking at the first of a series of online, agenda-setting debates organised by *The Indian Express* and *Financial Times*, the FM said front-loading of borrowings by the Centre and states in the current fiscal would help harness the resources needed to keep momentum of public expenditure, including capex.

On the alleged protectionist twist in India's foreign trade policy, she said tariff increases announced recently were aimed at arresting the influx of 'end-consumer' (finished) goods, where domestic capacities were robust. She stressed imports of raw materials and intermediate goods were not being targeted.

Continued on Page 2

Nirmala Sitharaman, FM

NEGATIVE OUTLOOK

Fitch affirms BBB- rating for India

FE BUREAU & AGENCIES
New Delhi, April 22

FITCH RATINGS ON Thursday affirmed 'BBB-' sovereign rating for India, saying that a recent surge in coronavirus cases may delay GDP recovery, but it won't derail the economy.

However, the agency said that the outlook was negative, reflecting lingering uncertainty around the debt trajectory.

"The negative outlook reflects lingering uncertainty around the debt trajectory following the sharp deterioration in India's public finance metrics due to the pandemic shock from a previous position of limited fiscal headroom. Wider fiscal deficits, and government plans for only a gradual narrowing of the deficit, put greater onus on India's ability to return to high levels of GDP growth over the medium term to stabilise and bring down the debt ratio," the rating agency said.

Fitch forecasts a 12.8% recovery in GDP in the fiscal ending March 2022 (FY22), moderating to 5.8% in FY23, from an estimated contraction of 7.5% in FY21.

Continued on Page 2

UPHILL TASK

(Clockwise from above): A Covid vaccination centre wears a deserted look amid shortage of vaccines, at a hospital in Amritsar; relatives of Covid patients enquire about availability of oxygen cylinders at a filling centre in in New Delhi on Thursday; a Covid-19 facility is prepared by workers as cases surge, in Kochi on Thursday

COVID 'EMERGENCY'

SC asks Centre to submit vaccine, oxygen supply plan

FE BUREAU
New Delhi, April 22

TAKING SUO MOTU cognizance of the several high court hearings underway regarding Covid-19 preparedness across the country, the Supreme Court on Thursday sought response from the Centre on the management of the crisis and supply of Covid-care essentials like oxygen and medicines as cases are surging all over.

Noting that India was now facing a "national emergency-like situation," a Bench led by Chief Justice SA Bobde and justices S Ravindra Bhat and L Nageshwar Rao asked the Centre to submit its plan on Covid preparedness, including the details of the nationwide vaccination drive plan.

■ Noting that India was now facing a **'national emergency-like situation'**, a Supreme Court Bench led by Chief Justice SA Bobde asked the Centre to submit its national plan on Covid-19 preparedness

■ The top court sought response on four issues — **supply of oxygen and essential drugs, method and manner of vaccination and power to declare lockdown**

Continued on Page 2

Pfizer offers Covid vaccine to Centre at 'not-for-profit' price

PRESS TRUST OF INDIA
New Delhi, April 22

GLOBAL PHARMA MAJOR Pfizer on Thursday said it has offered a not-for-profit price for its vaccine for the government immunisation programme in India and it remains committed to continuing engagement with the government to make the vaccine available in the country.

The company also said during the pandemic phase it will supply the Pfizer-BioNTech Covid-19 mRNA vaccine only through government contracts.

"Pfizer remains committed to continuing our engagement with the government towards making the Pfizer and BioNTech vaccine available for use in the government's immunisation programme," a Pfizer spokesperson said in an emailed response. As stated earlier, Pfizer will prioritise supporting governments in their immunisation programmes and supply the vaccine only through government contracts based on agreements with respective authorities and following regulatory authorisation, it had added.

Continued on Page 2

Special Feature

'It will get tough for big agencies to handle start-ups'

Abhijit Avasthi, co-founder, Sideways Consulting, on what stops established brands from hiring independent agencies for big campaigns, and more

■ BrandWagon, P9

REALTY CHECK

Housing demand is here to stay: Parekh

FE BUREAU
Mumbai, April 22

THE DEMAND FOR housing in India remains a combination of purchases by first-time homebuyers, customers moving up the property ladder by shifting to larger homes or acquiring a second home in another location. It is structural in nature and unlikely to dissipate soon, Housing Development Finance Corporation (HDFC) chairman Deepak Parekh said on Thursday.

With the work from home (WFH) option increasingly available, the proximity to one's workplace has become a less compelling consideration. As a result, there are wider options in terms of locations when buying a home. "I firmly believe that the demand for housing is not pent up. It is structural demand and that is here to stay," Parekh said, speaking at a digital property tech summit organised by Brigade REAP and HDFC Capital.

Capitalising on technology for the real estate sector will improve governance and one way of doing this would be to make real time data on real estate available.

—DEEPAK PAREKH
CHAIRMAN, HDFC

Continued on Page 2

QuickPicks

HC dismisses pleas against MP Birla Group chairman Lodha

A DIVISION bench of the Calcutta High Court on Thursday dismissed the contempt petitions filed by the Birlas against MP Birla Group chairman Harsh Vardhan Lodha for continuing as a director and chairman in the group companies, reports **fe Bureau** in **Kolkata.** The bench passed a 'landmark judgment' dismissing several contempt pleas filed against Lodha for continuing as a director and chairman in Birla Corporation, Universal Cables, Vindhya Telelinks and Birla Cable, according to a statement issued by the Lodhas. **PAGE 4**

Lenders to withdraw debt recast if Future-RIL deal goes through

LENDERS TO Kishore Biyani's Future Group will withdraw the just-approved debt recast plan that offered easier repayment options, if the troubled retailer's ₹24,713-crore asset sale to Reliance Industries (RIL) goes through in a reasonable time frame, sources said, reports **PTI.** Lenders of Future Retail last week agreed to extend repayment of loans by up to two years, while converting unpaid interest into a funded interest term loan. The penal charges too will be waived under the recast plan. **PAGE 5**

Capex: No monthly caps for govt depts

TO KEEP momentum of economic activity amid the spike in Covid infections, the Centre on Thursday announced removal of quarterly and monthly expenditure ceilings for various departments with regard to capital expenditure, reports **fe Bureau** in **New Delhi.** The objective of the latest directive is to facilitate allocation of additional funds from department of economic affairs' discretionary corpus of ₹44,000 crore to those departments who show good progress in capex.

■ Report on Page 2

New orders to Centre at ₹400: Serum

A DAY after announcing differential pricing for the Covid-19 vaccine doses for the central and state governments, Serum Institute of India (SII) CEO Adar Poonawalla has clarified that there will be no differential pricing, reports **Geeta Nair** in **Pune.** The central government too will have to pay ₹400 per dose of the Covishield vaccine now on. SII's price of ₹150 for the Centre was owing to prior commitments and contracts and after these cease to exist, it said. ■ Page 4

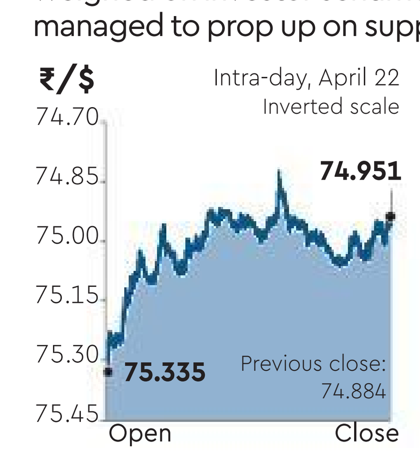
At 3.14L, world's highest daily spike

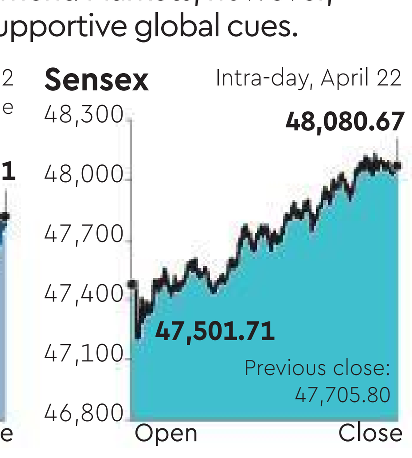
INDIA REGISTERED over 3.14 lakh new coronavirus cases in a day, the highest-ever single-day count recorded in any country, taking the total tally of Covid-19 cases in the country to 1,59,30,965, reports **PTI.** According to the Union health ministry data updated on Thursday, a total of 3,14,835 fresh infections were registered in a span of 24 hours, while the death toll increased to 1,84,657 with a record 2,104 new fatalities.

Corona curbs

Rupee slips on weak sentiment

The rupee weakened further by 6 paise to close at 74.94 against the dollar on Thursday as a persistent rise in Covid-19 cases and enhanced curbs imposed by states weighed on investor sentiment. Markets, however, managed to prop up on supportive global cues.





PRIVACY POLICY

No HC relief to WhatsApp, FB against CCI probe

PRESS TRUST OF INDIA
New Delhi, April 22

THE DELHI HIGH Court on Thursday dismissed pleas by social media platforms, Facebook and WhatsApp, challenging competition regulator CCI's order directing a probe into WhatsApp's new privacy policy.

Justice Navin Chawla said though it would have been "prudent" for the Competition Commission to await the outcome of petitions in the Supreme Court and the Delhi HC against WhatsApp's new privacy policy, not doing so would not make the regulator's order "perverse" or "wanting of jurisdiction".

The court said it saw no merit in the petitions of Facebook and WhatsApp to interdict the investigation directed by the CCI.

The CCI had contended that it was not examining the alleged violation of individuals' privacy which was being looked into by the Supreme Court.

Continued on Page 2

E-SCOOTERS

Ola plans world's largest charging network

SARITHA RAI
April 22

OLA ELECTRIC MOBILITY plans to build a nationwide charging network for the electric scooters set to start rolling out from its massive Bangalore factory this summer.

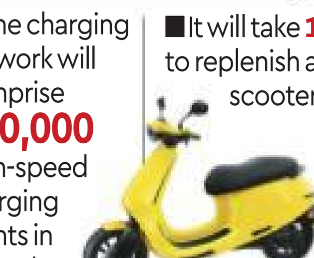
The Ola Hypercharger Network will be the world's largest, densest two-wheeler charging system, comprising 100,000 high-speed charging points in over 400 cities, Ola said on Thursday in a statement. In the first year, the startup will set up 5,000 of the points in 100 cities, doubling such infrastructure in the country. Its scooters will also be bundled with a home-charging kit.

By creating the world's largest and densest two-wheeler charging network, we will accelerate adoption of EVs.

—BHAVISH AGGARWAL,
OLA CEO

■ The charging network will comprise **100,000** high-speed charging points in more than **400 cities**

■ It will take **18 minutes** to replenish an e-scooter battery to **50%** charge, which will allow for a drive of 75 km



Sufficient charging infrastructure is crucial to accelerate electric vehicle adoption in India, which has lagged far behind China and Europe. If Ola Electric wants to sell the 10 million vehicles it plans to produce a year in the Bengaluru e-scooter factory — the world's biggest — the start-up will need to alleviate consumer anxiety about pricing, driving range and availability of charging points. The start-up backed by SoftBank Group and Tiger Global Management said its system will take 18 minutes to replenish an electric-scooter battery to 50% charge, which will allow for a drive of 75 km.

Continued on Page 2

Economy

FRIDAY, APRIL 23, 2021

NEED OF THE HOUR

Shaktikanta Das, RBI governor

"The need of the hour is to effectively secure the economic recovery underway so that it becomes broad-based and durable. In such an environment... We need to continue to sustain the impulses of growth in the new financial year 2021-22."

Quick View

'Maha allocated lesser Remdesivir'

MAHARASHTRA HEALTH MINISTER Rajesh Tope said the state is being allocated 26,000 Remdesivir injections a day by the Centre against the requirement of 50,000.

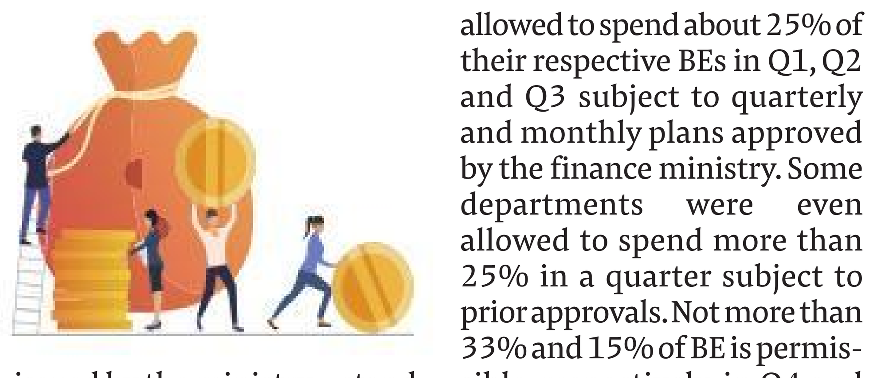
AP scheme: Over 1L patients received free treatment

ANDHRA PRADESH IS the first in the country to include Covid in the list of illnesses under the state's healthcare scheme, Arogya Sri. A total of 1,00,033 patients have received free treatment in various private hospitals under the scheme.

FOCUS ON CAPEX

Govt removes monthly spend caps

FE BUREAU
New Delhi, April 22



TO KEEP THE momentum of economic activity amid the spike in Covid infections, the Centre on Thursday announced removal of quarterly and monthly expenditure ceilings for various departments with regard to capital expenditure. The objective of the latest directive is to facilitate allocation of additional funds from the department of economic affairs' discretionary corpus of ₹44,000 crore to those departments who show good progress in capex.

The move is in contrast with the announcement of curbs on expenditure imposed from April last year after the pandemic broke out. "To enable ministries/departments expedite capital expenditure, the cash management guidelines issued by the ministry....stand relaxed. Monthly expenditure plan/quarterly expenditure plan ceilings and restrictions on bulk expenditure items referred to in the office memorandum dated August 21, 2017, shall not be applicable for expenditure under the capital heads under the budget," the finance ministry said. These relaxations shall take immediate effect and shall apply until further orders, it added.

In the business-as-usual scenario, the departments are allowed to spend about 25% of their respective BEs in Q1, Q2 and Q3 subject to quarterly and monthly plans approved by the finance ministry. Some departments were even allowed to spend more than 25% in a quarter subject to prior approvals. Not more than 33% and 15% of BE is permissible, respectively, in Q4 and last month (March) of a financial year. The latest order removes these ceilings as far as capex is concerned.

According to extant norms, to the extent possible, the bulk expenditure items of more than ₹2,000 crore were timed in the last month of each quarter to utilise the direct tax receipt inflows in June, September, December and March. The funds were released within 17th and 25th in these months. Similarly, big releases of ₹200 crore to ₹2,000 crore were timed between 21st and 25th of a month to take advantage of the GST inflows. These restrictions have been removed.

For FY22, the Centre has allocated ₹5.54 lakh crore for capex, which is 26% higher than revised estimate of ₹4.39 lakh crore for FY21. "Of this, I have kept a sum of more than ₹44,000 crore in the Budget head of the department of economic affairs to be provided for projects/programmes/departments that show good progress on capital expenditure and are in need of further funds," finance minister Nirmala Sitharaman said in her Budget speech. The financial advisers of the ministries/departments shall ensure just-in time releases to avoid idle parking of funds at all levels, the finance ministry said in the latest order.

PM announces India-US 2030 climate partnership

FE BUREAU
New Delhi, April 22

TO IMPROVE ACCESS to finance for clean technologies, Prime Minister Narendra Modi on Thursday announced the launch of 'India-US climate and clean energy agenda 2030 partnership'. Modi made the announcement while addressing in the online leaders' summit on climate at the invitation of US President Joseph R Biden where nearly 40 other world leaders were participating.

"Together, both countries will help mobilise investments, demonstrate clean technologies, and enable green collaborations," the Prime Minister said, adding that "as a climate-responsible developing country, India welcomes partners to create templates of sustainable development in India". The specific objectives of the Indo-US partnership were not elaborated.

As per the Intended Nationally Determined Contribution (INDC) under the Paris climate change COP21 accord, India wants to have a 40% installed power generation capacity from non-fossil fuel-based energy resources by 2030. To that end, it has already declared its goal of installing 450 giga-watt of renewable energy capacity by the end of the decade.

"Our ambitious renewable energy target of 450 Gigawatts by 2030 shows our commitment," Modi said, adding that "despite our development challenges, we have taken many bold steps on clean energy, energy efficiency, afforestation and bio-diversity". Though CO2 emissions in India are now broadly on par with emissions in the European Union at 2.35 giga tonne (billion tonne), they remain two-thirds lower and 60% below the global average on a per capita basis.

The current installed renewable energy generation capacity stands at 94 GW and about 34 GW is under various stages of implementation and 30 GW under various stages of bidding. Additionally, 46.2 GW of hydro and 6.8 GW of nuclear capacities are also currently online.

COVID CRISIS

Australia to reduce flights from India, among others

PRESS TRUST OF INDIA
Melbourne, April 22

AUSTRALIAN PRIME MINISTER Scott Morrison on Thursday announced a reduction in flights from high-risk, like India, following an alarming rise in cases across the world.

While the list of high-risk countries was still being finalised keeping in view India's worsening second wave. "We will also be limiting the departure exceptions for Austrlians travelling to high-risk countries ... to India. As time goes on, and the pandemic continues to rage, there are countries that are frankly of greater risk than others," Morrison said.

No extra India flights: Heathrow

AHEAD OF ITS "red list" travel ban on Friday, London's Heathrow Airport has declined requests from at least four international carriers to land eight extra flights from India — PTI

Singapore to block arrivals from India

SINGAPORE SAID IT will not allow entry to those with recent travel history to India, which is battling a second wave. — PTI

MHA invokes DM Act for uninterrupted production and supply of medical oxygen

PRESS TRUST OF INDIA
New Delhi, April 22

- No restriction on movement of medical oxygen between states
- No authority shall attach oxygen-carrying vehicles passing via district/areas
- No restrictions on manufacturers, suppliers to limit oxygen supplies in origin state/UT
- Free movement of oxygen-carrying vehicles into the cities, without any restriction of timings
- Oxygen supplies toindustries, except nine specified industries, is prohibited from April 22

3,14,835 new cases were registered, biggest single day record in any country

2,104 record new fatalities bringing death toll to 1,84,657

THE CENTRE ON Thursday directed states to ensure uninterrupted production and supply of medical oxygen and its transport along inter-state borders and said the district magistrate and superintendent of police of the district concerned will be held responsible if there is any violation of its order.

The directive under the stringent Disaster Management Act 2005 was issued by Union home secretary Ajay Bhalla in the wake of reports that some states blocked supply of medical oxygen to other states amid sudden spike in coronavirus cases and demand for it. Bhalla said the availability of adequate and uninterrupted supply of medical oxygen is an important prerequisite for managing moderate and severe cases and with the increasing cases, the medical oxygen supply will need to keep pace with the requirements of the states and union territories.

The order said there should be no restriction on the movement of medical oxygen between the states and transport authorities shall be instructed to accordingly allow free inter-state movement of oxygen carrying vehicles.

No restrictions shall be imposed on oxygen manufacturers and suppliers to limit the oxygen supplies only to the hospitals of the state and UT in which they are located.

HC: Centre to ensure oxygen supply to Delhi hospitals

PRESS TRUST OF INDIA
New Delhi, April 22

THE DELHI HIGH Court Thursday observed that the Covid-19 situation in the national capital has turned "precarious" with many hospitals running out of oxygen and directed the Centre to ensure the gas is supplied to the city as per the planned allocation and without any hindrances.

"As it stands, we all know that this country is being run by God," observed an anguish bench of justices Vipin Sanghi and Rekha Palli which was of the view that all measures should be taken for removing obstructions in the transportation of oxygen.

If the government wants it can do anything and can even make "heaven meet earth", the bench, which heard the matter from 2 PM to 6:40 PM, said.

The bench, while dictating its order, said "the position in Delhi has turned rather precarious with several hospitals reporting that either they have insufficient oxygen or will not last for longer period".

"We direct the Central government to peremptorily ensure strict compliance of the allocation order dated April 21, its own order passed on April 22 under Disaster Management Act, and our order dated April 21.

Registration for vaccination on CoWIN for those above 18 to begin from Apr 28

REGISTRATION FOR VACCINATION against COVID-19 for all those aged above 18 will begin on the CoWIN platform and Aarogya Setu app from April 28, officials said on Thursday. The inoculation process and documents to be submitted to get the jab remains the same as before.

The central government had announced that the vaccination for those above 18 years will begin across the country from May 1 as part of the third phase of the inoculation drive.

"It is clarified that #CoWin portal will be made ready for 18+ beneficiaries by 24th April. Registrations for 18+ citizens to book appointments (from 1st May) will begin on 28th April," the Union health ministry tweeted.

From May 1, the present system of private vaccination centres receiving doses from the government and charging up to ₹250 per dose will cease to exist and private hospitals will procure directly from vaccine manufacturers. — PTI

Not all SII vaccine contracted to Centre

THE MINISTRY OF health and family welfare (MoHFW) on Thursday clarified that Serum Institute of India (SII) has not contracted all its production of vaccine to the Centre. State governments are free to procure vaccine doses from the vaccine manufacturers as per the Liberalised Pricing and Accelerated National Covid-19 Vaccination Strategy.

MoHFW refuted reports that as SII had contracted all its production till May 25 so the states would not be able to procure vaccines from it. The new vaccine policy comes into force from May 1. A MoHFW statement said the key feature of the new policy was that vaccine manufacturers would supply 50% of their monthly Central Drugs Laboratory released doses to the Centre and would be free to supply the remaining 50% doses to the state governments and other channels.

A surge in registration is expected on the governments Co-WIN vaccination platform when it opens up for all those above 18 years but there is uncertainty about the vaccine stock. The free central government vaccines will not be available for those below 45 years and they will have to take those at state government vaccination centres or at private hospitals depending on availability. — FE BUREAU

HC: Centre's oxygen allocation to Delhi not being respected by some states, resolve it

THE DELHI HIGH Court on Thursday said the Centre's allocation of oxygen for Delhi from plants in other states like Haryana was not being respected by the local administration there and it needs to be resolved immediately. The observation by a bench of justices Vipin Sanghi and Rekha Palli came after the Delhi government told the court that oxygen that was to come from Panipat in Haryana was not being allowed to be picked up by the local police there. The Delhi government also told the court that oxygen which was to be picked up from some units in Uttar Pradesh could also not be lifted from there. — PTI

From the Front Page

SC asks Centre to submit vaccine, oxygen supply plan

The top court sought response on four issues — supply of oxygen and essential drugs, method and manner of vaccination and power to declare lockdown.

The bench also noted that six high courts — Delhi, Bombay, Sikkim, Odisha, Calcutta and Allahabad — were hearing matters related to Covid preparedness. "We as a court wish to take suo motu cognizance of certain issues. We find that there are six HCs exercising jurisdiction in the best interest. But it is creating confusion and diversion of resources," the apex court said.

"We want the power to clear lockdown to be with states and should not be a judicial decision. We issue notice to the Central government on these issues," the judges said in view of the Allahabad High Court imposing impose lockdown in five cities of Uttar Pradesh on Monday.

Later on Tuesday, the SC stayed the HC order, but asked the UP government to report to the HC within a week on the steps being taken so far to curb the spread of coronavirus in the state. The top court also appointed senior counsel Harish Salve as amicus curiae to assist the court in the matter. Salve, who is in London, told the Bench that his Delhi office will "coordinate with the Solicitor General" in this regard.

While stating that it was imperative for reporting on these issues to be directly to Supreme Court, it observed that a national plan was necessary to deal with these issues. However, the CJI said that it will examine whether to transfer the cases from HCs to itself at a later stage.

"If you have a national plan for oxygen, definitely the high court will see it. It is not to supersede any order as of now. You can submit that plan to HCs," Justice Ravindra Bhat told Solicitor General Tushar Mehta, who asked the apex court whether it would stay the proceedings in the high courts, including Delhi HC.

The matter will now be heard on Friday.

E-scooters: Ola plans world's largest charging network

The chargers will be located in city centres, business districts, office towers and other crowded areas. Customers will be able to pay and track charging progress via an app, said the company, which will build the system with partners.

"We are reimagining the entire user experience of owning an electric vehicle," Bhavish Aggarwal, Ola's co-founder and chief executive officer, said in the statement. "By creating the world's largest and densest two-wheeler charging network, we will dramatically accelerate customer adoption of electric vehicles."

Ola said its scooters will be priced "aggressively" to make them affordable to buyers in India. The company also has plans to export to foreign markets. — BLOOMBERG

Pfizer offers vaccine to Centre at 'not-for-profit' price

The company, however, did not reveal the 'not-for-profit' price that it has suggested to the government. The company is committed to work for equitable and affordable access for its vaccine across the world, the Pfizer spokesperson said.

"...in all our agreements Pfizer has adopted a distinct pricing structure for high, middle, and low/lower-middle-income countries consistent with our commitment to work towards equitable and affordable access for our Covid-19 vaccine for people around the world," the statement said.

"For India, Pfizer has offered a not-for-profit price for its vaccine for the government immunisation programme", it added without revealing the price.

Reforms on course despite Covid: FM

"We don't intend to be regressive at all," she said.

Asked whether the spike in Covid cases and the resultant localised lockdowns wouldn't warrant a course correction regarding the Budget proposals, Sitharaman said even as some sectors were being affected due to the situation, the steps announced by the government to spur growth, including the institutional reforms, were unlikely be held back. "I will first focus on these measures (oxygen supply and supply of critical medicines), and then see how best the economy will have to be addressed. Although I'm monitoring the economy in a very detailed fashion on an everyday basis, at the moment I do not have a plan (on loan moratorium or other measures)."

As regards the prominent retrospective tax cases — Cairn and Vodafone — and New Delhi appealing against the international arbitration awards that went against it in both cases, the minister said although "we don't believe in retrospective taxation," the government couldn't have taken any question on the country's sovereign powers of taxation lightly.

India recently appealed against the Cairn Energy arbitration verdict at The Hague, challenging the $1.4-billion award. It had also appealed against another arbitration award in favour of Vodafone.

Referring to the meetings finance ministry officials and Cairn Energy CEO Simon Thomson and his team in February for an amicable settlement of the dispute, Sitharaman said, "I want to see how best we can solve the issue". It is believed that the government wants Cairn to settle the dispute using the Vivad se Vishwas scheme; under the scheme, the company will have to pay around half the amount due sans interest and penalties in cases where the tax department has lost a case in a forum and filed an appeal.

According to the calendar announced on March 31, the Centre will borrow ₹7.24 lakh crore from the market in the first half of FY22, or just over 60% of the budgeted full-year target. The planned borrowing is higher than 56% in the first half of FY21, when a Covid-induced lockdown prompted the government to expand borrowing substantially in the second half as well.

The Centre had also raised its gross market borrowing in FY21 to ₹13.71 lakh crore, against the revised estimate of ₹12.80 lakh crore, thanks to a drastic mismatch between the revenue collection and expenditure requirement in the wake of the pandemic. States were also allowed to borrow 5% of their GSDP in FY21, a small portion of which was linked to reforms. For FY22, states have been permitted to borrow up to 4% of their GSDP, 1% of which are linked to reforms.

Given the expected large supply of dated G-sec and state development loans in the coming months, as well as the likelihood of firming of global interest rates, yields are likely to rise in the absence of sizable and frequent open market operations. "In our view, the benchmark 10-year G-sec yield may harden to as much as 6.35% by the end of Q1 FY2022," Aditi Nayar, principal economist at Icra, wrote.

The government expects the proposed DFI to raise low-cost funds for long-term infrastructure financing; it is expected to mobilise as much as ₹3 lakh crore over the next five years, leveraging initial capital of ₹20,000 crore. Initially, the government will fully own the DFI but, as more investors join in, it is willing to dilute its equity to 26%.

CCI probe: No HC relief to Facebook and WhatsApp

It had argued before the court that the new privacy policy of WhatsApp would lead to excessive data collection and "stalking" of consumers for targeted advertising to bring in more users and is therefore an alleged abuse of dominant position. "There is no question of jurisdictional error," it had contended, adding that WhatsApp and Facebook's pleas challenging its decision were "incompetent and misconceived".

Housing demand is here to stay, says Parekh

The strong demand seen in recent times has been a surprise on the upside. Growth in home loans has been aided by low interest rates, softer or stable property prices and continued fiscal benefits on home loans. Technology has enabled developers to virtually showcase their property and home loan providers to leverage their digital platforms to continue to serve new and existing customers, he said.

Parekh said the Prime Minister Awas Yojana, under which an estimated 11.3 million home loans have been sanctioned, has been a game changer for the housing sector as the ultimate objective is to build a more inclusive and a property-owning democracy. "One cannot talk about sustainability if the benefits accrue to only a small privileged segment of society. Sustainability and inclusion are closely linked," he said.

The HDFC chairman harped on the need to move the liquidity sloshing around across the world in real assets, saying that governments across the world are conscious about preventing the build-up of asset bubbles. "Building infrastructure is one way to ensure a sustained recovery without spiralling inflation. Building infrastructure also creates a massive number of jobs and has a multiplier effect on the economy," Parekh said.

The construction industry is one of the least digitised sectors in the world, Parekh said, citing estimates that the real estate sector spends less than 1.5% of its revenue on technology. Capitalising on technology for the real estate sector will improve governance and one way of doing this would be to make real time data on real estate available. "For instance, progress of projects can be monitored via digital dashboards, with data driving key decisions. Funding for projects based on achieving construction milestones can be better monitored online. This will bring in much needed transparency and accountability and improve cost efficiencies also in this sector," Parekh said.

Outlook negative: Fitch affirms BBB- India rating

"However, a recent surge in coronavirus cases poses increasing downside risks to the FY22 outlook," it said. "This second wave of virus cases may delay the recovery, but it is unlikely in Fitch's view to derail it," it added. It expected pandemic-related restrictions to remain localised and less stringent than the national lockdown imposed in 2020, and the vaccine rollout has been stepped up.

KG BASIN BOOST

India gas output to jump 52% by 2024 led by ONGC, Reliance-BP

PRESS TRUST OF INDIA
New Delhi, April 22

INDIA'S NATURAL GAS production is projected to jump by 52% to 122 million standard cubic metres per day by 2024 as state-owned Oil and Natural Gas Corporation (ONGC) and Reliance Industries-BP combine raise output from the KG basin fields.

Natural gas production in 2019-20 was 85 mmscmd, which is estimated to have fallen to 80 mmscmd in the following year, HDFC Securities said in a report. The output is projected to rise in the current fiscal that started on April 1 to 93 mmscmd, 107 mmscmd in the following year and 122 mmscmd in 2023-24, the brokerage estimated.

The increase in production augments well with the government plans for raising the share of natural gas in the country's energy basket to 15% by 2030 from the current 6.2% in a bid to cut emissions.

ONGC, which had in recent years seen output stagnate, is likely to see production rise to 67 mmscmd in 2021-22 from 62 mmscmd in the previous year. This would rise to 69 mmscmd in FY23 and 75 mmscmd in FY24.

Reliance-BP combine, which in December last year brought new fields in their eastern offshore KG-D6 block to production, would lead to the rise in gas output by non-PSUs. Its output, which was 11 mmscmd in 2020-21, would rise to 38 mmscmd by FY24, the brokerage estimated. It projected domestic gas demand to climb from 153.8 mmscmd in FY21 (April 2020 to March 2021) to 215.5 mmscmd in 2024-25.

India's domestic gas production is inadequate to meet all its requirements and the deficit is met through imports in form of liquefied natural gas (LNG).

HDFC Securities said the KGD6 consortium has sought bids from customers as it intends to sell an additional 5.5 mmscmd of gas from the Krishna Godavari (KG) Basin block, off the eastern coast of India.

The additional gas will be available for sale at the delivery point at Gadimoga, near Kakinada, tentatively from the last week of April or early May 2021.

Puri: Minimising carbon footprint should be central focus in urbanising India

PRESS TRUST OF INDIA
Mumbai, April 22

UNION MINISTER HARDEEP Singh Puri on Thursday said minimising carbon footprint must be the "central focus" as the country urbanises.

Speaking at the 'One World One Realty' event, Puri, who oversees the housing portfolio, said the government has launched a global housing technology challenge to tap into sustainable solutions.

"We are well aware of the adverse impact of climate change, minimising the carbon footprint must remain the central focus even as we urbanise. We owe this to the health of our future generations," Puri said at the summit.

He said the housing technology challenge will come up with practical solutions to make buildings and dwellings more sustainable and added that the 'lighthouse projects' under the project will come up in six varied geoclimatic zones which can be emulated as per local conditions.

The diplomat-turned-politician said India is fully committed to attaining the UN's sustainable development goals by the deadline of 2030, and also reminded that the target was adopted after the launch of dedicated urbanisation programmes by the government after coming to power in 2014.

Since the Narendra Modi government came to power, there have been massive investments in urbanisation including on housing through the Prime Minister's Awas Yojana, sanitation through the Swachh Bharat Mission, modern cities through the SMART cities programme, he said.

Ease of living has become the primary objective of policy, he said.

'India committed to decarbonising its economy as responsible global citizen'

PRESS TRUST OF INDIA
Washington, April 22

INDIA IS COMMITTED to decarbonising its economy as a responsible global citizen, though the country's priorities are different from the developed world, Union petroleum and natural gas minister Dharmendra Pradhan *(pictured)* has said.

Observing that India's energy demand is all set to increase in the coming years, he told a US think-tank that the future of the growth of energy demand will come from India.

The incremental requirement of India's energy will come from renewable energy, he said and referred to the recent announcement of Prime Minister Narendra Modi that by 2030, India's energy basket would have 40% of its needs from the renewable sector.

"We are an emerging economy. Our priority, our strategy is different from the other part of the global developed economic group," Pradhan said in his address to the Center for Strategic and International Studies (CSIS) think-tank on Wednesday.

He asserted that India is committed to decarbonise our economy as the responsible global citizen. A decarbonised economy is based on low-carbon power sources that therefore has a minimal output of greenhouse gas (GHG) emissions into the atmosphere.

In addition to traditional sectors, India is also looking at future sources of energy.

Identifying hydrogen as a priority area for India, he spoke about the hydrogen mission; US interest and investment in affordability of hydrogen for mass utilisation and India's early efforts at CNG (compressed natural gas) blending with Hydrogen in Delhi in the transportation sector.

India has a policy-driven model and would work with the United States in the area. Pradhan also highlighted India's market-driven reforms in energy pricing and distribution.

"We will embrace new energy technology... Gradually we will phase out our existing energy consumption pattern. We will transit towards a greener and cleaner path. But looking into our affordability challenges, looking into more price sensitivity in our domestic economy, we are using gas as a bridge fuel," he said.

Oil and coal, he said, will continue to be in India's energy basket for a period. "But gradually we are making them cleaner... and we will go up to hydrogen energy. This is our roadmap," Pradhan said.

PHD Chamber asks FM to extend deadline for meeting compliances

PRESS TRUST OF INDIA
New Delhi, April 22

PHD CHAMBER OF Commerce on Thursday requested finance minister Nirmala Sitharaman for extension of various timelines for compliances, including for filing tax and GST returns, amid the second wave of the Covid-19 pandemic.

During an interaction with the finance minister, the chamber also pitched for a stimulus package for MSMEs.

"We have asked for extension of timelines for compliance under various laws including Income Tax Act, Companies Act and GST Act in these difficult times. Like last year, the government should consider extending the timeline for compliance, maybe till June-end," said Sanjay Aggarwal, president, PHD Chamber of Commerce and Industry (PHDCCI).

Penal action or prosecution is initiated if a business entity fails to meet the deadline.

The chamber also sought extension of the Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs till March 31, 2022 and enhancing additional credit limit from 20% to 40%, he said after the virtual interaction with the finance minister.

Till February-end, ₹2.46 lakh crore of the total ₹3 lakh crore was sanctioned under the ECLGS by commercial banks and non-banking financial companies (NBFCs).

The scheme, initially valid till October 2020, was extended to November-end.

The scheme was again extended in November as part of the Aatmanirbhar Bharat 3.0 package till March 31, 2021 by including the 26 stressed sectors identified by the RBI-constituted K V Kamath committee.

Govt for anti-dumping duty on certain copper items from China

PRESS TRUST OF INDIA
New Delhi, April 22

THE COMMERCE MINISTRY'S investigative arm DGTR has recommended imposition of anti-dumping duty on the import of certain copper products, used in electrical industry, from China, Thailand, Korea and three other countries for five years to guard domestic manufacturers from cheap imports.

The Directorate General of Trade Remedies (DGTR) has recommended the duty after concluding its probe that imports of "copper and copper alloy flat rolled products" from China, Korea, Malaysia, Nepal, Sri Lanka and Thailand were below cost and have impacted the domestic industry.

"The authority accordingly recommends imposition of antidumping duty...on all imports of goods...originating in or exported from China, Korea, Malaysia, Nepal, Sri Lanka and Thailand for a period of five years," the DGTR said in a notification.

The duty suggested is in the range of $42 per tonne to $1,077 per tonne. The finance ministry takes the final call to impose these duties and issues notification for the same.

"The authority is of the view that imposition of antidumping duty is necessary to offset dumping and injury," it added.

The DGTR conducted the probe following a complaint by a domestic player, Agarwal Metal Works.

Copper flat rolled products are used in power distribution, electrical and electronic switchgear, automotive electronics, and radiators.

The directorate is the investigative arm of the commerce ministry, which probes dumping of goods, a significant increase in imports and subsidised imports from India's trade partners.

These countries are important trading partners of India.

Countries carry out antidumping probes to determine whether their domestic industries have been hurt because of a surge in cheap imports. As a countermeasure, they impose duties under the multilateral regime of the WTO (World Trade Organisation).

The duty is to ensure fair trade practices and create a level-playing field for domestic producers concerning foreign producers and exporters.

S&P forecasts 11% growth for India this fiscal

PRESS TRUST OF INDIA
New Delhi, April 22

However, S&P, which currently has a 'BBB-' rating on India with a stable outlook, flagged the 'substantial' impact of broader lockdowns on the economy

S&P GLOBAL RATINGS on Thursday said the Indian economy is projected to grow at 11% in the current fiscal, but flagged the "substantial" impact of broader lockdowns on the economy.

In its report on Asia-Pacific Financial Institutions, S&P said the control of Covid-19 remains a key risk for the economy. New infections have spiked in recent weeks and the country is in the middle of a second pandemic wave.

"Our forecast growth of 11% for India in 2021 is followed by a 6.1%-6.4% forecast increase for the next couple of years... Some targeted lockdowns have already been implemented and more will likely be needed. The impact of broader lockdowns on the economy could be substantial, depending on their length and scope," it said.

S&P, which currently has a "BBB-" rating on India with a stable outlook, has forecast an 11% growth in the Indian GDP for the fiscal beginning April 1 on account of a fast economic reopening and fiscal stimulus.

As per official estimates, the Indian economy contracted 8% in 2020-21 fiscal, which ended March 31, 2021.

Last week, another global rating agency Moody's Investors Service had said the second wave of Covid infections presents a risk to India's growth forecast, but double-digit GDP growth is likely in 2021 given the low level of activity last year.

In the report, S&P said credit conditions have improved for Asia-Pacific banks over the past quarter.

Economies are recovering smartly, countries are rolling out vaccinations, and regional financing circumstances remain supportive. And yet, the pandemic has so seriously set back the finances of households and corporates, with deeply negative effects on lenders, S&P said. It expects banks may need years to fully recover.

Public authorities across Asia-Pacific have blunted the economic effects of Covid-19. This includes an unprecedented level of fiscal and monetary policy support for households and corporates and measures to encourage banks to lend and show forbearance toward stressed borrowers.

Govt planning scheme to increase hyperscale data centres by 10-fold

PRESS TRUST OF INDIA
New Delhi, April 22

THE GOVERNMENT IS planning to come up with a scheme to incentivise investments in hyperscale data centres in the country and increase the current capacity by over 10-fold in a short period, a senior IT ministry official said on Thursday.

Electronics and IT Secretary Ajay Prakash Sawhney said there has been a good response to production-linked incentive schemes for which application windows are open and the scheme around hyperscale data centres will be beneficial for those who manufacture high end servers.

"Within the MeitY, we have prepared a policy on hyperscale data centres and also a scheme for incentivising investments in hyperscale data centres. The current scale of hyperscale data centres here in India is counted in terms of power consumed. It comes to 200 megawatts. Our effort will be to come out with a policy and scheme that aims 10-fold growth in this in a short time span," Sawhney said at a virtual summit organised by IT hardware makers MAIT.

He said the government has set up a mission for designing microprocessors and has also floated expressions of interest for setting up electronic chip plants.

"MeitY has come to the market with a request for a semiconductor fab. This has already elicited some response and we will be closing this by April 30," Sawhney said.

Companies

FRIDAY, APRIL 23, 2021

SEEKING RELIEF

Sanjay Aggarwal, president, PHDCCI

We have asked for extension for compliance under various laws including Income Tax Act, Companies Act and GST Act in these difficult times. Like last year, the government should consider extending the timeline for compliance, maybe till June-end

Quick View

IndiGo temporarily suspends flights on Kolkata-Shillong route

PRIVATE CARRIER INDIGO will suspend its daily flights between Kolkata and Shillong for eight days, starting from Friday, airport officials said. The reason for the suspension of operations was not cited, but sources in the Shillong Airport authority said the decision was taken in view of the Covid-19 situation. IndiGo officials could not be reached for comments on the suspension.

Mahindra Lifespace picks up M&M land

MAHINDRA LIFESPACE DEVELOPERS is acquiring 3.2 acres of land in Pune from Mahindra & Mahindra. The purchase is expected to be concluded in around six months. The new project on a parcel located in the residential area of Nehru Nagar in Pimpri will offer around 3.25 lakh sq ft of carpet area. This will be Mahindra Lifespaces' fourth project in this micro market.

Nasscom appoints Rekha Menon as chairperson

IT INDUSTRY BODY Nasscom on Thursday said it has appointed Accenture in India senior managing director Rekha Menon as its chairperson for 2021-22. She is the first woman to take on the role in the association's 30-year history. Menon will take the position from her previous role as vice chairperson, succeeding UB Pravin Rao (Infosys chief operating officer).

Voda Idea's enterprise arm unveils postpaid plans

VI BUSINESS, THE enterprise arm of Vodafone Idea (VIL), has introduced a slew of post-paid plans for businesses and working professionals. The offering comes at a time when businesses, particularly SMEs and start-ups, are adapting to hybrid ways of working, and looking for value-based connectivity solutions that are convenient and secure.

TAIPA wants DoT's to ensure connectivity

THE TOWER and Infrastructure Providers Association (TAIPA) has sought the DoT's urgent intervention to ensure round-the-clock telecom connectivity amid strict movement curbs and curfews in many states. TAIPA Director-General T R Dua has urged Telecom Secretary Anshu Prakash to instruct relevant authorities to offer full support to telecom infrastructure providers.

Parle Products ties up with IBM to drive growth

FMCG MAJOR PARLE Products and IBM on Thursday announced a partnership under which the IT major will provide technological support to the biscuit maker to bring its products to the market quickly and effectively. Parle will leverage IBM's transformative hybrid cloud and AI capabilities, and its leading security and industry expertise with business consulting and technology services, the companies said in a statement.

Parag Bhise appointed Nucleus Software's CEO

NUCLEUS SOFTWARE, PROVIDER of lending and transaction banking products to the global financial services industry, has appointed Parag Bhise as the chief executive officer, with effect from April 1. He succeeds RP Singh, who retired after a career spanning 35 years with Nucleus Software.

CWC organises Covid test camp for staff

CENTRAL WAREHOUSING CORPORATION (CWC) organised a one-day medical camp for all its staff, including security guards and daily wagers, to undergo the Covid-19 RT-PCR test through Dr Lal Path Labs at its corporate office in Delhi. Of the 267 people who underwent the test, 27 asymptomatic positive cases were found. The office building has been sanitised and closed for 48 hours.

TACKLING COVID

New orders from Centre will cost ₹400 per dose: SII

SII has already suppled 10 crore doses to the central government, which have been administered, and will start delivering 11 crore more this month FILE PHOTO

GEETA NAIR
Pune, April 22

A DAY AFTER announcing differential pricing for the Covid-19 vaccine Covishield for the central and state governments, Serum Institute of India (SII) CEO Adar Poonawalla said on Thursday that there will be no differential pricing. The central government will also have to pay ₹400 per dose from now on.

In response to the criticism for offering the Covishield vaccine at ₹150 to the central government and at ₹400 to state governments, Poonawalla said his company would charge ₹400 per dose to any government.

SII's price of ₹150 to the central government was for prior commitments and contracts. SII has already suppled 10 crore doses to the central government and these have been administered. It signed a new contract in March to supply another 11 crore doses, which the company will start delivering this month. After supplying these, the vaccine maker will negotiate a fresh contract at the new price of ₹400, if the Centre decides to buy any more doses from them, Poonawalla said.

SII had on Wednesday announced that state governments will get the vaccine at ₹400 per dose and private hospitals at ₹600 per dose.

As per the country's new vaccine strategy, vaccination will be open to all adults from May 1.

SII will be able to supply 50% of the Covishield production to state governments and private hospitals and the rest to the central government.

India's cumulative vaccination coverage as on Thursday was 13.23 crore doses, with Covishield accounting for around 90% of the shots administered so far.

Logistical issues hindering medical oxygen supply, say steel makers

PRESS TRUST OF INDIA
New Delhi, April 22

STEEL MAKERS TATA Steel and JSPL on Thursday said logistics-related issues are posing a challenge in transportation of medical oxygen from steel plants to health facilities. Both companies said they are trying to increase daily oxygen supply.

State-run Rashtriya Ispat Nigam (RINL) also said it is looking to increase daily supply of liquid medical oxygen (LMO) to states.

A Tata Steel spokesperson said the central government has set up a committee, which has allocated distribution of LMO from each steel plant to various states.

"We have been supplying 300 tonne of LMO daily to various states and hospitals. We stand ready to increase the supply, though currently there is a shortage of containers and trailers to carry and transport the oxygen," the spokesperson said. Tata Steel hopes the transportation issue is sorted out expeditiously, the spokesperson said.

A tanker driver waits for his turn to fill liquid oxygen in Ghaziabad on Thursday REUTERS

JSPL managing director VR Sharma also said logistics remains an issue in transportation of medical oxygen from steel plants. He said tankers are unavailable, and there is a need to track the number of tankers in the country. "We have more than 500 tonne LMO. We will be sending it...," Sharma said. This is in addition to what JSPL is supplying on a daily basis. The company will also augment its supply, he said.

A spokesperson for RINL said the company on an average supplies 100 tonne of oxygen daily to Andhra Pradesh and adjoining states. In the last one week, RINL has supplied about 800 tonne of oxygen, the spokesperson said, adding "we can support till 100-150 tonne per day depending on demand."

In a tweet, SAIL said on an average it has been supplying 600 tonne of LMO per day — the highest among all steel plants.

SC agrees to hear Vedanta's plea to open Tuticorin plant for oxygen production

INDU BHAN
New Delhi, April 22

THE SUPREME COURT ON Thursday agreed to hear Vedanta's plea for opening of its shut Sterlite copper plant at Tuticorin in Tamil Nadu for producing 1,050 tonne of oxygen per day that can be supplied to hospitals free of cost to treat Covid-19 patients. The oxygen would be made available to the central government to be distributed as per its directions, Vedanta said.

The company also wants to "undertake essential care and maintenance of the deteriorating condition of the copper plant which has led to structural corrosion and weakening" and "acid leakages".

A bench headed by Chief Justice SA Bobde rejected the objection raised by the Tamil Nadu government which said the apex court had earlier rejected the company's request to reopen the plant for environmental reasons. The government through senior counsel CS Vaidyanathan said no oxygen production can be started by Vedanta before two to four weeks and "there is trust deficit in Tamil Nadu".

> "There is almost a national emergency and you (TN) don't put spokes in the solution. We will hear it tomorrow (Friday)," the CJI said

"We understand all this. We will ensure compliance of all environmental norms by the plant and its oxygen producing facility would be allowed to operate. We are on the oxygen plant," the bench told Vaidyanathan.

"There is almost a national emergency and you (TN) don't put spokes in the solution. We will hear it (Vedanta) tomorrow (Friday)," the CJI said.

While seeking urgent hearing, senior counsel Harish Salve, appearing for Vedanta, said, "We can start in five to six days if you give a go-ahead today. The company can manufacture tonnes of oxygen there every day and is ready to supply them free of cost...". Vedanta clarified it did not want to re-start its plant, but only to carry out maintenance.

Solicitor general Tushar Mehta also supported reopening the plant to make oxygen.

HC dismisses Birlas' petitions against Lodha

FE BUREAU
Kolkata, April 22

A DIVISION BENCH of the Calcutta High Court on Thursday dismissed the contempt petitions filed by the Birlas against MP Birla Group chairman Harsh Vardhan Lodha for continuing as a director and chairman in the group companies.

The bench, comprising chief justice Thottathil B Radhakrishnan and justice Shampa Sarkar, passed a "landmark judgement" dismissing several contempt petitions filed against Lodha for continuing as a director and chairman in Birla Corporation, Universal Cables, Vindhya Telelinks and Birla Cable, four listed group companies, according to a statement issued by the Lodhas.

Earlier, the Birlas had filed contempt petitions against Lodha on his continuation on the boards of the MP Birla Group companies, alleging violation of an order passed by a division bench of the Calcutta High Court on October 1, 2020. The division bench, in its October 1 order, did not grant any stay on the single bench's order, which had restrained Lodha from holding any office in any of the entities of the group during pendency of the suit involving the contested will of late Priyamvada Devi Birla, the widow of MP Birla.

The verdict of the division bench of the high court on Thursday "cleared the decks" for Harsh Vardhan Lodha to continue as the chairman of all companies of the MP Birla Group, said Lodha's advocate Debanjan Mandal, partner, Fox & Mandal.

"Our client is deeply grateful to the highest honorable court of the state for this resounding victory...In the past two years, relentless attacks have been mounted, not only on Mr Lodha, but also on the independent directors and executives of the MP Birla Group companies. Thursday's verdict vindicates the highest level of governance standards maintained in these companies from the times of the late Madhav Prasad Birla," Mandal added.

MP Birla Group chairman Harsh Vardhan Lodha

"The court today dismissed the contempt applications filed against HV Lodha and others. We are awaiting the copy of the order passed today and would decide the future course of action after studying the same," a Birla spokesperson said.

The genesis of over 17-year-old legal row between the Birlas and the Lodhas over controlling the over ₹5,000-crore Birla Estate lies in the contested will of late Priyamvada Devi Birla, which was executed in July 1982 after the purported will allegedly transferred the shares of the MP Birla Group, collectively called as the Birla Estate, in favour of Rajendra Singh Lodha.

The legal tussle began after the July, 1982 wills that gave away all the assets to charities but another will of April 18, 1999 gave them to Rajendra Singh Lodha, now being pursued by his son Harsh Vardhan Lodha, and other heirs.

Toyota Kirloskar's Bidadi plants to halt ops for annual maintenance

PRESS TRUST OF INDIA
New Delhi, April 22

TOYOTA KIRLOSKAR MOTOR on Thursday said its two plants at Bidadi in Karnataka will undergo annual maintenance from April 26 to May 14, as a result of which, there will be a temporary halt, impacting supply of vehicles produced at the units.

"During this period, operations at both the Toyota factories in Bidadi will witness a temporary halt, impacting supply of vehicles produced at its plants.

"The company will use the pipeline finished goods inventory to serve the pending and immediate requirements of its customers so as to ensure minimal discomfort to them," Toyota Kirloskar Motor said in a statement.

The company rolls out models, including the popular SUV Fortuner and MPV Innova Crysta, from these plants. Spread across 432 acres, Plant I has an annual capacity of up to one lakh units, while Plant II has a capacity of up to 2.1 lakh units annually.

This shutdown, however, will have no impact on the supply of other models such as the Glanza, the Urban Cruiser, imported vehicle models as well as vehicle servicing operations, it added.

"Only a limited number of employees as permissible by the rules of social distancing and other mandatory guidelines will be engaged in essential jobs and activities at the plant ... The management will also use this time to further enhance modern Covid-19 protection measures to ensure the safety and wellbeing of all its people," TKM said.

Periodic maintenance of plant and machinery is a standard operating procedure to enhance competitiveness, it said.

EV industry faces tough FY21 as sales dip 20%

FE BUREAU
Chennai, April 22

ELECTRIC VEHICLE (EV) sales in the country took a beating in FY21, declining by around 20% as compared to the previous fiscal. The Indian EV industry could sell 2,36,802 electric vehicles, including electric two-wheelers (E2W), electric three-wheelers (E3W) and electric four-wheelers (E4W) in FY21. It had sold 2,95,683 vehicles in FY20.

According to a sales report for FY21 prepared by the Society of Manufacturers of Electric Vehicle (SMEV), in the E2W segment, the EV industry registered sales of 143,837 units, which include 40,836 high-speed and 103,000 low-speed E2W. The sales of E2Ws declined by 6% in FY21, having registered sales of 1,52,000 units in the FY20.

As many as 88,378 E3W were sold in FY21 as against 140,683 units in FY20. The data doesn't include E3Ws that are not registered with the transport authority. In the E4W segment, the industry witnessed registration of 4,588 units compared to 3,000 units in FY20, registering a 53% increase.

Sohinder Gill, director-general, SMEV, said, "We were anticipating a good growth before the start of FY21, but sales remained stagnant due to various reasons. The sales in electric three-wheeler and two-wheeler segment stood low as compared to last year. A good thing has happened that people have started moving towards advanced batteries, that is, lithium. The city speed and high-speed category in the two-wheeler segment have witnessed growth. However, much more needs to be done to achieve the target under the FAME II scheme. Timely intervention by the government in form of a policy change is required to fuel the growth and achieve the target by the end of FY22."

According to the industry, a strong bank finance mechanism is still missing in the country. Only a few banks like SBI and Axis offer loans on select models.

Another important factor that would transform the industry is creating awareness about green vehicles. The Central and state governments can play a crucial role in motivating and encouraging citizens to adopt e-vehicles. "We have seen in the case of Delhi, where the state government is doing a tremendous job in creating awareness, which has encouraged more people to adopt EVs," an SMEV statement said. Many states, have rolled out their EV policies, but some are yet to implement them, it said.

ALL to roll out first electric LCV by FY22-end

HINDUJA FLAGSHIP COMMERCIAL vehicle major Ashok Leyland (ALL) is planning to roll out its first electric light commercial vehicle (LCV) by the end of the current financial year. The vehicle will be launched under the banner of Switch Mobility Automotive, a subsidiary recently set up to spearhead the company's EV strategy in India. Nitin Seth, COO, Ashok Leyland, said the company will co-develop the electric LCV with Switch Mobility Automotive and it will be sold under the Switch brand. Switch will take over the product development and marketing, and will hold the rights to the LCV EVs. "[While] LCV EV buses and LCV EV trucks will grow faster, [the M& HCV market] may not go in the EV direction so early. LCV EV is one market which is likely to grow beyond 2025, because battery prices are likely to fall by that time," he said. — FE BUREAU

Nashik-based York Winery to become a Sula Vineyards subsidiary

NANDA KASABE
Pune, April 22

YORK WINERY, a family-owned Nashik-based business, will soon merge with Sula Vineyards and become a wholly owned subsidiary of Sula.

Rajeev Samant, founder CEO of Sula Vineyards, said the merger is a triple win — for York, Sula and wine consumers. "Smaller wineries find it very difficult to get distribution, and the pandemic has been a big blow. Sula will help York get a wider distribution and continue the great winemaking tradition of the Gurnani family with Kapil Gurnani continuing as winemaker and brand ambassador," he said.

The York Winery label rights have been sold to Sula.

"Sula will be able to expand our hospitality operations across the road to our neighbour York, thus boosting Nashik's wine tourism offerings. And there are synergies to be had from combining some operations. Consumers benefit from seeing more York brands on more shelves across the country, expanding consumer choice. It's a great fit overall," Samant said.

Located barely a mile away from Sula Vineyards, York Winery — which made Chandon sparkling wines for Moet and Chandon for three years as a contract facility — was established in 2006. It occupies nine acres of vineyards overlooking the Gangapur Dam. The winery focuses on producing fruity and dry rather than sweet wines. Products of Turning Point, Good Earth, a couple of wineries from Karnataka, a few exclusive barrels from Connoisseurs of Mumbai, and some exported labels have been crafted at the winery.

Sula, the largest Indian winery, enjoys over a 65% market and has been the biggest in India in terms of wine tourism, attracting nearly four lakh wine tourists every year, including over 15,000 visitors to the two-day annual SulaFest. When the lockdown was eased earlier this year, Sula Vineyards had reported 95% occupancy at its 51-room resort.

Ravi Gurnani, director, York Winery, said the York brand will continue to grow. "The merger will give our brand a wider distribution reach and expand our market," Gurnani said.

The deal will also mean Sula can use York's facility, which has a tasting room and restaurant, for wine tourism. York currently makes around 36,000 cases of red, white and sparkling wines annually. A classic selection of York wines ranging between ₹1,200 and ₹14,099 comprises Yaatra, York Arros, York Sparkling Rose, York Sparkling Cuvée Blanc de Blancs and York H Block Chardonnay. York's mid-range of ₹700-₹800 showcases Shiraz, Cabernet Merlot, Cabernet Sauvignon, Sauvignon Blanc, Chenin Blanc, Shiraz Viognier, Zinfandel Rose and Late Harvest Chenin Blanc. The winery has a production capacity of 400,000 litres.

Indus Towers Q4 net profit rises 38% to ₹1,364 crore

PRESS TRUST OF INDIA
New Delhi, April 22

INDUS TOWERS ON Thursday reported a 38% rise in consolidated net profit to 1,364 crore for the fourth quarter of FY21, and said digital transformation across sectors is driving new opportunities for shared infrastructure providers to usher in the next growth phase.

The consolidated revenues stood at ₹6,492 crore for the March 2021 quarter, up three per cent year-on-year, the telecom infrastructure player said in a statement.

For the full year ended March 31, 2021, consolidated profit after tax was ₹4,975 crore, a dip of one per cent year-on-year, while revenues at ₹25,673 crore was marginal 0.4% higher, the statement added. "The net profit for the quarter was ₹1,364 crore, up 38% year on year," it said.

Commenting on the Q4 scorecard, Bimal Dayal, Managing Director and CEO of Indus Towers (formerly Bharti Infratel) termed FY2021 as a "landmark year" for the company. "During the year, we completed the merger between Bharti Infratel and erstwhile Indus Towers. On the operational front, we continued our strong momentum in 4Q21 and delivered the highest ever annual gross tower additions," Dayal said.

In the backdrop of the pandemic, the company continues to work closely with customers to ensure seamless connectivity across the country, he added.

Lenders to withdraw debt recast if Future-RIL deal goes through

PRESS TRUST OF INDIA
New Delhi, April 22

LENDERS TO KISHORE Biyani's Future Group will withdraw the just-approved debt recast plan that offered easier repayment options, if the troubled retailer's ₹24,713 crore asset sale to Reliance Industries (RIL) goes through in a reasonable time frame, sources said.

Lenders of Future Retail last week agreed to extend repayment of loans by up to two years, while converting unpaid interest into a funded interest term loan. The penal charges too will be waived under the recast plan.

The recast plan has been approved by a RBI-constituted expert committee headed by K V Kamath.

Banking sources said the debt recast is actually 'Plan B' to help the nation's largest retailer stay afloat. The recast will kick in only if the deal to sell Future's retail, wholesales, warehousing and logistics assets to Reliance Retail Ventures (RRVL) does not go through. If the Reliance deal goes through, the recast plan will be withdrawn.

Lenders, they said, are still banking on 'Plan ' which is asset sale to RIL.

So far, the consortium of lenders has approved the debt restructuring of Future Retail (FRL), Future Enterprises (FEL) and Future Supply Chain Solutions. The restructuring plans of FEL and FRL have received approval from the RBI-constituted expert panel, sources said.

The ₹24,713 crore deal between RIL and Future Group was announced in August last year but it is getting delayed as e-Commerce major Amazon is contesting it at several forums, including an arbitration at SIAC and before the Supreme Court, which on Monday stayed the ongoing proceedings before the Delhi High Court.

Citing delay, RRVL has also extended the timeline for the deal to be completed by six months to September 30, 2021.

Torrent Power bags contract to supply 300MW from Guj solar project

PRESS TRUST OF INDIA
New Delhi, April 22

TORRENT POWER ON Thursday said it has been awarded a power purchase agreement for the supply of 300 MW solar energy from its project coming up in Gujarat.

"Torrent Power has been awarded a long-term Power Purchase Arrangement (PPA) for 300 MW capacity of Solar Power Generation to be set up in Gujarat, from Licensed Distribution Business Unit of the company towards fulfilment of its RPO (renewable purchase obligation)," a company statement said.

According to statement, the project shall be commissioned within 18 months from the date of execution of the PPA.

The tariff for this project is ₹2.22/ kWh for a period of 25 years. The cost involved in the project is about ₹1,250 crore.

Torrent forayed into the renewable energy space with a 50 MW wind power plant in 2012.

As part of its journey into this environmentally benign and sustainable energy space, Torrent has till date implemented various renewable projects aggregating to around 786.5 MW (648.5 MW wind project and 138 MW solar projects).

Opinion

FRIDAY, APRIL 23, 2021

HANDLING THE OXYGEN CRISIS

Prime minister Narendra Modi

States should come down heavily on hoarding of oxygen. Fix responsibility with local administration in cases of obstruction (of supply of oxygen to states)

Ailing rural healthcare needs infra, personnel booster

Even as potential migrant exodus, pollrallies cast Covid-shadow over rural India, RHS shows its glaring public health deficiencies

THE SECOND COVID-19 surge in India so far seems largely contained to urban areas. Data compiled by covid19india.org shows that eight of the ten districts seeing the largest spike in daily new cases are predominantly urban, with major cities such as Delhi, Mumbai, Bengaluru and Chennai figuring amongst these. Nine among the top ten districts in terms of active cases at present are also chiefly urban. However, with major cities like Delhi and Mumbai going for temporary lockdowns and other restrictions, a repeat of migrant exodus of last year is feared, with reports of crowded inter-state bus terminuses in the national capital and elsewhere. This, mass religious gatherings over the past few weeks, and the huge election rallies in the states could change matters for rural areas. And, while healthcare infrastructure is already creaking in cities, India's second Covid surge spreading to the rural areas will surely spell disaster. The country's chronically deficient public health infrastuucture and human resource is particularly pronounced in the rural areas—some states, including many that contribute the largest shares of out-migration, are worse off than others—as per the Rural Health Statistics (RHS) 2019-2020. This is compounded by nearly-absent private healthcare in these area. While the pandemic is the immediate concern, unless the gaps in healthcare infrastructures are bridged, the rural population will remain underserved for a host of other health services that should have ordinarily been available to it.

Against the national norm of a sub-centre (SC) serving 5,000 people, a primary healthcentre (PHC) 30,000 people and a community health centre (CHC) serving 1,20,000 in 'general' areas (as opposed to 'hilly or tribal areas'), rural SCs in the country serve 5,729, PHCs 35,730, and CHCs a whopping 1,71,779. In Uttar Pradesh, rural CHCs nearly twice the national catchment norm, at over 238,000 people. Rural SCs and PHCs in the state serve 1.6 times and 1.97 times the norm, respectively. Bear in mind, the state accounts for one of the largest migrant worker population in the country. Rural CHCs in West Bengal, similarly, serve populations 1.8 times larger than the national norm. In Bihar, another state that sees large out-migration, rural CHCs serve catchments that are 15 times the norm! The problem, though, is not limited to poor states—a Maharashtra, with the catchment for functioning rural CHCs more than two times the norm, fares worse than an Odisha, where every rural CHC serves a significantly smaller catchment than the norm. Rural healthcare centres' suffer from a personnel crunch, too—PHCs, against a sanctioned strength of 35,890 doctors, have just over 28,000 in position. The CHCs in the country are missing 15,775 specialists (surgeons, OB-gyns, physicians and paediatricians). The situation is especially poor for states like Gujarat, UP, Madhya Pradesh, Odisha and Rajasthan. It isn't hard to imagine the implications for the national goals on child and maternal health. A similar shortage of ANMs, radiographers and other healthcare personnel also grips the villages.

While the pandemic underscored the urgency of the need to bolster public healthcare—and the *RHS* numbers are mostly from March 2020 (before India mounted a meaningful response to the pandemic)—whether states have been able to do this is not clear. Chances are, with pandemic-strained resources, they would have been quite hamstrung. Against this backdrop, the Centre and the states, especially the laggards, must bridge the gap—whether through funding and other support to private healthcare or through allocating a larger chunk of their spending to healthcare.

Fixing shortage of judges

After deadlines for govt, judiciary must address own role in delays

GIVEN THE LARGE vacancies of as many as 416 judges in the High Courts against the sanctioned strength of 1,080, it is good the Supreme Court has set a deadline for the Centre to clear appointment of judges. Indeed, it is unfortunate that there is a backlog of over four crore cases pending in courts, 60 lakh of which are awaiting completion in the HCs. With the courts having pared down normal functioning due to Covid-19, and most cases in the lower courts and High Courts pending at early stages of trial, the implications of the shortage of judges are portentous for the pace of delivery of justice.

The SC on Tuesday said the Intelligence Bureau must submit its report within 4-6 weeks, following which the Centre must forward the files to the SC for appointment or state its reservations within 8-12 weeks. Most important, if the SC collegium reiterates a recommendation unanimously, the appointment should be processed and made within 3-4 weeks. Relatedly, the SC has cleared the path for appointment of retired judges as ad hoc judges in high courts where, among other criteria, the vacancies exceed 20%, or more than 10% of the pending cases are over five years old.. While the finer details of whether the SC's order is outside the memorandum of protocol (MoP) on judges' appointment agreed upon by the government and the judiciary are debated—the apex court has held that it isn't— bear is mind, the SC had pulled up the Centre for "sitting on appointments" for as long as five months. But, much as the government is to blame, the judiciary also needs to get its act together. The attorney general pointed out on Tuesday that the Centre had received only 196 recommendations and 220 were pending from the judiciary's end. The SC may have done well to "note the importance of the Chief Justices of the High Courts making recommendations in time" and emphasise "the requirement and desirability of the Chief Justices of the High Courts…to recommend vacancies as early as possible", and even reiterate its stand that pending recommendations shouldn't be an impediment to making recommendations for other emerging and existing vacancies. But, it must not ignore its own role in the delays. Last year, the AG pointed out to the SC that while the government took 127 days to run background checks on judges, the SC took 119 days on average to decide on appointments after receiving the recommendations of the various High Court collegia forwarded by the law ministry. Similarly, high-court collegia must also share responsibility for the vacancies in the district courts.

For their part, the Centre and the states not only need to move on speeding up judicial appointments, but also resolve infrastructure problems; if the entire sanctioned strength for the judiciary were to be appointed, the country will need 3,343 more court halls. They must also set up more effective alternate dispute resolution mechanisms for civil cases that clog the courts. The government being the largest litigant, must drop its litigation-happy approach to ensure that pendency-judges-shortage problem doesn't get worse.

PandemicPREMIUM

Rather than raising premiums to create a buffer for Covid-19 claims, health insurers should better underwriting practices

HEALTH INSURANCE COMPANIES seem to be gearing up to once again raise premiums as they expect a steep rise in Covid-19-related claims. Insurers increased the premium rates last year after meeting certain regulatory norms that were mandated. Any steep increase in premiums now will discourage people from purchasing a new policy or renew existing ones. In fact, sales of health insurance policies, including those for short-term Covid specific covers—Corona Kavach and Corona Rakshak—which were on the rise after the first wave of the pandemic last year, started falling with decline in the number of cases. As many policyholders have not renewed their short-term covers, they are been left uninsured as the second wave of the pandemic has hit the country.

As per the General Insurance Council, Covid-related claims worth ₹14,680 crore have been made as of March and, of this, ₹7,900 crore, or 54%, has been settled. To be sure, premiums collected by all health insurance companies rose 13%, to ₹58,584 crore in FY21. Most notably, retail health premium increased 28% year-on-year as compared to 12% in FY20 because of a strong momentum in the sales of short-term Covid-19 policies and high risk aversion due to the pandemic. However, rising Covid-related claims shouldn't push up premiums. Instead, health insurers should factor in medical inflation to increase premium once every 3-4 years, as has been the norm till now, and adopt better underwriting practices to keep their operations sustainable. An increase in coverage of people with comprehensive health insurance policies will not only reduce the burden of out-of-pocket expenses of policyholders but will also generate higher volumes for the industry.

INFLEXION POINTS

FAR MORE CLIMATE FINANCE NEEDED THAN WHAT HAS BEEN NEGOTIATED; BY ONE ESTIMATE, DEVELOPING COUNTRIES NEED $3.5 TN TO IMPLEMENT CLIMATE PLEDGES UP TO 2030

Beyond a negotiated maximum and delivered minimum

ARUNABHA GHOSH

CEO, Council on Energy, Environment and Water
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WHEN THE WORST of the pandemic's economic damage is over, countries and companies will be faced with a bigger financial question: How to find the money to defend against a greater existential risk—the climate crisis? Climate finance will be a central theme throughout 2021, including this week when US president Joe Biden hosts a Leaders Summit on Climate. But how to pay for climate promises?

The conversation on climate finance is trapped between a negotiated maximum and a delivered minimum. In 2009, developed countries promised developing ones $100 billion by 2020 in climate finance. This number has been anything but straightforward in its interpretation or accounting.

Estimates range wildly. The Organisation for Economic Cooperation and Development (OECD) estimated that $78.9 billion of climate finance was provided in 2018. India called this "greenwashing of finance", arguing that new and additional finance was only $2.2 billion. It claimed that previously committed development aid had been diverted from other purposes to climate activities, so additional funds were far lower. Oxfam reported that in 2017-18, only $19-22.5 billion were paid (just a third for adaptation), after discounting for loan repayments, interest and administration costs. Even if OECD numbers were accepted, they stand in sharp contrast to other estimates that pegged global climate finance at more than $530 billion in 2017. Thus, developing countries claim they are not receiving anywhere near what was promised; and the claims of developed countries are a fraction of total global climate investment.

How do we break out of this trap? For 2021 to be a banner year for climate finance, four shifts are necessary: Scale, balance, risk, and regulation.

First, capital is needed at far greater scale than what has been negotiated. By one estimate, developing countries need $3.5 trillion to implement climate pledges up to 2030 (the Reserve Bank says India alone needs $2.5 trillion). For deep decarbonisation of the energy sector, the capital requirement could be two-three times this value.

Consider then that only $21 billion were invested as green finance in India in 2018, according to Climate Policy Initiative. Most of this was domestic capital, with foreign direct investment at just 5% and bilateral and multilateral sources at only 11%. Specifically for renewables, CEEW's Centre for Energy Finance and the International Energy Agency find that $18 billion was invested in 2019. Although higher than thermal power investments for the previous half-decade, it is still well short of more than $30 billion needed annually. Domestic institutional debt dominates but project developers seek more international bond financing.

Secondly, there must be balance between public and private sources. Public funds cannot sufficiently pay for a low-carbon transition. OECD estimates showed public climate finance at $64.3 billion (bilateral and multilateral flows and export credits) against only $14.6 billion of private capital mobilised. The ratios have to inverse: Public capital must be leveraged to crowd in private investment. But the world's largest sovereign wealth funds, pension funds and institutional investors shy away from developing countries considering them risky destinations.

Public funds can't sufficiently pay for a low-carbon transition. They must be leveraged to crowd in private investment. But the world's largest pension funds and institutional investors shy away from developing countries considering them risky

Mitigation and adaptation must be balanced as well. It is increasingly evident that investment can serve both ends concurrently (say, in climate-smart agriculture to withstand heat stress, increase drought resilience and boost soil carbon retention). There is still very limited insurance against climate shocks. According reinsurance giant Swiss Re, of $146 billion in damages from natural disasters in 2019, only $60 billion was insured. The ten-year average is much larger with $212 billion of losses annually. A rebalancing of climate finance would mean more blended capital, more resources for mitigation-cum-adaptation, and more insurance for climate-resilient infrastructure.

Thirdly, investment risk needs attention, otherwise green finance remains limited and costly. This is not just a debt problem. Expected equity internal rates of return for solar photovoltaic projects in India was about 15% during 2019-20. Embedded in these expectations were worries about 'offtaker' risk and regulatory uncertainties. Without de-risking instruments, capital requirements for transitions in clean energy, sustainable mobility and low-carbon industry would be impossible to meet.

Developing countries need three categories of blended finance, using limited public funds to underwrite risks for institutional investments. One is de-risking utility-scale renewables in emerging markets, by targeting non-project risks (exchange rate fluctuations, policy and political, offtaker). Another is to reduce the cost of finance for distributed energy solutions for small businesses, to clean their energy mix and upgrade production processes. A third category is risk capital for R&D investment in disruptive technologies (such as green hydrogen or advanced biofuels). The share of public funding in each would vary, but all need partnerships across governments, multilateral financial institutions and private institutional investors and insurers.

Fourthly, regulation in developing countries must create an ecosystem for green finance. RBI has only taken tentative steps, giving priority sector lending status to small renewables in 2015 and, more recently, calling for deep green bond markets. The Securities and Exchange Board of India issued green bond guidelines in 2017. The ministry of finance's Climate Change Finance Unit has, since 2011, mostly focused on representations in international forums. The Indian Renewable Energy Development Agency has spent more than half a decade deliberating whether to convert into a green bank or establish a green window with catalytic financial instruments.

These tentative steps need a jolt. First, regulation must demand reporting on climate risk exposures for legacy and planned infrastructure to prioritise resilient projects or write down stranded assets. Secondly, a green taxonomy would help sift out genuine from green-washed investments. Green tagging increases visibility of assets and their climate impacts for potential investors. Thirdly, tax incentives could encourage green bond issuances. Fourthly, reducing information asymmetries (about investment opportunities, risks, market developments) could create larger portfolios of investment for emerging markets. CEEW and the Center for American Progress have recommended India-U.S. accelerator programmes to showcase proven technologies to venture capital and early-stage investors through a marketplace. Fifthly, public funds should create pipelines of securitised, low-risk green projects (leveraging expected cash flows while underwriting them with a guarantee fund). By supporting these guarantees, developed countries could reduce cost of capital in developing and emerging markets. Finally, there must be greater coordination in regulatory forums, such as the Basel Committee on Banking Supervision or the Network for Greening the Financial System, to set standards but also building capacity of developing country financial regulators.

Developing countries must hold rich countries accountable for not honouring climate finance commitments. Beyond a point, however, it can distract from a richer conversation that is urgently needed about the scale of total finance, balance via blended finance, guaranteeing differentiated risks, and regulating a green finance architecture. Money for the planet doesn't grow on trees.

SEMICONDUCTOR CRISIS

The long-term costs of shortcuts

Firms need to go beyond the reactive responses and consider how they got to a shortage in the first place. Was it just demand spurred by the pandemic that threw everything into a tizzy?

ANJANI TRIVEDI

Bloomberg

The chip shortfall is persisting and spreading. Makers of cars, phones and computers still can't get their hands on the semiconductors they need. Their suppliers don't have the components to produce chips either. And it doesn't look like solutions will emerge anytime soon. Such makeshift fixes only stand to make the problem worse. Meanwhile, few companies are using the crisis to prepare for future shortages.

Take General Motors Co. It said it would go ahead and make its 2021 light-duty full-size pickup without a fuel management chip—part of a complicated system that controls and helps manage the vehicle's engine cylinders. Its absence would result in a reduction in the pickup's fuel economy.

Rather than roll out potentially subpar products, wouldn't it have been better to rein in production altogether and get sustainable chip plans in place to make the right kind of cars in the future? Isn't that something customers would prefer?

While the automaker shut down some facilities because of a chip deficit, it plans to keep making all truck models because they are its most profitable vehicles. Indeed, US annualised car sales are at their highest since 2017. The lack of a fuel-management chip, GM says, won't have a major impact on its greenhouse gas compliance numbers. But it's telling what the company is willing to give up to keep its profits.

Why aren't more corporations using this opportunity to plan for the next chapter in this shortage saga, to get ahead of it now? Consider the growing shortage of yet another part necessary for chipmaking—substrates, which act as insulation in semiconductors. They aren't sophisticated but lead times are now at 52 weeks for the highest-end variety, and those delays stand to affect behemoths like Nvidia Corp. and Advanced Micro Devices Inc.

Six months ago, there were signs substrate production was going to come up short. But the relatively low-margin business was almost a managed market, set up around long-term demand and contracts. Few companies invested in new production. It takes approximately $500 million to build a new substrate facility. Now the shortage is expected to get worse.

Companies should be using this time to learn that skimping on investment and relatively minor components will have consequences. If they don't start making decisions for the future now, and short-sightedness persists, supplies are bound to get worse

The only way this gets better is if the deepening shortage upends the lazy, laissez-faire approach of supply chains and planning. Firms need to go beyond the reactive responses and consider how they got to a shortage in the first place. Was it really just demand spurred by the pandemic that threw everything into a tizzy? Taiwan Semiconductor Manufacturing Co. and Samsung Electronics Co. are investing billions into cutting edge semiconductors. But the production of relatively moderate technology—like substrates and fuel management chips—would have helped in this crisis. And this period should be used to learn how to avoid shortages.

Sustainable solutions are needed. If companies don't start making decisions for the future now, and short-sightedness persists, supplies are bound to get worse. Reform doesn't require massive overhauls. For starters, being conservative with production forecasts and promises of beating profit goals is one way, even if investors won't be happy. Companies can also bake in longer lead times, diversify suppliers and build larger inventories.

The world has been in this long enough. It's worth investing time to figure out solutions now so we can get out of the shortages and avoid them in the future.

LETTERS TO THE EDITOR

Justice for marginalised groups

It is relevant to note that the US has an Affirmative Action statute that predominantly deals with equal opportunities for employment and wage parity. We, on the other hand, have specific laws for crime against the marginalised. And yet, we find that justice struggles to seep through a maze of obstacles of omission and commission over cases of discrimination/violence against the marginalised. The case of George Floyd is thus all the more remarkable that with no special laws to cover crimes against marginalised groups, the delivery of justice was not only expeditious but was seen to be done, within the prevailing legal system. The best-crafted laws may fail while a vibrant judicial system would repeatedly deliver.

— R Narayanan, Navi Mumbai

Rallies & Covid-19

In their long piece, Surjit Bhalla and Karan Bhasin seem eager to absolve the BJP (more than the Centre, even though they praise the PM for refusing lockdown) of its share of blame over massive election rallies in West Bengal. They give the example of the Bihar elections last year to justify. But, how come such eminent, learned persons don't comment on the fact that there was not enough testing in Bihar after the elections and a higher share of RAT-testing done by the state? That would have corrected many biases.

— Sumona Pal, Kolkata

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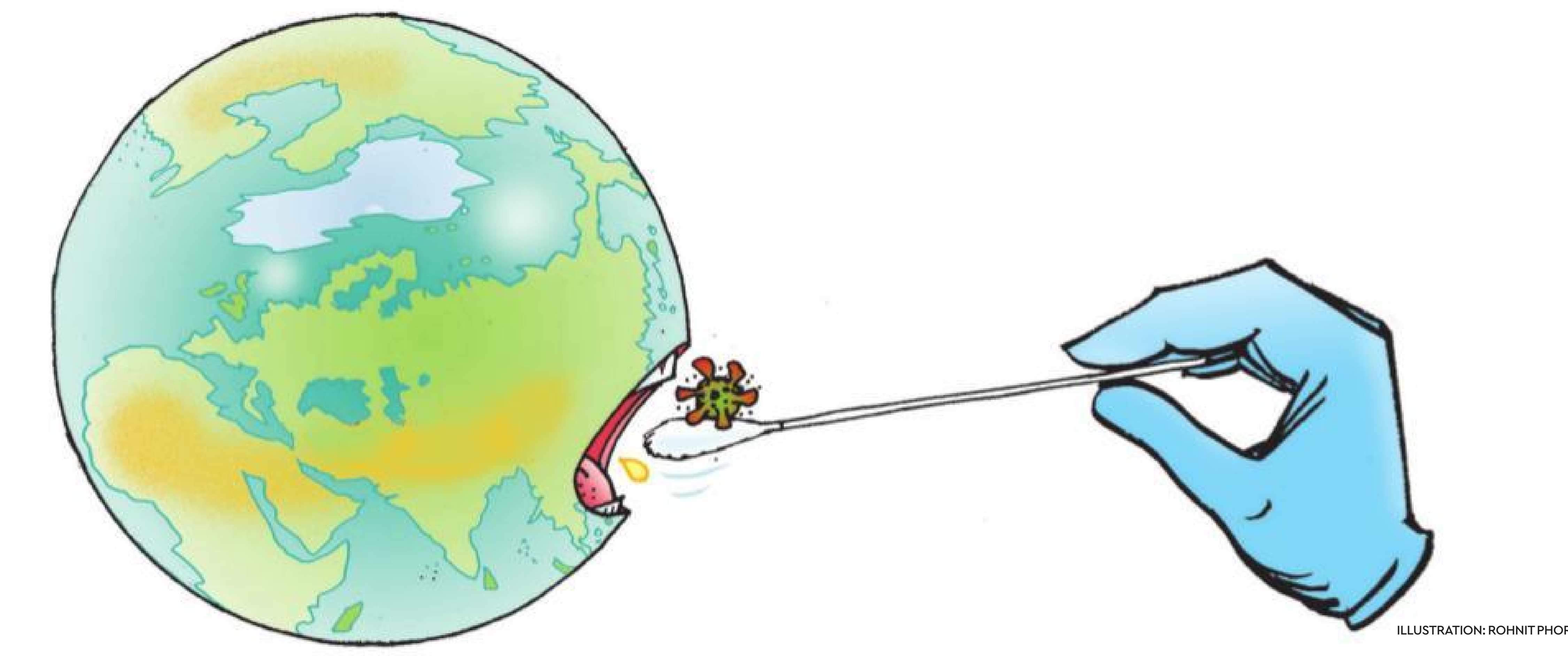


ILLUSTRATION: ROHNIT PHORE

ALOK SHEEL

The author is RBI Chair professor in Macroeconomics, ICRIER

INDIA'S SECOND WAVE

Deadly, but not more than transatlantic's

The second wave appears to have peaked in the Americas and Europe. It is trending upwards in the Middle East, North Africa and Central Asia region. It is also trending upwards in Australasia, although it is evident only in South Asia. Mortality in Australasia, including India, is, however, on a much lower base compared to the transatlantic region

COVID-19 DEATHS crossed the 3-million mark globally on April 16, 2021. These have doubled over the last four and a half months. There is continuing panic and media chatter regarding a deadly second, and possibly a third, Covid-19 wave. How does the latest available data—updated daily at the Worldometers website—square with popular perceptions?

A deadly second wave shows up clearly in the global data with regional variations. It appears to have peaked in the Americas and Europe. It is still trending upwards in the Middle East, North Africa and Central Asia (MENACA) region. It is also trending upwards in Australasia, although the second wave is evident only in South Asia. Mortality in Australasia, including India, is, however, on a much lower base compared to the transatlantic.

The accompanying graphics have aggregated Covid-19 mortality data in deaths per million to equalise for population differences across countries. Second, mortality is calculated for six-weekly intervals beginning March 6, 2020. This is when Covid-19 mortality, initially confined to China, started rising globally. There are nine six-weekly intervals in all, the last ending on April 21, 2021. Third, the data is from 37 major countries, and includes all countries with Covid-19 deaths exceeding 20,000, with the exception of South Africa (53,887 deaths so far). Together, these countries account for about 88% of Covid-19 mortality, and 72% of the global population. Fourth, the data is aggregated into four regions for analytical reasons. The regions are the Americas (10 countries), Europe (13 countries), MENACA (six countries), and Australasia (eight countries). Mortality in the rest of Africa (with the notable exception of South Africa) is minimal, and it has, therefore, been excluded from the graph to keep things simple.

The Covid-19 pandemic shows up in the graph as mostly a Transatlantic-Mediterranean phenomenon, taken to include the Americas, Europe and MENACA. With just a third of the global population, it accounts for 90% of Covid-19 mortality so far. Within this region, the Americas (1,608 per million), led by the US (one in five of all global deaths), has fared the worst, followed closely by Europe (1,349 per million), with MENACA a distant third (383 per million).

In sharp contrast, Australasia, with two-thirds of the global population, accounts for just 10% of total mortality. Its Covid-19 mortality of just 73 per million is overstated as the two outliers India (132 deaths per million) and Indonesia (160 deaths per million) account for well over 80% of Asian deaths. India is the only country outside the transatlantic region to have more than 1 lakh Covid-19 deaths. It accounts for two-thirds of the overall Australasian mortality, far out of proportion to its population share of 37%. Although India's Covid-19 mortality is high by, and critical for, overall Australasian trends, it is nevertheless still a fraction of transatlantic levels.

> It is still too early to comment on the severity of the second wave, as the Indian graph is still trending upward. We would need to watch out for incoming data

There is a clear second wave in Europe. After having dropped from a high of 155 per million in April 2020 to 11 in September, mortality rose again to peak at 290 in January 2021, following which it started to recede. Current mortality at 201 in the last six weeks of March 6 to April 21, 2021, is nevertheless substantially higher than the peak of the first wave (155).

While the Americas also witnessed a second wave, this was superimposed on the first wave, which never receded. Starting with 53 per million in April 2020, Covid-19 mortality stayed steady at around 150 per million in each of the next five six-weekly intervals until December 2020. The Americas were then hit by an even more deadly second wave that peaked in March 2021, at 283 per million. This has declined only slightly to 235 during the last six weeks ending April 21, 2021. As in the case of the East Atlantic, mortality levels currently are still higher than the peak of the first wave (169).

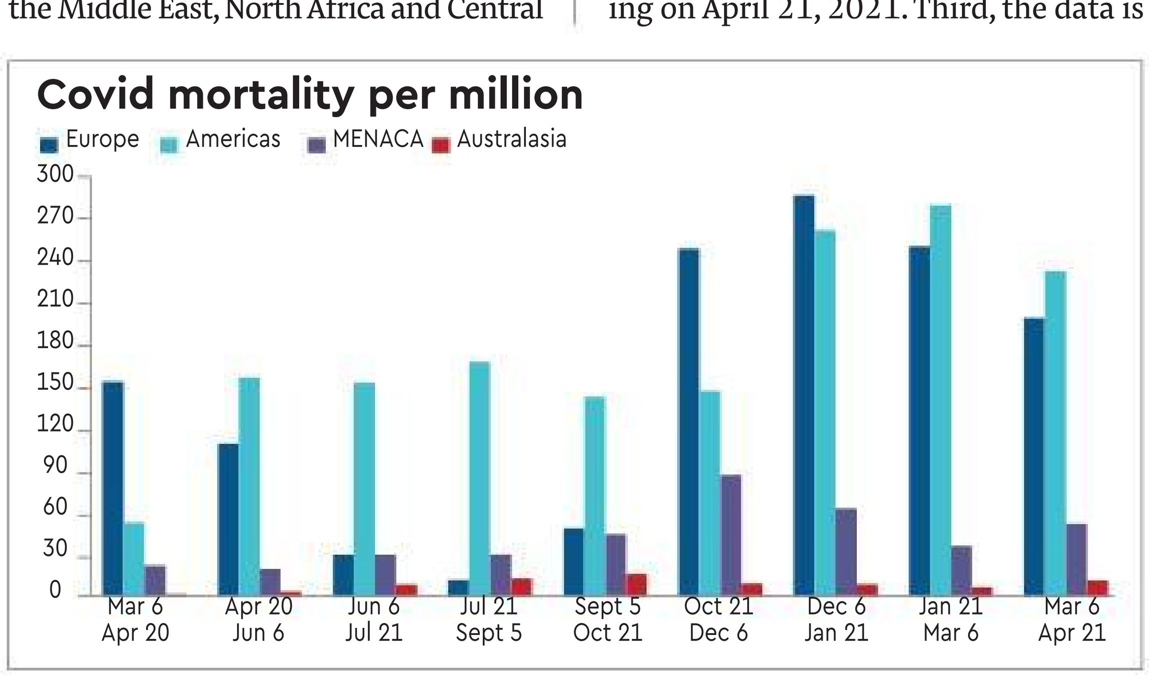
Clearly, the second wave of Covid-19 is deadlier than the first wave on both sides of the Atlantic Ocean. This was also the case with the Spanish Flu a century ago, where overall mortality was much higher.

Asia presents an intriguing contrast. Its first wave peaked at 16 per million by October 2020. From then on, it showed a slow but steady decline till around March 2021, even as the transatlantic was embarking on a deadly second wave. Mortality has, however, risen slightly from 6 per million to 9 in the last six weeks ending April 21, 2021. But this is almost entirely on account of South Asia, particularly India, which alone shows a second wave. Indian mortality has risen from 3 per million in the six weeks ending March 6 to 15 in the six weeks ending April 21, 2021. While there is a distinct second wave in South Asia, unlike the transatlantic region, Covid-19 mortality is still lower than the peak of the first wave. The trend in MENACA is similar, but at significantly higher levels.

What then of the sharply rising and record number of Covid-19 cases being reported in India, anecdotal evidence of increased hospital admissions, overflowing mortuaries, humungous election rallies and the Kumbh Mela? It is possible that while the second wave is more virulent and infectious, it is not as deadly as the first wave, and that Covid-19 mutants in India are milder than in the West, being more flu-like from which most people recover. The vaccine drive may also have helped in keeping mortality in the second wave lower.

It is, however, still too early to comment on the severity of the ongoing second wave, as the Indian graph is still trending upward. We would need to watch out for incoming data. Though absolute mortality per million is modest compared to the transatlantic numbers, it has nevertheless increased six times over the last six weeks, from 3 per million to 16. While this is still significantly lower than the first wave peak of 36, the increase over the last six weeks (13) is higher than in any earlier six-weekly interval. The Lancet Covid-19 Commission India Task Force Report of April 2021 has raised the prospect of a worst-case scenario of daily mortality of 2,320 per day by early June in the absence of adequate mitigation efforts.

There is also the issue of reliability of data that makes cross-country comparisons problematic. Testing and reporting rates, including those relating to mortality, vary across countries. Positivity rates, and number of cases, are dependent on testing that may not be equally uniform over space and time, even within the same country. While recognising this difficulty, one has to necessarily work with what data is out there. Covid-19 mortality remains the single-best indicator because large-scale mortality is difficult to conceal. Within a country, the rate of under-reporting can be assumed to remain constant over time. So, the mortality data is arguably the single-most reliable indicator for comparing Covid-19 trends across countries over time.



BOARD EXAMINATION

An elephant that refuses to dance

ASHOK PANDEY

The author, an educationist, is director, Ahlcon Group of Schools. Views are personal

A year-end summative exam cannot judge the future of a student

THE COVID-19 PANDEMIC has forced schoolchildren to stay at home for the second academic year. Worse, the new strain seems to affect schoolchildren. Amid growing anxiety, safety and health concerns, conducting board examinations involving 3.5 million students in CBSE schools became a national furore, inviting Prime Minister's intervention.

Now that the examinations for class 10 stand cancelled and postponed for class 12, multiple realities are staring at students, parents, schools and policymakers. The recent decision exacerbates broader concerns for repurposing education and accelerating examination reform in the country. The bold pronouncements in the NEP 2020 on holistic assessment—setting up of the National Assessment Centre PARAKH (Performance Assessment, Review, and Analysis of Knowledge for Holistic Development)—place an additional onus on the CBSE to take the issue head-on.

Soothsayers have argued a year-end summative exam cannot judge the future of a student. Despite this, an option to include the cumulative effect of internal assessment, periodic test scores and class 9 scores as plausible markers to prepare class 10 results faces opposition from the same people, defeating their earlier logic. The pandemic and the NEP 2020 are steering us again towards conducting more formative assessments that CBSE schools practised during 2010-15.

The new assessment—360 degrees, encompassing self, peer and parental feedback—broadens the scope of 'assessment for learning'. It catalyses decision around grades, instructional needs and curriculum. Additionally, it would inspire educators to ponder learning outcomes, competencies and syncing of pedagogies, engagement and love for learning. The new scheme instils partnerships and collaborations amongst students from early on. Involving students in enhancing each other's development and validating qualities and talents will help shape values and personalities.

All teachers know by experience that one cannot predict the future accomplishments of children from current abilities. Benjamin Bloom, we all swear by, said, "What any person in the world can learn, almost all persons can learn, if provided with the appropriate prior and current conditions of learning." The quest for learning and evaluation, therefore, should focus on self-development and equity. Participation, doing thinking, research and presentation are the hallmarks of new classrooms where a teacher is a table-hopping participant. The teacher also enjoys the autonomy to plan activities with students and exchange feedback.

The mere logistics of conducting summative assessment for over 2 million students in class 10 alone makes us wonder how much worth the effort, time and cost this is? The actual price of conducting exams is exorbitant. Many teachers—deputed as practical examiners, on invigilation duties, central evaluation and again for compartment exams—keep away from students for weeks. The opportunity cost of their absence is irrecoverable, ask any school principal.

Coming to classes 11-12, the rush for coaching, and a race for marks and cracking entrance exams lead to absenteeism and alienation from school life and from the best that campuses offer. A professor from IIT Delhi is researching why students seeking admissions in IITs do not exhibit adequate knowledge of India's heritage, culture and values. While it would be instructive to know the findings, the fact remains that the coaching institutions—relying on cramming, competition and cracking—gleefully mock at the other Cs: creativity, collaboration, communication and critical thinking.

The NEP2020 invests a lot in the last four years of schooling. Packaging the finest human qualities, community service, volunteerism, innovation and problem-solving in the teens can be daunting if they escape from the temples of learning to the coaching centres.

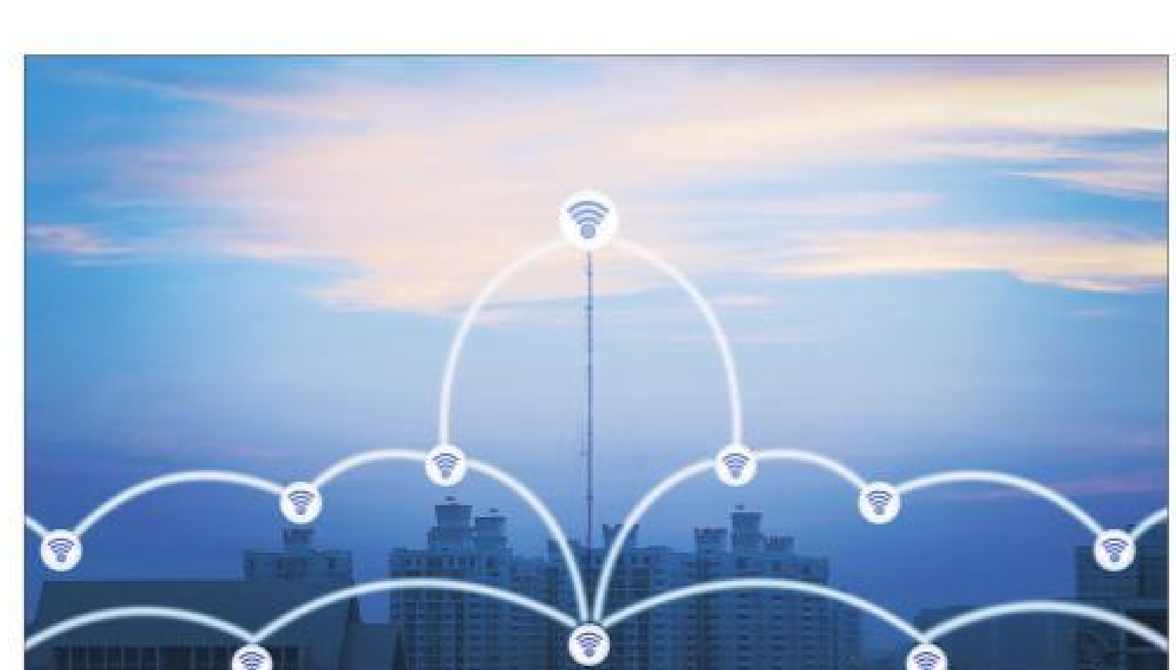
The NEP2020 states: "While the Board exams for Grades 10 and 12 will be continued, the existing system of Board and entrance examinations shall be reformed to eliminate the need for undertaking coaching classes." Ironically, an incredible billion-dollar deal is reportedly through, reasserting the might of coaching, even before the ink used to draft the policy is dry. The pandemic has disrupted our lives concerning health and economic wellbeing. However, it would administer a stress test to fix education is surprising.

A license to compete globally

How worldwide portfolio licences for standard-essential patents are a beneficial deal for Indian players

SHEETAL CHOPRA

The author is director, IPR Policy, Ericsson India. Views are personal



MOBILE telecommunication technologies have transformed everyday life in virtually every field of human activity including work, entertainment, transportation, banking, agriculture and medicine. The third and fourth generations of wireless standards (3G and 4G) reached a user base of 3 billion in only 15 years, making them the fastest-adopted technologies in history. The number of mobile connections globally is expected to reach about 5.86 billion by 2025, with the Asia-Pacific gaining the largest share. Today, about 81% mobile users in India are on 4G phones. Despite the Covid-19-related uncertainty, the new wireless standard, 5G, is expected to surpass the adoption rate of 3G and 4G and bring about even more drastic improvements in the performance of mobile telecom networks. 5G networks will enable a broad range of applications and services such as the autonomously driven car.

The main reason behind this explosive development of mobile tech is collaboration and technology sharing between innovators that develop wireless standards and thousands of manufacturers of consumer electronics devices worldwide. The prevailing form of this cooperation is the licensing of patents that are technically essential to the implementation of wireless standards (standard-essential patents, or SEPs) on fair, reasonable and non-discriminatory (FRAND) terms and conditions. FRAND licences allow innovators to earn a fair return on their investment and manufacturers to access cutting-edge technologies on reasonable terms. To minimise the costs of SEP licensing and increase efficiency, SEP-holders and prospective licensees (technology users) typically negotiate a comprehensive licence to all essential patents (i.e. portfolio of SEPs owned globally) of a certain standard or standards for the duration of the agreement. Global portfolio licences of SEPs are highly beneficial for both parties for several reasons:

Flexibility and efficiency: Worldwide portfolio licences allow the parties to shape the terms of the licence to fit their unique individual circumstances. Worldwide portfolio licences may include a variety of royalty-payment arrangements (e.g. lump-sum royalty payments, running royalties, or a combination thereof). This kind of agreement may also include provisions on global R&D collaboration, technical assistance in the implementation of the standard, and other forms of cooperation between licensors and licensees. A patent-by-patent approach, on the other hand, would lead to an inefficient SEP licensing in terms of time and costs.

Freedom to operate: Worldwide portfolio licences provide licensees with much-needed legal certainty and assurance that they will not be sued for patent infringement of the SEP portfolio in any jurisdiction where the licensor holds rights. Freedom to operate allows licensees to focus on their productive activities instead of dealing with legal disputes in faraway jurisdictions.

Scalability: With a worldwide portfolio licence, licensees can penetrate new markets, expand the scope of their activities and scale up faster. Under this, the licensee can safely expand its international presence and pursue its commercial strategy free from legal hurdles and without having to negotiate new licences each time it considers entering a new market. Moreover, the worldwide scope of the licence is flexible and economical: the licensee will pay FRAND royalties only for those markets where sales of standard-compliant products are made. This means that a local company will pay the agreed rates (within the global agreement) for the India market, and only start paying for other countries in the event it expands. Thus, he will be able to start sales anywhere in the world at any time during the term of the agreement without any risk of litigation.

Cutting-edge technology: Worldwide portfolio licences allow licensors to earn a fair reward for their innovations and thus maintain their strong commitment to the development of innovative standards. Licensees, in turn, benefit from access, on FRAND terms, to most innovative technologies currently on offer on the market.

The substantial efficiencies of worldwide portfolio licences explain why they have become the industry norm in mobile telecommunications and courts in several major jurisdictions have consistently recognised this reality. In Germany, the Federal Court of Justice, in its *Sisvel v. Haier* judgment, stressed the substantial benefits of global portfolio licences for both licensors and licensees and noted the inefficiency and wastefulness of a country-by-country and patent-by-patent licensing negotiation. In the UK, the Supreme Court, in *Unwired Planet v. Huawei*, affirmed the substantial gains from a worldwide portfolio licence. Specifically, the Court noted that the costs of bringing enforcement proceedings on a patent-by-patent, country-by-country basis would be 'impossibly high' such that implementers would be incentivised to continue infringing, distorting the balance in licensing negotiations. These concerns explain, according to the Court, why global portfolio licences are the industry norm. To summarise, worldwide SEP portfolio licences have become the industry norm in wireless telecommunications because they are highly beneficial to both licensees and licensors.

For licensees, worldwide SEP portfolio licences bring flexibility, legal certainty and freedom to operate, scalability and access to cutting-edge tech on FRAND terms. For licensors, global portfolio licences allow a fair return on their investment and thus provide incentives for further investments in innovation and standards development. Because worldwide portfolio licences make obvious sense, from an economic standpoint, courts in several major jurisdictions have recognised their value, benefits and importance for a well-functioning marketplace.

International

FRIDAY, APRIL 23, 2021

REBOUND LIKELY LATER IN 2021

Christine Lagarde, ECB President

"Incoming economic data suggest that economic activity may have contracted again in the first quarter, but point to a resumption of growth in the second quarter. The progress with vaccination should pave the way for rebound in economic activity in the course of 2021."

Nasa extracts breathable oxygen from air in Mars atmosphere

REUTERS
Los Angeles, April 22

NASA HAS LOGGED another extraterrestrial first on its latest mission to Mars: converting carbon dioxide from the Martian atmosphere into pure, breathable oxygen, the US space agency said on Wednesday.

The unprecedented extraction of oxygen, literally out of thin air on Mars, was achieved Tuesday by an experimental device aboard Perseverance, a six-wheeled science rover that landed on the Red Planet February 18 after a seven-month journey from Earth.

In its first activation, the toaster-sized instrument dubbed MOXIE, short for Mars Oxygen In-Situ Resource Utilization Experiment, produced about 5 grams of oxygen, equivalent to roughly 10 minutes' worth of breathing for an astronaut, NASA said. Although the initial output was modest, the feat marked the first experimental extraction of a natural resources from the environment of another planet for direct use by humans.

"MOXIE isn't just the first instrument to produce oxygen on another world," Trudy Kortes, director of technology demonstrations within NASA's Space Technology Mission Directorate, said in a statement. She called it the first technology of its kind to help future missions "live off the land" of another planet.

An instrument produced about 5 gm of oxygen, equivalent to roughly 10 minutes' worth of breathing for an astronaut

FILE PHOTO

The instrument works through electrolysis, which uses extreme heat to separate oxygen atoms from molecules of carbon dioxide, which accounts for about 95% of the atmosphere on Mars.

The remaining 5% of Mars' atmosphere, which is only about 1% as dense Earth's, consists primarily of molecular nitrogen and argon. Oxygen exists on Mars in negligible trace amounts.

But an abundant supply is considered critical to eventual human exploration of the Red Planet, both as a sustainable source of breathable air for astronauts and as a necessary ingredient for rocket fuel to fly them home.

The volumes required for launching rockets into space from Mars are particularly daunting.

According to NASA, getting four astronauts off the Martian surface would take about 15,000 pounds (7 metric tons) of rocket fuel, combined with 55,000 pounds (25 metric tons) of oxygen.

Transporting a one-ton oxygen-conversion machine to Mars is more practical than trying to haul 25 tons of oxygen in tanks from Earth, MOXIE principal investigator Michael Hecht, of the Massachusetts Institute of Technology, said in NASA's news release.

Astronauts living and working on Mars would require perhaps one metric ton of oxygen between them to last an entire year, Hecht said.

MOXIE is designed to generate up to 10 grams per hour as a proof of concept, and scientists plan to run the machine at least another nine times over the next two years under different conditions and speeds, Nasa said. The first oxygen conversion run came a day after NASA achieved the historic first controlled powered flight of an aircraft on another planet with a successful takeoff and landing of a miniature robot helicopter on Mars.

Like MOXIE, the twin-rotor chopper dubbed Ingenuity hitched a ride to Mars with Perseverance, whose primary mission is to search for fossilised traces of ancient microbes that may have flourished on Mars billions of years ago.

'THE US IS BACK'

President Joe Biden announces US will halve its emissions by 2030

Pledge to slash greenhouse gas emissions by 50%-52% from 2005 levels by 2030

REUTERS
Washington, April 22

THE BIDEN ADMINISTRATION on Thursday pledged to slash US greenhouse gas emissions in half by 2030, a new target it hopes will spur other big emitter countries to raise their ambition to combat climate change.

The United States, the world's second-leading emitter after China, seeks to reclaim global leadership in the fight against global warming after former President Donald Trump withdrew the country from international efforts to cut emissions. President Joe Biden unveiled the goal to cut emissions by 50%-52% from 2005 levels at the start of a two-day virtual climate summit.

"This is the decade we must make decisions that will avoid the worst consequences of the climate crisis," Biden said at the White House.

British Prime Minister Boris Johnson said the new US goal was "game changing."

The summit was attended by leaders from the world's biggest emitters, including China.

FILE PHOTO

Japan raised its target for cutting emissions to 46% by 2030, responding to US diplomacy and domestic companies and environmentalists, who wanted even higher goals.

Canada's Prime Minister Justin Trudeau also announced an emissions cut of 40%-45% by 2030 below 2005 levels.

The US climate goal also marks an important milestone in Biden's broader plan to decarbonise the US economy entirely by 2050 - an agenda he says can create millions of good-paying jobs but which many Republicans say they fear will damage the economy.

The US emissions cuts are expected to come from power plants, automobiles, and other sectors across the economy, but the White House did not set individual targets for those industries. The target nearly doubles former President Barack Obama's pledge of an emissions cut of 26-28% below 2005 levels by 2025. Sector-specific goals will be laid out later this year.

How Washington intends to reach its climate goals will be crucial to cementing US credibility on global warming, amid international concerns that America's commitment to a clean energy economy can shift drastically from one administration to the next.

'Climate change could cut world economy by $23 trillion in 2050'

RISING TEMPERATURES ARE likely to reduce global wealth significantly by 2050, as crop yields fall, disease spreads and rising seas consume coastal cities, a major insurance company warned Thursday, highlighting the consequences if the world fails to quickly slow the use of fossil fuels.

The effects of climate change can be expected to shave 11 percent to 14 percent off global economic output by 2050 compared with growth levels without climate change, according to a report from Swiss Re, one of the world's largest providers of insurance to other insurance companies. That amounts to as much as $23 trillion in reduced annual global economic output worldwide as a result of climate change.

Some Asian nations could have one-third less wealth than would otherwise be the case, the company said.

—NYT

Senators question Apple on app store dominance

REUTERS
Washington, April 22

A PANEL OF US senators questioned officials from Apple and Alphabet's Google on Wednesday about the dominance of their mobile app stores and whether the companies abuse their power at the expense of smaller competitors.

Amy Klobuchar, the top Senate Democrat on antitrust issues, said Apple and Google can use their power to "exclude or suppress apps that compete with their own products" and "charge excessive fees that affect competition."

App makers like music streaming service Spotify Technology and dating services giant Match Group, which owns the Tinder app, have long complained that mandatory revenue sharing for sales of digital goods and strict inclusion rules set by Apple's App Store for iPhones and iPads, along with Google's Play store for Android devices, amount to anticompetitive behaviour. Representatives for Apple and Google told senators the companies' tight control over their stores and the associated revenue-sharing requirements are needed to enforce and pay for security measures to protect consumers from harmful apps and practices.

But when asked by Senator Josh Hawley, Apple's Chief Compliance Officer Kyle Andeer would not commit to spending all of the mandatory fees on security.

Explanations from Andeer and Google's Wilson White, senior director for government affairs, about why the companies' fees do not apply to Uber Technologies and apps that sell physical goods also failed to satisfy senators.

"I feel like unfrozen caveman lawyer," Senator Mike Lee said. "I'm not grasping it." Senator Richard Blumenthal expressed concern about a call Match said it received late on Tuesday from its business counterpart at Google.

Apple plans to expand ads biz

APPLE IS PLANNING to expand its advertising business by adding a second advertising slot in its App Store search page's "suggested" section, the Financial Times reported on Thursday.

The new advertising slot, which will be rolled out by the end of the month, will allow advertisers to promote their apps across the whole network, rather than in response to specific searches, according to the report.

—REUTERS

Quick View

Sanjeev Gupta's father leaves UK as group battles for survival

PARDUMAN GUPTA, FATHER of embattled metals tycoon Sanjeev Gupta, has moved out of the UK, just as the pair's GFG Alliance teeters on the brink following the collapse of its largest lender Greensill Capital. The senior Gupta has changed his country of usual residence from Britain to India, according to several filings made over the past few weeks at Companies House, the business registry. He owns Simec Group, the branch of the business empire which deals in renewable energy, shipping and mining, and was founded by the magnate as an export-and-import house in India.

Most French citizens say economy must change

A MAJORITY OF people in France and half in Germany, the UK and the US want to see significant changes to their nation's economic system following the coronavirus pandemic, according to a report by Pew Research Center. Some 70% of respondents in France said their economy needs major changes or should be completely reformed compared to 50% who said the same in the US, Germany and the UK. When asked about five specific policies, government-sponsored job training got the most support in the four countries surveyed, Pew said in its report published Thursday.

WFH to lift productivity by 5% in post-Covid US

THE GREAT WORK-FROM-HOME experiment occasioned by the pandemic has divided opinion in the corporate suite and sparked endless debates.. A new study finds that, in fact, remote work does indeed make us more productive. The work-from-home boom will lift productivity in the US economy by 5%, mostly because of savings in commuting.

Hyundai Q1 profit triples; chip shortage to hit production

REUTERS
Seoul, April 22

HYUNDAI MOTOR POSTED a first-quarter profit that nearly tripled to its highest in four years as people bought its luxury cars, but warned it would have to adjust production again in May because of a chip shortage.

Unlike its rivals, the South Korean automaker staved off production halts in the first quarter, thanks to a healthy chip inventory. But the shortage, exacerbated by factors including a fire at a chip factory in Japan and storms in Texas, is now catching up with Hyundai.

Hyundai, which together with affiliate Kia is among the world's top 10 automakers by sales, has temporarily paused production three times since the beginning of this month and saved chips for its most popular models.

"The condition of semiconductor parts is being a little more prolonged than we expected," said Seo Gang-hyun, an executive vice president at Hyundai.

"As the semiconductor procurement condition is rapidly changing, it's difficult to predict production status after May. We expect that there will likely be similar production adjustment in May, similar or more than what we had in April."

MAPPING THE VIRUS

Cases pass	Deaths exceed	Recoveries
143 million	3 million	122,839,524

- More than 940 million shots given worldwide
- Europe takes steps to reopen
- EU readies legal action against Astra
- Sanctions-battered Iran, weary of pandemic, faces worst wave
- Germany wants to buy 30 million doses of Sputnik V
- Thai economy may lose $3.2 bn a month after new virus outbreak

The European Union authorised the export of 136.1 million doses to 43 countries between January 31 and April 19, according to an internal memo. Around 52.3 million were shipped to Japan, 16.2 million to the UK and 12.8 million to Canada.

Western Europe is beginning to loosen restrictions. Italy will ease many of its curbs on Monday, Greece will follow suit in early May, and France will announce the next steps for the country later on Thursday.

The European Union's executive arm is preparing to start a legal case by the end of the week against AstraZeneca over its failure to deliver its promised number of doses to the bloc.

Singapore has discovered more virus cases in a foreign worker dormitory, raising concerns about reinfections as most of the labourers had previously tested positive.

Singapore and Hong Kong called off an announcement planned for Thursday on an air travel bubble, according to people familiar with the matter. That's the second time in five months the highly anticipated arrangement appears to have run into obstacles.

After facing criticism for downplaying the virus last year, Iranian authorities have put partial lockdowns and other measures back in place to try and slow the virus' spread.

US jobless claims fall to pandemic low as economy accelerates

BLOOMBERG
April 22

APPLICATIONS FOR US state unemployment insurance unexpectedly plunged to a fresh pandemic low as the job market recovery gathers steam.

Initial claims in regular state programmes decreased by 39,000 to 547,000 in the week ended April 17, Labour Department data showed Thursday. Economists in a Bloomberg survey estimated 610,000 claims. The prior week's figure was revised up to 586,000.

The job market is strengthening as employers look to fill positions that were left empty by pandemic restrictions that have now been eased. Growth should speed up even more following a nationwide goal of administering an average of three million vaccinations per day.

Jaguar Land Rover output at UK plants hit by chips shortage

REUTERS
London, April 22

OUTPUT AT TWO of Jaguar Land Rover's (JLR) British car factories will be temporarily halted from Monday, due to Covid-19 supply chain disruption, including a lack of semi-conductors, the firm said on Thursday.

"We have adjusted production schedules for certain vehicles which means that our Castle Bromwich and Halewood manufacturing plants will be operating a limited period of non-production from Monday 26th April," the Tata Motors-owned company said.

The Covid-19 pandemic has driven up demand for semiconductor chips for use in electronics like computers, as people worked from home, and suppliers are struggling to adjust, hitting output at many automakers. Trade flows have also been affected. On Wednesday, carmaker Stellantis said it would replace digital speedometers with more old-fashioned analogue ones in one of its Peugeot models, as the fallout continues. Renault's finance chief said on Thursday that car production fell by tens of thousands of vehicles in the first quarter.

Japanese PM recommends Tokyo virus emergency as Olympics near

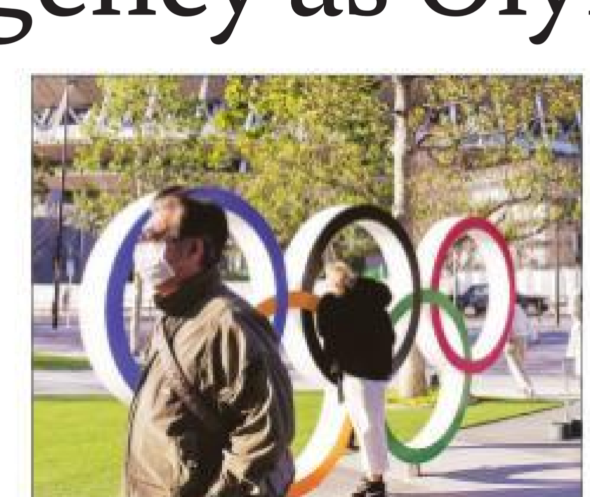
BLOOMBERG
April 22

JAPANESE PRIME MINISTER Yoshihide Suga recommended placing Tokyo, Osaka and other areas under a state of emergency to stem a surge in coronavirus infections just three months before the capital hosts the Olympics.

Suga was looking to also place Hyogo and Kyoto prefectures, which border Osaka, under a state of emergency, telling reporters Thursday he will make a formal decision after consulting with experts.

Suga has previously approved measures within a day of issuing a recommendation on stepped up virus restrictions, with local media saying the declaration was expected to come Friday. The emergency is likely to be in place from April 25 to May 11, covering the "Golden Week" string of national holidays, Jiji Press said.

While Japan has so far succeeded in keeping coronavirus infections and deaths at far lower levels than those seen in much of Europe and the US, its vaccine program has yet to kick into high gear, meaning restricting activities is the most powerful tool Suga has for reining in case numbers.



Torch staffer is event's first Covid infection

A POLICE OFFICER helping with Japan's Olympic Torch relay has become the first participant in the event to be diagnosed with Covid-19, organisers said on Thursday. The officer in his 30s was guiding traffic in the town of Naoshima on Saturday and came down with a fever on Sunday. —REUTERS

Central and local governments are tussling over how harsh the measures should be under the third emergency since the pandemic broke out, the Yomiuri newspaper reported. Stricter regulations, including an unprecedented ban on sales of alcohol at bars and restaurants, are among the proposals being discussed.

Tokyo recorded 861 new cases Thursday, the highest level since late January, while Osaka found 1,242 infections Wednesday, a record for the prefecture.

Suga this week reiterated he was determined to press ahead with the Olympics, one of the biggest global events of the pandemic era. The international sports spectacle has also raised fears in Japan of it becoming a superspreader event. The games have already been delayed a year due the pandemic, and 73% of respondents in Japan over the weekend said they were against the event, according to a weekend poll conducted by broadcaster ANN.

International Olympic Committee President Thomas Bach told reporters the emergency declaration was not related to the event. Bach is set to visit Japan May 17-18, two months before the Olympics, Kyodo said on Wednesday.

Europe proposes strict rules for artificial intelligence

NEW YORK TIMES
April 22

THE EUROPEAN UNION unveiled strict regulations on Wednesday to govern the use of artificial intelligence, a first-of-its-kind policy that outlines how companies and governments can use a technology seen as one of the most significant, but ethically fraught, scientific breakthroughs in recent memory.

The draft rules would set limits around the use of artificial intelligence in a range of activities, from self-driving cars to hiring decisions, bank lending, school enrolment selections and the scoring of exams. It would also cover the use of artificial intelligence by law enforcement and court systems - areas considered "high risk" because they could threaten people's safety or fundamental rights.

Some uses would be banned altogether, including live facial recognition in public spaces, though there would be several exemptions for national security and other purposes. The 108-page policy is an attempt to regulate an emerging technology before it becomes mainstream. The rules have far-reaching implications for major technology companies.

BrandWagon

FRIDAY, APRIL 23, 2021

NUMEROLOGY

In 2020, Indian M&E sector has degrown to $19 billion

In 2021, it is expected to grow 25% to reach $23.7 billion

TV industry declined 13% in 2020 to $9.2 billion

— EY-FICCI report

INTERVIEW: ABHIJIT AVASTHI, Co-founder, Sideways Consulting

‘It will get tough for big agencies to handle start-ups’

Since its launch in 2015, Sideways Consulting has added several start-ups to its clientele. Its co-founder ***Abhijit Avasthi*** *talks to* ***Venkata Susmita Biswas*** *about being a ‘creative problem-solving agency’ that offers more than advertising solutions, the potential impact of the second wave of the pandemic on the business, and what stops established brands from hiring independent agencies for big campaigns.*

As compared to April 2020, what does the business outlook for 2021 look like?
In April, when we went into a lockdown, we were all clueless. Because of this, we saw businesses pausing campaigns and shelving projects in the months of April, May and June. Over the past one year, as a community, we have understood some aspects of the pandemic and how to cope with it. Therefore, economically speaking, this time around there is less fear; the sense of uncertainty is not reflecting in the economic activity at large. Most brands (current and prospective) want to take a long-term view about their projects. At the moment, it does feel like we can navigate 2021 better than 2020. We are still shooting films that will be put out during IPL. None of our clients have put projects on hold yet.

Over the past year, how much of your work has been pure play advertising, as against tech consulting and the other services you offer?
We are a creative problem-solving company, and branding and communication solutions is just half of our business. A large chunk of our business is about delivering tech solutions, developing products, designing business models, etc. So, our business has not seen a massive shift. However, we have noticed that more clients who parked their advertising communication business with us are looking for innovative solutions. Earlier, the assumption was that advertising or brand communication was the best solution for a business problem. Now, brands are increasingly realising that solutions could lie in a different business model or a tech platform that achieves the same objectives differently.

For example, we are helping a financial products company build new products, and an offline fashion brand venture into the D2C model. This year, we are also launching our own IP product in collaboration with Reliance Brands. We are designing toys and games for the company.

It is believed that large brands rope in independent agencies for small projects, and prefer legacy networks for large campaigns. What has been your experience?
On the one hand, it is very encouraging that some of India’s biggest brands have worked with us on projects. When they taste success, they do try to find ways to do more innovative work with us even though the agency on record could be a large network agency. On the other hand, there are clients who have benefitted from the work we have done for them, but are under pressure from their agencies to not work with other agencies. Global deals also restrict the freedom of clients in this respect. Some legacy companies, whether MNCs or Indian firms, seek comfort in safety, and are lethargic about leaving agencies with whom they have worked for decades. Occasions of these kinds are frustrating.

> **Earlier, the assumption was that advertising was the best solution for a business problem. Now, brands are increasingly realising that solutions could lie in a different business model or a tech platform that achieves the same objectives differently**

You work with several start-up brands. Do you worry that they will move on when they grow in size?
The start-up ecosystem flourishes on innovative ideas, and we have been able to build a strong start-up vertical. Some of our start-up clients have been with us for more than two years, and that’s because they have received more than what they would have from legacy agencies. In fact, it will get tough for big agencies to handle start-up clients because of their hunger and desire to do things differently.

Sideways Consulting completes six years this year. What are some of the areas you want to focus on going ahead?
We are a 40-member team comprising people who fulfil traditional advertising agency roles, technologists, product designers and engineers. About 35% of our team is made of people who do not come from a traditional advertising background. The first five years were a learning phase when we worked with marquee start-ups like cure.fit and Nykaa, and large brands like Pidilite, Marico and P&G. We are getting a lot of opportunities with new-age brands. Given my past experience with brands like Pulsar, Cadbury’s and Asian Paints, I would like to do more work on those categories. I would like to reimagine those brands.

BLOGGER'S PARK

Damage control

How can brands win back consumers’ trust?

N CHANDRAMOULI

SOCIOLOGISTS, ANTHROPOLOGISTS, LEADERS and marketers have long held that trust is an integral part of any transaction. Trust, a complex multi-dimensional entity, is dependent on the attitudes, perceptions and actions of the trustee (in this case the brand) and the trustor (in this case the consumer). Trust gets built over time with repetition of ‘expected outcomes’, accruing confidence in the relationship. Trust is a living force, and it requires continuous replenishment by the brand.

Although gaining trust is tough, regaining it after losing it is much tougher (as broken hearts would corroborate). This is because the breakdown of trust alters the trustee’s perceptual map calling for painful mental readjustments, making the trust-collapse an intense, emotional experience for the consumer. A trust breakdown can often shatter the consumer’s worldview, and generate feelings similar to when ‘cheated’. This leads to mistrust of the other brands as well.

Regaining trust

The Fortune-Sourav Ganguly and Dabur-Akshay Kumar situation is a classic trust-erosion case, with the brand professing promises based on the ambassador’s attributes. While Sourav promised a healthy heart if one used Fortune oil, Akshay firmly held his fist to his heart and professed that Dabur Chyawanprash helps in protecting against Covid by building immunity. As luck would have it, the former had to go through an angioplasty, and the latter was declared Covid-positive, both while advertisements were on in full swing. However, seeing how differently the two brands handled these challenges shows how trust can be regained.

Fortune’s comeback advertisement addressed the problem directly by getting an endorsement from Sourav and his treating doctor, a prominent name in heart disease treatment. The statement that Sourav made in Fortune’s follow-up ads made a ‘heart’ promise towards a healthier heart, and helped gain back consumer empathy and trust, almost as fast as they were in the danger of losing it. The straightforwardness and candid approach worked for them wonderfully.

> **Fortune's comeback advertisement addressed the problem directly by getting an endorsement from Sourav and his treating doctor**

In the case of Dabur, little was done after Akshay’s Covid-positive report. The Immunity Pledge that Akshay had taken for Dabur Chyawanprash earlier had crashed like a ton of chyawanprash boxes. The brand was unwilling or unable to come up with a direct communication strategy that might have helped them overcome this challenge. Usually, when brands hire ambassadors for such endorsements, they ought to prepare their own ‘what-if’ scenarios. It looks like Dabur did not have this in place.

Too little, too late

These two are examples of minor trust transgressions, where the brand had little control over the circumstances (other than the post-occurrence action). But there can be very serious trust erosion, especially when combined with institutional action, as it was in the all-too-familiar Maggi case. Test results by a government agency showed banned substances in the popular 2-minute noodle. The brand was belligerent, and showcased international lab tests countering the Indian test claim. Little did they realise that it could have financial repercussions impacting them for the next decade to come. The matter cascaded into Maggi being banned, and by the time the brand got into corrective mode, the damage had been done.

The brand which held more than 90% market share vanished from store shelves. Though Nestlé has regained a substantial part of its lost market share, the monopoly was broken. Today, nearly a dozen brands, ranging from Ching’s to Yippee and Wai Wai, have broken into Maggi’s market, something they were unable to do in the decade before.

Consumer trust is precious and the consumer assumes certain vulnerability by accepting the statements of the brand. If a brand reneges on this trust, consumers will definitely punish it with their wallets.

The author is CEO, TRA Research

AFTER HOURS

DEEPAK SALVI, COO & CO-FOUNDER, CHINGARI

The Job

SHORT VIDEO CONTENT is the latest stir in the entertainment industry, and it is here to impress and stay for a long time. The market is constantly evolving and there is a pool of creative potential that needs to be explored. I love to interact with creators from different walks of life dispersed across the country. We wish to take them to the world.

India’s canvas, like its diverse regions, is immense yet untapped. We want to set the right platform for its growth. Once creators from the remotest of corners begin to gain popularity and become stars, we shall be content with our vision taking shape. There is happiness in breaking the stereotype that the entertainment industry belongs only to metro cities, because there is immense potential and an equally undying passion amongst creators in smaller towns, too.

The Weekdays

MY DAY WOULD be quite different if it wasn’t for Covid. Nonetheless, it’s still jam-packed with activity. Research on stuff that’s trending checks in as the No.1 activity, followed by team calls, ideation and strategy planning. A major chunk of post-lunch time is dedicated to interacting with creators, understanding creativity from their point of view, limitations that they come across, and innovations that can be tapped. In-between recharges are crucial; I do so by playing with my daughter and having light-hearted conversations with my wife over adrak-wali chai.

The Weekend

WEEKENDS ARE ABOUT self-development and personal wellbeing. I engage in different sorts of research, followed by some calorie burning over short walks, badminton and table tennis sessions with friends. Evenings are strictly for play dates with my daughter, family dinners, and watching movies, especially regional and international language titles.

The Toys

WITHOUT A SPECK of doubt, Xbox. It has been an ally for years, and still manages to bring out the kid in me; making me forget time, stress and even food sometimes.

The Logos

MEN, UNLIKE THE opposite gender, hold loyalty towards only a few categories of brands, such as cars, gadgets, watches and perfumes. In cars, who can beat the roar of the Range Rover! In apparels, United Colors of Benetton tops my list, not just for its comfort range of garments, but also for its genuine advertising efforts of bringing the world closer, one ad at a time.

Personal Finance

OPTIONS FOR SENIOR CITIZENS

Fixed income options for lower tax bracket

For people in lower tax bracket, any interest income taxable at the marginal rate, will lead to tax efficiencies, with the exception of tax-free bonds

Joydeep Sen

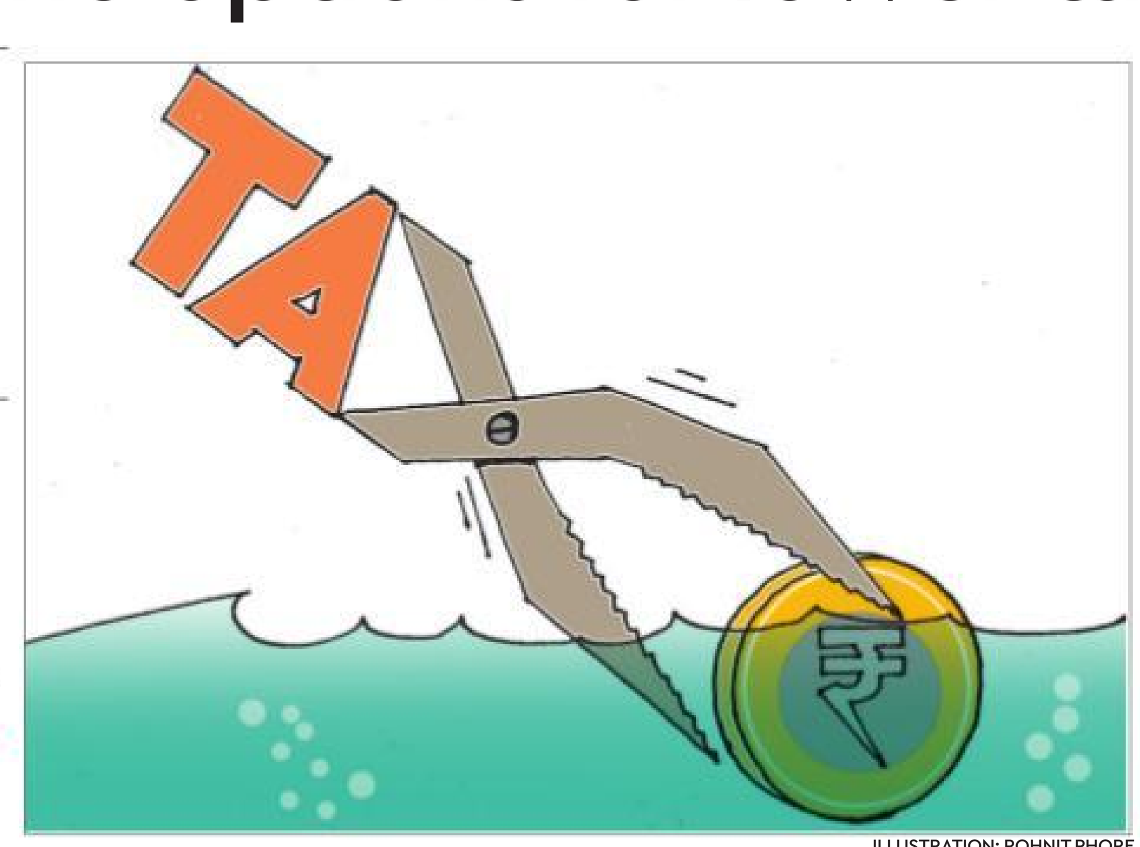


ILLUSTRATION: ROHNIT PHORE

AS PER THE earlier (and still existing) tax slab, income up to ₹10 lakh per financial year is taxable at 20% and income up to ₹5 lakh is taxable at 5%. In the new tax slab, which is optional, income less than ₹15 lakh per financial year is taxable at 25% and income up to ₹12.5 lakh is at 20%. There are senior citizens who do not have active income other than their savings/investments, there are young people who are in the initial phase of their career, etc., who are in a tax bracket less than 30%. While the equation is simple, you pay tax on your returns from investments at your marginal tax rate, e.g., 30%, 20%, etc.

We will discuss some perspectives here.

Regular bonds

Coupon (i.e., interest) from bonds is taxable at the marginal slab rate. There is no set-off like in case of capital gains tax. If the tax rate is lower, the effective net-of-tax return from bond investments is that much better and there is an efficiency for people in a lower tax bracket.

Tax-free bonds

These are not efficient for people in a relatively lower tax bracket. The coupon on tax-free bonds is free from tax. The efficiency of this instrument kicks in at a higher tax slab. The logic is, if you invested in a comparable-quality taxable bond, you would pay tax at your marginal rate, which you are saving in a tax-free bond. However, if you are in a lower tax bracket, your tax savings would not be as much.

Post office schemes

Though there was a confusion just before the start of the financial year, interest rates for small savings schemes have been maintained, at least for the time being. Anybody can avail of it, but people in a lower tax bracket would get a better net-of-tax return. Senior Citizen Saving Scheme at 7.4%, Sukanya Samriddhi Account 7.6%, National Savings Certificate at 6.8% are attractive.

Bank / corporate deposits

Interests on deposits are taxable under the head “other income” at the marginal slab rate, similar to coupon from bonds. Lower the slab rate, higher is the effective net-of-tax return.

Pradhan Mantri Vaya Vandana Yojana (PMVVY)

Returns from Pradhan Mantri Vaya Vandana Yojana are taxable as interest at the marginal rate. A pension of 7.4% payable monthly, for the full policy term of 10 years for policies purchased till March 31, 2022, is really sweet, meant for senior citizens.

RBI Savings Bond

The floating rate RBI Savings Bond has the same tax treatment, i.e., at your marginal rate. The rate, currently at 7.15%, is handsome.

Debt MF dividend option

Dividends from mutual fund schemes are now taxable in the hands of the investor, which used to be a defined-rate dividend distribution tax (DDT) earlier. Tax on MF dividends received is at the marginal rate of tax, which obviously will be lower for people in a lower tax bracket. Short-term capital gains tax on debt mutual funds, in the growth option of the fund, is for a holding period less than three years. This is at the marginal slab rate, hence here also there is an advantage for people in a lower bracket. Long-term capital gains tax in debt funds, for a holding period of more than three years, is at a defined rate. However, with the benefit of indexation, the effective tax rate comes down drastically.

Conclusion

Any interest income that is taxable at the marginal slab rate would lead to tax efficiencies, with the exception of tax-free bonds. So look at the SLR of these investments—safety, liquidity and returns.

The writer is a corporate trainer (debt markets) and an author

LIFE INSURANCE

Premium collections up 90% in March 2021

Life insurers likely to see strong growth in individual annualised premium equivalent in FY22

ILLUSTRATION: ROHNIT PHORE

LIFE INSURERS REPORTED stellar individual annualised premium equivalent (APE) growth of 90% year-on-year (y-o-y) in March 2021 (on a low base) translating to 40% y-o-y growth in Q4FY21 and 8% y-o-y for FY21. Two-year individual APE CAGR was, however, modest at 7% in March 2021 and 6% for FY21.

Performance of private players

Private players reported 8% y-o-y growth in individual APE for FY21, significantly higher than initial expectations at the start of the pandemic. Two-year individual APE CAGR was modest at 6%, lower than 4-year CAGR of 12%.

Individual protection supported growth in H1FY21, while Unit-linked Insurance plans (Ulips) started to revive from Q3FY21. Demand for non-par savings retained strong momentum throughout the year, likely reflecting investor preference to lock into a fixed rate in a falling rate regime, coupled with an increase in the appetite of life insurers to underwrite such products due to availability of FRAs.

Credit life was weak in H1FY21 due to lower disbursement volumes but picked up swiftly in H2FY21; home loan disbursements reached peak levels for most players in the second half led by strong growth in real estate sales. LIC reported 2% two-year individual APE CAGR in FY21.

Setting the stage for a strong FY22

We expect life insurance companies to report strong growth in individual APE in FY22 (on a low base) driven by (1) revival in ULIPs (equity-oriented inflows were positive after nine months in March 2021), (2) continued traction in non-par, pension and annuity based products; the market remains poised for growth due to dearth of high-yield fixed income instruments, (3) pick-up in credit life from trough levels in FY2021 and (4) high risk aversion pushing demand for individual protection in the latter part of the year - sales of protection policies tend to pick up post a pandemic. We expect VNB margin to remain strong due to a combination of high-margin savings and term products, tempered by growth in ULIPs.

Private players gain market share

Focus on new product addition, diversification of channel mix, increasing digital capabilities of proprietary channels and push through non-core channels (ex. web aggregators) have led to a gradual increase in market share for private players in the individual business. Overall market share in individual APE increased to 40.3% in FY21 from 43.8% in FY18 and 60% in FY15.

We expect better digital capabilities to deliver higher growth for private players over the next few months of local lockdowns.

Edited excerpts from Kotak Institutional Equities Research report

Markets

FRIDAY, APRIL 23, 2021

EXPERT VIEW

Rupee after opening lower against dollar rose in the latter half following suspected RBI intervention and gains in domestic equities.

—Gaurang Somaiyaa, forex and bullion analyst, Motilal Oswal Financial Services

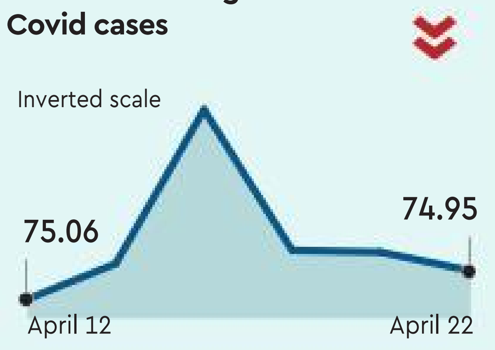
Money Matters

10-year GILT

The benchmark yield fell due to buying support 0.024%

₹/$

The rupee ended lower amid rising Covid cases 0.090%



€/$

The Euro rose against the dollar 0.083%

Quick View

IFC to lend $150 million to Bajaj Finance

THE INTERNATIONAL FINANCE Corporation would be lending $150 million to NBFC Bajaj Finance. The proposed funding will be to support Bajaj Finance's lending programme to MSME borrowers and women-owned MSMEs. This would be a senior loan from IFC for up to five years. Bajaj Finance, via their own balance sheet, will direct 3X of the IFC's loan towards the MSMEs segment, thus enabling a combined MSME funding of $600 million.

HSBC India announces tie-up with Google Pay

HSBC INDIA ON Thursday announced a partnership with Google Pay to enable secured tokenisation on its credit card portfolio. Tokenisation is the process of replacing a card's sensitive information like card number, expiration date, security code with a device-specific alternate code, or 'Token'. In mobile payments, Tokens are used to protect payment information and to reduce the security risks inherent to plastic cards, an official statement said.

Mastercard, BOB Financial launch credit card for SMEs

BOB FINANCIAL AND Mastercard have jointly launched small business-focused QR code embedded credit card that will not only enable the cardholders to make payments but receive them as well. BOB Financial is the credit card arm of Bank of Baroda. ConQR is a Mastercard QR on card solution that enables cardholders/ SMEs to accept cashless payments using their cards, the global payments giant said.

Strides Ventures says firms borrow ₹200 crore in 2021

VENTURE DEBT FUND Strides Ventures on Thursday said companies have borrowed ₹200 crore across 10 deals in 2021. Since inception, it has funded more than 20 companies through its first fund and is moving towards launching Fund II, as per an official statement. The firm has lent ₹110 crore recently to companies including Spinny, Bizongo and Infra.Market, the statement said.

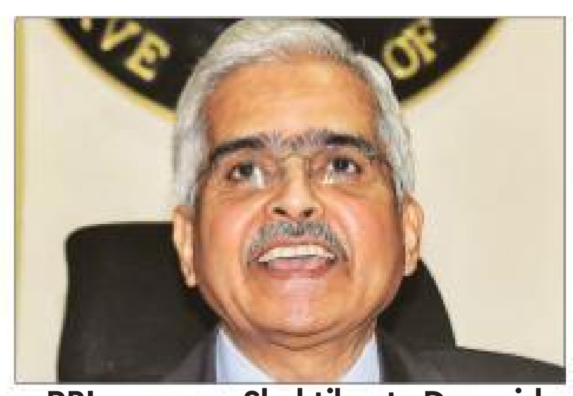
APRIL MEET MINUTES

MPC members worried over fallout of low rates for savers

FE BUREAU
Mumbai, April 22

THE MINUTES OF the April monetary policy revealed one member of the monetary policy committee (MPC) to be questioning the repercussions of low interest rates for savers and another suggesting that flattening of the yield curve be pursued through instruments outside the remit of the MPC. Reserve Bank of India (RBI) governor Shaktikanta Das said that it is still too early to offer explicit forward guidance on the course of monetary policy.

RBI executive director Mridul Saggar said that the credit channel that works in tandem with the interest rate channel is far more important than the asset price channel for effective monetary transmission. Countries have certainly relied on negative nominal or real rates in an attempt to avert deep recessions. In part they have helped limit job losses and scarring. "However, these benefits have to be weighed against the low interest rates fuelling K-shaped recoveries with increased inequalities and inflicting financial repression for savers," he wrote.



RBI governor Shaktikanta Das said that it is still too early to offer explicit forward guidance on the course of monetary policy

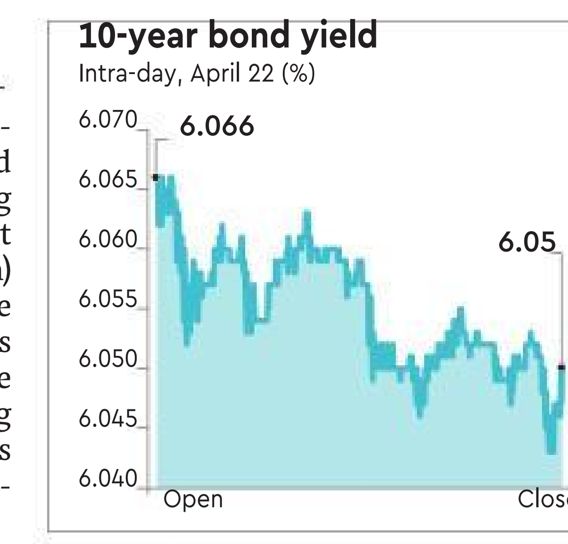
Das said that the forward guidance provided by the MPC – to remain in accommodative stance for as long as necessary to sustain growth on a durable basis – lays out the future course of monetary policy. "Given the uncertainties and the fact that we are in the beginning of a new financial year, it is too early to give explicit time-based forward guidance," he wrote, adding that the forward guidance in terms of securing a sustainable growth on a durable basis itself testifies to the MPC's commitment to continue to mitigate the impact of Covid-19 on the economy, while ensuring that inflation remains within the target, going forward.

Jayanth Varma observed that the principal motivation for the forward guidance was to reduce long term yields in the backdrop of an excessively steep yield curve. "Unfortunately, forward guidance has failed to flatten the yield curve, and I see little merit in persisting with it any more," he said. While a flattening of the yield curve remains an important goal, it must be pursued using other instruments which largely lie outside the remit of the MPC, he added.

Deputy governor Michael Patra said that the inflation print for February reflects pandemic effects in the form of input cost pressures – though still muted in translating into selling prices – retail margins and increased costs of doing business as supply chains are still mending. "Accordingly, I would continue to look through the recent elevation in inflation and remain focused on reviving the economy on a path of strong and sustainable growth," he wrote.

Key auction looms for RBI as traders balk at bond yields

SUBHADIP SIRCAR
Mumbai, April 22



BARELY WEEKS IN to India's new borrowing programme, sovereign bond traders and the Reserve Bank of India (RBI) are shaping up for another battle. The RBI's explicit assurance to buy ₹1 lakh crore ($13 billion) of bonds this quarter has failed to encourage more purchases by traders. Underwriters were forced to rescue a five-year bond sale on April 9 and the RBI cancelled an offering altogether on April 16 when traders demanded higher yields for benchmark 10-year debt.

An auction of ₹32,000 crore of bonds on Friday will show if the RBI can begin bending traders to its will, or whether the market could lose confidence entirely in its recent move towards quantitative easing. At stake is a near-record ₹12.1-lakh-crore government borrowing plan for this fiscal that is key to helping the country combat a new wave of Covid-19 infections.

The market will be watching to see if underwriters are leaned on again and the RBI accepts more-than-the-scheduled amount, according to B Prasanna, head of global markets, sales, trading and research at ICICI Bank. "This could be quite bad for risk appetite going forward and lead to investors keeping away from bond auctions, fearing secondary market selling from primary dealers at distress levels," he said.

While the RBI isn't alone in its tussle with bond traders, it is trying to contain inflation while many of its peers are striving to spur price higher. Governor Shaktikanta Das has added moral suasion to his policy tool kit, repeatedly urging traders to treat the bond yield curve as a "public good" because of its impact on borrowing costs in the broader economy.

Das has provided the market with a clearer road map for the next few months, but traders want more clarity on how purchases of at least ₹3 lakh crore will play out over the full fiscal.

The yield on the benchmark 10-year bond fell two basis points to 6.05% on Thursday. Traders continue to demand higher yields, citing domestic inflation pressures and the global reflation trade, and some have adopted strategies that present new challenges for policy makers.

ICICI's Prasanna suggested policy makers adjust how they make bond purchases under the new regime. "RBI should definitely look at tweaking the tenors of the bonds it buys under G-SAP and buy more of the 5-, 10- and 14-year bonds, rather than buying the shorter end," he said.

—BLOOMBERG

Sensex jumps 375 points on buying in bank, finance stocks

PRESS TRUST OF INDIA
Mumbai, April 22

THE EQUITY BENCHMARKS darted up on Thursday after two sessions of losses as investors piled into banking and finance stocks even as the deteriorating Covid-19 situation remained a concern.

The benchmarks were propped up by bargain-hunting in select frontline counters as well as supportive global cues, traders said.

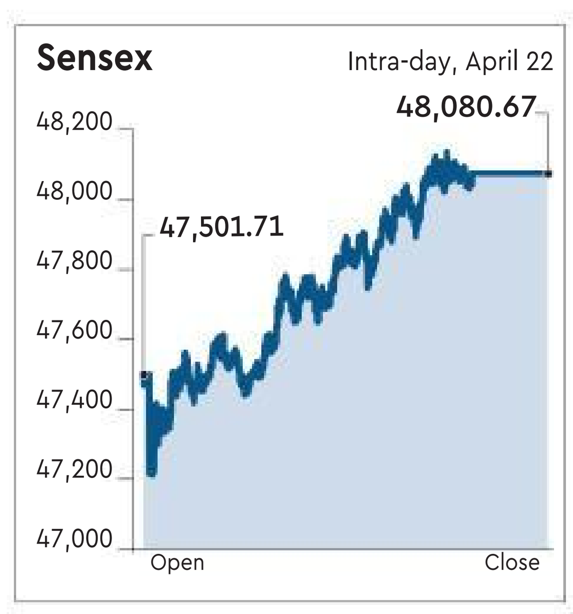
After skidding 501 points in the opening session, the Sensex pared all losses to end 374.87 points, or 0.79%, higher at 48,080.67.

The Nifty jumped 109.75 points, or 0.77%, to finish at 14,406.15.

ICICI Bank was the top gainer in the Sensex pack, spurting 3.60%, followed by HDFC, Bajaj Auto, HDFC Bank, SBI, Kotak Bank, Bajaj Finance and Axis Bank.

On the other hand, Titan, HUL, Asian Paints, Nestle India, UltraTech Cement and Tech Mahindra were among the laggards, shedding up to 2.75%.

"A persistent rise in Covid-19 cases across the country and enhanced mobility restrictions imposed by number of states are expected to remain as key drags for the market in the near term. This has certainly started posing as a threat to corporate earnings recovery. Notably, possibility of supply disruption and increased Covid-19 cases in hinterland area can further hurt economic momentum. We believe market is expected to remain volatile until we see a reversal in Covid-19 cases," said Binod Modi, head – strategy at Reliance Securities.



Sector-wise, BSE bankex, finance, metal, realty and basic materials indices rose up to 2.14%, while consumer durables, FMCG, IT and teck closed lower. Broader BSE midcap and smallcap indices rose up to 0.59%.

Global markets were largely in the positive territory as investors monitored the vaccination progress and economic recovery in multiple countries, though the unabated rise in Covid-19 cases remained an overhang. In Asia, the bourses in Hong Kong, Seoul and Tokyo ended on a positive note, while Shanghai was in the red.

The bourses in Europe were trading with gains in mid-session deals.

Meanwhile, international oil benchmark Brent crude was trading 0.51% lower at $64.99 per barrel.

Rights issue: Sebi norms on refund for un-allotted applications

PRESS TRUST OF INDIA
New Delhi, April 22

SEBI ON THURSDAY came out with new guidelines pertaining to refund for unallotted and partially allotted applications for rights issues.

"The issuer, along with lead manager(s), registrar, and other recognised intermediaries, shall also ensure the refund for unallotted/partial allotted application shall be completed on or before T+1 day (T: Basis of allotment day)," Sebi said in a circular.

Also, they will have to ensure that all data with respect to refund instructions are error-free to avoid any technical rejections, the regulator said. Further, in case of any technical rejection of refund instruction, the same needs to be addressed promptly.

In view of the difficulties faced due to COVID-19 pandemic and the lockdown measures, and in order to ensure that all eligible shareholders were able to apply to rights issue during such times, Sebi had in May 2020 granted certain relaxations in the procedures that apply to rights offerings opening on or prior to July 31, 2020.

Relaxations will be applicable for rights issues opening up to September 30, 2021.

Applications in rights issue are allowed only through the Application Supported by Blocked Amount (ASBA) facility (whereby bidders provide instructions to specified banks to block amounts equivalent to the bid amount in their ASBA accounts).

CreditAccess Grameen raises ₹71 crore by issuing bonds to Global Access Fund

CREDITACCESS GRAMEEN ON on Thursday said it has raised ₹71 crore by issuing bonds to Global Access Fund LP.

The board of directors of the company, in its meeting held on April 22, has considered and approved issuance of 710 secured, redeemable, transferable con-vertible debentures (NCDs) of face value of ₹10 lakh each, aggregating up to ₹71 crore to Global Access Fund LP, CreditAccess Grameen said in a regulatory filing. The tenure of the bonds is 36 months and 15 days (from the date of allotment). The bonds bear coupon rate of 9.90% per annum. Interest on the bonds will be paid quarterly each year until maturity date in May 2024, it said.

—PTI

ANALYST CORNER

'Buy' on Brookfield India REIT with DCF-based TP of ₹296

ICICI SECURITIES

WE INITIATE COVERAGE on Brookfield India REIT (BREIT) with a BUY rating based on March 2022 DCF based target price of ₹296/unit. BREIT is sponsored by the Brookfield Group and has 91% committed same -store occupancy and in-place rent of just ₹65/psf/month. We like the company given 9% estimated NOI CAGR over FY21-23E and with just 0.1msf of under-construction assets, the REIT offers a defensive yield play along with organic growth in its operational assets. The REIT's low initial leverage of 0.3x net debt/equity leaves headroom for injection of new assets in the REIT portfolio. At CMP of ₹239, we estimate NDCF yield of 9.1% in FY22E and 9.5% in FY23E. Key risks to our thesis are the large-scale adoption of Work-from-Home by occupiers over the long term and rising interest rates globally.

Quality asset portfolio in tier I office markets: BREIT's initial portfolio of 14.0msf of leasable area includes 10.3msf of completed area, 0.1msf of under development area with balance area of 3.7msf for future development. The portfolio includes four fully integrated office parks. The portfolio is spread across four cities, namely, The Mumbai Metropolitan Region, Gurugram, Noida and Kolkata. The portfolio is stabilised with 91% Same-Store Committed Occupancy and a Weighted Average Lease Expiry (WALE) of 6.6 years. The REIT has 125 tenants with top 10 occupiers contributing 75% of gross contracted rentals. The technology (50%), financial services (18%) and consulting (18%) sectors account for majority of the REIT's tenants.

Healthy NOI growth CAGR of 9% over FY21-23E: We expect BREIT's Net Operating Income (NOI) to grow at a 9% CAGR over FY21-23E based on the expected ramp up in occupancies in existing assets, annual rental escalations (4-5% annual escalation in existing contracts) and mark-up of leases which are expiring. This excludes any injection of call option/RoFo assets. The REIT has reported resilient rental collections of 99% in 9MFY21 (Apr-Dec'20) post onset of Covid-19 (in line with listed peers) and is on track to close 0.10msf of new leasing in Q4FY21. Further, the REIT is engaged in active conversations on 3.7msf of leasing prospects vs.1.4msf of overall initial portfolio vacancy.

Nestlé: Maintain 'buy' with target price of ₹20,000

HSBC GLOBAL RESEARCH

NESTLÉ'S Q1CY21 10.2% y-o-y India sales growth despite a strong base, with 17% EBITDA growth, indicates resilience. But Nestlé significantly underperformed last year, driven by past outperformance, valuation and the market's risk-on context Structurally attractive Nestlé now offers defensiveness and strong earnings in a volatile year. Buy with TP of ₹20,000.

Nestlé risk-reward appears quite favourable Nestlé stock has been flat in the past one year, making it the worst performer in the consumer staples peer group. This was despite the fact that operating performance for Nestlé has been fairly resilient during COVID-19 even with the disruption in out-of-home consumption categories. The main reason for Nestlé being held back was its valuation run-up, in our view, as it had been the best performer in the consumer group prior to the Covid-19 disruption (driven by its operating performance that stood out by a margin consistently), leading to expansion in multiples. As the market was in risk-on mode, Nestlé missed the market rally. Now, as the market becomes volatile again, we think Nestlé's appeal as a strong defensive with a robust earnings outlook will improve, and we view the risk-reward as quite favourable.

Q1CY21 results were resilient and impressive despite high base, Nestlé's domestic sales growth at 10.2% y-o-y was volume and mix-driven. Export sales, however, declined by 12.9% y-o-y on lower exports to affiliates. Products linked to in-home consumption continued to do well with double-digit growth. Out-of-home channels improved in sequential terms but remained impacted. Benign RM costs led to a 223bp gross margin expansion. However, EBITDA margin expansion (of 190bp) was slightly lower due to higher advertising and sales promotion expenses. Overall, Q1CY21 net sales/EBITDA/PAT rose by 8.6%/17.2%/14.6% y-o-y.

COVID SITUATION

IBA asks SLBCs to take a call on functioning of banks

PRESS TRUST OF INDIA
New Delhi, April 22

TO ENSURE SAFETY of bankers, Indian Banks' Association (IBA) has asked State Level Bankers' Committee (SLBC) convener to modify the Standard Operating Procedures (SOPs) as per the prevailing Covid-19 situation and needs in respective states.

The decision to this effect was taken in a special Managing Committee meeting organised on April 21, 2021.

"We are also suggesting SLBC convenors to separately call meetings of all stakeholders including chief medical officers and senior level government officials and deliberate on emerging situations in their respective states and issue advisories to the banks," IBA CEO Sunil Mehta said in a letter addressed to heads of banks.

It is felt that localised advisories will be more practical and useful for the entire system, it said.

"While banking is an integral part of the economy and the services are needed to be continued to ensure smooth economic activities, there is a need to suggest steps to restrict services to ensure safety of banking staff as well as our customers who visit branches for their banking needs. This will also help in reducing pressure on the medical infrastructure," it said.

There are a growing number of cases in every bank and bankers are finding it difficult to get a bed and oxygen supply like any other citizens of the country, UFBU has said.

The United Forum of Bank Unions (UFBU), an umbrella body of nine unions, in a representation had asked IBA for restriction in services and reduction in public dealing time to around 3 hours per day till the situation improves to protect bank employees from the coronavirus infection.

"We are deeply distressed to constantly receive news about infections, hospitalisations and deaths of bank employees round the clock every day," the UFBU had said.

Last month, the IBA had written a letter addressed to Secretary Health and Family Welfare for inclusion of bank employees for vaccination on priority basis given their important role in running the economy.

The association had requested the ministry for free vaccination on priority basis.

With the new variant of mutant virus, the risk has increased manifold for those who are not vaccinated, the IBA had said.

Inflows in sustainable funds surge 76% to ₹3,686 cr in FY21

PRESS TRUST OF INDIA
New Delhi, April 22

DRIVEN BY INCREASED investor interest in environmental, social and governance issues, sustainable funds in India attracted ₹3,686 crore in the 2020-21, a jump of 76% over the preceding fiscal. The Covid-19-led crisis has only accelerated the demand for sustainable investing.

Sustainable or ESG (environmental, social, and governance) funds in India witnessed an inflow of Rs 3,686 crore in just-concluded fiscal, compared with Rs 2,094 crore in 2019-20, according to Morningstar data. Such funds offer exposure to themes such as renewable energy, low carbon, green transport and environmental protection.

Morningstar India director and manager (research) Kaustubh Belapurkar said, "While still early days in India from an ESG funds perspective, the launch of ESG funds has increased investor awareness significantly. Many domestic asset managers are already incorporating ESG principles in their overall investing framework."

He said corporate India is also increasingly acknowledging the need to effectively manage the ESG factors as means to mitigate business risks as well as attract long-term capital from investors who are increasingly considering ESG factors to make investment decisions. In addition, domestic regulations are also calling for greater disclosures from firms with respect to their sustainability practices, Belapurkar said.

Winvesta co-founder Prateek Jain said ESG-conscious investing is just starting in India and investors are paying more attention on how socially responsible their portfolio is. "Investors have started embracing the fact that they don't have to sacrifice returns by opting for high ESG stocks, as identified in several studies."

The Indian mutual fund industry witnessed increased interest in ESG funds, with the launch of several new ESG funds in the second half of 2020-21. Among the new launches are Aditya Birla Sun Life ESG, ICICI Prudential ESG, Kotak ESG Opportunities, Quant ESG Equity Fund, Invesco India ESG Equity and Mirae Asset ESG Sector Leaders ETF.

Second wave raises concerns over NBFCs' retail loans: Icra

PRESS TRUST OF INDIA
Mumbai, April 22

THE RESTRICTIONS ON movement imposed by various states due to surging COVID-19 cases are likely to affect collections of non-banking finance companies (NBFCs) and housing finance companies and may pose risks to the asset quality of their retail loans, according to a report.

"The rising COVID-19 cases in April has again raised concerns on the asset quality of retail loans of NBFCs and HFCs given the increasing instances of lockdowns in various cities, coupled with a gradual rise in severity of such restrictions by some state governments," Icra Ratings said in a report. The restrictions on movement would have a bearing on collection efforts for NBFCs, especially for microfinance loans where cash collections still remain dominant, it added.

Its vice president and head (structured finance ratings) Abhishek Dafria said, "While it is too early to comment on the extent of the impact on the asset quality of retail loans due to the rising COVID cases, there is reason to be cautious."

The report said commercial vehicle loans could also face stress if the inter-state restrictions are re-imposed, though even the current restrictions put in place in key geographies like Maharashtra and Delhi, where non-essential services are closed, would lead to the lower fleet utilisation for operators.

Housing loans are expected to remain most resilient as was seen even last year given the secured nature of the asset class and the priority given by borrowers to repay such loans, it said.

Dafria said post the nationwide lockdown last year, a severe drop in collections was witnessed for most asset classes, though the availability of a moratorium provided a breather from an NPA-recognition perspective.

Warbug Pincus buys HDFC's 24.48% stake in Good Host Spaces

PRESS TRUST OF INDIA
Mumbai, April 22

GLOBAL PRIVATE EQUITY major Warburg Pincus on Thursday said it has become a "significant shareholder" in student accommodation provider Good Host Spaces by undisclosed sum. Baskin Lake Investment, an affiliate of Warburg Pincus, has picked up mortgage major HDFC's 24.48% stake in the company, and has also topped it with a primary investment, an official statement said.

Existing shareholder Goldman Sachs and Baskin Lake will support the future growth of Good Host by investing additional capital to fund the company's growth objectives, the statement said.

Good Host is the first on-campus student housing platform, and has become largest owner and operator of student accommodation assets, operating about 18,000 beds at Manipal University, O P Jindal Global University and Shoolini University, it said.

Federal Bank partners with neobank Fi

FEDERAL BANK SAID on Thursday that it is partnering with Fi, a Bengaluru-based neobank for salaried millennials. Founded in 2019, Fi is the brainchild of ex-Googlers who pioneered Gpay — Sujith Narayanan and Sumit Gwalani.

The partnership will enable issuing a savings account, equipped with a debit card, in under three minutes. The Fi app is one-of-a-kind in its approach, as its users will earn rewards for saving money as well — unlike the market.

Sujith Narayanan, CEO and co-founder, Fi, said: "Our platform leverages cutting-edge tech and data science for deriving actionable insights that empower users to take control and do more with their finances..." **FE BUREAU**

IOB appoints E&Y as digital consultant

INDIAN OVERSEAS BANK (IOB) has appointed Ernst & Young as digital consultant to achieve the goal of increasing the share of digital services. IOB said the consultant has been appointed as part of its growth strategy and to transform its banking services into a digitalised form. The consultant would help the bank stay more focused on leveraging and adopting new technologies while helping in enhancing the quality of service and delivery to its customers. **FE BUREAU**

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF HUSYS CONSULTING LIMITED

Corporate Identification Number (CIN): L74140TG2005PLC047222
Registered Office: 1-8-505/E/D/A, Prakash Nagar Extension Hyderabad TG 500016 India., **Tel:** - +91 74160 95632 | **Website:** www.husys.com | **Email:** megha.c@husys.net

This public announcement ("**Public Announcement**") is being issued by Gundlapally Ramalinga Reddy ("**Promoter/Acquirer**") to the public shareholders of Husys Consulting Limited ("**Company**") in respect of the proposed acquisition and consequent voluntary delisting of the fully paid up equity shares of the Company with a face value of INR. 10/- each ("**Equity Shares**") from the Emerge Platform of National Stock Exchange of India Limited ("**NSE**") (referred to as the "**Stock Exchange**") pursuant to Regulation 10 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**") and in accordance with the terms and conditions set out below and/or in Letter of Offer (*defined below*) ("**Delisting Offer**").

1. BACKGROUND OF THE DELISTING OFFER

1.1. The Company is a public limited company incorporated in accordance with the provisions of the Companies Act, 1956, having its registered office at 1-8-505/E/D/A, Prakash Nagar Extension Hyderabad TG 500016 India. The Equity Shares are listed on the Stock Exchange.

1.2. As on the date of this Public Announcement, the Promoter and Promoter Group holds 16,02,885 Equity Shares aggregating to 70.26% of the paid-up equity share capital of the Company. The Acquirer is the promoter of the Company. As on the date of this Public Announcement, the Acquirer hold 9,47,885 Equity Shares.

1.3. The Acquirer is making this Public Announcement to acquire up to 6,78,365 Equity Shares ("**Offer Shares**") representing 29.74% of the total issued equity share capital of the Company from the public shareholders (i.e. shareholders other than the Promoter and the promoter group) ("**Public Shareholders**") pursuant to Regulations 5 and 6(b) of the Delisting Regulations read with Chapter IV of the Delisting Regulations. If the Delisting Offer is successful as defined in paragraph 12 read along with paragraph 13 of this Public Announcement, an application will be made for delisting the Equity Shares from the Stock Exchange in accordance with the provisions of the Delisting Regulations and the terms and conditions set out below and in the Letter of Offer, and any other documents relating to the Delisting Offer. Consequently, the Equity Shares shall be voluntarily delisted from the Stock Exchange.

1.4. Pursuant to a letter dated November 30, 2020 ("**Offer Letter**"), the Promoter, conveyed its intention to make the Delisting Offer to acquire, either individually or along with one or more members of the promoter group, the Offer Shares and to delist the Equity Shares from the Stock Exchange in accordance with the Delisting Regulations and requested the Board of Directors of the Company ("**Board**") to (a) take all actions as may be required to be undertaken by the Company in terms of the Delisting Regulations including inter-alia the appointment of a merchant banker to undertake due diligence and provide necessary information for the due diligence; (b) convene a meeting of the Board to consider and approve the Delisting Offer, as required under the Delisting Regulations; (c) take necessary steps to convene a meeting of the shareholders to approve the Delisting Offer in accordance with the Delisting Regulations; and (d) obtain in-principle approval from the Stock Exchange for the proposed delisting of Equity Shares. The receipt of the Offer Letter was intimated by the Company to the Stock Exchange on November 30, 2020. The Promoter, subsequently also informed the Company of its willingness to accept Equity Shares tendered by the Public Shareholders in the Delisting Offer at a price of INR 96.00 per Equity Share ("**Indicative Offer Price**").

The Indicative Offer Price should in no way be construed as:

(a) A maximum or minimum price for the purpose of the reverse book building process and the Public Shareholders are free to tender their equity shares at any price irrespective of the Indicative Offer Price, in accordance with the Delisting Regulations; or
(b) A commitment by Acquirer to accept the equity shares tendered in the Delisting Offer, if the Discovered Price (defined below) is less than the Indicative Offer Price; or
(c) An obligation on the Acquirer to pay the Indicative Offer Price in the event the Discovered Price is lower than the Indicative Offer Price; or
(d) Any restriction on the ability of the Acquirer to acquire equity shares at a price higher or lower than the Indicative Offer Price.

1.5. Pursuant to the intimation received from the Promoter, the Board, in its meeting held on December 04, 2020, transacted the following:
(i) considered and took on record the Offer Letter; and
(ii) approved the appointment of First Overseas Capital Limited ("**Merchant Banker**"), as the merchant banker, in accordance with Regulation 8(1A)(ii) of the Delisting Regulations, for the purposes of carrying out the due diligence in accordance with Regulation 8(1A)(iii), Regulation 8(1A)(iv), Regulation 8(1D) and other relevant provisions of the Delisting Regulations ("**Due Diligence**");

The outcome of the Board meeting on December 04, 2020 was notified to the Stock Exchange on the same day.

1.6. The Company notified the Stock Exchange on December 23, 2020, that a meeting of the Board is to be held on December 29, 2020 in order to (i) take on record and consider the Due Diligence report to be prepared and submitted by the Merchant Banker; and (ii) take a decision on the voluntary delisting proposal submitted by the Promoter vide the Offer Letter.

1.7. The Board, in its meeting held on December 29, 2020, took the following decisions:
(i) the Board took on record the Due Diligence report dated December 24, 2020 submitted by the Merchant Banker;
(ii) the Board certified that: (a) the Company is in compliance with the applicable provisions of securities laws; (b) The Promoter, group companies of the Promoter, and their related entities are in compliance with sub regulation (5) of Regulation 4 of the Delisting Regulations; and (c) the Delisting Offer is in the interest of the shareholders.
(iii) the Board approved the Delisting Offer in terms of Regulation 8(1)(a) of the Delisting Regulations subject to approval of the shareholders of the Company through a postal ballot and evoting in accordance with the Delisting Regulations and subject to any other requirement under applicable laws, including any conditions as may be prescribed or imposed by any authority while granting any approvals.
(iv) the Board accepted and took on record the certificate provided by Rishabh Jain & Associates, Chartered Accountants (Membership number 187632), independent chartered accountant, which sets out the floor price of the Delisting Offer ("**Floor Price**") to be INR 73.43 per Equity Share. The outcome of this meeting was notified to the Stock Exchange on December 29, 2020.

1.8 The Postal Ballot Notice was dispatched on January 06, 2021.

1.9. The shareholders of the Company have passed a special resolution through postal ballot, the result of which was declared on February 06, 2021, approving the Delisting Offer in accordance with Regulation (8)(1)(b) of the Delisting Regulations and other applicable laws. The Company has notified the result of postal ballot to the Stock Exchange on February 07, 2021. The votes cast by the Public Shareholders in favour of the Delisting Offer were 4,15,365, which are more than twice the number of votes cast by the Public Shareholders against the Delisting Offer, being 18,000.

1.10. NSE have issued its in-principle approval to the Delisting Offer subject to compliance with the Delisting Regulations, pursuant to its letter dated April 22, 2021, in accordance with Regulation 8(3) of the Delisting Regulations.

1.11. This Public Announcement is being issued in the following newspapers as required under Regulation 10(1) of the Delisting Regulations:

Newspaper	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Lakshadeep	Marathi	Mumbai

1.12. The Acquirer will inform the Public Shareholders of amendments or modifications, if any to the information set out in this Public Announcement by way of a corrigendum that will be published in the aforementioned newspapers in which this Public Announcement is published.

1.13. The Delisting Offer is subject to the acceptance of the Discovered Price (defined below), determined in accordance with the Delisting Regulations, by the Acquirer. The Acquirer may also, at his sole and absolute discretion, propose: (a) a price higher than the Discovered Price for the purposes of the Delisting Offer; or (b) a price which is lower than the Discovered Price but not less than the book value of the Company as certified by the merchant banker in terms of Regulation 16(1A) of the Delisting Regulations ("**Counter Offer Price**"). The "Exit Price" shall be: (i) the Discovered Price, if accepted by the Acquirer; or (ii) a price higher than the Discovered Price, if offered by the Acquirer at its absolute discretion; or (iii) the Counter Offer Price offered by the Acquirer at its discretion which, pursuant to acceptance and/or rejection by the Public Shareholders, results in the cumulative shareholding of the Acquirer/Promoter and the members of the promoter group reaching 90% of the equity share capital of the Company.

2. NECESSITY AND OBJECTIVE OF THE DELISTING OFFER

2.1. Following are the main objectives of the Delisting Offer specified by the Promoter in the Offer Letter:
(i) To obtain full ownership of the Company, which will in turn provide enhanced operational flexibility to support the Company's business;
(ii) save compliance costs and reduction in management time devoted to comply with the requirements associated with the continued listings, which can be refocused on the Company's Business;
(iii) the delisting of the equity shares of the Company is in the interest of the public shareholders as it will provide them with an exit opportunity at a price determined in accordance with the Delisting Regulations;

2.2. In view of the above, the Acquirer believe that the Delisting Offer can provide the Public Shareholders an opportunity to exit from the Company at a price discovered in accordance with the Delisting Regulations.

3. BACKGROUND OF THE ACQUIRER/PROMOTER

3.1. Gundlapally Ramalinga Reddy
(i) Gundlapally Ramanlinga Reddy, Managing Director, aged 51 years, holds degree of Master of Business Administration. He is one of the initial subscriber to the Memorandum of Association of the Husys Consulting Limited.
(ii) The Promoter and Promoter Group have not sold any equity shares of the Company during the six months preceding the date of Board Meeting i.e. December 29, 2020, wherein the Delisting proposal was approved.

4. BACKGROUND OF THE COMPANY

4.1. The Company is a public limited company and was incorporated on August 24, 2005 under the Companies Act, 1956, as "Husys Consulting Private Limited". Subsequently, our Company was converted into Public limited company pursuant to which the name of our Company was changed to "Husys Consulting Limited" vide fresh certificate of incorporation dated August 06, 2015. Our Company got listed on Emerge ITP Platform of National Stock Exchange of India Limited (NSE) on August 21, 2015. Further, Our Company has made an application for delisting from on Emerge Institutional Trading Platform of NSE vide letter dated April 25, 2016 and had been delisted with effect from June 09, 2016 vide letter no. NSE/LIST/73566 dated May 19, 2016.

4.2. The Company's registered office is situated at Husys House, 1-8-505/E/D/A, Prakash Nagar, Begumpet, Hyderabad - 500016. The CIN of the Company is L74140TG2005PLC047222. The Equity Shares are listed on the Stock Exchange.

4.3. The Company is in the business of creating the concept of HR Function Outsourcing (HR Function Management HRFM) with the Services divided into Husys Consulting, Operations, Technology and Global PEO ("Professional Employer Organisation").

4.4. As on the date of this Public Announcement, the authorized share capital of the Company is INR 5,00,00,000 divided into 50,00,000 Equity Shares of INR 10 each. The issued, subscribed and paid-up capital of the Company is INR 2,28,12,500 divided into 22,81,250 Equity Shares.

4.5. As on date of this Public Announcement, the Company does not have any partly paid-up shares or convertible securities in the nature of warrants or fully or party convertible debentures / preference shares etc. which are convertible to Equity Shares at a later date. The Equity Shares held by the Promoter are not locked in.

4.6. The Board as on date of this Public Announcement is as follows:

Name and DIN	Designation	Date of Appointment	No. of Equity Shares held
Mr. Gundlapally Ramalinga Reddy DIN: 00559079	Managing Director	August 20, 2015	9,47,885
Mrs. Gundlapally Praveena Reddy DIN: 00559136	Whole Time Director	August 24, 2005	6,54,000
Mr. Naresh Babu Deevi DIN: 07303818	Executive Director	June 01, 2019	21,575
Ms. Nina Elizabeth Woodard DIN: 00754603	Independent Director	September 20, 2014	-
Mr. Biju Varkkey DIN: 01298281	Independent Director	August 06, 2015	-
Mr. Viswanathan Nelluvaya Subrahmanian Iyer DIN: 08475342	Independent Director	June 19, 2019	-

5. PRE AND POST CAPITAL STRUCTURE AND SHAREHOLDING PATTERN OF THE COMPANY

5.1. The capital structure of the Company as on the date of the Public Announcement is as follows:

Paid up Equity Shares of the Company	No. of Equity Shares/Voting Rights	% of Share Capital/Voting Rights
Fully Paid up Equity Shares	22,81,250	100.00
Partly Paid up Equity Shares	Nil	N.A.
Total	**22,81,250**	**100.00**

5.2. The shareholding pattern of the Company as on the date of Public Announcement is as follows:

Particulars	No. of Equity Shares	Shareholding (%)
Promoter & Promoter Group	16,02,885	70.26
Public	6,78,365	29.74
Total	**22,81,250**	**100.00**

5.3. The post delisting capital structure of the Company is not going to change immediately upon successful completion of the Delisting Offer. However, the likely post-delisting shareholding assuming successful completion of the Delisting Offer in terms of the Delisting Regulations is as follows:

Particulars	No. of Equity Shares*	Shareholding (%)*
Promoter & Promoter Group	22,81,250	100.00
Public	-	-
Total	**22,81,250**	**100.00**

*Assuming full tender by all public shareholders.

6. STOCK MARKET DATA

6.1. The Equity Shares are listed on the Stock Exchanges.

6.2. The high, low and average market prices of the Equity Shares (in Indian Rupees per Equity Share) for the 3 financial years and 6 months preceding the date of this Public Announcement and the corresponding volumes on the Stock Exchange are as follows:

Period	High(1) (₹)	Date of High(2)	No. of Equity Shares traded on that date	Low(1) (₹)	Date of Low(2)	No. of Equity Shares traded on that date	Average Price(1) (₹)	No. of Equity Shares traded during that period
Preceding 3 years								
FY 2018-19	44.00	May 10, 2018	2,000	30.00	March 28, 2019	2,000	37.99	1,48,000
FY 2019-20	38.00	September 05, 2019	4,000	24.25	January 09, 2020	4,000	30.71	82,000
FY 2020-21	131.85	November 27, 2020	4,000	20.50	June 26, 2020	22,000	72.45	7,64,000
Preceding 6 months								
October, 2020	90	October 23, 2020	8,000	71.20	October 16, 2020	12,000	80.59	1,66,000
November, 2020	131.85	November 27, 2020	4,000	80.25	November 03, 2020	2,000	101.32	1,32,000
December, 2020	130.95	December 01, 2020	4,000	91.70	December 18, 2020	4,000	101.68	1,12,000
January, 2021	95.00	January 07, 2021	4,000	89.10	January 06, 2021	4,000	93.00	12,000
February, 2021	97.50	February 26, 2021	6,000	93	February 11, 2021	2,000	93.00	8,000
March, 2021	98.70	March 30, 2021	4,000	94	March 22, 2021	4,000	96.35	8,000

Source: *www.nseindia.com*

Notes: *(1) High and low price for the period are based on intra-day prices and average price is based on average of closing price. (2) In case where the same price falls on 2 (Two) or more days, the day falling first is considered.*

7. STOCK EXCHANGES FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

7.1. The Equity Shares of the Company are listed and traded on the NSE.

7.2. The Acquirer is seeking to delist the Equity Shares from the NSE. The 'in-principle' approval from the NSE was obtained on April 22, 2021.

7.3. No application for listing shall be made in respect of any Equity Shares which have been delisted pursuant to this Delisting Offer for a period of 5 years from the date of delisting except where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.

7.4. Any application for listing made in future by the Company after the aforementioned period in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to the then prevailing laws relating to listing of equity shares of unlisted companies.

7.5. The Acquirer proposes to acquire the Offer Shares pursuant to a reverse book building process through an acquisition window facility, i.e., separate acquisition window in form of web based bidding platform provided by NSE, in accordance with the stock exchange mechanism (the "Acquisition Window Facility" or "Offer to Buy (OTB)"), conducted in accordance with the terms of the Delisting Regulations and the SEBI Circulars (defined below).

8. MANAGER TO THE DELISTING OFFER

8.1. The Acquirer has appointed the following as the Manager to the Delisting Offer ("**Manager to the Offer**"):
Pantomath Capital Advisors Private Limited
406-408, Keshava Premises, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Telephone: +91 22 61946700; Fax: +91 22 26598690
Email: kruthika.shetty@pantomathgroup.com
Contact Person: Kruthika Shetty

9. REGISTRAR TO THE DELISTING OFFER

9.1. The Acquirer has appointed **KFin Technologies Private Limited**, bearing CIN U72400TG2017PTC117649 and having its office at Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500 032, Telangana, India., as the Registrar to the Delisting Offer ("**Registrar to the Offer**").

10. DETERMINATION OF THE FLOOR PRICE

10.1. The Acquirer proposes to acquire the Equity Shares from the Public Shareholders pursuant to a reverse book–building process established in terms of Schedule II of the Delisting Regulations.

10.2. The Equity Shares of the Company are listed on the NSE. The annualized trading turnover based on the trading volume in the Equity Shares of the Company on the NSE, based on the information available on the website of the NSE during November 01, 2019 to October 31, 2020 (twelve calendar months preceding the calendar month of the Reference Date (defined below) are as under:

Name of the Stock Exchange	Total traded turnover (quantity) from November 01, 2019 to October 31, 2020	Total no. of equity shares outstanding as at October 31, 2020	Annualized trading turnover (%)
NSE	5,04,000	22,81,250	22.09%

Source: www.nseindia.com

10.3. The Equity Shares of the Company are frequently traded on the NSE as per the definition of 'frequently traded shares' set out in Regulation 2(1)(j) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**").

10.4. Regulation 15(2) of the Delisting Regulations provides that the floor price shall be determined in terms of Regulation 8 of the Takeover Regulations. As per the Explanation to Regulation 15(2) of the Delisting Regulations, the reference date for computing the floor price would be the date on which the recognized stock exchange were notified of the board meeting in which the delisting proposal would be considered, i.e., November 30, 2020 ("**Reference Date**").

10.5. Accordingly, in terms of the Regulation 8 of the Takeover Regulations, the floor price shall be higher of the following:

Sr. No.	Particulars	Price (INR)
1.	the highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	Not Applicable
2.	the volume-weighted average price paid or payable for acquisitions, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the Reference Date	Not Applicable
3.	the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the Reference Date	Not Applicable
4.	the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the Reference date, as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	73.43/-
5.	where the shares are not frequently traded, the price determined by the acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable
6.	The per equity share value computed under Regulation 8(5), if applicable.	Not Applicable

Source: Certificate dated December 26, 2020 issued by Rishabh Jain & Associates, Chartered Accountants

10.6. The Company on December 26, 2020, received a certificate from Rishabh Jain & Associates, Chartered Accountants certifying the Floor Price for the Delisting Offer to be INR 73.43/- computed in accordance with the Delisting Regulations. The Floor Price was notified to the NSE as part of the outcome of the Board meeting dated December 29, 2020.

11. DETERMINATION OF DISCOVERED PRICE AND EXIT PRICE

11.1. The Acquirer proposes to acquire the Offer Shares pursuant to a reverse book-building process through acquisition window facility in accordance with paragraph 14 of this Public Announcement.

11.2. All Public Shareholders can tender their Equity Shares during the Bid Period (defined below).

11.3. The minimum price per Offer Share payable by the Acquirer for the Offer Shares it acquires pursuant to the Delisting Offer, as determined in accordance with the Delisting Regulations, will be the price at which the shareholding of the Acquirer, along with the other members of the promoter group, reaches 90% pursuant to a reverse book-building process through Acquisition Window Facility (defined below) conducted in the manner specified in Schedule II of the Delisting Regulations ("**Discovered Price**") which shall not be lower than the Floor Price.

11.4. The Acquirer is are under no obligation to accept the Discovered Price. The Acquirer may at its discretion, acquire the Equity Shares at the Discovered Price or offer a price higher than the Discovered Price, (at its absolute discretion); or make a counter offer at the Counter Offer Price in accordance with the Delisting Regulations. The **"Exit Price"** shall be: (i) the Discovered Price, if accepted by the Acquirer; or (ii) a price higher than the Discovered Price, if offered by the Acquirer at its absolute discretion; or (iii) the Counter Offer Price offered by the Acquirer at its discretion which, pursuant to acceptance and/or rejection by the Public Shareholders, results in the cumulative shareholding of the Acquirer and other members of the promoter group reaching 90% of the equity share capital of the Company.

11.5. The Acquirer shall announce the Discovered Price and its decision to accept or reject the Discovered Price or make a counter offer. If accepted, the Acquirer shall also announce the Exit Price, as applicable, in the same newspapers in which this Public Announcement appears in accordance with the schedule of activities set out in paragraph 20 of this Public Announcement.

11.6. Once the Acquirer announces the Exit Price, the Acquirer will acquire, subject to the terms and conditions of this Public Announcement and the Letter of Offer including but not limited to fulfilment of the conditions mentioned in paragraph 12 below, all the Equity Shares validly tendered upto and equal to the Exit Price for a cash consideration equal to the Exit Price for each Equity Share tendered. The Acquirer will not accept Equity Shares tendered at a price that exceeds the Exit Price.

11.7. If the Acquirer does not accept the Discovered Price then subject to circulars or notifications issued by SEBI with respect to the process provided under Regulation 16(1A) of the Delisting Regulations, the Acquirer may, at its sole discretion, make a counter offer to the Public Shareholders within 2 working days of the determination of the Discovered Price, in the manner specified by the SEBI.

11.8. If the Acquirer does not accept the Discovered Price and does not make counter offer to the Public Shareholders in terms of Regulation 16(1A) of the Delisting Regulations, or the Delisting Offer fails in terms of Regulation 17 of the Delisting Regulations:
(i) the Acquirer will have no right or obligation to acquire any Equity Shares tendered pursuant to the Delisting Offer;
(ii) the Equity Shares tendered by a Public Shareholder shall be returned or the lien on the Equity Shares will be released to such Public Shareholder within 10 (ten) working days from the Bid Closing Date in terms of the schedule of activities set out herein;
(iii) no final application shall be made to the NSE for delisting of the Equity Shares;
(iv) The Escrow Account (defined below) opened in accordance with Regulation 11 of the Delisting Regulations shall be closed and the Escrow Amount (defined below) shall be released.

12. CONDITIONS TO THE DELISTING OFFER

The acquisition of the Equity Shares by the Acquirer and the delisting of the Company are conditional upon:

12.1. The Acquirer, in his sole and absolute discretion, either accepting the Discovered Price or offer a price higher than the Discovered Price or offering a Counter Offer Price which, pursuant to acceptance and/ or rejection by Public Shareholders, results in the shareholding of the Acquirer/promoter along with members of the promoter group of the Company reaching 90% of the paid-up equity share capital of the Company. It may be noted that notwithstanding anything contained in the Public Announcement, the Acquirer reserve the right to accept or reject the Discovered Price if it is higher than the Floor Price;

12.2. A minimum number of 4,52,000 Offer Shares being tendered at or below the Exit Price prior to the closure of bidding period i.e. on the Bid Closing Date (defined below) so as to cause the cumulative number of the Equity Shares held by the Promoter, Promoter group as on date of this Public Announcement taken together with the Equity Shares acquired by the Acquirer under the Delisting Offer to be equal to or in excess of 20,54,885 Equity Shares constituting 90% of the equity share capital of the Company ("**Minimum Acceptance Condition**");(1)

12.3. A minimum number of 37 Public Shareholders (25% of number of Public Shareholders holding shares in dematerialized form as on December 29, 2020) participate in the reverse book building process, in accordance with Regulation 17(b) of the Delisting Regulations, provided that if the Acquirer along with the Manager to the Offer demonstrate to the NSE that they have delivered the Letter of Offer to all the Public Shareholders either through registered post or speed post or courier or hand delivery with proof of delivery or through email as a text or as an attachment to email or as a notification providing electronic link or uniform resource locator including a read receipt ("**LoF Delivery Requirement**"), then the mandatory participation of aforementioned number of Public Shareholders is not applicable. Pursuant to Explanation I to Regulation 17(1)(b) of the Delisting Regulations, the LoF Delivery Requirement is deemed to have been complied with if: (a) the Acquirer or the Manager to the Offer dispatches the Letter of Offer to all the Public Shareholders of the Company by registered post or speed post through the India Post and is able to provide a detailed account regarding the status of delivery of the Letter of Offer (whether delivered or not) sent through India Post; and (b) efforts have been made by the Acquirer or the Manager to the Offer to dispatch the Letter of Offer by speed post or registered post of India Post to those Public Shareholders to whom the delivery of the Letter of Offer has not been possible by modes other than speed post or registered post of India Post, provided that the Acquirer or the Manager to the Offer are able to provide a detailed account regarding the status of delivery of the Letter of Offer (whether delivered or not) sent through India Post;

12.4. The Acquirer obtaining all requisite regulatory approvals in accordance with paragraph 21 of this Public Announcement and meeting the conditions set out in Regulation 17 of the Delisting Regulations; and

12.5. There being no amendments to the Delisting Regulations or any applicable laws or regulations or conditions imposed by any regulatory or statutory authority/body or order from a court or competent authority which would in sole opinion of the Acquirer, prejudice the Acquirer in proceeding with the Delisting Offer. Provided that withdrawal on this count shall be subject to receipt of regulatory approval, if any required for the same.

Note:
(1) Calculation has been done considering lot size of 2000 equity shares.

13. DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE DELISTING OFFER

13.1. As per Regulation 17 of the Delisting Regulations, the Delisting Offer shall be deemed to be successful if the condition stated in paragraphs 12.2 and 12.3 above are satisfied.

14. ACQUISITION WINDOW FACILITY

14.1. SEBI, vide its circular /CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 ("**SEBI Circulars**") has provided a framework for acquisitions pursuant to a delisting offer to be made through the stock exchange ("**Stock Exchange Mechanism**"). As prescribed under the SEBI Circular, the facility for such acquisitions shall be in the form of a separate window provided by stock exchange having nationwide trading terminals ("**Acquisition Window Facility**"). Further, the SEBI Circulars provides that the stock exchanges shall take necessary steps and put in place the necessary infrastructure and systems for implementation of the Stock Exchange Mechanism.

14.2. Further, the SEBI Circulars provide that the Stock Exchange shall take necessary steps and put in place the necessary infrastructure and systems for implementation of the Stock Exchange Mechanism and to ensure compliance with requirements of the SEBI Circulars. Pursuant to the SEBI Circulars, the Stock Exchange have issued guidelines detailing the mechanism for acquisition of shares through Stock Exchange.

14.3. As such, the Acquirer has opted to avail of the Stock Exchange Mechanism and Acquisition Window Facility provided by the Stock Exchange, in compliance with the SEBI Circulars. Equity Shares of our Company are only listed on NSE. Hence, NSE is the designated stock exchange ("**DSE**") for the purpose of the Delisting Offer.

14.4. The Acquirer has appointed the following as its broker for the Delisting Offer through whom the purchase and settlement of the Offer Shares tendered in the Delisting Offer will be made ("**Buyer Broker**"):
SHCIL Services Limited
SHCIL House, P-51, TTC Industrial Area, MIDC, Mahape, Navi Mumbai.- 400 710
Telephone: +91 22 6177 8605
Email: rajneesh_singh@stockholding.com
Contact Person: Mr. Rajneesh Singh

14.5. The cumulative quantity tendered shall be displayed on website of the Stock Exchange at specific intervals during Bid Period.

15. DATE OF OPENING AND CLOSING OF BID PERIOD

15.1. All the Public Shareholders holding the Equity Shares are eligible to participate in the reverse book-building process, by tendering whole or part of the Equity Shares held by them through the Acquisition Window Facility at or above the Floor Price. The period during which the Public Shareholders may tender their Equity Shares, pursuant to Stock Exchange Mechanism, shall commence on Monday, May 03, 2021 ("**Bid Opening Date**") and close on Friday, May 07, 2021 ("**Bid Closing Date**") during normal trading hours of the secondary market ("**Bid Period**"). During the Bid Period, Bids will be placed in the Acquisition Window Facility by the Public Shareholders through their respective stock brokers registered with the Stock Exchanges during normal trading hours of secondary market on or before the Bid Closing Date. Any change in the Bid Period will be notified by way of an addendum/corrigendum in the newspapers in which this Public Announcement has appeared.

15.2. The Public Shareholders should note that the Bids are required to be uploaded in the Acquisition Window Facility on or before the Bid Closing Date for being eligible for participation in the Delisting Offer. Bids not uploaded in the Acquisition Window Facility will not be considered for delisting purposes and will be rejected.

15.3. The Public Shareholders should submit their Bids through stock brokers registered with the Stock Exchange. Thus, Public Shareholders should not send bids to Company / Acquirer / Manager to the Offer / Registrar to the Offer.

15.4. Bids received after close of trading hours on the Bid Closing Date will not be considered for the purpose of determining the Discovered Price payable for the Equity Shares by the Promoter pursuant to the book building process.

16. PROCESS AND METHODOLOGY FOR BIDDING

16.1. A letter of offer inviting the Public Shareholders (along with necessary forms and instructions) to tender their Equity Shares to the Acquirer by way of submission of Bids ("**Letter of Offer**") will be dispatched to the Public Shareholders, whose names appear on the register of members of the Company and to the owner of the Equity Shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on April 23, 2021 ("**Specified Date**"). In the event of accidental omission to dispatch the Letter of Offer or non-receipt of the Letter of Offer by any Public Shareholder or any Public Shareholder who has bought the Equity Shares after Specified Date, they may obtain a copy of Letter of Offer by writing to the Registrar to the Offer at their address given in paragraph 9, clearly marking the envelope **"Husys Consulting Limited– Delisting Offer"**.

16.2. Alternatively, the Public Shareholders may obtain copies of Letter of Offer from the website of the NSE (www.nseindia.com) and the website of the Company (www.husys.com).

16.3. For further details on the schedule of activities, please refer to paragraph 20 of this Public Announcement.

16.4. The Delisting Offer is open to all the Public Shareholders holding the Equity Shares either in physical and / or in demat form.

16.5. During the Bid Period, the Bids will be placed in the Acquisition Window Facility by the Public Shareholders through their respective stock broker registered with the Stock Exchange ("**Seller Member**") during normal trading hours of the secondary market.

16.6. Procedure to be followed by the Public Shareholders holding the Equity Shares in dematerialized form:
(i) The Public Shareholders who desire to tender their Equity Shares in the electronic form under the Delisting Offer would have to do so through their respective Seller Member by indicating to their Seller Member the details of the Equity Shares they intend to tender under the Delisting Offer ("**Tendered Shares**").
(ii) The Seller Member shall then transfer the Tendered Shares by using the settlement number and the procedure prescribed by the NSE Clearing Limited, as applicable ("Clearing Corporation") to a special escrow account created by the Clearing Corporation before placing the Bids and the same shall be validated at the time of order entry.
(iii) The details of settlement number shall be informed in the issue opening circular / notice that will be issued by the Stock Exchanges or the Clearing Corporation before the Bid Opening Date.
(iv) For Custodian Participant's orders for the demat Equity Shares early pay-in is mandatory prior to confirmation of order by the Custodian Participant. The Custodian Participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Bid Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, if there is any order modification, then it shall revoke the previous Custodian Participant's confirmation and the revised order shall be sent to the Custodian Participant again for its confirmation.
(v) Upon placing the Bid, a Seller Member shall provide a Transaction Registration Slip ('**TRS**') generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of order submitted like Bid ID No., DP ID, Client ID, No. of the Equity Shares tendered and price at which the Bid was placed, etc.
(vi) Please note that submission of Bid Form and TRS is not mandatorily required in case of equity shares held in dematerialized form.
(vii) The Clearing Corporation will hold in trust the Equity Shares until the Acquirer completes its obligations under the Delisting Offer in accordance with the Delisting Regulations.
(viii) The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares due to rejection. Further, Public Shareholders will have to ensure that they keep the saving account attached with the DP account active and updated to receive credit remittance due to acceptance of Tendered Shares.
(ix) In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding equity shares in dematerialized form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, client ID number, DP name / ID, beneficiary account number and number of equity shares tendered for the delisting offer. Public Shareholders will be required to approach their respective Seller Member and have to ensure that their bid is entered by their Seller Member in the electronic platform to be made available by the Stock Exchanges, before the Bid Closing Date.
(x) The Public Shareholders should not send bids to the Company or Acquirer or Manager to the Offer or Registrar to the Offer.

16.7. Procedure to be followed by the Public Shareholders holding the Equity Shares in the Physical form pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020:
(i) The Public Shareholders who are holding physical Equity Shares and intend to participate in the Delisting Offer will be required to approach their respective Seller Member along with the complete set of documents for verification procedures to be carried out including as below:
(a) original share certificate(s);
(b) valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company / registrar and transfer agent of the Company) and duly witnessed at the appropriate place authorizing the transfer.
(c) Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate / Notary Public / Bank Manager under their official seal;
(d) self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors);

Scarcity of raw jute forces four mills in WB to halt ops, more may follow

FE BUREAU
Kolkata, April 22

FOUR JUTE MILLS namely Delta, Hanuman, Wellington and Budge Budge in the state have stopped operations for shortage of raw jute while 25 more are at the brink of closure.

Despite fresh government orders and the industry's commitment to supply 7.3 lakh bales equivalent of B Twill or jute sacks between April and June this year to the state food procurement agencies and the Food Corporation of India, millers fear that the industry will fail in keeping its commitment.

The shortage of raw jute is to the extend of 5-7 lakh bales but the crisis has been aggravated with the Jute Commissioner's (JC) office mismanaging supplies and failing to control prices. Raw jute prices are at the level of ₹8,000 per quintal at present. Further, the JC's recent raw jute stock holding order for 72 jute mills have left the jute millers in a quandary since the specified stock limit for each of the 72 jute mills doesn't exceed more than a month's stock, according to the Indian Jute Mills Association (IJMA).

IJMA director Debashish Roy said while some jute mills have more stock of high quality raw jute and less stock of low quality raw jute some have just the reverse. The imbalance in stock is either disenabling the millers to produce sacks or to produce hessian fabric.

The IJMA has already urged the jute commissioner to withdraw the latest order restricting raw jute stock or "the jute industry will heavily fail in its commitment for supply of B Twill bags, thereby defeating the very purpose of reservation of packaging food grains in jute bags as mandated under the JPM Act 1987," Roy stated in a written communication to JC.

The letter also states that the earlier order in January this year, "has failed to elicit desired effect due to actual shortage of raw jute during the crop year 2020-21". The JC's January order while specifying stock limit for each and every jute mill of the country's 72 jute mills, also asked the jute mills to file weekly stock returns instead of monthly stock returns to prevent brisk buying. This order was kept valid up to July but a section of millers and balers moved the Calcutta high court challenging the order.

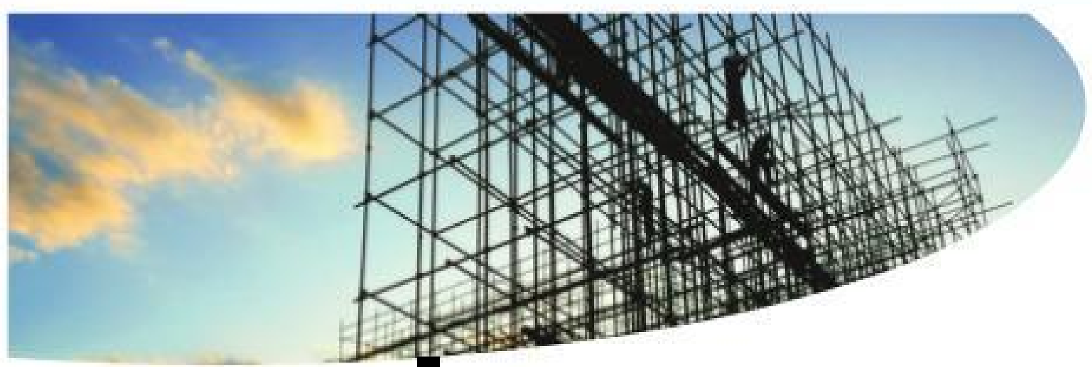
UP purchases 5.24 lakh tonne wheat in 22 days

DEEPA JAINANI
Lucknow, April 22

THE UTTAR PRADESH government has procured 5.24 lakh tonne of wheat in the first 22 days of the ongoing rabi marketing year, which began on April 1. This is about four times the procurement done in the year-ago period.

According to state government officials, in the 2020-21 season, 1.25 lakh tonne of wheat was purchased till April 22. "Despite the raging Covid pandemic this year, the state has been able to procure record wheat from as many as 99,935 farmers from various districts, against 39,500 farmers in the last season.

As per the MSP of ₹1,925/quintal, 5.24 lakh tonne of wheat were purchased so far by state government agencies, an amount of ₹1,035 crore has been transferred directly to the accounts of the farmers," said Manish Chauhan, commissioner, UP food and civil supplies.



ADVERTORIAL

The Incorporation of Stark Infra

West Bengal is known as the gateway of many new industries for all the neighbouring countries. If we see, it is not been a long time, that many industrial parks are set up on the highways, fetching more companies and manufacturers. Being the booming hub now, many new companies are ready to construct their own big warehouses in these industrial parks. Now to set up any form of industrial parks, infrastructure is must. For any kind of development, be it for the industries or the development of the states, countries' infrastructure is the key word. Infrastructure is the set of fundamental facilities and systems, that support the sustainable functionality of households and firms. Serving a country, city or other area, including the services and facilities necessary for its economy to function. In general, infrastructure has been defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain or enhance societal living conditions" and maintain the surrounding environment.

Stark Infraprojects is one of the well known name in the warehouse infrastructure industry. Starting from zero, today Stark Infraprojects has created its own platform.

The Roots

Deepak Kr. Shah, the father of two young gentlemen, who actually started the business of Real Estate and later became a Government Contractor. Their projects were in areas like Ballygunge, Alipore, Park Circus and in & around Kolkata. Around 2010 Stark Infra was set up with the assistance of Shashank Shah, elder son of Deepak Shah, for developing warehouses in Industrial Parks. Kolkata has always been the major trading hub for North East and other neighbouring countries for warehouse infrastructure business and hence the STARK INFRAPROJECTS.

Deepak Shah
Chairman

The Incorporation of Stark Infraprojects -

Around 2010, Stark Infraprojects entered the Bombay Highway Road with the contract of the Warehouse Infrastructure development in the Industrial Parks. Their first project was developing a warehouse for a chemical company named, Chemtex Speciality Ltd. for around 50,000 sqft. After that there was no looking back. With the development of the Industrial Parks, they started developing the warehouses, factory sheds for big MNC's. Shashank Shah, the Founder Director of the Stark Infraprojects takes us through the expeditions of the company. According to Shashank, the USP of the Stark Infraprojects is the turnkey projects of PEB sheds with the civil works. Their speciality in warehouse infrastructure is RCC buildings and developing the roads, drainage systems and development of industrial park as a whole. Their business is basically based on relationships and word of mouth which matters the most. In the beginning they approached several firms with their credentials. Through known people Stark Infraprojects started spreading and from there they developed various projects. In a span of 10 years the 50,000 sqft took a jump to 10 lac – 12 lac sqft of warehouses per year. They are also into developing logistics and industrial parks, where lands are sold and developed according to the companies' requirement. The area of operation seems to be acquiring a large area. They are catering from Bombay-Delhi highways to Rajarhat, Basanti highway to Barasat and also help clients to give warehouse on rent to various MNC, FMCG and E - commerce companies.

Shashank Shah
Founder and Director

They believe in customer satisfaction and quality of work, also assuring service regarding any kind of maintenance at the earliest. Last year every small & big industry faced the boom of the pandemic, but by God's grace Stark Infraprojects didn't face the blow. In fact, they are in the process of hiring more skilled and unskilled workers for their respective projects. This employment opportunities is giving a hope to the society.

Following the foot steps

Siddhant Shah, the younger son of the Shah family, has big dreams of taking the 50 cr business to 500 cr in next 5 years. Yup, that seems to be tough but not impossible. Siddhant joined in around 2015, when Stark Infraprojects started to flourish, leaving his own business of restaurants. For the time being they are looking for the expansion in eastern and north eastern part of the country. According to him, there are chances of industrial development and the setting up of warehouses and factory sheds would grow more rapidly in upcoming years.

Siddhant Shah
Director

Future

According to Shashank, warehouse industry is all set to take up a new shape in coming years. This area is the virgin market and yet to explore a lot. Post GST, it has been very easy for everyone to get the materials from different locations as the taxation is only once. And Corona has taught oneself to earn from various sources and many business ventures got diversified. For an example, if anyone has any business and also warehouse or sheds, they earned the rents from them as well. The main thing is the appreciation value of the land which is helping the warehousing industry to grow more faster.

Stark Infraprojects hopes the second Corona wave would not be a reason for a black dot in the growth of infrastructure market and they would flourish more to live the dream they all together lived for.

Certificate of Appreciation
Ladies Circle India & Round Table India
Express their deepest appreciation and gratitude to
STARK INFRAPROJECTS
For their support towards our fund raiser event
SIDDHA KIDDATHON 2017
Held on 21st January 2018 in Kolkata, Eco Park
Organised by
Calcutta Central Ladies Circle 27 and Calcutta South Round Table 17

Cr. Neha Sethia, Chairperson, Calcutta Central Ladies Circle 27
Cr. Veda Bestin, National President, Ladies Circle India
Tr. Christopher Arvinth, National President, Round Table India
Tr. Nikhil Sethia, Chairman, Calcutta South Round Table 17

CSR Activity Through Roundtable India For Cancer Kids