CHENNAI/KOCHI, MONDAY, DECEMBER 30, 2019

FOLLOW US ON TWITTER & FACEBOOK. APP AVAILABLE ON APP STORE & PLAYSTORE WWW.FINANCIALEXPRESS.COM

FINANCIAL EXPRESS

VOLUME XLI NO. 200, 16 PAGES, ₹6.00 PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

READ TO LEAD

MSMEs

A RED initiative appears in today's edition of *Financial Express*. This page is an initiative of the marketing solutions team of The Indian Express Group and contains content paid for by advertisers. This page should be read as an advertisement.

IN THE NEWS

Insolvency: DHFL creditors to meet today

THE RESERVE Bank of India-appointed administrator of the crippled Dewan Housing Finance (DHFL) called for a meeting of its creditors for the first time on Monday after the mortgage lender was admitted for insolvency proceedings, reports **PTI**. It is the first NBFC or housing finance company to face the corporate insolvency resolution process.

Communications to taxpayers will bear DIN: CBIC

THE CUSTOMS department has made quoting of electronically generated document identification number (DIN) mandatory in all communications, including e-mails, sent to taxpayers with an aim to bring in transparency in the administration, reports **PTI**.

EQUITY SUPPORT

Govt's SUUTI stake to be leveraged for NBFCs

Finance ministry exploring a fiscally benign way to aid liquidity-starved shadow bankers

PRASANTA SAHU
New Delhi, December 29

THE GOVERNMENT IS discussing a proposal to use its residual Specified Undertaking of Unit Trust of India (SUUTI) holdings to create a facility for boosting non-banking finance companies' (NBFCs) ability to mobilise funds, according to official sources.

As per the proposal, the government will vest the bulk of its SUUTI stakes — worth over ₹33,000 crore at current market prices — with a special purpose vehicle (SPV) and leverage the asset to raise debt from market at least three times its value. The funds mobilised will then be used to invest in preferred equity of select cash-starved NBFCs (to be identified on the basis of certain criteria), which in turn will leverage the enhanced equity base to raise funds many time higher from the market.

Though the precise details of the scheme are being worked out, sources said it could probably find place in the Budget speech of finance minister Nirmala Sitharaman.

"NBFCs need the equity support (from the government) due to confidence issues faced by these firms in the market as many of them are over-leveraged," an official told *FE*. The proposed SPV route wouldn't have any direct fiscal implications, he pointed out.

Sources said the SPV to be created out of SUUTI assets would inject up to 20% of the book value of any identified NBFC via preferential equity. Holders of such equity usually have priority over common stock (ordinary shares) in the payment of dividends (fixed) and upon liquidation. The returns from such investments would cover the borrowing cost of the SPVs. Once the finances improve, the NBFCs would require to buy back the preferential equity from the SPV, the sources added.

Major SUUTI holdings are: 7.93% in ITC worth about ₹23,095 crore, 4.97% in Axis Bank worth ₹10,660 crore. The government also holds minor stakes in about three dozen other firms, through SUUTI.

The government has taken a number of steps in recent months to salvage the ailing shadow-banking sector, recognising its importance as a key medium of credit delivery to MSMEs and other economic agents with limited access to banks and financial markets.

Tackling a looming crisis

₹33,000 crore
Value of residual 'SUUTI' stakes held by govt in various firms

This asset will be vested with an SPV to be formed, it will then raise debt, up to three times equity, from the market

The SPV to use the funds to invest in preferred equity of selected cash-starved NBFCs, who in turn can leverage it to raise more funds

Continued on Page 2
■ **Top 50 corporates cut debt by about ₹60,000 cr in H1FY20, Page 2**

REVIEW PLEAS

DoT to take call on PSUs' AGR dues after SC order

- Non-telecom PSUs need to pay more than **₹2 lakh crore** as dues
- They have **disputed the amount and represented their case to DoT**
- **DoT has agreed to examine their case** but under SC order can't do much
- The telecom operators need to pay **₹1.47 lakh crore as dues**
- Of this, around **75% comprises interest**, penalty & interest on penalty
- **Jan 24, 2020, is the last date** for making the payment

KIRAN RATHEE
New Delhi, December 29

THE DEPARTMENT OF telecommunications (DoT) is likely to wait for the outcome of review petitions filed by private telcos such as Bharti Airtel and Vodafone Idea in the Supreme Court on the AGR issue before finalising its stance on non-telecom PSUs such as Gail and PowerGrid, and others.

The non-telecom PSUs together need to pay over ₹2 lakh crore as adjusted gross revenue (AGR) dues as a result of the October 24 SC order, and have not filed any review plea yet.

Continued on Page 2

United we stand...

Hemant Soren (third from right) and father Shibu Soren (far right) in a show of strength with leaders from various non-BJP parties after Hemant took oath as the Jharkhand chief minister for the second time, in Ranchi on Sunday Report on Page 13

BEATING THE SLOWDOWN

New cars race ahead in 2019

REARVIEW

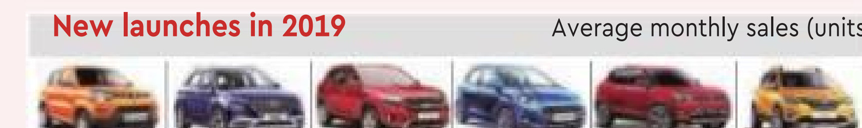
PRITISH RAJ
New Delhi, December 29

EVEN AS POOR consumer sentiment gripped the auto industry, with demand falling to a two-decade low, 2019 was evidently a year of new car launches, sales of which grew much more than the existing models, thanks to the latest connectivity features and bolder designs.

Many new cars surpassed the sales of the models which were segment leaders and in some cases had been in the market for over five years. For instance, the compact SUV Seltos launched by new entrant Kia Motors in August outsold Maruti's Vitara Brezza which was the segment leader for over three years, within two months of its launch.

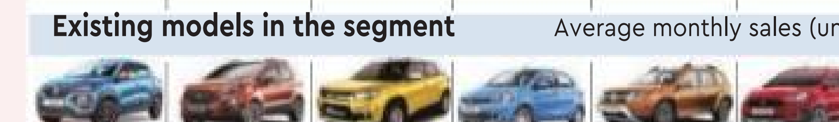
Continued on Page 2

New launches in 2019 — Average monthly sales (units)



Maruti S-Presso	Hyundai Venue	Kia Seltos	Hyundai Grand Nios	Mahindra XUV300	Renault Triber
10,000	9,000	11,000	4,500	4,500	4,500

Existing models in the segment — Average monthly sales (units)



Renault Kwid	Ford EcoSport	Maruti Brezza	Tata Tiago	Renault Duster	Ford Freestyle
4,000	4,000	10,000	3,500	1,000	700

FE SPECIALS

■ **BRANDWAGON, P10**
Media in 2019: Plus ça change
A look at the salient developments from the TV and VoD space in the past year

■ **eFE, P8&9**
Digital Vision 2020
Top honchos of IT & communications firms cherry-pick the growth opportunities in a tough economy

■ **PERSONAL FINANCE, P11**
Focus on protection plans
With young customers clear about their needs, insurers need to expand their protection solutions

GST WOES

Nearly 250 Star Export Houses denied refunds

SUMIT JHA
New Delhi, December 29

AMID THE COUNTRY'S dismal exports performance — merchandise exports shrank 0.34% year-on-year in November, the fifth contraction in the past eight months — as many as 245 Star Export Houses and over 5,000 other exporters remain deprived of their goods and services tax (GST) refunds due to alleged overreach by the taxman.

A new system designed to identify 'risky exporters' — those who are suspected to be claiming excessive input tax credits — involves a long verification process by the tax officers, and this has resulted in substantial amounts of legitimate refunds being withheld.

Though the size of the withheld funds is not immediately clear, according to several sources in the exporters' community, the fact that established trading houses with Star Exporter tag are also among those identified for verification of refund claims shows the system is deeply flawed.

Continued on Page 2

QuickPicks

Airtel hikes minimum recharge for prepaid users from ₹23 to ₹45

BHARTI AIRTEL on Sunday hiked its mandatory minimum recharge for prepaid customers to ₹45 from ₹23, reports **PTI**. "...it will be mandatory to recharge with a voucher of ₹45 or above, every 28 days to avail services," the company said in a public notice. The announcement pertained to prepaid subscribers of Bharti Airtel and Bharti Hexacom in all service areas. "In case of non-recharge with a voucher of ₹45 or above at the end of validity period, Airtel reserves the right to provide the plan benefits in a curtailed manner...during the grace period of up to 15 days.

Posco, RINL close to ₹20k-cr JV

SOUTH KOREAN steel major Posco is understood to be in advanced talks with state-run Rashtriya Ispat Nigam (RINL) to set up a joint venture (50:50) steel plant of three million tonne per annum (mtpa) capacity in the latter's sprawling Vizag complex with a total estimated cost of about ₹20,000 crore, reports **Surya Sarathi Ray** in **New Delhi.**

Continued on Page 2

OUTLOOK FOR 2020

Divestment, consumption boosters to drive mkts

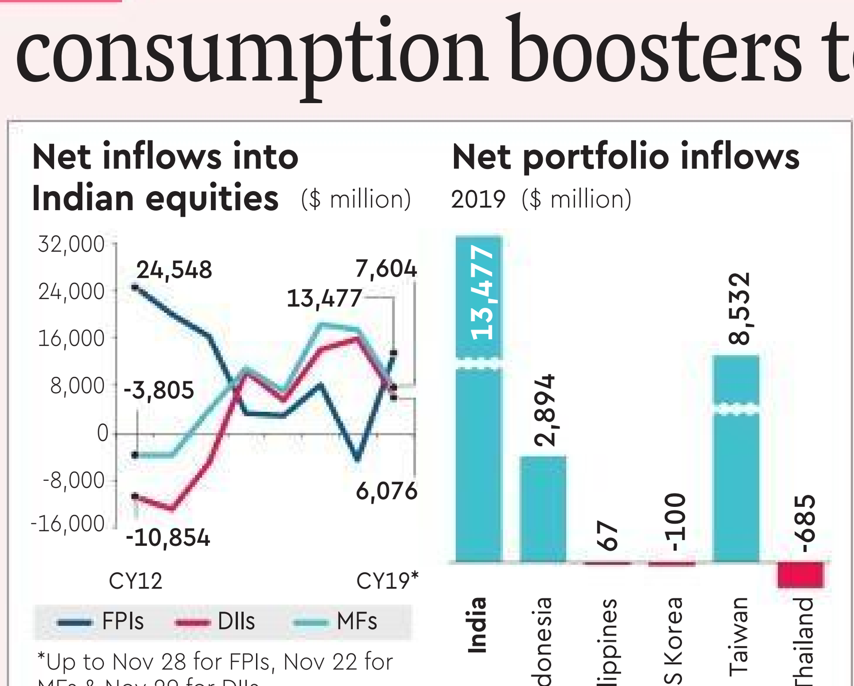
URVASHI VALECHA & YOOSEF KP
Mumbai, December 29

IF THE YEAR 2019 was a tale of two halves, the New Year is unlikely to be any different. Just as the markets underperformed in the first half of this year and recovered after the corporate tax cuts in September, strategists expect the second half of 2020 to be better than the first half.

Markets could get a boost if the government's divestment programme stays on course and the Union Budget gives a fillip to consumption through cuts in personal income tax rates. Credit Suisse in its India Market Strategy report for 2020 says, "In our view policy interventions to get a growth rebound to 6.5% are not politically challenging, but it is unclear when these actions may be taken." It's the anticipation of sops for individuals that could keep the market rallying till the Union Budget.

The market believes that privatisation of public sector enterprises is the need of the hour as gross tax revenues have been weak in the first half of FY20 and the cut in corporate taxes would further impact the collections in the second half of the financial year. Kotak Securities is of the view that the government can raise around ₹80,000 crore from privatisation of the three listed companies (BPCL, ConCor and Shipping) and can mobilise up to ₹1.4 lakh crore by selling its direct exposure in listed entities up to 51%.

Even if all the policy interventions that the markets expect from the Budget don't play out, a combination of global factors are also expected to come together to support emerging market equities. The year 2019 saw record foreign inflows of over $14 billion in Indian equities — the highest in five years. The trend is expected to continue in 2020 as central banks across developed markets have adopted an accommodative policy stance to support slowing growth and are yet again infusing liquidity in the system through bond buying programmes.



*Up to Nov 28 for FPIs, Nov 22 for MFs & Nov 29 for DIIs
Source: Bloomberg, Kotak Institutional Equities

Continued on Page 2

Economy

MONDAY, DECEMBER 30, 2019

EXPERT VIEW

Nascent signs of recovery are noted in the form of improved PMIs of manufacturing and services, jump in passenger air traffic and sharp moderation in the decline in sales of passenger cars.

—Vikram Kirloskar, president, CII

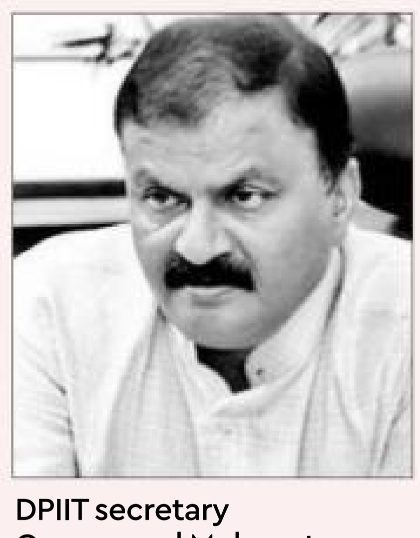
Quick View

PM for promoting indigenous products

PRIME MINISTER NARENDRA Modi on Sunday called upon people to promote indigenous products for the next three years till the completion of India's 75th year of Independence. In his last 'Mann Ki Baat' programme for 2019 aired on the AIR, Modi said, "My dear countrymen, can we pledge, that by 2022, when we achieve 75 years of Independence we insist and remain steadfast at least, for about two-three years on buying local products?"

E-commerce, new industrial policies likely in this fiscal

PRESS TRUST OF INDIA
New Delhi, December 29



DPIIT secretary Guruprasad Mohapatra

The proposed new industrial policy is aimed at promoting emerging sectors, reducing regulatory hurdles and making India a manufacturing hub

THE DPIIT IS working actively on the e-commerce as well as new industrial policies, and both are expected to be released by the end of this fiscal, a top official has said.

"I personally feel that both these policies will be ready by the end of this financial year," Department for Promotion of Industry and Internal Trade (DPIIT) secretary Guruprasad Mohapatra said. He said that the department has done several round of stakeholders' meetings on both the policies.

The government in February released a draft national e-commerce policy, proposing setting up a legal and technological framework for restrictions on cross-border data flow and also laid out conditions for businesses regarding collection or processing of sensitive data locally and storing it abroad.

Several foreign e-commerce firms have raised concerns over some points in the draft pertaining to data. The department has received huge response on the draft and it is examining all the views and comments. "We are working actively on both the policies," Mohapatra said.

As the draft policy includes several provisions related to data, the department is also looking at the Personal Data Protection Bill approved by the Cabinet earlier this month.

The proposed new industrial policy is aimed at promoting emerging sectors, reducing regulatory hurdles and making India a manufacturing hub.

This would be the third industrial policy after the first in 1956 and the second in 1991. It will replace the industrial policy of 1991 which was prepared in the backdrop of the balance of payment crisis.

The DPIIT had initiated the process of formulation of a new industrial policy in May 2017. The new policy will subsume the National Manufacturing Policy (NMP).

It had also floated a discussion paper on the policy with an aim to create jobs in next two decades, promote foreign technology transfer and attract $100-billion foreign direct investment annually.

FPIs remain net buyers in December

PRESS TRUST OF INDIA
New Delhi, December 29

FOREIGN INVESTORS REMAINED net buyers in December by investing ₹2,613 crore in the domestic markets, mainly due to expectation of a revival in corporate earning, quantitative easing by the US Fed and infusion of funds by central banks globally.

According to the depositories data, a net amount of ₹6,301.96 crore was invested by foreign portfolio investors (FPI) into equities, while ₹3,688.94 was pulled out of the debt segment.

This resulted into a total net investment of ₹2,613.02 crore between December 2 and 27.

"Despite challenges on the economic front and policy road blocks, FPIs continue to have faith in the Indian equity markets ...what has kept them hooked to the Indian equity markets is expectation of a revival in corporate earning in the coming quarter, quantitative easing by US Fed and infusion of funds by central banks globally," said Himanshu Srivastava, senior research analyst, manager research, at Morningstar.

Top 50 corporates cut debt by ₹60k cr in H1

PRESS TRUST OF INDIA
New Delhi, Decelerate 29

TOP 50 CORPORATES reduced debt by ₹59,600 crore in the first half of this fiscal as part of their strategy to deleverage their balance sheets, according to government sources. This had some bearing on the credit growth of the banks as corporates borrowing from domestic lenders has come down, sources said.

In the previous financial year, sources said, these companies had reduced their debt burden by about ₹43,000 crore.

Companies are preferring to raise funds through alternative instruments like external commercial borrowing (ECB), which is available at a comparatively lower rate, sources said, adding that the evolving legal framework, including the IBC, is also prompting India Inc to reduce their dependence on debt.

India Inc's foreign borrowings grew over two fold to $3.41 billion in October over the corresponding month a year ago, as per the latest Reserve Bank of India (RBI) data. Indian companies had raised $1.41 billion in borrowings from overseas markets in October 2018.

Of the total money borrowed by domestic companies, $2.87 billion was through the automatic route of ECB, and $538 million came in through the approval route of ECB.

RBI governor Shaktikanta Das in the foreword to the latest Financial Stability Report said while consumer credit has been growing, wholesale credit growth has been nudging lower as companies and financial intermediaries are deleveraging to improve their business practices.

As per sectoral deployment data for October, non-food bank credit growth was 8.3%, the credit growth to industry segment came down to 3.4% and retail loans rose to 17.2%.

For the current financial year so far, bank credit has grown by just 1.7% as opposed to a growth of 6.7% in the corresponding period last year, as per the RBI data.

DICGC sees ₹14,100-crore claims amid PMC Bank crisis

PRESS TRUST OF INDIA
Mumbai, December 29

THE DEPOSIT INSURANCE and Credit Guarantee Corporation is likely to receive a total claim of about ₹14,100 crore in case of default from cooperative banks amid the massive scam at Punjab & Maharashtra Cooperative Bank, according to the RBI.

However, the regulator in the financial stability report was quick to add that all the claims may not materialise at the same time and some may even revive.

The extent of devolvement on the Deposit Insurance and Credit Guarantee Corporation (DICGC) in the event of all the banks "under direction" or weak banks going into liquidation or ordered to be wound up, would be ₹14,098 crore as of September-end, said the RBI's Financial Stability Report released recently.

PMC Bank inspection report not finalised: RBI

ASHWINI SHRIVASTAVA
New Delhi, December 29

THE INSPECTION REPORT on the financial position of Punjab and Maharashtra Co-operative (PMC) Bank as on March 31 this year is yet to be finalised, the Reserve Bank of India has said.

Replying to an RTI query, the RBI said preliminary findings indicated large-scale irregularities in the bank, warranting supersession of its board of directors and imposition of all inclusive directions of the Banking Regulation Act, 1949.

"The inspection report is yet to be finalised as inspection of the bank with respect to its financial position as on March 31, 2019, is under progress," the central bank said in response to the RTI application field by this PTI journalist.

The RBI declined to give copies of two complaints received by it regarding "irregularities" in the bank and the action taken on them, citing exemption clause in the transparency law that bars disclosure of information that would impede the process of investigation or prosecution of offenders.

"In view of the ongoing investigation into the bank's affairs by various authorities, an exemption is sought from disclosing the information under Section 8 (1) (g) and 8 (1) (h) of the Right to Information Act, 2005," the RBI said.

The Section 8 (1) (g) bars information "the disclosure of which would endanger the life or physical safety of any person or identify the source of information or assistance given in confidence for law enforcement or security purposes".

PTI

Market intervention scheme for J&K apple growers extended

THE CENTRE ON Sunday extended the market intervention scheme aimed at providing optimum price for apple growers in the Kashmir Valley till March next year, an official spokesman said.

"The market intervention scheme has been extended by the Union government till March 2020," the spokesman said.

The plan is being implemented by the Directorate of Planning and Marketing, supported by the Directorate of Horticulture (Kashmir) and Jammu and Kashmir Horticultural Produce, Marketing and Processing Corporation.

PTI

From the Front Page

Review pleas: DoT to take call on PSUs' AGR dues after SC order

HOWEVER, THEY have pointed out to the DoT that they do not owe any dues to the government. The last date for making the payments for all set of licensees is January 24, 2020. The telecom operators need to pay ₹1.47 lakh crore as dues and have filed review petitions seeking waiver from paying interest, penalty, and interest on penalty.

The core operations of the PSUs are not telecom but they have telecom licence of some nature or use spectrum for some part of their operations, and hence, are covered under the SC order.

A non-telecom PSU, Gail for instance, now needs to pay around ₹1.83 lakh crore as AGR dues, and has written to the DoT that the department has miscalculated its telecom-related dues.

According to sources, in a series of letter to the DoT, Gail has explained that DoT has taken into account the company's entire revenues while calculating its AGR dues instead of taking only the optical fibre-related revenues. Though the DoT has agreed to look into its representations, going by the SC order, it can do little. The problem is that the telecom-related licences are held by Gail and not by any of its telecom subsidiaries, and therefore, going by the SC order, the entire revenues of the company holding the licence needs to be taken into account to calculate the AGR dues. The dues of Gail, according to DoT, is ₹1.83 lakh crore.

Similarly, another PSU, PowerGrid, which has both a national long distance as well as an ISP licence, has said it has paid whatever is due as per its licence condition and owes nothing more to the government.

"When PowerGrid signed the licence agreement with DoT, it was clear that only telecom revenue would be considered for the purpose of calculation of licence fees...telecom services contribute about 2% to the company's revenue and the company made ₹742 crore in 2018-19 from its telecom business which puts the licence fee at ₹59 crore. PowerGrid would not make any further payment to the DoT and as it had already paid ₹59 crore as licence fee, which is up to date," an official said.

DoT has estimated dues to be paid by PowerGrid at ₹22,168 crore.

Sources said DoT has been meeting the top officials of the PSU firms concerned but no headway has been made so far. Officials have indicated that if the SC accepts the review petitions of the telecom operators, clarity would emerge on the issues involved.

Beating the slowdown: New cars race ahead in 2019

MONTHLY VOLUMES of Seltos kicked off with around 6,000 units in August and touched the 14,000 mark in November, while Brezza sales averaged at around 10,000 units. Manohar Bhatt, V-P & head of sales and marketing at Kia Motors India, said Seltos not only achieved good sales numbers but also received appreciation from several automotive experts. "2019 has been an outstanding year for the company with respect to everything around Seltos," Bhatt said.

Hyundai's compact SUV Venue, which was rolled out in May, gave the competitors a run for their money, with monthly sales averaging at about 9,000 units since launch. This was much ahead of models like Maruti S-Cross, Ford EcoSport, Renault Duster and Honda WR-V, among others, which have been present in the market for around five years. SS Kim, managing director at Hyundai Motor India, said with the new launches, consumers start rethinking if they have planned to hold the purchase. "The reason why we chose to launch all new models during the downturn was because this is exactly the time to excite customers with differentiated products. Customers who postpone their purchase get a reason to visit showrooms again," Kim told FE.

Maruti Suzuki's small car S-Presso, which was launched in September, touched the 10,000-mark within a month, surpassing competitors like Renault Kwid, Hyundai Santro, Tata Tiago and Datsun redi-Go, with a wide margin of over 50%. Renault's Triber launched in August soon went ahead of the existing cars like Ford EcoSport, Honda BR-V and its own vehicle Duster, with average monthly sales of over 4,500 units. Mahindra's compact SUV XUV300 also averaged around 4,000 units since its launch in February, outpacing several competitors. A total of around 20 cars were launched in 2019, of which a dozen were new while the remaining were upgrades of the existing models.

Experts said new age technology and comfort features including ventilated front seats, sunroof, better quality music systems and 360-degree camera attracted consumers, some of which were lacking in the older models. Besides, the quest to look different on the road by driving new brand boosted sales of newer models at a time when the passenger vehicle industry is going through a prolonged slowdown.

The passenger vehicle industry is going through one of the worst slowdowns in two decades, with sales falling virtually every month in double digits since the second half of 2018 on account on rise in prices and costlier finance options. Total car sales during the first eight months of this fiscal (April-November 2019) fell 18% year-on-year (y-o-y). In FY19 too, car sales grew by a mere 2.7%, slowest in last seven fiscal years, when volumes grew in the range of 6-9%.

Manufacturers who launched new products also gained market share. "Hyundai and Kia have gained 160 bps and 210 bps y-o-y so far this fiscal, respectively, led by new SUV launches," analysts at CLSA noted. Anlaysts at Axis capital believe there will be a competitive intensity in the industry over the next 2-3 years driven by slew of new launches by new entrants, alongwith the existing new manufacturers Kia Motors and MG Motor. "New model launch pipeline shows a clear trend of OEMs focusing on SUV segment given increasing customer preference and relatively-fragmented market," they wrote.

Nearly 250 Star Export Houses denied GST refunds

IN A letter to senior indirect tax officials, the director general of analytics and risk management (DGARM) noted that verification reports for 94 Star Export Houses out of 245 identified had been received while 161 reports were still pending.

"Out of the 161 pending verifications, in 103 cases scroll are suspended. Therefore, there is an urgent need to expedite the verification in respect of the 103 Star Export House," DGARM wrote.

"The tax department seems to have overreached in its bid to curb frauds. These (Star Export House) exporters are not among the typical fly-by-night operators and they should not have been targeted by the GST system," a government source said. He added that the policy tools aimed at curbing malpractices among exporters have either been blunt or draconian.

Star Export House exporters are certified by the government on the basis of export performance (₹15 crore to ₹5,000 crore FOB in the current and three preceding years). They are extended certain benefits including customs clearance on self-certification basis and exemption from furnishing bank guarantee under certain schemes.

The system typically red-flags exporters who are discharge a high share of their tax liability through the input tax credit accumulated in their accounts. Some of them have also been profiled as 'risky' if their suppliers fail to upload invoices in their returns. However, merchant exporters for instance are at the receiving end of such parameters as their exports usually consist of low value addition and hence they utilise large portion of ITC to pay taxes. Similarly, exporters argue that failure of their suppliers to upload invoices shouldn't reflect on their credibility as genuine taxpayers.

Exporters can either pay IGST at the time of exports and claim refund for the same. The other option is to export goods without payment of tax by furnishing a bond or letter of undertaking. In this case, the accumulated input tax credit is available for refund.

"It is vital that exporters who have been classified as 'risky' and have had their refund blocked are told in clear terms the reasons for the same. They must also be made aware of the procedure to extricate themselves from this list. However, currently the department has no answer for these exporters," Ajai Sahai, director general and ceo of Federation of Indian Exports Organisation (FIEO) said.

FIEO has estimated that about 5,000 relatively small exporters have been red-flagged so far which account for about 7% of MSMEs. The exports are considered as zero-rated supplies under GST, for which the exporters claim a refund on integrated GST paid on the exported goods.

Sahai said even after department conducts a thorough examination of the 'risky' exporters and finds them to be genuine, the system isn't being updated in a timely manner to allow such taxpayers to continue their business without hassles. Additionally, a profiled exporter is also subjected to a complete cargo check at ports which is creating huge bottlenecks for businesses as the department doesn't have enough manpower to carry out such checks.

"Procedure for claiming IGST refunds is automated, however, tax authorities have also identified risky exporters at the national level in case of which 100% examination is being made mandatory before sanction of any GST refund. This process of identification and deferral of tax refunds for so-called "risky exporters" are leading to blockage for funds for genuine exporters who have fallen prey to the discriminatory profiling mechanism of the system," Rajat Mohan, senior partner at AMRG & Associates, said.

Posco, RINL close to ₹20k-cr JV

IF THE Posco investment materialises, it will be the first instance of FDI in a greenfield steel project in the country. Posco's plan to set up a mega steel manufacturing facility in Odisha was abandoned after several years of planning and negotiations due to environmental issues, row over rights to use ore and local protests.

Earlier this month, ArcelorMittal announced completion of its acquisition along with Nippon Steel of Essar Steel under a ₹42,000-crore deal with the lenders of the stressed firm, that was struck under the insolvency and bankruptcy code (IBC) process.

According to sources, the proposed Posco-RINL plant will primarily produce hi-grade automotive steel, the demand for which is currently met from imports to a large extent even as Tata Steel, JSW Steel and AM/NS India (formerly, Essar Steel) produce auto-grade steel in the country.

In his last visit to RINL's Vizag steel plant, steel minister Dharmendra Pradhan had pitched for RINL forging a foreign collaboration for the "collective good" of the company that has sufficient land parcels available to set up an additional 15 mtpa capacity within the existing plant premises. RINL operates a 6.3 mtpa unit now at its Vizag facility The company mainly produces long products used in the construction and infrastructure sectors.

Representatives from the Korean steelmaker have been in talks with the steel ministry for more than a year now on the proposed joint venture and have made a number of visits to Vizag to get a first-hand experience of the existing facility.

The Prime Minister's Office (PMO) had earlier asked the steel ministry to held talks with the Japanese and Korean steel mills for setting up a 5-mtpa steel plant through the joint venture route to produce high-end steel meant for automotive and other sectors, aimed at imports substitution.

India imports value-added steel from Korean firms including Posco. The steel ministry thinks that the proposed joint venture between Posco and RINL will be a win-win for both the parties.

Sources said Posco has been assured of the required land and uninterrupted supply of iron ore, a key raw material in steel-making, for the proposed unit. The government has targeted to jack up the domestic installed steel-making capacity to 300 MTPA by 2030-31 from around 142 mtpa now.

Posco has been trying hard to enter into Indian steel-making space since long. In 2005, it had signed an agreement with the Odisha government to set up a 12 mtpa steel plant with an estimated investment of $12 billion; but had to suspend the project ten years later for want of available land, iron ore linkage and other clearances. In 2007, it had signed an initial pact with state-run Steel Authority of India (SAIL) to form a joint venture in India but could not taste success.

Outlook for 2020: Divestment, consumption boosters to drive markets

THIS SHOULD support emerging market flows.

Chandresh Nigam, MD and CEO, Axis Mutual Fund, is of the view that the appreciation of the dollar would plateau in 2020 and so, emerging markets could witness an increase in FPI inflows. "2020 is an election year (for the USA) so there are some chances of inflows coming in towards the second half of the year," Nigam said.

Among emerging markets, India witnessed highest foreign inflows so far in 2019. Foreign portfolio investors (FPIs) pumped in $14.3 billion in India since January 2019 compared to nearly $9.8 billion inflows into Taiwan. While Indonesia saw an inflow of $ 3.4 billion, overseas investors bought equities worth $1.1 billion from South Korea.

In addition, the economic slowdown, which plagued the world in 2019, thanks to the trade tensions between China and the USA could ease in 2020. UBS Securities says: "A deal to reduce or remove existing tariffs and a pledge to stop adding more could dramatically reduce global economic uncertainty, unlock pent-up investment demand, and enable US President Donald Trump to 'declare victory' in an election year."

Calendar 2019 saw extreme volatility in the markets as a combination of global and domestic factors impacted investments. The euphoria over the return of the Narendra Modi-led government was short-lived as it was followed by the Union Budget that saw the imposition of a tax surcharge, which spooked foreign portfolio investors. Weakening macro economic data further fuelled the rally in quality stocks. But the cut in corporate taxes and lending rates have paved the way for a better 2020.

For the last 10 years, emerging markets have underperformed the developed markets. But the tide could turn in favour of EMs if both global and domestic triggers are in place. HDFC Securities of the view that emerging markets as an asset class could start performing better over the next few years after underperforming over the past 10 years. Even though corporate earnings have grown at an abysmal 6% CAGR over the last seven years, HDFC Securities expects India to benefit from demography, an aspirational middle class, and recent economic reforms that give it a constructive outlook over the coming decade.

Govt's SUUTI stake to be leveraged for NBFCs

TO ADDRESS the liquidity issues faced by NBFCs, in the Budget for FY20, the government offered a one-time partial guarantee of ₹1 lakh crore to public-sector banks for purchasing consolidated high-rated pooled assets of financially-sound NBFCs. This has covered their first loss of up to 10% and was aimed at easing the liquidity stress in the NBFC/HFC sector and increase the access of these institutions to bank finance. On Saturday, Sitharaman said after a meeting with chiefs of state-run banks that approvals were given for PSBs to purchase NBFC assets worth ₹4,294 crore since December 11. After the IL&FS default that brought to the fore the crisis among NBFCs, assets of NBFCs rose 12.8% to close to ₹32 lakh crore, she said, adding that some good NBFCs, including housing finance companies, are now able to raise funds from the market at rates lower than before the IL&FS crisis broke out.

Former chief economic adviser Arvind Subramanian and Josh Felman wrote in a paper recently that with growth collapsing, India was facing a 'Four Balance Sheet' challenge -- the original two sectors of over-leveraged firms and banks, plus NBFCs and real estate companies. They said given the recent credit bubble and the series of problems, involving so many financial institutions, the time could be ripe for a second Asset Quality Review (AQR), which would allow the government and RBI to assess the precise magnitude and sectoral nature of the problem and thereby facilitate better-tailored and better-designed policies to solve it. They stressed that the AQR should cover not just the NBFCs but also the banks, which are experiencing renewed stress from the real estate, steel, power, and telecom sectors.

UNDER STRESS

Discoms suffered ₹27,000 cr losses in FY19: Minister

Govt aiming to reduce electricity transmission and distribution losses to 15% in next two years

PRESS TRUST OF INDIA
Panaji, December 29

POWER DISTRIBUTION COMPANIES in the country suffered losses worth ₹27,000 crore in 2018-19, Union power minister R K Singh has said.

The Centre aims to reduce electricity transmission and distribution losses in the country to 15% in next two years, Singh said here on Saturday.

He met Goa power minister Nilesh Cabral at the Power Grid Corporation's facility at Colvale, located about 20 km from here.

After the meeting, Singh said,"The total loss of all power distribution companies in the financial year 2018-19 was ₹27,000 crore. That is huge. Because of the losses, the discoms are under stress."

He noted that the discoms were facing issues related to purchase of power, maintenance and others.

"I have to help the discoms of all states to make them viable by reducing their losses," he said.

Listing the targets for 2020, Singh said in some states the transmission and distribution losses were very high. In addition, there were also commercial losses, related to metering, billing and bill collection.

"Overall, last year the aggregate transmission and distribution loss for the entire country was 18.5%. We want to bring it down to 15% in next two years," the minister said.

Talking about achievements of the NDA government, Singh said the power sector has a undergone huge transition.

"Before our government came to power, we had a power deficit. We did not generate enough power for our requirements before 2014. There used to be load-sheddings. We have made the country surplus in power generation," he said. Singh said India was now exporting power to Bangladesh, Nepal and Myanmar.

"Now, the whole country is unified into one grid...we can generate power in Kashmir and supply to Kanyakumari," he added.

Oil regulator ropes in ICF for gas demand, infra assessment

PRESS TRUST OF INDIA
New Delhi, December 29

OIL AND GAS regulator PNGRB has hired global consultancy ICF to carry out an assessment of India's natural gas demand and the infrastructure needed to unleash the country's massive pent-up requirement, its chairman Dinesh K Sarraf said.

Natural gas — which has far lower emissions compared to alternate liquid fuels such as petrol and diesel used in automobiles and naphtha and coal burned in factories — makes up for just 6.2% of all forms of energy consumed in the country. This compares to a global average of 24%.

One reason for the low use of the environment-friendly fuel is inadequate domestic gas production and the lack of infrastructure, particularly pipelines to carry the fuel to end users.

"We have engaged ICF to do a comprehensive assessment of demand and infrastructure needed," Sarraf said, adding the report is expected by mid-2020.

India is targeting 15% share of natural gas in the energy basket by 2030. It consumed 166 million standard cubic metres per day of gas during the 2018-19 fiscal year, mostly in western and northern India as east and south were barely connected with the pipeline grid. The consumption does not reflect demand as some demand centres do not have access to gas.

A Petroleum and Natural Gas Regulatory Board (PNGRB) demand assessment in 2012-13 had stated that gas demand will grow significantly at a compounded annual growth rate of 6.8% from 242.6 mmscmd in 2012-13 to 746 mmscmd in 2029-30.

ICF has been asked to study gas demand in different regions as well as the ideal locations for constructing liquefied natural gas (LNG) import terminals, he said, adding the consulting firm would also look at the pipeline network needed to connect the gas source to users.

"We closely studied the Gujarat model where the share of natural gas in the energy basket is the highest in the country at 25-26%. And one remarkable feature we found was that the state administration under its then chief minister Narendra Modi embarked on laying of a massive grid of gas pipeline that crisscrosses the state," he said.

This network aided increased usage of gas as well as made Gujarat home to the maximum number of LNG import terminals.

"The report of ICF will help in a great deal of planning," he said, "Once we have a comprehensive assessment of demand and the routes where the pipelines are to be laid, we can invite bids for the construction of such lines."

The study would also point out the ideal location of the LNG import terminals and user industry can plan projects accordingly.

India currently has six LNG import terminals — Dahej, Hazira and Mundra in Gujarat, Dabhol in Maharashtra, Kochi in Kerala and Ennore in Tamil Nadu. While the LNG import capacity could more than double to 66 million tonne by 2020-21, pipeline distribution infrastructure needs to expand to drive offtake.

Govt begins search for next SAIL chairman

PRESS TRUST OF INDIA
New Delhi, December 29

THE GOVERNMENT HAS started the process to select the next chairman of Steel Authority of India (SAIL), the country's largest steel maker.

A K Chaudhary, SAIL's current chairman assumed the position in September 2018, is scheduled to retire in December 2020.

However, on the government's approval, chairman of a public sector undertaking can get an extension.

The Public Enterprises Selection Board (PESB), under the Ministry of Personnel, Public Grievances and Pensions, is responsible for the selection and placement of chairman, managing director or chairman-cum-managing director, and functional director in public sector enterprises (PSEs) as well as in posts at any other level as may be specified by the government.

While the minimum age of an applicant should 45, he or she must be a graduate with good academic record from a recognised university or institution, according to a PESB notification. In terms of experience, the applicant should have adequate experience at a senior level of management in an organisation of repute. Applicants with experience in finance, marketing and production will have added advantage.

The notification also said a person working with state PSEs or private sector companies can also apply for the post but he or she should be working at a board level position. While an applicant from the central government or all-India services should be holding a post of the level of additional secretary in the Government of India or carrying equivalent scale of pay, the applicants from the armed forces of the union should be holding a post of the level of Lt. General in the army or equivalent rank in navy or air force.

Auto component industry may end current fiscal in negative zone: ACMA

PRESS TRUST OF INDIA
New Delhi, December 29

THE AUTOMOBILE COMPONENT industry is expected to end the current financial year on a negative note as it would be difficult for the segment to make a recovery in the second half after reporting a degrowth of 10% in the first six months, ACMA president Deepak Jain said.

The Automotive Component Manufacturers Association (ACMA) also expects the first half of the next financial year to remain challenging for the industry. It, however, expects things to become relatively better in the second half of the next financial year.

"Overall, our estimate is that we will have a de-growth in the current fiscal because we have already de-grown by 10 per cent in the April-September period. I do not think it is possible to catch up (in the second half) in the current situation," ACMA president Deepak Jain said.

He further said, "So, the outlook would be that we would be basically going into negative. I am hopeful that the negative would not be double digit but single digit, as the second half performance should be better as compared with the first half."

When asked about the factors that could help the industry in the fourth quarter, Jain said the expected launches of BS-VI compliant models during the period would help the automobile companies generate better sales.

Irdai reinstates Reliance Capital's 100% shareholding in Reliance General Insurance

PRESS TRUST OF INDIA
New Delhi, December 29

The Irdai action will benefit all lenders of Reliance Capital as sale proceeds of RGICL's shares will go to all lenders and not just Credit Suisse and Nippon India MF

RELIANCE CAPITAL ON Sunday said the Insurance Regulatory and Development Authority of India has cancelled pledge enforcement of Reliance General Insurance Company's (RGICL) shares by Credit Suisse and Nippon India MF.

Insurance regulator Irdai has directed IDBI Trusteeship Services not to give effect to any encumbrance or transfer or any change in the shareholding of RGICL, according to a BSE filing by Reliance Capital (RCAP).

Pursuant to the Irdai direction, 100% shareholding in RGICL stands restored to RCAP, it added.

The regulator also said its prior approval was not taken for the transfer. The Irdai added that the unauthorised transfer also violates FDI regulations.

The Irdai action will benefit all lenders of Reliance Capital as sale proceeds of RGICL's shares will go to all lenders and not just Credit Suisse and Nippon India MF.

The sale of RGICL's shares is expected to fetch ₹6,000 crore for RCAP lenders, which is almost 40% of the total RCAP secured debt. The 100% shareholding of RGICL is held by Reliance Capital.

In November 2019, the IDBI Trusteeship had transferred RCAP's 100% shareholding in RGIC by invoking pledge, which was contested by the company, RCap said in a statement.

The company will continue with its efforts to monetise its shareholding in RGICL as part of its overall plan for debt reduction, the statement added.

DHFL creditors to meet today for discussing resolution

PRESS TRUST OF INDIA
Mumbai, December 29

THE RESERVE BANK of India-appointed administrator of the crippled Dewan Housing Finance (DHFL) called for a meeting of its creditors for the first time on Monday after the mortgage lender was admitted for insolvency proceedings.

The third-largest pure-play mortgage player is the first non-banking financial company or housing finance company to face the corporate insolvency resolution process.

The Mumbai bench of the National Company Law Tribunal (NCLT) had admitted the company for insolvency resolution on December 2 and appointed Indian Overseas Bank former managing director and CEO R Subramaniakumar as the company's administrator.

"Since the resolution professional (administrator) has now been appointed, he is meeting all the creditors and will discuss the way forward for resolution of the company," a source said.

DHFL did not respond to an e-mail query.

The meeting on Monday will be attended by all creditors of the company including banks, bondholders, insurance and mutual fund companies.

Subramaniakumar will also discuss timelines so that the account is resolved at the earliest, he said.

"The status of the claims that have been received so far by the company will also be decided upon," said another source. In its order on December 3, the NCLT asked the company's administrator to update the list of depositors, along with the amount payable to each of them. Following this, the administrator had reportedly asked all its fixed depositors and bondholders to file their claims by December 17.

The NCLT order had also noted that the company has an outstanding unsecured loan of ₹18,882 crore as of March 31, 2018. The unsecured loans constituted ₹10,243 crore of public deposits for the same period.

Tatas gaining upper hand in decision-making at AirAsia India

PRESS TRUST OF INDIA
Mumbai, December 29

AS AIRASIA INDIA struggles to find a firm foothold in the competitive domestic aviation space, Tatas are gaining upper hand in steering the no-frills carrier with executives from the conglomerate helming most senior positions, according to a source.

A joint venture, majority-owned by Tatas, the airline's other shareholder is Malaysia's AirAsia group. The carrier, which commenced flights nearly six years ago, flew 8.78 lakh passengers garnering 6.8% domestic market share in November.

Over the years, there have been concerns raised in certain quarters about alleged role of the Malaysian partner having a bigger say in various matters related to AirAsia India.

"Tata Sons has now an upper hand in the management of AirAsia India as against earlier when AirAsia group will call the shots in the matter of key appointments. At present, most of top positions at the carrier including the MD&CEO and CFO have people who have been closely associated with the Tata Group," a source said.

In the formative years of the airline, it was AirAsia Group which had a major say in the selection of people for all top positions, including that of the CEO and CFO, the source said.

The carrier's MD and CEO Sunil Bhaskaran and head of marketing Siddhartha Butalia are Tata Group veterans.

To a query seeking comments on the issue, AirAsia Group said that 'AirAsia India will be in a better position to look into this request', while a query sent to AirAsia India did not yield any response.

Tata Sons declined to offer any comments.

Former CEOs — Mittu Chandilya and Amar Abrol — as well as many other senior level executives at the airline were in a way AirAsia Group's appointees, the source claimed.

AirAsia India started operations in June 2013 and flies to 21 destinations. While Tatas have 51% stake, the remaining shares in the airline are with AirAsia Investment, the investment arm of AirAsia Group.

Sunil Bhaskaran joined the carrier as its managing director and chief executive in November last year from Tata Steel. Besides, chief financial officer Vikas Agarwal served Titan for one year before moving to AirAsia India in November this year.

Agarwal's predecessor Deepak Mahindra, who chose to leave the airline after completing his five-months extension in August, was formerly from Tata Power.

Similarly, Butalia is formerly from Taj Hotels Palaces Resorts Safaris, where he worked for over nine years in various capacities. He joined the carrier in July this year.

All communications to taxpayers to bear DIN, says CBIC

PRESS TRUST OF INDIA
New Delhi, December 29

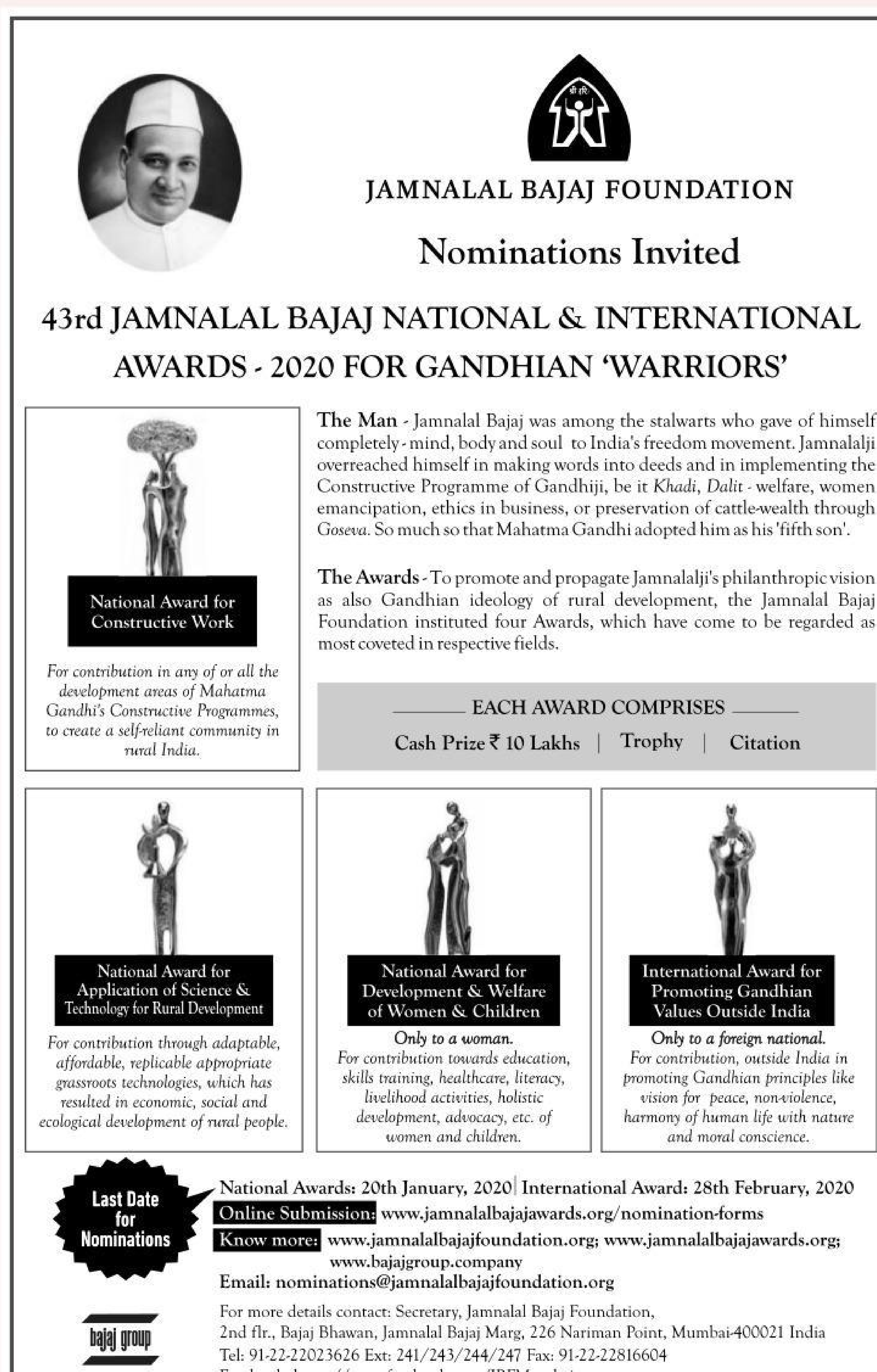
THE CUSTOMS DEPARTMENT has made quoting of electronically generated document identification number (DIN) mandatory in all communications, including e-mails, sent to taxpayers with an aim to bring in transparency in the administration.

Earlier in November, the DIN system was made mandatory only for search authorisation, summons, arrest memo, inspection notices and letters issued by the Central Board of Indirect Taxes and Customs (CBIC) in the course of any enquiry.

"The Board has now directed that electronic generation and quoting of DIN shall be done in respect of all communications (including e-mails) sent to tax payers and other concerned persons by any office of the CBIC across the country," said a circular issued by the Board recently. The government has already executed the DIN system in the direct tax administration from October 1.

The CBIC said electronic generation of DIN would create a digital directory for maintaining a proper audit trail of communications sent to taxpayers and other concerned persons. Also, it would provide the recipient of such communication a digital facility to ascertain the genuineness of the communication. Quoting of DIN is step to further the government's objectives of bringing transparency and accountability in the tax administration.

The CBIC also said any communication to taxpayers which does not bear the electronically generated DIN and is not covered by the exceptions, 'shall be treated as invalid' and deemed to have 'never been issued'. The system of generation and quoting of DIN has been done with a view to leverage technology for greater accountability and transparency in communications with the trade, taxpayers and other concerned persons.



International

FUMES-FREE TUNNEL
Elon Musk, CEO, Tesla

These would be road tunnels for zero emissions vehicles only — no toxic fumes is the key. Really, just an underground road, but limited to EVs (from all auto companies). This is not in place of other solutions, eg light rail, but supplemental to them.

Quick View

Trump won't say if he'll ask FBI to probe Khashoggi killing

PRESIDENT DONALD TRUMP isn't saying whether he'll direct the FBI to probe the death of *Washington Post* columnist Jamal Khashoggi. Trump does not answer directly when asked on NBC's *Meet the Press* whether he'll allow the FBI to examine the slaying of the Saudi Arabian journalist. In the interview taped last week, Trump says Khashoggi's killing has been "heavily investigated".

China to issue GDP figures under new mechanism

CHINA WILL REVISE its historical regional GDP data under a unified accounting mechanism from early next year, the National Bureau of Statistics said, amidst the continued slowdown of the world's second largest economy.

Trump retweet of alleged whistle-blower is back

A RETWEET BY President Donald Trump, naming the alleged whistle-blower whose complaint triggered the congressional inquiry that resulted in his impeachment this month, was restored late Saturday after being hidden for much of the day. The post, originally from the handle @surfermom77, was retweeted by Trump around midnight Friday and by Saturday morning was no longer visible in the president's Twitter feed.

5 wounded in stabbing at New York rabbi's house

AN INTRUDER STABBED and wounded five people at a rabbi's house in New York during a party to celebrate the Jewish festival of Hanukkah late Saturday, officials said. The victims were transported to local hospitals — two in critical condition — the Orthodox Jewish Public Affairs Council tweeted.

3 Indian dead, 13 injured in Egypt road mishap

THREE INDIANS WERE killed and 13 others injured when two buses carrying tourists crashed into a truck in Egypt's Suez governorate, the Indian embassy here said on Sunday. The buses were heading to the beach-resort town of Hurghada on Saturday when they hit the truck near Ain Sokhna town, about 120 kilometres east of Cairo.

DIPLOMACY WITH US

North Korea starts key meeting before year-end deadline for US

HYUNG-JIN KIM
Seoul, December 29

NORTH KOREA HAS opened a high-profile political conference to discuss how to overcome "harsh trials and difficulties," state media reported Sunday, days before a year-end deadline set by Pyongyang for Washington to make concessions in nuclear negotiations.

The ruling Workers' Party meeting is a focus of keen attention as some observers predict North Korea might use the conference to announce it would abandon faltering diplomacy with the US and lift its moratorium on major weapons test.

The Korean Central News Agency reported that leader Kim Jong Un presided over a plenary meeting of the party's Central Committee convened in Pyongyang on Saturday. It called the gathering the "first-day session," suggesting it would continue for at least another day. The meeting is intended to "overcome the manifold and harsh trials and difficulties and further accelerate the development of the revolution with transparent anti-imperialist independent stand and firm will," KCNA said. The meeting will also discuss "important matters" in the party and national defence, KCNA said. KCNA said Kim made a speech on overall state affairs and the work of the Central Committee, but gave no further details.

In April 2018, at the start of nuclear talks with the US, N Korea held the same Workers' Party meeting and announced it would suspend nuclear and intercontinental ballistic missile tests and shift its national focus to developing the economy. After his second summit with President Donald Trump in February in Vietnam failed, Kim gave the US until the end of this year to offer new initiatives to salvage the nuclear negotiations. North Korea has recently warned that its resumption of tests of long-range missiles and nuclear devices depends on US action. **—AP**

North Korean leader Kim Jong Un during a recent Workers' Party meeting in Pyongyang, North Korea

'US promises action on any N Korea missile test'

THE US WOULD be very disappointed if North Korea tested a long-range or nuclear missile and would take appropriate action as a leading military and economic power, White House national security adviser Robert O'Brien said on Sunday. Washington has many "tools in its tool kit" to respond to any such test, O'Brien said in an interview with *ABC*'s "This Week". "We'll reserve judgement but the US will take action as we do in these situations," he said. **—REUTERS**

Proactively dealt with US trade frictions: China commerce ministry

REUTERS
Beijing, December 29

CHINA'S COMMERCE MINISTRY has "proactively dealt with" trade frictions with the US this year, it said on Sunday after an annual work conference.

The ministry has implemented the decisions of the central government and "resolutely safeguarded the interests of the country and the people", it said in a statement on its website.

The US and China cooled their trade war this month, announcing a "Phase one" agreement that would reduce some US tariffs in exchange for what US officials said would be a big jump in Chinese purchases of American farm products and other goods.

China's commerce ministry has said it is in close touch with the US on signing the trade deal, and both sides are still going through necessary procedures before the signing.

China's commerce ministry has said it is in close touch with the US on signing the trade deal, and both sides are still going through necessary procedures before the signing

Musk's first Boring Co tunnel to be 'hopefully' operational in 2020

NATNICHA CHUWIRUCH
Bangkok, December 29

BILLIONAIRE ELON MUSK said the transportation tunnel his start-up Boring Co is building in Las Vegas will "hopefully" be operational next year.

The Tesla chief executive officer made the comments about the $48.7 million subterranean transit project in the US resort city in Twitter posts late Friday night.

The Las Vegas tunnel is the firm's only major project so far other than a mile-long test tunnel in Hawthorne, California. Pit construction and other preliminary work on the Las Vegas project began in September. A poll conducted by Musk via his Twitter page had garnered over a million votes. The tweet claims 69% are in favour of "super safe, earthquake-proof tunnels under cities to solve traffic" vs 13% who said "No, I like traffic."

Musk said in a separate post that the firm will look to work on other projects following the completion of the tunnel's construction. The planned transit system would allow users to ride in Tesla vehicles below ground from one side of the sprawling convention centre to the other in one minute. **—BLOOMBERG**

A modified Tesla Model X drives into the tunnel entrance at an event for the Boring Co Hawthorne test tunnel in Hawthorne, California, in a file photo BLOOMBERG

China revises law on IPOs, raises penalties for fraud

BLOOMBERG NEWS
Beijing, December 29

CHINA'S TOP LEGISLATURE approved changes to the nation's Securities Law, as it eased up listing rules and stiffened penalties for violations in the country's $21 trillion capital markets.

The revisions are effective from March 1, according to a report from a government website Saturday citing decisions made by the National People's Congress Standing Committee.

Policy makers initiated a plan to have market participants play a greater role in IPOs as early as six years ago in order to move away from the securities regulator acting as the gatekeeper for all offerings and their pricing.

The proposal for registration-based listings, thrown off course by China's stock market rout in 2015, materialised this year through a new trading venue targeting technology firms in Shanghai.

The head of the country's securities regulator said in November the reform would be extended to Shenzhen's ChiNext board.

The revised law also specifies depositary receipts as securities in addition to stocks and corporate bonds for the first time, opening up a venue for many of China's technology giants to be traded at home.

HIGHLIGHTS OF OTHER REVISIONS

- Removal of profitability requirement for listings
- Simplifying the process for issuing corporate bonds
- Increasing the upper limit of penalties for issuance fraud to 20 m yuan ($2.9 m) from 600,000 yuan previously
- Addition of new sections on information disclosure and investor protection
- Clarifying the process for joint litigation for large numbers of claimants

Egypt competition watchdog okays Uber's acquisition of Careem with conditions

YOUSEF SABA
Cairo, December 29

EGYPTIAN REGULATORS HAVE approved Uber's $3.1-billion acquisition of regional rival Careem after agreeing to a set of commitments proposed by the US-based ride-hailing service meant to reduce harm to competitors.

The Careem acquisition was announced in March after more than nine months of stop-start talks between the two companies, handing Uber a much-needed victory after a series of overseas divestments.

The deal is expected to close in January, depending on regulatory approval in various territories of which Egypt is among the most significant. Egypt, with a booming population seen swelling to 100 million, is the biggest in the West Asia for ridehailing services. Careem will become a wholly owned subsidiary of Uber but will continue to operate as an independent brand with independent management.

"We welcome the decision by the Egyptian Competition Authority (ECA) to approve Uber's pending acquisition of Careem," a spokesman for Uber said. "Uber and Careem joining forces will deliver exceptional outcomes for riders, drivers, and cities across Egypt." Under a series of commitments Uber has made to the ECA, the San Francisco-headquartered company has agreed to abandon exclusivity provisions with partners and intermediaries and reduce barriers to entry into the market.

An independent monitoring trustee will be nominated by Uber and approved by the ECA to ensure adherence to the commitments. Uber will share random samples of trip data with the trustee monthly to ensure compliance. The commitments must be adhered to for five years from the date the transaction closes, or when one or more ride-hailing providers achieves 20% of weekly rides individually or 30% collectively in overlapping areas excluding Cairo and Alexandria, Egypt's biggest cities. **—REUTERS**

Successor will probably be Norwegian, says Norway wealth fund CEO

MIKAEL HOLTER
Oslo, December 29

THE NEW HEAD OF Norway's $1.1-trillion sovereign wealth fund will likely be a Norwegian citizen, the outgoing CEO said in an interview with local news service *E24.no*.

Norway is looking for a new CEO for its massive fund to replace Yngve Slyngstad, who said in October he would step down after 12 years at the helm. The fund has swelled to a record this year, but has also come to a crossroads as capital injections from the country's oil and gas production fade. Having a Norwegian heading the fund is a question of legitimacy, Slyngstad said in the podcast interview. "It's not very realistic that it won't be a Norwegian," he said. "Someone who's able to say what this fund actually is, explain it in a simple way."

The government oversees the fund, with a mandate ultimately anchored in Parliament. It's run by a unit of the central bank, whose executive board is formally charged with picking the new CEO of Norges Bank Investment Management. Governor Oystein Olsen, who leads the board, has said the new CEO needs to have a deep understanding of Norwegian society, and know at least one Scandinavian language. The appointment might happen in April next year, and the succession could then be at the beginning of the summer, Slyngstad said. **—BLOOMBERG**

Billionaire nears purchase of AS Roma soccer club

US BILLIONAIRE DAN Friedkin is nearing the purchase of Italian soccer club AS Roma SpA from its main shareholder James Pallotta, *Il Messaggero* reported.

The deal could be finalised by Dec. 31 and the value of the team has been set at €780 million ($872 million), *Messaggero* said on Sunday, without citing anyone. Last month AS Roma, which controls the club, said there were preliminary talks with potential investors. Friedkin, who is being advised by JPMorgan Chase & Co, will be forced to plan a takeover of AS Roma at a price of €0.62/share under Italian takeover rules, *Messaggero* said. The soccer club's shares rose Friday in Milan trading by nearly 9% to €0.66, giving the firm a market value of €413.2 million. Roma has €272 million of debt. Pallotta, the chairman of hedge fund Raptor Capital Management, may keep a minority stake in the club and could remain as board director, according to the newspaper. **—BLOOMBERG**

SELECTIONS FROM The Economist

FINANCE AND ECONOMICS
FREE EXCHANGE

Despite the Fed's efforts, the repo market risks more turbulence

A challenge awaits the central bank on December 31

FROM ONE PERSPECTIVE, the Federal Reserve is expecting a quiet 2020. Of the 17 rate-setters at America's central bank, 13 expect that it will not change interest rates at all during the coming year. But monetary-policy inaction does not mean that central bankers will enjoy a relaxing festive season. In another area for which they are responsible, there is trouble looming. The so-called repo market, through which financial firms lend each other more than $1trn every day, could cause the Fed a headache on December 31st—and a hangover in the new year.

During 2019, as the Fed partially unwound the quantitative-easing (QE) programme under which it had bought Treasury bonds to stimulate the economy, the supply of cash reserves to the banking system dropped. Meanwhile, a large fiscal deficit—the result of America's tax cuts and spending increases in recent years—prompted more Treasury issuance. Because buying Treasuries means handing over money to the government, demand for cash reserves rose. The repo market faced a supply squeeze and a demand surge at the same time.

At first banks, of both the investment and the commercial variety, brought things into balance. According to a recent study by the Bank for International Settlements (BIS), a network of central banks, although they had hitherto been net borrowers from the repo market, as it tightened they became net lenders to it, easing the strain. But in September banks too found themselves short of cash when companies' quarterly tax payments fell due and past Treasury purchases had to be settled. Both factors drained cash from the banking system and channelled it into the government's coffers. The repo rate, that is, the interest rate charged overnight in the repo market, jumped above 10%.

Since then the Fed has been firefighting. At first it offered to lend $75bn-worth of cash in repo markets overnight, every night—an offer that was lapped up. Then it began lending for periods of up to one month and increasing its limits on overnight operations to at least $120bn. Then it sought to replace these temporary fixes with an enduring solution. It began to increase its balance-sheet again, thereby permanently raising the volume of cash reserves in the banking system. It has done this by buying $60bn-worth of short-dated Treasuries per month. (It argues this operation is not another round of QE, which mostly involved buying long-dated Treasuries.)

This week the new regime passed its first test. December 16th saw a repeat of the factors that had driven the repo rate higher in September. Payments for Treasuries and quarterly taxes were once again due, but the day passed without drama. The repo rate rose just 0.08 percentage points above recent levels, suggesting that the Fed's efforts to make the market more resilient had succeeded. But at the end of 2019 a bigger hurdle looms. Regulators will determine the penalty the biggest banks—those deemed "global systemically important" institutions—must pay in the form of higher capital requirements. The penalty varies in increments, starting at 1% of risk-adjusted assets and rising depending on five gauges of riskiness. Among these are banks' size and their reliance on short-term funding, which are judged throughout the year or final quarter. But the other three gauges—complexity, interconnectedness, and global activity—are measured just once annually, on New Year's Eve.

Dressing up for the occasion

That once-a-year measurement encourages big banks that are close to a regulatory boundary to take temporary measures in order to shrink activities, such as lending in repo markets, that can push up their riskiness scores. These financial gymnastics matter because big banks have an outsize effect on repo markets. According to the BIS, the lenders most likely to scale up or down their repo-market activity in response to changing demand are the four biggest banks. Their apparent reluctance to lend in September was a central reason for the spike in interest rates.

In 2018 end-of-year regulatory pressure caused the repo rate to reach 6% on December 31st. Fearing a similar episode, which could compound the more recent market stress, the Fed will offer to lend almost $500bn in repo markets over New Year's Eve. But it might not work if banks, with an eye on their risk scores, are unwilling to perform their usual role as middlemen between the Fed and market participants who want cash.

The spectre of further turmoil in the repo market is uncomfortable for the central bank. It has been trying to calm nerves. In a press conference on December 11th Jerome Powell, its chairman, acknowledged the probable upward pressure on repo rates to come, but was relatively sanguine. The Fed's goal, he said, was "not to eliminate all volatility".

Yet regulators should not introduce volatility, either. It would be relatively easy to fix the problem in future years. Measuring banks on all five regulatory factors throughout the year would remove the pressure on them to try to look their best on New Year's Eve. And varying the capital surcharge smoothly, rather than in steps, would eliminate regulatory arbitrage at the boundaries.

The big picture is that there is a common culprit behind the sudden dysfunction in September and the prospect of further turmoil at the end of the year. Since the financial crisis, regulators have created a world in which compliance is a major influence on banks' balance-sheets. That can interfere with the normal functioning of money markets and bring unintended consequences.

The problem becomes most obvious at pinch points, such as December 31st, but is true more generally. And it is making the business of operating the financial plumbing—which was always low-margin and balance-sheet intensive—less appealing. "Big banks used to operate as the lender of second-to-last resort," says Bill Nelson of the Bank Policy Institute, an industry lobby group. "That buffer is now gone." Without it the Fed may need to get used to intervening more often.

©The Economist Newspaper Limited

DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

ALAN SCOTT INDUSTRIESS LIMITED

In compliance with Regulations 3(1) and 4 read with Regulations 13(4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

OPEN OFFER ("OFFER") FOR ACQUISITION OF UP TO 1,78,199 (ONE LAC SEVENTY EIGHT THOUSAND ONE HUNDRED NINETY NINE ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS.10 EACH ("EQUITY SHARES"), REPRESENTING 26% OF THE TOTAL EQUITY SHARE CAPITAL OF ALAN SCOTT INDUSTRIESS LIMITED ("TARGET COMPANY") ON A FULLY DILUTED BASIS, AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER ("VOTING SHARE CAPITAL"), FROM THE ELIGIBLE SHAREHOLDERS OF THE TARGET COMPANY FOR CASH AT A PRICE OF RS.25/- (INDIAN RUPEES TWENTY FIVE ONLY) PER EQUITY SHARE BY MR. SURESHKUMAR PUKHRAJ JAIN ("ACQUIRER") ALONGWITH MR. PRANAV DANGI AS PERSON ACTING IN CONCERT WITH THE ACQUIRER ("PAC").

THIS DETAILED PUBLIC STATEMENT ("DPS") IS BEING ISSUED BY NAVIGANT CORPORATE ADVISORS LIMITED ("MANAGER"), FOR AND ON BEHALF OF THE ACQUIRERS IN COMPLIANCE WITH REGULATION 13(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO, ("TAKEOVER REGULATIONS"), PURSUANT TO THE PUBLIC ANNOUNCEMENT ("PA") FILED WITH BSE LIMITED ("BSE") ("STOCK EXCHANGE") ON DECEMBER 20, 2019 IN TERMS OF REGULATIONS 3(1) AND 4 OF THE TAKEOVER REGULATIONS. THE PUBLIC ANNOUNCEMENT WAS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SENT TO THE TARGET COMPANY ON DECEMBER 23, 2019 BY WAY OF LETTERS DATED DECEMBER 20, 2019 IN TERMS OF REGULATION 14(2) OF THE TAKEOVER REGULATIONS.

I. ACQUIRERS, PERSONS ACTING IN CONCERT, SELLERS, TARGET COMPANY AND OFFER

A. Information about the Acquirer(s)/PAC(s)

A.1 MR. SURESHKUMAR PUKHRAJ JAIN (ACQUIRER)

(a) Mr. Sureshkumar Pukhraj Jain, (hereinafter referred to as "Acquirer") is an Indian National aged 55 years having PAN, AAFPJ1029F and his residential address is A/1101, Savoy Residency, Tagore Road Santacruz West, Mumbai-400054, Maharashtra. His contact number is 022-61786000 and his email id is suresh@suncapital.co.in

(b) Acquirer is a Chartered Accountant by qualification and has experience of more than 30 years in the financial market field. He belongs to Sun Capital Group.

(c) Mr. Jain has been associated with Sun Capital Advisory Services Private Limited, Incipient Real Estate Private Limited, Harvest Agriculture Private Limited, Networth Finmart Limited, Suncap Insolvency Professionals Pvt Ltd, Suncap SS Global Ventures Private Ltd, Sunniva Corporate Advisory Private Ltd, Nugenics Reasearch Private Ltd, Networth Retail Private Limited, Networth Easylife Financial Advisory Private Limited, Networth Insurance Services Private Limited and Vishwakarma Kaushal Kendra as a Director and his DIN is 00048463.

(d) He has confirmed that he is not categorized as a "Wilful Defaulter" in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. His name does not appear in the "Wilful defaulters" list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.

(e) Mr. Jain holds 1,60,000 equity shares in the Target Company. He has agreed to buy 23,993 Equity Shares (Sale Shares) from current Promoter and Promoter group of Target Company through Share Purchase Agreement (SPA) dated 20th December, 2019. He does not have any other interest or relationship with the Target Company or its promoters, directors or its Key Managerial Personnel. He has complied with the disclosures under chapter V of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereto.

(f) The Net worth of Mr. Jain as on October 31, 2019 is Rs. 20,76,57,295/- (Rupees Twenty Crores Seventy Six Lakhs Fifty Seven Thousand Two Hundred Ninety Five Only) and the same is certified by Mr. Pravin Chandak, Chartered Accountant, Partner, Pravin Chandak & Associates, Chartered Accountants (Membership No. 049391; Firm Registration No. 116627W; UDIN:19049391AAAAGD2635) vide his certificate dated December 10, 2019. He has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.

(g) Mr. Jain undertakes not to sell the Equity Shares of the Target Company held by him during the "Offer Period" in terms of Regulation 25(4) of the Takeover Regulations.

(h) The Acquirer undertake that if he acquire any Equity Shares of the Target Company during the Offer Period, he will inform the Stock Exchanges and the Target Company within 24 hours of such acquisitions and he will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period ("TP") and until the closure of the TP in accordance with Regulation 18(6) of the Regulations.

A.2. MR. PRANAV DANGI (PAC)

a. Mr. Pranav Dangi, (hereinafter referred to as "PAC") is an Indian National aged 32 years having PAN AAFCT2095L is having his address at E-18, Nakoda Pipe Industries, Ambaji Industrial Area, Aburoad, Sirohi, Rajasthan. His mobile number is 8377840776 and his email id is pranavdangi@thehostleller.com

b. Mr. Dangi is a Bachelor of Engineering (B.E.) in Information Technology from Manipal Institute of Technology of Manipal University and Post-Graduate Diploma in Management (Finance) from Institute of Management and Technology-Ghaziabad by qualification and has experience of about more than 10 years in the field of software and finance field. He does not belong to any Group.

c. Mr. Dangi is associated with the Hosteller Hospitality Private Limited as a Director. His DIN is 07361138.

d. Mr. Dangi has confirmed that he is not categorized as a "Wilful Defaulter" in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011. His name does not appear in the "Willful defaulters" list of the Reserve Bank of India and is not debarred by SEBI from accessing the capital markets or from dealing in securities in terms of the provisions of Section 11B of the SEBI Act, 1992 or under any other Regulation of the SEBI Act, 1992.

e. Mr. Dangi does not hold Equity Shares in the Target Company. He does not have any interest or relationship with the Target Company or its promoters, directors or its Key Managerial Personnel. He has complied with the disclosures under chapter V of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereto to the extent applicable.

f. The Networth of Mr. Dangi as on October 31, 2019 is Rs. 36,12,814/- (Rupees Thirty Six Lakh Twelve Thousand Eight Hundred Fourteen Only) and the same is certified by Mr. Piyush Singla, Chartered Accountant, Partner of Mukul Gupta & Co., Chartered Accountants (Membership No. 542201); Firm Registration No. 030326N; UDIN: 19542201AAAACK1045) vide his certificate dated December 10, 2019. Mr. Dangi alongwith Acquirer has sufficient liquid funds as on date to fulfill their monetary obligations under this Open Offer.

g. Mr. Dangi does not hold any Equity Shares of the Target Company as on the date of this Detailed Public Statement and hence the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and chapter V of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereto do not apply.

h. PAC undertake that if he acquire any Equity Shares of the Target Company during the Offer Period, he will inform the Stock Exchanges and the Target Company within 24 hours of such acquisitions and he will not acquire any Equity Shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period ("TP") and until the closure of the TP in accordance with Regulation 18(6) of the Regulations.

i. PAC undertake that he will not acquire any Open Offer Equity Shares of the Target Company. All Open Offer Shares will be acquired by Acquirer in accordance with the Memorandum of Understanding dated 20th December, 2019 ("the MOU").

- Acquirer and PAC are person acting in concerts with each other for this Open Offer and Acquirer is father in law of the PAC.
- None of the Acquirer and PAC have been prohibited from SEBI from dealing in securities.

B. INFORMATION ABOUT THE SELLERS

The details of the Sellers are set out below:

Sr. No	Name of the Sellers	Residential Address/Registered Office	No. of Shares held in the Target Company	% of Share Capital
1	Mr. Soketu Parikh	15, Silver Sands, Dariyalal Co-Op Hsg. Soc Ltd, Juhu Tara Road, Mumbai, Maharashtra-400049, India	14,505	2.12
2	Concord Capitals Private Limited*	15, Silver Sands, Dariyalal Co-Op Hsg. Soc Ltd, Juhu Tara Road, Mumbai, Maharashtra-400049, India	9,488	1.38
	Total		**23,993**	**3.50**

** Concord Capitals Private Limited will hold 10,000 (1.46%) Equity Shares post transaction.*

- All the above Sellers are part of Promoters/ Promoter Group of the Target Company and they do not belong to any Group.
- Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992

C. INFORMATION ABOUT THE TARGET COMPANY, ALAN SCOTT INDUSTRIESS LIMITED ("TARGET COMPANY")

1) Alan Scott Industriess Limited was incorporated on February 22, 1994 under the Companies act, 1956 in the name and style as Suketu Fashions Limited as a public Limited company and obtained the Certificate of Commencement of Business on March 9, 1994. The Company has received fresh certificate of Incorporation on change of Name on October 24, 1997 and subsequently, change its name from SOKETU Fashions Limited to Alan Scott Industriess Limited. Target Company made its maiden public issue in August 1994 and got listed in the OTC Stock Exchange of India, bearing the CIN, L99999MH1994PLC076732, having the registered office situated at 39, Apurva Industrial Estate, Makwana Road, Off Andheri Kurla Road, Mumbai-400059, Maharashtra.

2) Currently, the TC is engaged in films and entertainment business.

3) As on the date of this DPS, Target Company has an Authorized Equity Share Capital of 5,00,00,000 /- (Rupees Five Crores Only) comprising of 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- each. The Paid Up Share Capital of Target Company is Rs. 68,53,770 /- (Rupees Sixty Eight Lakhs Fifty Three Thousand Seven Hundred Seventy Only) comprising of 6,85,377 (Six Lakhs Eighty Five Thousand Three Hundred Seventy Seven) Equity Shares of Rs.10/- each.

4) The Equity Shares of Target Company are currently listed and traded on BSE Limited with symbol as "ALAN SCOTT" and with Scrip Code "539115".

5) The Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.

6) As on date of this DPS, there is no subsidiary or holding company of the Target Company.

7) There has been no merger, de-merger and spin off in the last three years in the Target Company. However the capital have been reduced from Rs.3,26,37,000 (Rupees Three Crores Twenty Six Lakhs Thirty Seven Thousand Only) comprising of 32,63,700 (Thirty Two Lakhs Sixty Three Thousand Seven Hundred Only) Equity Shares of Rs.10/- each to Rs. 68,53,770 (Rupees Sixty Eight Lakhs Fifty Three Thousand Seven Hundred Seventy Only) comprising of 6,85,377 (Six Lakhs Eighty FiveThousand Three Hundred Seventy Seven) Equity Shares of Rs.10/- each with effect from the appointed date April 01, 2016 and approved by the Board of Directors on February 26, 2016.

8) Currently, there are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.

9) The brief financials of the Target Company as follows:

(Rs. in Lakhs)

Particulars	For the period ended September 2019 (unaudited)	Year ended as on March 2019 (Audited)	Year ended as on March 2018 (Audited)	Year ended as on March 2017 (Audited)
Total Revenue	0.00	11.59	22.71	11.26
Net Income (PAT)	(5.38)	0.64	0.43	(15.81)
EPS	(0.08)	0.09	0.06	(0.48)
Net Worth/ Shareholders Funds	29.29	34.67	34.03	33.60

10) None of the Directors of the Target Company represents the Acquirer & PAC.

Note: Name of the Target Company is Alan Scott Industriess Limited, however same is mentioned as Alan Scott Industries Limited on BSE website and on MCA portal is it mentioned correctly as Alan Scott Industriess Limited.

D. DETAILS OF THE OFFER

1) The Acquirer & PAC are making an Offer to acquire up to 1,78,199 (One Lac Seventy Eight Thousand One Hundred Ninety Nine Only) Equity Shares of Face Value of Rs.10/- each representing 26.00% of the Total Issued, Subscribed, Paid Up capital and Voting Equity Share Capital of the Target Company (the "Offer Size").

2) This Offer is being made to all the Equity Shareholders of the Target Company, other than the parties to SPA and PAC dated December 20, 2019.

3) The Offer is being made at a price of Rs.25/- (Rupees Twenty Five Only) ("Offer Price") per fully paid up Equity Share, payable in Cash, subject to the terms and conditions set out in the Public Announcement (PA), this Detailed Public Statement (DPS) and the Letter of Offer (LOF), that will be sent to the Shareholders of the Target Company.

4) This is not a Competitive Bid in terms of regulation 20 of the SEBI (SAST) Regulations, 2011.

5) This Offer is not conditional upon any minimum level of acceptance by the Equity Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations. The Acquirer will acquire all the Equity Shares of the Target Company that are validly tendered as per terms of the Offer upto a maximum of 1,78,199 (One Lac Seventy Eight Thousand One Hundred Ninety Nine Only) Equity Shares of Face value of Rs.10/- each representing 26.00% of the Total Issued, Subscribed, Paid Up capital and Voting Equity Share Capital of the Target Company.

6) There are no conditions stipulated in the SPA between the Sellers and Acquirer, the meeting of which would be outside the reasonable control of the Acquirer and in view of which the Offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations, 2011.

7) As on the date of this DPS, the Manager to the Offer, Navigant Corporate Advisors Ltd does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

8) The SPA is subject to compliance of provisions of SEBI (SAST) Regulations, 2011 and in case of non-compliance with the provisions of SEBI (SAST) Regulations, 2011, the SPA shall not be acted upon by the Sellers & Acquirer.

9) There are no partly paid shares and there are no convertible instruments which are pending conversion.

10) To the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirers to complete this Offer. The offer would be subject to all the statutory approvals that may become applicable at a later date.

11) The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

12) The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Detailed Public Statement. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.

13) As on the date of this DPS, the Acquirer and PAC do not have any intention to sell, dispose off or otherwise encumber any significant assets of Target Company except in the ordinary course of business of Target Company and future policy for disposal of assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and prior approval of the shareholders at a General Body Meeting of Target Company in accordance with regulation 25(2) of SEBI (SAST) Regulations, 2011.

14) The Offer (assuming full acceptance to the Offer Size) will not result in the minimum public shareholding (MPS) to fall below 25% of Equity & Voting Capital of the Target Company in terms of Regulation 38 of the Listing Regulations read with Rule 19A(1) of the Securities Contracts (Regulations) Rules, 1957 ("SCRR").

II. BACKGROUND TO THE OFFER

1. The Acquirer has entered into Share Purchase Agreement with Sellers dated December 20, 2019 for the acquisition of 23,993 fully paid-up equity shares of Rs. 10/- each representing 3.50 % of the Total Issued, Subscribed, Paid Up capital and Voting Equity Share Capital of the Target Company at a Price of Rs. 25/- (Rupees Twenty Five Only) per share aggregating to Rs. 5,99,825 (Rupees Five Lakhs Ninety Nine Thousand Eight Hundred Twenty Five only) subject to the terms and conditions as contained in the SPA.

2. Some Salient Features of SPA are as follows:
   - SPA dated 20th December, 2019 between Acquirer and Sellers for acquisition of 23,993 Equity Shares constituting 3.50% of the fully paid up and voting equity share capital along with control at a price of Rs. 25/- per Equity Share.
   - The Total consideration for sale shares shall be Rs. 5,99,825/- (Rupees Five Lacs Ninety Nine Thousand Eight Hundred Twenty Five Only).
   - Acquirer and Sellers agree to take steps to comply with regulations and laws that may be required to give effect of transfer of sale shares.

3. As on the date of this DPS, the Acquirer holds 1,60,000 equity shares of the Target Company constituting 23.34% of voting capital. Consequent upon acquisition of Sale Shares, the shareholding of the Acquirer will hold 1,83,993 equity shares constituting 26.84% of the Existing Share & Voting Capital of Target Company. Pursuant to SPA, the Acquirer and PAC shall hold the significant equity shares by virtue of which they shall be in a position to exercise control over management and affairs of the Target Company. PAC will also become a part of Promoter Group. This Offer is being made under regulation 3(1) and 4 of the Takeover Regulations. Upon consummation of the transactions contemplated in the SPA, the Acquirer will also acquire control over the Target Company and the Acquirer shall become the promoters of the Target Company upon compliance with the provisions of regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As such, this Offer is also being made under regulation 4 of the Takeover Regulations.

4. The prime objective of the Acquirer & PAC behind the acquisition is to have substantial holding of Equity shares and voting rights accompanied with the change in management and control of the Target Company and to classify the Acquirer and PAC as 'Promoters' of the Target Company, in accordance with the provisions of Regulation 31A (8) of the SEBI (LODR) Regulations. The Acquirer & PAC proposes to continue the existing business of the Target Company. However, no firm decision in this regard has been taken or proposed so far. The Acquirer & PAC reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any such change in the structure that may affect the larger interest of the shareholders will be done with prior approval of shareholders at a General Body Meeting of Target Company in accordance with regulation 25(2) of SEBI (SAST) Regulations, 2011 and in accordance with the laws applicable. The Acquirer & PAC may diversify, reorganize and/or streamline the business of Target Company for commercial reasons and operational efficiencies.

5 The Acquirer & PAC do not have any intention to sell, dispose off or otherwise encumber any significant assets of Target Company except in the ordinary course of business of Target Company and future policy for disposal of assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and the prior approval of the shareholders at a General Body Meeting of Target Company in accordance with regulation 25(2) of SEBI (SAST) Regulations, 2011.

Details	Acquirer		PAC		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shareholding as on the PA date*	1,60,000	23.34	Nil	NA	1,60,000	23.34
Shares agreed to be acquired under SPA(s)	23,993	3.50	Nil	NA	23,993	3.50
Shares acquired between the PA date and the DPS date	Nil	NA	Nil	NA	Nil	NA
Shares to be acquired in the Offer [assuming full acceptance]	1,78,199	26.00	Nil	NA	1,78,199	26.00
Post Offer shareholding (*) [assuming full acceptance] (On Diluted basis, as on 10th working day after closing of ending Period)	3,62,192	52.85	Nil	NA	3,62,192	52.85

III. OFFER PRICE

1) The Equity Shares of Target Company are currently listed and traded on BSE Limited (BSE) with symbol as "ALAN SCOTT" and with Scrip Code "539115".

2) The annualized trading turnover of the equity shares of the Target Company on BSE Limited, BSE based on trading volume during twelve calendar months preceding the month of PA (December 31, 2018 to November 30, 2019) is given below:

Name of the Stock Exchange	Total number of equity shares traded during twelve calendar months preceding the month of PA	Total Number of Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE	92	6,85,377	0.01

Based on above, the equity shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE.

3) The Offer Price of 25/- Equity Share is justified, in terms of Regulation 8(2) (e) of the SEBI (SAST) Regulations and the same has been determined after considering the following facts:

A	Highest Negotiated Price per equity share for any acquisition under the Agreement attracting the obligation to make the PA	Rs. 25/-
B	The volume-weighted average price paid or payable for acquisition during the 52 week immediately preceding the date of the PA	Rs.25/-
C	The highest price paid or payable for any acquisition during 26 weeks period immediately preceding the date of PA	Rs.25/-
D	The volume-weighted average market price for a period of 60 trading days immediately preceding the date of PA on Stock Exchanges	Not Applicable as Equity Shares are Infrequently Traded
E	Other Parameters	Year ended March 31, 2019
	Return on Networth (%)	1.85%
	Earning per Share (Rs. Per Share)	0.09
	Book Value per Share Rs.	5.06

4. The Fair Value of equity share of the Target Company is Rs. 12.22/- (Rupees Twelve and Paisa Twenty Two only) as certified by CA Pravin Chandak (Membership No. 049391), Partner of Pravin Chandak & Associates, Chartered Accountants (Firm Registration No. 116627W), having their office situated at 403, 4th Floor, & 702/703, 7th Floor, New Swapnalok CHS Ltd, Natakwala Lane, Borivali (West), Mumbai, Maharashtra, India; Tel.No. +91-22-28016119; Email: info@pravinca.com, vide valuation certificate dated December 16, 2019. The said valuation is done considering the Supreme Court's decision in the Hindustan Lever Employee's Union vs. Hindustan Lever Ltd. (1995) reported at (83 Companies Cases 30).

5) Based on the information above, the Manager to the Offer and Acquirer alongwith PAC confirm that the Offer price of Rs.25/- (Rupees Twenty Five Only) per fully paid up equity share is justified in terms of Regulation 8(2) (e) of SEBI (SAST) Regulations, 2011.

6) There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

7) In the event of further acquisition of Equity Shares of the Target Company by the Acquirer & PAC during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, Acquirer & PAC shall not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

8) If the Acquirer & PAC acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer and PAC shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer as per the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.

9) As on date, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Open Offer Price or Open Offer Size, the Acquirer& PAC shall comply with Regulation 18 of SEBI (SAST) Regulations, 2011 and all other applicable provisions of SEBI (SAST) Regulations, 2011 which are required to be fulfilled for the said revision in the Open Offer Price or Open Offer Size.

10) If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three working days before the date of commencement of the tendering period and would be notified to the shareholders.

IV. FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is Rs. 44,54,975/- (Rupees Forty Four Lakhs Fifty Four Thousand Nine Hundred Seventy Five Only).

2. The Networth of the Acquirer as on Rs. 20,76,57,295/- (Rupees Twenty Crores Seventy Six Lakhs Fifty Seven Thousand Two Hundred Ninety Five Only) and the same is certified by Mr. Pravin Chandak, Chartered Accountant, Partner, Pravin Chandak & Associates, Chartered Accountants (Membership No. 049391; Firm Registration No. 116627W; UDIN:19049391AAAAGD2635) vide his certificate dated December 10, 2019. He has sufficient liquid funds as on date to fulfill his monetary obligations under this Open Offer.

3. In accordance with Regulation 17(1) of the Takeover Regulations, the Acquirers have opened an escrow cash account bearing Account No. 9314215735 (Escrow Cash Account") with Kotak Bank, acting for the purpose of this agreement through its branch situated at 27 BKC, 2nd Floor, Plot No C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 and have made a cash deposit of Rs. 12,00,000 (Rupees Twelve Lakhs Only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents more than 25% of the total consideration payable to the Equity Shareholders under this Offer. The Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Account in terms of Regulation 21(1) of the SEBI (SAST) Regulations.

4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.

5. Based on the above, Navigant Corporate Advisors Ltd, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the offer in full accordance with the SEBI (SAST) Regulations.

V. STATUTORY AND OTHER APPROVALS

1. As of the date of this DPS, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals become applicable at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.

2. If any of the public shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter-alia from the Reserve Bank of India or any regulatory body for the transfer of any Equity Shares to the Acquirer, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirer reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India.

3. Subject to the receipt of statutory and other approvals, if any, the Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.

4. In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirer shall be responsible to pursue all statutory approvals required by the Acquirer in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.

5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the conditions precedent and other conditions as stated in the SPA and Share Sale/Purchase Confirmation or approvals mentioned in paragraph VI (1) and (2) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchange and the registered office of the Target Company.

VI. TENTATIVE SCHEDULE OF ACTIVITY

Activity	Day and Date
Public Announcement (PA)	December 20, 2019, Friday
Publication of DPS in the newspapers	December 30, 2019, Monday
Filing of the Draft Letter of Offer with SEBI	January 06, 2020, Monday
Last date for a Competitive bid	January 20, 2020, Monday
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	January 27, 2020, Monday
Identified Date*	January 29, 2020, Wednesday
Letter of Offer to be dispatched to shareholders	February 05 , 2020, Wednesday
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	February 10, 2020, Monday
Last date for revising the Offer price/ number of shares	February 11, 2020, Tuesday
Date of publication of Offer Opening Public Announcement	February 11, 2020, Tuesday
Date of commencement of Tendering Period (Offer Opening Date)	February 12, 2020, Wednesday
Date of Expiry of Tendering Period (Offer Closing Date)	February 27, 2020, Thursday
Last Date for completion of all requirements including payment of consideration	March 13, 2020, Friday

** The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the letter of offer ("Letter of Offer") would be mailed. It is clarified that all the equity shareholders of the Target Company (registered or unregistered) of the equity shares of the Target Company (except the Acquirer, Sellers and promoter group shareholders of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Offer.*

VII. ELIGIBILITY TO PARTICIPATE IN THE OFFER AND PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

1. All the shareholders of the Target Company except the parties to SPA, whether holding the shares in physical form or dematerialized form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period of this Offer.

2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Draft Letter of Offer, may also participate in this Offer.

3. The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI SAST Regulations and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 issued by SEBI.

4. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.

5. The Acquirer has appointed Buying Broker for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:

Kantilal Chhaganlal Securities Private Limited
Address: A wing, 2nd Floor, Vilco Centre, Near Garware House, 8 Subhash Road, Vile Parle (East), Mumbai-4000057, Maharashtra
Contact Person: Mr. Ajay Shah, **Tel.:** 022 67236000, **Fax:** 022 67236088,
E-mail: compliance@kcsecurities.com, **Website:** www.kcsecurities.com

The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available to the Stock Exchange in the form of a separate window (Acquisition Window).

6. All the shareholders who desire to tender their shares under the Open Offer would have to intimate their respective stock broker ("Selling Broker") during the normal trading hours of the secondary market during tendering period.

VIII. THE DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER.

IX. OTHER INFORMATION

1. The Acquirer, PAC, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities under directions issued pursuant to Section 11B or under any other regulations made under SEBI Act.

2. The Acquirer & PAC accept full responsibility for the information contained in this DPS & PA and also for the obligations of the Acquirer & PAC laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereto.

3. Pursuant to regulation 12 (1) of the SEBI (SAST) Regulations, 2011 the Acquirer has appointed, Navigant Corporate Advisors Limited, as the Manager to the Offer.

4. The Acquirer has appointed Link Intime India Pvt. Ltd as the Registrar to the Offer, having office at C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083, Maharashtra, India; Tel. No.: +91-22-4918 6200; Fax No.: +91-22-4918 6195; Website: www.linkintime.co.in, E-mail:alanscott.openoffer@linkintime.co.in, Contact Person: Mr. Sumeet Deshpande.

5) This DPS is being issued on behalf of the Acquirer & PAC by the Manager to the Offer.

6) This DPS will also be available on SEBI's website at www.sebi.gov.in

ISSUED BY MANAGER TO THE OFFER FOR AND ON BEHALF OF THE ACQUIRER MR. SURESHKUMAR PUKHRAJ JAIN AND THE PAC MR. PRANAV DANGI

Navigant
Reinventing Business

Navigant Corporate Advisors Limited
Contact Person: Mr. Sarthak Vijlani,
Address: 423, A Wing, Bonanza,, Sahar Plaza Complex,
J B Nagar, Andheri Kurla Road,, Andheri East, Mumbai-400 059; Maharashtra, India.
Tel. No.: +91-22-41204837; **Email:** navigant@navigantcorp.com ;
SEBI Registration No.: INM000012243

Place : Mumbai
Date : December 28, 2019

Surjeet Comm.

Opinion

MONDAY, DECEMBER 30, 2019

STRONGER TOGETHER

Congress leader Rahul Gandhi

Without taking everyone along, every religion, every caste, Adivasi, Dalit, the backward classes, India's economy cannot be run ... Put however much strength you want

RationalExpectations

SUNIL JAIN

sunil.jain@expressindia.com

@thesuniljain

No magic bullet, just hard reforms

The twin balance-sheet crisis has got worse, investors don't trust govt & with empty coffers, pump-priming isn't an option

EVEN WHEN MANY in the government criticised ex-chief economic advisor Arvind Subramanian for saying India's GDP was overstated by 2.5 ppt, few could explain why, if GDP was growing so fast, other indices were growing so slowly. As India's GDP has collapsed to 4.5% in Q2FY20, other indicators (*see graphic*) suggest that even this may be an overestimate. Even in FY94, when GDP grew at roughly the same rate as today, IIP grew at 6% vs 1.3% now, exports at 20.1% (-2.6% now), private consumption at 14.6% (7% now), and, the biggest surprise, while non-food credit was 5.7% then, it is -0.2% now; if everything is collapsing, how is GDP growing?

While many feel growth will come back soon, they ignore the fact that little has been done to fix India's credit crisis; in a recent paper, Subramanian and Josh Felman (S&F) argue that India's twin balance sheet crisis (banks and corporates with shot balance sheets) has morphed into a four balance sheet one (with NBFCs and real estate added). This is why, from ₹20 lakh crore in FY19, commercial credit completely collapsed in FY20.

In the past, the collapse in credit—due to a huge rise in NPAs—was tackled by the government injecting lots of capital into bank balance sheets. Since the NDA came to power, it has injected ₹3.5 lakh crore into PSU banks. But, with fresh loans turning bad and banks writing off ₹7.2 lakh crore, NPAs are still a high 9.2%; and 12% in the case of PSU banks.

While S&F speak of ₹2.5 lakh crore of stressed power loans that could turn into NPAs, other potential NPAs are the loans to NBFCs, real estate, and telecom (especially if Vodafone Idea shuts down, as is expected). And, with nominal GDP likely to grow at just 7-8% as compared to the 12% budgeted for, this will add to the stress; 40% of corporate loans in even Q1FY20 was to firms that couldn't service it, and this rose to 45% in Q2.

This is what finance minister Nirmala Sitharaman has to deal with. She faces a possible ₹2 lakh crore tax shortfall due to poor GDP growth and bad budgeting—instead of the actual FY19 tax collections of ₹20.8 lakh crore, the budget estimated it at ₹22.5 lakh crore; she also needs money to recapitalise banks, and to take over some NBFCs, so that credit starts flowing again. Had the government privatised some banks, it would need less recapitalisation money, but Modi refuses to do this.

The low GDP growth means FY21 tax collections will also be low, leaving the FM little to either raise government-spend or recapitalise banks meaningfully. Sitharaman's challenge, in fact, is made worse by the fact that private consumption growth has been falling steadily, from 15.3% in FY14 to 7% in H1 this year. If government consumption can't rise much due to budget constraints, the only hope has to be a rise in investment, but adverse government policy in many areas ensured nominal investment growth plummeted from 13.7% in FY19 to a mere 4% in H1FY20; as a share of GDP, investment levels fell from 31.3% just before Modi came to power to 28.8% in the first half of FY20.

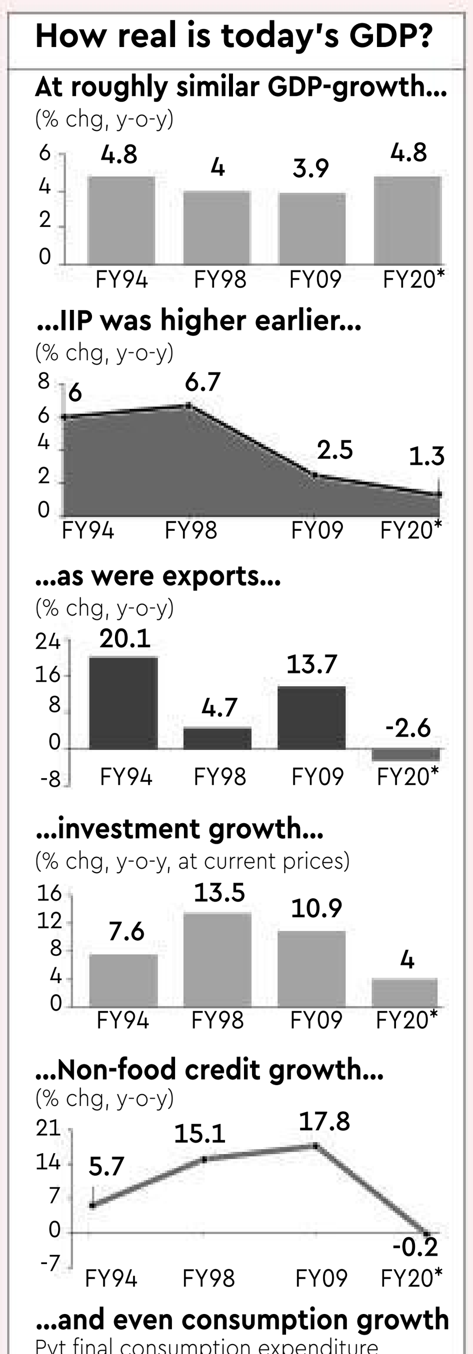
There are many reasons for why India staved off a crisis despite the twin balance sheet problem morphing into a quadruple one; most revolve around a massive jump in government expenditure, aided by the dramatic collapse in oil prices in 2015 and 2016. As a result, nominal government expenditure grew faster than GDP in the Modi period (1.85 times vs 1.69 times); it was the opposite in the UPA decade, with government expenditure rising 3.26 times vs 3.46 times for GDP.

How, and whether the current crisis will turn into one like 1991 is not clear since forex reserves remain robust and inflation is very low, but it is clear India's troubles are only deepening as—amazingly, given how GDP is plummeting—interest rates continue to remain so high. Since this prohibits both investment and consumption, ideally, as many argue, RBI should slash repo rates. But, even when it has done this, it has not resulted in lower interest rates as banks continue to face NPA stress and are also more risk-averse.

At a larger level, the lesson is that the government has no magic bullets left, it simply has to reform at breakneck speed in the hope that this will, over a few years, stimulate both investment and exports, and, as a result, also consumption. A speedy resolution of the telecom problem can, for instance, arrest the collapse in investment in the sector; slashing government levies and rapidly allocating mines could spur investment in the mining sector including oil/gas, fixing defence procurement procedures could give a big fillip to Make in India, finalising an incentive package to get the likes of Apple/Samsung to shift their vendor base to India will give a big fillip to exports...

Many argue that Modi doesn't have the ability to push tough reforms—like privatising banks or allowing hire-and-fire—that require Parliament assent, and his failure over the land acquisition bill is often cited in this context. While many of the reforms—slashing levies in telecom and mining, or allowing FDI in multi-brand retail—don't even require Parliamentary approval, too much is made of the lack of Rajya Sabha majority. When Modi wants it, as in the case of the citizenship law, he manages to get tough bills passed and, in cases like demonetisation, he brooks no opposition. The question, then, is when will Modi think economic issues are worth expending political capital on.

How real is today's GDP?



MedalMUDDLE

RTI reply shows that armed personnel have little to show for their service

BESIDES THE SERVICE benefits received by army personnel, most have little more to show for their years of service than medals and honours. An *Indian Express* report shows majority army personnel have been forced to buy cheap fakes from the market as neither the force nor the government has been able to deliver their medals on time. An RTI, filed by a retired colonel who has been waiting for a medal for 13 years now, reveals that 17.33 lakh service medals were still on the waiting list as of July 31. Of these, 33,035 were of commissioned officers, and the rest belonged to Personnel Below Officer Rank (PBOR). Although earlier, the Directorate of Military Regulations & Forms, under the ministry of defence, was responsible for medals—another RTI reveals they had even allocated ₹20 crore in 2014, 2015, and 2016—for the last two years, the job has been given to service headquarters.

While the gallantry medals like the Shaurya and Vir Chakras are not the issue, the backlog seems to be in non-gallantry awards or service medals, which are awarded for completing certain requirements in service—for instance, the Videsh Seva medal, awarded for service rendered outside India, or the Sainya Seva medal, which is awarded in recognition of non-operational service under conditions of hardship and severe climate in specified areas. Even if the military thinks the fakes might serve the purpose for now, it must be wary of depriving its personnel of the few satisfactions their service affords them.

● CENTRE-STATE RELATIONS

THE UNION GOVT'S FUNCTIONING HAS CURBED STATES' OPERATIONAL FREEDOM, RELEGATING THEM TO BEING AGENTS OF THE CENTRE RATHER THAN AUTONOMOUS UNITS

India's eroding cooperative federalism

ATUL SARMA & MANISH GUPTA

Sarma is chairman, OKD Institute Social Change and Development Gupta is with NIPFP

Views are personal

AS WIDELY RECOGNISED, India is quasi-federal, with powers and resources being highly tilted in favour of the Union. The Constitution provided for institutions like inter-state councils to serve as a platform for consultation between the centre and the states, and these have laid the foundation for cooperative federalism. Institutions such as the National Development Council, set up along with the Planning Commission, served to promote cooperative federalism. The 14th Finance Commission (FC) recommended a substantially higher share of the tax revenues for the states, with a clear objective to strengthen their autonomy. It also recommended the role of the inter-state council be reactivated. Even recently, when NITI Aayog replaced the Planning Commission, one of its important roles was to promote cooperative and competitive federalism.

However, in the Union's actual functioning, states' autonomy within their assigned jurisdictions, instead of being enlarged, has, in fact, been curbed. Over the years, states have come to function more as agents of the Union than as autonomous units. Here are a few example that show how states have been coerced into accepting the Union's actions, and how the scope for states' autonomy has shrunk.

To begin with, Jammu and Kashmir, a full-fledged state, was split into two union territories at the time when there was Governor's rule and the state assembly was in suspension. This was done without ascertaining the views of the State Legislature in contravention of Article 3 of the Constitution.

The 14th FC hiked the states' share in the Centre's tax revenues by 10 ppt at one go—from the 13th FC's 32% recommendation to 42%—to promote states' autonomy in resource allocation. But, the Centre mobilised revenues by levying cesses and surcharges, not included in the divisible pool. Hence, cesses and surcharges' share in the Centre's gross tax revenues shot up to 15.7% in FY18 from 9.43% in FY12, shrinking the divisible pool of resources available for transfers to states. The divisible pool of taxes as a percentage of gross tax revenue of the Centre declined to 78.28% in FY20, the terminal year of the award of the 14th FC, from 86.41% in 2010-11, the initial year of the award of the 13th FC. Despite the 14th FC recommending an increase in devolution, devolution during its award period as a percentage of gross tax revenue of the Union was 34.26% as compared to 27.88% during the award period of the 13th FC.

While the total central transfer to states/UTs was ₹4.1 lakh crore in FY18, revenue mobilisation by the central government through cesses and surcharges stood at ₹3 lakh crore, or 15.70% of the Centre's gross tax revenue. This went up to ₹5.12 lakh crore in the FY20 budget estimate (BE), accounting for 21.03% of the Centre's gross tax revenue, while the total central transfers to states/UTs was ₹5.2 lakh crore. What is more, the CAG, in its reports, has highlighted the issue of underutilisation of the proceeds from cesses. It has also pointed out that the monies raised for specific purposes through some of the cesses have been diverted for other purposes by the Centre.

Following the restructuring and rationalisation of the Centrally Sponsored Schemes (CSS) in FY16, the burden on states' resources has increased considerably. Its implication is that states now have to spend more on schemes that they merely implement. To state more clearly, CSS were restructured into three categories—core of the core, core, and optional. The sharing pattern of financing between the Union and the states remained unchanged in the case of core of the core, and the contribution of states belonging to the general category was raised to 40% of the total cost of the core schemes, and 50% for optional schemes. In fact, 75.24% of the total cost of CSS falls in the category of core schemes in the FY20 BE. To the extent the states have to contribute a larger chunk of resources to finance CSS, they lose the freedom to allocate resources on their need-based schemes.

Another example of how the states' autonomy is threatened is the additional terms of reference (AToR) given to the 15th FC. Specifically, towards the end of its tenure, the Commission was asked "to examine whether a separate mechanism for funding of defence and internal security ought to be set up and if so, how such a mechanism could be operationalised".

The ToR of a FC is constitutionally defined in Article 280(3): Distribution of the net proceeds of shareable taxes between the Union and the states and allocation among the states; the principles that should govern grants-in-aid of revenues of the states out of the Consolidated Fund of India; measures needed to augment the consolidated fund of a state to supplement the resources of the panchayats and municipalities on the basis of the recommendations made by Finance Commission of the state. Under Article 280(3)(d), the President may refer any other matter in the interests of sound finance.

The Centre is mobilising more revenue through cesses and surcharges, and it is not liable to share this with states

Issues relating to sound budget and fiscal management have been referred to FCs starting from the 1st FC. However, AToR to the 15th FC, relating to protecting defence and internal security expenditures of the Union government, do not fit into the framework of the constitutional provision under Article 280(3)(d).

Defence is in the Union list and, therefore, the responsibility of the Union government, while internal security is largely the states' responsibility. If states requisition paramilitary forces, they bear the expenses. It is not, therefore, an issue that should legitimately come under the domain of the Finance Commission. In any case, the original ToR itself incorporates a consideration for "the demand on the resources of the central government particularly on account of defence, internal security, infrastructure, railways, climate change, commitments towards administration of UTs without legislature and other committed expenditure and liabilities".

There could be two reasons why this AToR is added. One, the defence expenditure declined from 1.82% of GDP in FY15 to 1.54% in FY19, and is budgeted to decline further to 1.48% in FY20. As a percentage of total government expenditure, defence expenditure declined from 13.65% in 2014-15 to 11.22% in FY20. The other, with the slowdown of the economy, it could be hard to even meet this low budget provision in 2019-20 while maintaining the fiscal deficit at 3.3%. Hence, the attempt to ring-fence the defence expenditure. Also, it could be an attempt to nudge the Commission to apportion a larger proportion of tax revenue for the Centre, leaving less in the divisible pool for states.

However, the recent implementation of the Goods and Services Tax (GST) can be cited as a remarkable act of cooperation between the states and the Union. After all, the states have agreed to give up their autonomy with respect to nine state taxes. Yet, the recent drastic cut in corporate tax, with its adverse impact on the divisible pool, and not releasing GST compensation to states falling short of the stipulated growth on time, as agreed upon, would deter the promotion of cooperative federalism.

All these examples clearly show that states' operational freedom to function within their specified jurisdictions is hugely curtailed. This is certainly not conducive to promoting cooperative federalism. Worse, they are coerced into actions that are contrary to advancing robust fiscal federalism.

What a decade of Netflix did

Cord-cutting and consolidation redefined the media landscape in the 2010s. The next decade will usher in a new roster of leaders

TARA LACHAPELLE

Bloomberg

IT WAS THE decade that altered the very definition of "TV"—Noun: Netflix. Verb: to stream.

The industry's struggle to adapt to the new terminology sparked a merger mania that has rapidly condensed the market for entertainment content and pay-TV services into the hands of a powerful few. Here is a look at what the rise of Netflix Inc, the intrusiveness of Big Tech and a decade of dealmaking did to the media and entertainment landscape.

As viewers decided they didn't need so many channels, the industry decided it didn't need so many companies. Once-powerful corporations such as 21st Century Fox and Time Warner Cable were acquired by rivals better equipped to navigate the new age of streaming. Fox's studios joining the Walt Disney Co family probably came as the biggest shock, but Disney's more meaningful acquisitions were of the Marvel and "Star Wars" franchises, giving it near-total domination of the big screen.

Of course, the big screen isn't quite so big anymore: Netflix alone generates more revenue than the entire North American box office. Originally a DVD-by-mail service whose biggest competitor was the Blockbuster store, Netflix is now nearly as valuable as Comcast Corp (for a time, it was even worth more than the cable behemoth). It has also lured some of Hollywood's most sought-after directors and actors, while others have taken their movie-making talents to Apple Inc and Amazon.com Inc. That is as Lions Gate Entertainment Corp, the studio that produced "The Hunger Games", is barely able to hang on to its independence. CBS and Viacom recently became ViacomCBS Inc, but they, too, may be industry prey. Discovery Inc was able to corner the market for unscripted domestic and culinary programming by taking ownership of HGTV and the Food Network. But, the mega-deal of the decade was AT&T Inc, a once prosaic phone company, swallowing Time Warner, the parent of HBO.

The so-called streaming wars didn't begin on any particular date, but an important one was April 2, 2010. That was the day the Netflix app appeared on the Apple iPad. Within a few months it was in the iPhone app store and suddenly streaming could fit right in our pockets, travelling wherever we went. Not long before, Netflix had struck a fateful distribution agreement with the Starz premium cable channel, which held the rights to major movies months after they left theatres. Starz would later regret the arrangement, but for Netflix, it meant gaining backdoor access to thousands of films, including hits made by Disney (which would later ink its own deal with the service). And just like that, a $9-a-month app became a viable and satisfying alternative to cable TV.

Then came the mergers. Few industries were maimed by technology these last 10 years more than media—print media absolutely but also the entertainment giants, where the figures at stake were even larger. By 2015, the industry's centre of power was shifting as cracks formed in the traditional pay-TV model. A now-infamous earnings report that summer from Disney showed that cable subscribers were dropping the company's ESPN channel, the most valuable network on the air—what was supposed to be the Teflon of TV. The typical $100-a-month-or-so cable bundle that force-fed consumers far more channels than they ever needed was going the way of antennas. AT&T, which had just bet big on satellite dishes by acquiring DirecTV, turned its focus to content assets and spent 857 days straining to close its deal for Time Warner.

It was a seminal moment for the industry when a usually tenacious Rupert Murdoch sold most of his company to Disney, a deal which also included valuable franchises such as "The Simpsons" and "X-Men". The recent reunion of Viacom and CBS was the Redstone family's attempt to shore up the walls of its own vulnerable empire, bringing back together the broadcaster that owns Showtime and the parent of MTV and Paramount Pictures.

Sprouting from all these mergers are new Netflix-copycat services, such as the Disney+ app that launched in November and AT&T's HBO Max, which is set to launch in May. Apple TV+ subscriptions also went on sale last month, while Comcast's Peacock service—named for the logo of its NBCUniversal division—arrives in April.

Cord-cutting and consolidation redefined the media landscape in the 2010s. The next decade will usher in a new roster of leaders tasked with trying to make financial sense of the industry shape-shifting. Longtime media moguls such as Disney CEO Bob Iger and John Malone, the influential owner of Charter and Discovery, are on their way toward retirement; Iger, 68, has a scheduled date of December 2021, while the 78-year-old Malone has started to lighten his load. A bedridden Sumner Redstone is 96 and his daughter Shari Redstone is 65; AT&T CEO Randall Stephenson is 59; and Charter CEO Tom Rutledge is 66. Comcast chairman and CEO Brian Roberts is 60, though the company's unusual articles of incorporation say he can hold onto his job for the rest of his life. However, Comcast did recently announce that Steve Burke will retire as NBCUniversal's CEO at the start of the new year.

For investors and consumers alike, it is an uncertain road ahead. My cynical prediction: An already shrinking industry will get even smaller.

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

LETTERS TO THE EDITOR

On General's remarks

With his sweeping remarks against protestors of CAA , Indian Army chief General Bipin Rawat had not only overstepped the much important line held in high esteem in a constitutional democracy, the division of polity from military and the very supremacy of civilian leadership over military, but also done a great damage to his reputation and the office he holds. His publicly expressed conviction that protestors are leading people to carry out arson and violence in cities and towns and this is not leadership could add impetus to the attempts by Modi led government to criminalise the protests against CAA..What stands apart India from several of its neighbouring countries is our vibrant democracy where its military maintains the culture of neutrality , exercise voluntary restraint and its stronger commitment to apolitical ethos. With only days away from his retirement, General Rawat should have exercised restraint and refrained himself.

— M Jeyaram, Sholavandan

On archaic beliefs

It is incredulous that even in the age of the internet, some people continue to place their trust in blind beliefs and follow archaic rituals and practices. While sky gazers marvelled at the glorious solar eclipse that was unfolding in the heavens, eight children in Kalaburagi district had to undergo the trauma of being buried neck-deep in the ground. Hoping for a miracle and desperate to cure their children's disabilities, the parents allegedly ignored strong opposition from the villagers who doubted the wisdom of the move. Conducting awareness campaigns will help dispel wrong notions, besides, prevent the recurrence of such bizarre practices.

— NJ Ravi Chander, Bengaluru

●Write to us at feletters@expressindia.com

Regd. No. TN/CPMG/722/2000 R.N.I. Reg. No. 37821/80 Printed and published by HS Gadhadar on behalf of The Indian Express Private Limited. Published at New No.37/26, (Old No. 23 & 24/26), 8th Floor, Sreyas Chamiers Towers,Chamiers Road, Teynampet, Chennai - 600 018. Phone: (044)6679 1000; Fax: (044) 6679 1031. Printed at V.S. Printograph Private Limited, No. 142, L & T Road, Burma Colony, Perungudi, Chennai - 600096.
Chairman of the Board: Viveck Goenka, Managing Editor: Sunil Jain, Deputy Managing Editor: Shobhana Subramanian* (*Responsible for selection of news under the PRB Act)
© Copyright: The Indian Express Private Limited. All rights reserved. Reproduction in any manner, electronic or otherwise, in whole or in part, without prior written permission is prohibited. The Financial Express®

financialexp.epapr.in

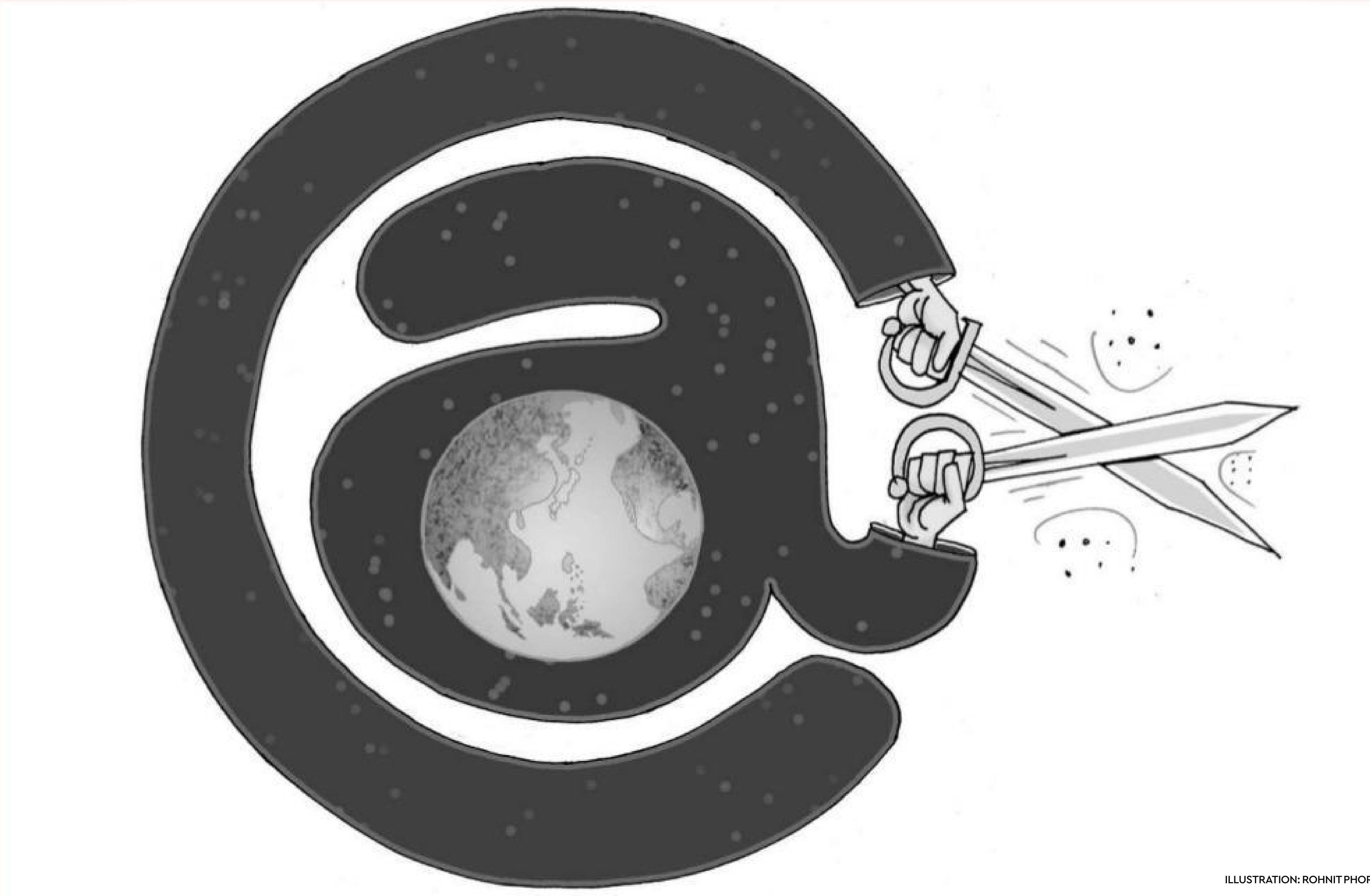


ILLUSTRATION: ROHNIT PHORE

THE WORLD IN 2020

The Splinternet of Things threatens 5G's potential

The transformative potential of 5G will be diminished by America's blacklisting of Huawei

FOR YEARS, TECHNOLOGISTS have gushed about the promise of the "Internet of Things" (IOT). With ubiquitous sensors and universal connectivity, punters have been told, the IOT will transform ordinary workshops into smart factories. Passengers will enjoy safe travel in autonomous cars and cargoes will be tracked seamlessly across borders. Consumers will enjoy blazing-fast connections on mobile devices that allow whole films to be downloaded in an instant.

This heady vision was promoted so heavily for so long by tech vendors that it began to seem like a chimera. It is not. The two essential technologies speeding the IOT's arrival, inexpensive sensors and super-fast networking kit, are advancing fast. Gartner, a research group, predicts that the global number of devices embedded with sensors will leap from 8.4 billion in 2017 to 20.4 billion in 2020.

The second enabler is 5G, a telecommunication-networking technology superior to today's 4G mobile networks. Hans Vestberg, chief executive of Verizon, an American telecom giant, has restructured his entire firm around 5G's potential, arguing that it will bring many benefits beyond blazing-fast speed. For example, an IOT network based on 5G connections would allow a million devices to be clustered within a square kilometre, as they might be on a dense factory floor or at a crowded sports arena—far more than the 60,000 or so possible with 4G.

Alas, the once-bright prospects for a speedy global roll-out are turning into a tale of the good, the bad and the ugly. The good news is that several big markets will see 5G networks deployed at scale in 2020. Verizon expects three-quarters of the phones it launches in 2020 in America to be 5G-capable, and AT&T, a rival firm, expects to offer nationwide coverage by mid-year. Huawei, China's telecom-equipment giant, has spent $46 billion developing 5G kit, and expects to deploy 1.5 million base stations across hundreds of Chinese cities by the end of 2020. Europe has been held back by market fragmentation, but the European Commission is pushing to have an EU-wide commercial roll-out of 5G by the end of 2020.

The bad news is that the usefulness of all this will be limited at first. Unless consumers spend a fortune on the latest 5G handsets, they will not be able to enjoy super-fast downloads. Most companies will not have sensors embedded in all of their factory machinery for a few years yet, though vendors like Siemens and GE will be keen to help them set up such "industrial internets". There are also barriers to the use of IOT devices in some industries (privacy concerns in healthcare, for example) that require policy reforms. As the various hurdles are overcome over the next few years, reckons Michael Chui of the McKinsey Global Institute, a think tank, IOT technologies will create between $3.9 trillion and $11.1 trillion in economic value globally by 2025.

Chinese firms represent over a third of global patent applications for 5G-related tech, with Huawei alone representing 15% of world total. And Huawei equipment is less expensive than rivals' kit

The ugly aspect of the 5G story involves geopolitics. A decision to ban Huawei from America's telecom networks and to deny it access to vital intellectual property from American suppliers has dealt a severe blow to the market leader. President Donald Trump has cited security concerns. Huawei points out that no evidence of wrongdoing has ever been presented.

America has also been strong-arming its allies around the world to reject Chinese kit. Some, like Australia, have done so. Others, like Britain, may restrict Huawei to peripheral parts of their networks. In countries where Huawei is banned, telecom operators must rely on more expensive, non-Chinese 5G kit made by Finland's Nokia, Sweden's Ericsson or South Korea's Samsung. Sensing opportunity, Ericsson plans to open a new manufacturing plant in Texas in 2020 to make 5G equipment that is palatable to the White House.

Still, vast swathes of the globe, from Russia to Malaysia to Peru, will remain open to Huawei in 2020. This is not only because they are in China's geopolitical orbit, though this is true for many Asian and African countries. Huawei's 5G equipment is also more advanced: Chinese firms represent over a third of global patent applications for 5G-related technologies, with Huawei alone representing 15% of the world total. And Huawei's equipment is less expensive than rivals' kit.

The result is likely to be a bifurcated IOT, dividing the world between countries willing to use Chinese telecom gear and those that share America's concerns over security. Part of the 5G dream was that of a unified global standard for networking. Once that is fractured, the resultant divide poses huge headaches. Multinational firms with operations in Shenzhen and Silicon Valley cannot use the same IOT systems in both. Global developers of IOT devices relying on seamless 5G, such as new virtual- and augmented-reality applications, may be handicapped by interoperability issues among markets.

Frank Appel, chairman of Deutche Post DHL, a giant logistics and package-delivery firm, warns that if information cannot be exchanged easily between different networks, "we have to go back to paperwork and print and input into the system ... I don't know how we will manage." Verizon's Mr Vestberg observes that 5G would then be a step back to 1G and 2G, which used network standards that did not allow seamless global connectivity. Vincent Peng, a board member at Huawei, warns that this could result in a disastrous "digital Berlin Wall". Unless a political settlement is soon reached between China and America on 5G, 2020 will be remembered for the arrival of the Splinternet of Things.

THE ECONOMIST

DISTRIBUTION OF PROFITS

Buy-back of shares may still be viable?

SAUMIL SHAH & NITIN BOHRA

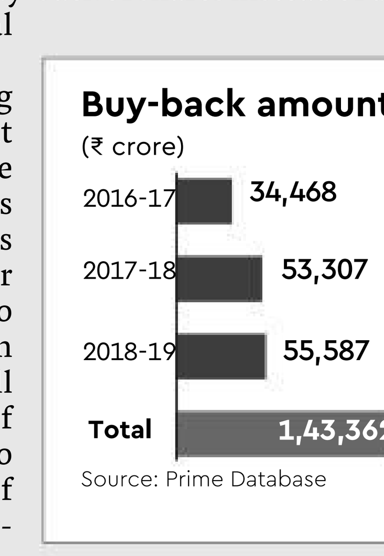
Shah is partner and Bohra is principal, Dhruva Advisors

Opting for buy-back or dividend is not a straightforward task

DIVIDEND HAS BEEN one of the preferred ways amongst Indian corporates to distribute profits to their shareholders. However, considering the additional dividend tax levy in the hands of non-corporate resident shareholders, buy-back of shares by listed companies has emerged as one of the preferred ways to distribute profits in recent years. This is also evident from the fact that the return of cash by listed companies to shareholders through the buy-back route got a big boost since the introduction of super-dividend tax.

The buy-back of shares by listed companies was more attractive on account of two aspects. First, the buy-back of shares by them was not subject to buy-back tax (BBT), and second, the receipt of consideration in the hands of shareholders was subject to capital gains tax, and where listed shares were held for more than 12 months, the same was exempt from tax. The combination of all these led to distribution of profits back to shareholders with almost no tax.

Post the introduction of long-term capital gains tax on the sale of listed shares and BBT on listed shares, the direction has certainly changed. As stated in the Budget speech by the finance minister, the reason for introduction of BBT on listed shares was to discourage the practice of listed companies announcing buy-back of shares instead of dividends, to avoid the dual levy of dividend tax.



However, after rolling out BBT on listed shares, it is interesting to analyse whether listed companies should switch to dividends as the preferred route for distributing profits to shareholders. A plain vanilla analysis still appears to be in favour of buy-back in the scenario where the majority of shareholders are non-corporate resident shareholders. With the levy of additional dividend tax in the hands of such shareholders, buy-backs offer a tax arbitrage of nearly 10%. This arbitrage may further increase if significant cost-base is available to the companies on shares being bought-back, as the same would reduce the BBT liability considerably, thereby leading to more surplus in the hands of shareholders. A detailed analysis of shareholding pattern (viz. corporates or non-corporates, residents or non-residents), consideration received on issue of shares proposed to be bought back etc, are essential for holistic comparison between buy-back and dividend route.

Another advantage of the buy-back route from a stock market perspective could be its positive impact on the EPS and consequently on the P/E ratio, as shares bought back are extinguished and lead to a lower capital base. It is also noticed that the buy-back price proposed under the offer is generally higher than the ruling market price, which imbibes greater confidence amongst shareholders.

Apart from taxes, one must be also cognisant of other legal and commercial aspects that need consideration while deciding on buy-back vis-à-vis dividend route, viz. disproportionate participation from promoters and public shareholders, limits on buy-back size with minimum 15% entitlement for small shareholders, restrictions on fund raising for the next six months, constraint on maintaining minimum debt-equity ratio of 2:1 post-buy-back, etc.

Based on the above analysis, it becomes evident that opting for buy-back or dividend is not a straightforward task. It would require much more deliberation and consideration. Furthermore, recent remarks by the finance minister to address DDT as regressive tax levy have fuelled the speculation on the removal of DDT. If it is removed, it would certainly change the rules of the game. In such a scenario, it would be interesting to see what happens to BBT?

SECONDARY AGRICULTURE

The shift Indian farming needs

We must focus on sustainable production, monetisation of farmers' produce and strengthening of extension services

KUSHANKUR DEY

The author is assistant professor, IIM Lucknow, associated with the Centre for Food & Agribusiness Management. Views are personal

SECONDARY AGRICULTURE assumes prominence with the announcement of the goal of doubling farmers' incomes. The term 'secondary' has a bearing on climate change adaptation and its mitigation, small farm viability and profitability, food security, nutrition, sustainable utilisation of natural resources, and optimal usage of produce from primary agriculture and farm incomes.

In other words, promoting secondary agriculture has implications on attaining sustainable development goals, which aim to connect primary, secondary and tertiary sectors by using slack/idle factors of production, such as land and labour—contributing to primary agriculture production, capturing 'value' in primary agricultural activities, and generating additional income at the enterprise level.

While there is no formal definition of secondary agriculture, based on the Economic Accounts for Agriculture of the European Union, a Technical Advisory Committee on Secondary Agriculture was formed by the then Planning Commission in 2007, and the committee had set out the inclusion criteria as "assembling, ripening, cleaning, grading, sorting, drying, preserving, packing and storing."

The essence of secondary agriculture was understood when the Ashok Dalwai Committee submitted its report on "adding value to primary agriculture and building agricultural enterprises in rural India" through "farm-linked activities and secondary agriculture" in February 2018. The committee has defined secondary agriculture as a production activity at enterprise/farm level, and it devised a four-fold strategy:

- Sustainability of production;
- Monetisation of farmers' produce;
- Strengthening of extension services;
- Recognising agriculture as an enterprise, and enabling it to operate as such, by addressing various structural weaknesses.

This four-fold strategy for secondary agriculture has drawn attention of development professionals, agribusiness academics and experts, and policymaking bodies. Secondary agriculture, as is defined, can help drive the growth of primary agriculture, and three avenues have been identified that adequately help utilise capital, human resources, technology, organisational capabilities, and risk management:

Type A: Value-addition to primary agriculture production systems;

Type B: Alternative enterprises, but linked to rural off-farm activities;

Type C: Enterprises that thrive on crop residues and waste materials of primary agriculture.

Type A can be achieved by improving livelihood enhancement action plans that are implemented by farmer-based/community-based organisations. Linking farmers with the market through aggregation and assaying/grading of agricultural produce can help them in value enhancement and appropriation. Collectivisations, cluster farming, financial literacy, marketing skills are important to build this avenue.

Type B is based on utilisation of alternative enterprises to primary agriculture, but is associated with rural off-farm activities. For example, poultry, bee-keeping, duck farming and livestock management are off-farm enterprises that can be promoted as part of integrated farming system. Integrated farming can hedge farm risk in the period of crop failure, or ease out the seasonality in the stream of cash flows.

Type C are such enterprises that strive on crop residues, or by-products of primary agriculture. For example, after recovering sugar from cane, cane can be used as bagasse for molasses production. Similarly, cotton stalk and seed (after ginning) can be used for de-oiled cake preparation or utilised in the secondary/tertiary sector.

To promote agricultural entrepreneurship or agricultural enterprises, there is recognition of priority sector status for institutional credit; low-cost skilling and knowledge-based exposure of farm communities; specialised extension services for enterprises owned by females; priority under rural electrification objectives; fast-track procedures to avail benefits under the ongoing central sector schemes; and label geographical indicators to products of village-scale secondary agriculture.

It is worth noting that the Indian Council of Agricultural Research, in association with the World Bank, had instituted the National Agricultural Higher Education Project (with a $165 million funding support) in 2017-18 for a five-year period to promote skill development and agri-entrepreneurship amongst graduates of agricultural colleges, apart from institutional development and innovation funding to education. Agribusiness incubation and acceleration, if made marketable, can benefit farm communities, and appropriate market linkages can improve farmers' realisations through collectivisation. However, a concerted effort at both policy and implementation levels at the Centre and states is necessary to attain this goal.

eFE
MONDAY, DECEMBER 30, 2019

TECH HOTSPOT

Prakash Mallya, VP and MD - Sales and Marketing Group, Intel India

From self-service kiosks to surveillance applications, India has seen product innovation and implementations with potential to scale.

DIGITAL VISION 2020

If the past decade has taught us anything, it is that change is a constant. Fueled by technological innovation and digital transformation, our world is changing more quickly than ever. Digitalisation is driving India to a $5-trillion economy, however, a lot will depend on the country's adoption of technology in all sectors and transformation into a digital economy. The internet is already an integral member of our lives. Digital technologies, smartphone penetration and increased access to computing have created new business models and increased access to services. We must now take it to the next level to strengthen manufacturing, generate jobs and create employability. The true game changer would be the advent of 5G or the fifth-generation cellular technology which will be transformational in more ways than one. We ask head honchos of some of the global technology firms (with significant presence in India) to cherry-pick the growth opportunities in a tough economy.

Future-proof your business with a data shot in 2020

An autonomous database allows organisations to better access and utilise their data, and thereby boost productivity

WE LIVE IN a truly data-driven world. As per Domo's *Data Never Sleeps 7.0* report, the world is witness to more than 18 million text messages that are sent; 4.5 million YouTube videos watched; 511,200 tweets and 55,140 photos posted every minute of every day! This treasure trove of data is, in reality, of immense value—offering businesses the unlimited opportunity to improve customer satisfaction or profitability and ultimately allowing them to be successful. They just need to be smart to know it, and how to collate, process and secure it.

In today's digital economy, data has become the new battleground for business, and being able to master it through effective data management can have a direct impact on an organisation's success. For this reason, the database becomes the de-facto heartbeat of an enterprise. Nine out of 10 CEOs I met in the last 6 months acknowledged that data management is integral to the successful running of their organisations. But with databases growing in size and complexity, the task is only getting harder. Enterprises are being forced look to new solutions that could be driven by automation and machine learning, to unlock their data potential.

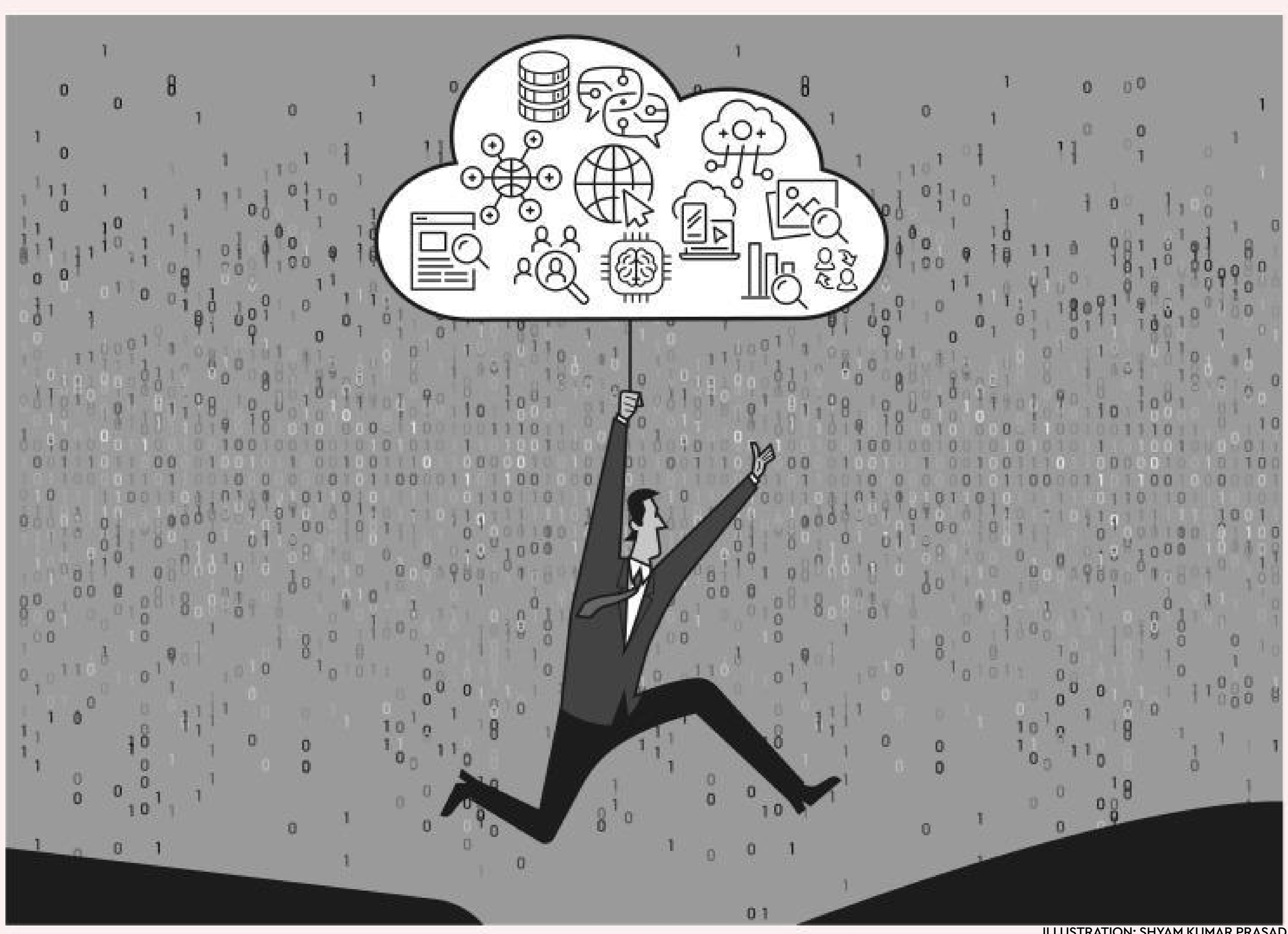


ILLUSTRATION: SHYAM KUMAR PRASAD

Depending only on human intervention isn't an option

When an employee or customer wants to retrieve data, the process is complex and can consume a great deal of time, as well as compute and disk-access resources. This is especially true at peak times when thousands or potentially millions of users are trying to access the database, say, during festive sales.

This manual approach is beginning to crumble under the weight of exponentially growing organisational data. Traditional database management has become extremely time-consuming and expensive: 72% of IT budgets are spent simply maintaining existing information systems.

With DBAs often finding themselves managing 50 or more databases a day, human errors are going to be inevitable. Common errors include failure to apply a security update or inability to keep a database fully optimised. These errors can be disastrous for uptime and security, but there's a more fundamental problem. A company unable to keep its databases performant is less able to utilise its data effectively. Employees will struggle to get data they need and will be slower to make decisions, while customers will suffer from an unsatisfying user experience. Every second of every day counts.

SHAILENDER KUMAR
Regional Managing Director, Oracle India

Why it's time for an autonomous approach to data management

To remain relevant and competitive in the long run, companies must explore new ways to reduce the effort needed to maintain databases, limit downtime and, above all, accelerate performance so data can support their 'innovation agenda.

Increasingly, with the advent of emerging technologies such as like automation and AI/ML, autonomous systems are being born. The 'autonomous database' is the first successful example of this revolution. Its self-driving, self-securing and self-repairing features are making it easy and cost effective to adopt, while freeing IT up to focus on innovation and higher value-adding tasks.

Give your business the data booster shot to succeed in 2020 and beyond

Above all else, an autonomous database gives organisations a data shot to the arm – the ability to better access and utilise their data—faster and more efficiently—enabling greater productivity and a more seamless, competitive customer experience.

The direction of travel is clear – databases are only going to get larger, more complex and more important to business success. India already houses some of the world's largest databases with the sheer size of our economy, population and businesses. Companies fully utilising the benefits of cloud solutions and other emerging technologies for better data management will survive. This data injection will enable them to become truly data-driven, develop their ability to boost critical areas, drive the customer and employee experience to new heights and be an inspiration to new businesses.

How to make the autonomous leap?

One of the first steps to future-proof your business is to future-proof your IT, so it can well support your growth and expansion in the next decade. The beauty of a Gen 2 cloud with autonomous capabilities is you can try something small and scale up when you're ready – with the mindset and confidence – to go the whole distance. Possibly by using a small dataset to run analytics, extracting deeper insights in no time. To understand the quantum of business value you can unlock from your data, bring alive the latent data-driven business leader in you, and arm your business with an autonomous edge in 2020.

IT industry has built new pillars for future growth

The year 2020 will witness the coming of age of business-to-business and deep tech startups

PREDICTING THE INDIAN IT outlook for 2019 in this column a year ago, I had written that the industry would continue to grow by converting digital challenges for customers into revenue opportunities and areas such as offshore engineering services and product development would continue to grow while traditional application and infrastructure support, once the mainstay of Indian companies' revenues, would be static with automation chipping away at manpower needs. Our industry CEOs have not only withstood the global economic turbulence, they have grown their companies near double digits in spite of all the odds. We have built new pillars for future growth and we can see a great "Vision 2020" for our industry.

GANESH NATARAJAN
Founder and chairman of 5F World and a keen investor in the digital ecosystem in India

I am confidently predicting a return to double digit growth for three reasons—the ongoing success of the sector, particularly business process management (BPM) and re-engineering specialists in digital transformation, rapid expansion for global captive centres in India and the accelerating growth of deep tech and business to business entrepreneurial firms. Let's look at real data to support this hypothesis. To take the global companies first, we are seeing major capacity increases in product development, engineering, tech support and offshore processing work in all the seven IT cities of the country. The delight of global CEOs and CIOs at the calibre of talent in India continues although there are some concerns that real design and architecture skills are still in scarcity in India.

The traditional service providers, led by TCS in IT, WNS in BPM and Cyient in engineering, are making steady progress. Annual contract value growth in IT services, led by software and infrastructure as a service) deals has grown at over 20% in 2019 over 2018, with telecom and media spends growing fastest at nearly 35%, while financial services remain the biggest spender. In the most recent quarter, the digital deals were nearly 48% of all deals, up ten percentage points from 2018. While the overall outsourcing business is growing annually at just under 9%, the BPM industry has reported growth which is double that, with healthcare becoming one of the fastest growing segments. With TCS taking the lead in refusing to call out digital numbers, one can expect that digital platforms and processes and "everything as a service" will rule the roost in 2020 and continue to drive greater opportunities and higher growth.

While all this optimism from global and Indian industry about the usage of Indian facilities and people can push growth in 2020 in double digits, the real kicker is the coming of age of B2B and deep tech startups. Nasscom reports that the number of billion-dollar valuation unicorns has reached 24 with 57% of the 2019 success stories coming from nascent areas and 71% focused on B2B solutions. Our own B2B investees at 5F World—Skills Alpha, Farm Guru and Yoryo—have shown growth in revenues and profitable deals coming in every quarter, a sure sign that entrepreneurs are hitting a rich vein of success. Nasscom's strong focus on Future Skills and Deep Tech has been commendable, with the number of entrepreneurial firms growing 33% in 2019 to touch 1600 firms, serving the economy through value propositions in precision agriculture, precision diagnostics, aerial mapping, fraud detection and digital twinning for smart manufacturing.

Opportunities in the country are expanding, the recently announced Centre of Excellence for Autonomous and Electric Vehicles and the Software Technology Parks of India being an example. As the economy pivots towards smart cities, smart transportation, smart agriculture and smart healthcare, there will be opportunities to build companies of stature and scale and in the next 10 years; these can be expected to contribute half the market value and at least 10% of the revenues of the industry. There is a need for aggressive ecosystem development with active participation of new investors and corporate support, but we are well on our way.

Expect 2020 to be a new year of hope, new promise and demonstrated success for the Indian industry! Our time has surely come to show the world the new capabilities that the Indian firms have built and become true partners to global firms in all continents!

Digitalisation is driving India to a $5-trillion economy

We must now take digital technology to the next level to strengthen manufacturing, generate jobs and create employability

INDIA HAS SET itself an ambitious target of doubling its economy in five years to $5 trillion. Global macroeconomic factors coupled with a cautious outlook and muted domestic consumption poses a serious challenge to achieving that ambition.

Admittedly, the task is challenging. Of course, the government has acted with alacrity and shown urgency in addressing a large section of the concerns of the various industry bodies. The latest rationalisation of corporate taxes bringing it at par with all other investment destinations across the world is a massive structural change, aimed at boosting local manufacturing, alleviating agricultural distress and addressing the issue of rising unemployment.

The moment has now come for us to think out of the box. We need to break the old paradigms of economic growth and development by injecting technology-led innovation into our DNA. Especially, as digital economy alone can support 60-65 million jobs in the future, fueled, of course, by government policies, support and initiative.

The true game-changer would be the advent of 5G or the fifth-generation cellular technology which will be transformational in more ways than one. It is estimated that the roll out of 5G services alone will have an estimated impact of $1 trillion on the Indian economy. By 2025, India could create a digital economy of $800 billion to $ 1 trillion.

Vibrant IT-BPM, telecom, e-commerce, electronics sectors, the explosion of new digital startups equipped with technologies such as virtual reality (VR), augmented reality (AR), Blockchain, Artificial Intelligence (AI), robotics, analytics, automation, cloud, cyber-security, mobile, and social, could help to achieve close to $250 billion in gross value added by 2025.

To leverage this potential, we need to focus on employment generation and growth in consumption, increase public spending in infrastructure, especially rural infrastructure, to optimise the market potential of non-urban India, invest in manufacturing, especially in the MSME segment, and improve access to services. The key sectors would be manufacturing, education and healthcare with programmes such as Digital India, Make in India, Start Up India and Ayushman Bharat creating an inclusive environment. Technology will be the glue that will bind all of these and deliver the future.

Technology for employment generation

India is one of the world's fastest growing markets. The country is witnessing a massive increase in internet users especially in tier 2 and tier 3 cities, towns and villages. Increased availability of bandwidth, cheap data plans and increased awareness is bridging the digital gap between urban and rural India.

ALOK OHRIE
President & Managing Director Dell Technologies India

What this means is that a country, which already has the world's largest youth population, is also going to have the most number of connected people – creating a new asset class for businesses. Just imagine the market opportunity that this is likely to present. Digital technologies, smart phone penetration and increased access to computing has already created new business models and increased access to services. We must now take it to the next level to strengthen manufacturing, generate jobs and create employability. We need to get 'India working' sooner than later.

According to the World Bank, India needs to create 8.1 million jobs annually to achieve its growth targets. It is imperative that government and the private sector take proactive measures to generate adequate employment for about 12.8 million new entrants to the workforce every year. We need to take necessary steps to ensure that India's youth develop the right skill sets required for high-quality manufacturing and world class services.

Demand is increasing for executives trained in emerging fields such as Big Data analytics, machine learning, AI and blockchain—who also are trained in interpreting digital dashboards and using digital marketing techniques. Digital technology can be leveraged to improve the quality of skill training through the use of augmented reality and virtual reality tools to train skill seekers in how to use high-end machines at work. Equally significant is the fact that internet in India is going vernacular with increased technology penetration even as its use gets increasingly democratised. Witness, therefore, how a cobbler in Kolhapur, a tea grower in Assam, a weaver in Kancheepuram or, for that matter, a seller of high-end TVs, is selling his wares to buyers far away, from the same platform today. Neither distance, nor geography, nor real estate, for that matter, is a challenge.

No wonder then that Internet-based e-commerce in India generates $30 billion to $35 billion merchandise annually, employing more than 100,000 people. Importantly, by 2025, this market is expected to surge leading to the creation of over 500,000 direct jobs.

As for agriculture, today, a farmer can go online and learn everything he wants to about improving yields, increasing the market value of crops, obtaining loans, optimising agricultural inputs, and getting direct access to markets. Digital applications including satellite, drone, and weather data promise to play a significant role in the government's quest to double farmers' incomes by 2022.

In conclusion, India's aspiration of attaining the $5 trillion economy in five years will depend on India's adoption of technology in all sectors and transformation into a digital economy.

PC FOR THE FUTURE

Vickram Bedi, Senior Director, Personal Systems, HP Inc

We believe that in the near future, PC users will want devices with holistic value proposition—thin & light, powerful, high performance and stylish.

ILLUSTRATION: SHYAM KUMAR PRASAD

Decoding the future of the Internet: 5G and beyond

The fifth generation of the internet is about pushing the envelope of innovation to far beyond what we experience today

SAMEER GARDE

President, Cisco India & SAARC

OVER THE PAST decade, the internet has embarked on an ambitious journey to provide consistent, unimpeded connectivity to the citizens of India. From the familiar hisses and beeps of the dial-up, to the few seconds it takes to connect to a Wi-Fi network now, and the speeds it promises in the coming years, the internet is undergoing a significant transformation that is already altering our present, and will inarguably redefine our future.

The internet is already an integral member of our lives, but our expectations are no longer just quick access or speed. We, as individuals and enterprises, want more from it, requirements that are continually pushing the boundaries of this technology. At this inflection point, we are going to witness an upheaval of our existing processes and systems, powered by a surge in 5G, WiFi6 and IoT adoption.

As per a recent study, the internet user base in India has surpassed 500 million devices and is likely to touch 627 million by the end of 2020. It is thus essential to rethink the network infrastructure that makes these connections possible, and the transformation of the internet has to begin at the foundation – silicon. By revamping our existing silicon architecture, we can unlock new avenues for innovation. But even the most advanced silicon is ineffective in driving results in operating networks without the right software that prioritises operations with simplicity and automation while reducing required resources and deployment efforts. The future of the internet, that includes 5G, Wi-Fi6, AI and other technologies, has to be built on converged, cloud-enhanced and trustworthy architectures that support the size and capabilities that the next generation will demand.

These technologies may be in their nascent stages of development, but as people come to realise their immense potential, the next generation of technology solutions will increasingly be based on 5G. If 4G was about speed, 5G will be about enhancing user experience, allowing for reliable communication, and a more efficient transfer of data with little or no lag. This fifth generation of the mobile network isn't just another telecom service—it is set to drastically alter the way India, and the world at large, interacts with and consumes content. 5G will also provide AR and VR technologies the platform to become mainstream, supported by a secure network that promises high-speed, uninterrupted connectivity. In fact, Gartner predicts that by the end of 2020, as many as 100 million consumers will be using AR/VR technologies to shop online!

Gartner predicts that worldwide, 5G network infrastructure revenues will touch $4.2 billion in 2020, with 13 million 5G subscriptions. The Ericsson Report 2019 estimates 2.6 billion 5G subscriptions globally by 2025, accounting for 29% of all mobile subscriptions at that time. A similar rise in social network traffic will be witnessed over the next few years. Media applications that are more immersive than their primitive predecessors will propel mobile data traffic growth, as emerging 5G networks will provide the necessary infrastructure for unprecedented user experience.

The fifth generation of the internet is about pushing the envelope of innovation to far beyond what we experience today, and helping customers stay ahead of the curve. With the rollout of 5G, coupled with the launch of over-the-top (OTT) streaming services in the offing, 2020 promises to be a seminal year of growth for the telecommunication and media & entertainment industries. It presents abundant opportunities for those who can capitalise and maintain their pace in a dynamic digital landscape.

While telecom operators will be at the forefront of the splendid possibilities to which 5G alludes, other sectors will benefit greatly as well. As digital capabilities improve and connectivity becomes omnipresent, the internet is poised to rapidly and radically change nearly every sector of India's economy. Soon, automation will seep into a number of industries, manufacturing in particular, and the time isn't far when people will be managing robots; devices will talk to each other in a seamless fashion that seemed outlandish even five years ago. Ultimately, in the age of the new internet, the lines between real and digital, which are quite clear even today, will blur; the virtual and physical will coexist like never before, each driving the other to do more, to do better.

But one of the biggest impacts that the internet of the future will have is bridging the ever-widening chasm between India and Bharat. Fast, affordable internet will present those living in rural areas with access to information and resources they were previously lacking; it will help level the playing field, with SMEs reaching beyond their geographical borders, and engaging with a much larger audience. Lower latency and high capacities will allow patients in far-flung areas of the country to consult doctors and get medical advice online; new-age technologies will enable students in rural areas virtual access to lectures, expert visits and study material; 5G and Wi-Fi6 will facilitate financial inclusion of the rural unbanked through apps that offer a unified portal for essential banking services, among so many other benefits.

The end goal of connected devices and people is to create a robust ecosystem inclusive of the government, community, and corporates, to affect real change in the areas of critical human needs like education, economic empowerment, environmental sustainability, etc. The new internet will reshape India's socio-economic and cultural fabric, digitally empowering over 1.3 billion citizens, and leading the country into its connected future.

SMBs, startups look at SaaS adoption with greater zeal

From voice-based conversations to urban mobility, the man-machine interaction will take a dramatic turn

DEBJANI GHOSH

President, NASSCOM

IN INDIA, TECH adoption is a little different from, say, US or China. Whatever propagates here will be a function of affordability and accessibility and of course, quality cannot be compromised upon. Bearing these in mind, let me attempt to draw the Indian tech landscape for the next 12 months (indicative only).

Voice-based conversations

Under conversational AI there are predominantly two categories—chatbots and voicebots. Chatbots are already mainstream and have undergone rapid shifts through two waves (initially rule-based, functioning in a closed environment to large-scale AI-powered adoption across verticals and horizontals). Comparatively, bots that accept voice as input are still nascent. Natural language processing enables machines to understand human language, extract specific terminologies with context, identify sentiments (positive /negative) and automate translation from one language to another. This is the game-changer and is underway.

IDC says smart speakers' sales will grow at 32% CAGR during 2017-22. It's a major driver already in voice-based searches across the world. In India, 51% of internet users (tips China's 49% even) use voice-based functionality (across devices). It will further drive digital literacy in India for the next set of 300 million users who may be underprivileged from a literacy standpoint. As the preferred first-line of interaction in the future, even the government can communicate with users, once regional languages are enabled. Use cases such as filling forms, educational support to children and empowerment of the visually-impaired, are foreseen.

Cloud computing – catalyst to a trillion-dollar digital economy

Nasscom studies indicate that over a five-year period, starting in 2018, cloud spending (India) will grow at 30% CAGR. By that count, it should be a shade lower than $4.5 billion by next year-end. More aggressive market sentiments may even take it upwards of $5.1 billion.

Distinctly, as part of cloud offerings, and driven by a need to cut down fixed costs, yet accessing the best in breed software, SMBs and startups are looking at SaaS adoption with greater zeal. Beyond domestic growth and buoyed by worldwide trends, we will also capture a bigger share of the global market. Actually, 70% of SaaS revenues earned by Indian players, come from other geographies—the US leads the pack. In India, information technology, e-commerce and media industries will continue to spend on cloud. Many players have been born-on-cloud and have a cloud-only strategy. The "matured" verticals (cloud adoption standpoint) are moving both new and existing workloads to the cloud. Whereas verticals such as banking, financial services and insurance (BFSI), and logistics are doing so with the new workloads only, that is easy to migrate.

Urban mobility—Expect a dramatic turn

NCR, between the years 1981-2011 had a population increase of 2.3x. Guess how much was the area of expansion? Only 1.1x times! This means the population density grew by 2.1x over a 30-year period. I can tell you, things have gotten worse in the last eight years. The massive influx of population from rural to urban will see Indian cities housing more than half of the population (by 2030), putting enormous pressure on the quality of life. I can produce tons of data to build a case for unsustainable growth unless we do something right now. Adding to this, are issues related to health, productivity drop (due to traffic jams) and excessive use of fossil fuels (more than 80% of India's energy consumption). How can we save our cities?

Electric vehicles and harnessing renewable energy are some of the obvious asks but certainly not low-hanging fruits—much challenged as they are due to inadequate infrastructure. However, in the next 12-18 months there will be increased focus on innovation in MaaS (Mobility as a Service). The goal will be towards comprehensive urban planning, rapid adoption of shared mobility and a push for cleaner mobility (EVs are set to account for 30% of vehicle sales by 2030).

Design Thinking

Paul Rand, a modernist master famously said, "Design is so simple, that's why it's so complicated." The 21st century, in particular, has witnessed a major shift—design has crossed the boundaries of aesthetics alone to now include functionality at the very core of software development. Software developers will have to bear in mind an empathy-led approach where the users' needs are primary. Technology happens around it.

In India, design thinking is also focused on sustainability, the cornerstone of a circular economy. Even as we optimise on value creation we must remain equally mindful of recoverability and regeneration so as to minimise our carbon footprints. The man-machine interplay will progressively have a stronger influence on design.

It's always difficult to pick and choose three to four items from a huge laundry list. And, readers may well argue I left out some of the prominent others, such as immersive media, blockchain and robotic process automation (RPA). Surely, that calls for another column.

The march towards an intelligent enterprise

Our ability to experiment, learn fast, and pivot the business model will be the real source of competitive advantage

DEB DEEP SENGUPTA

President & Managing Director, SAP Indian Subcontinent

AS WE ENTER 2020, India faces an incredible paradox. While at one end, we have set ahead of us a bold, audacious aim of becoming a $5-trillion economy, we are faced with the stark realities of a less than 5% GDP growth rate. As experts assure that the worst is behind us, we in the technology industry must not lose focus on the possibilities that lie ahead of us thanks to the strong emergence of the digital economy. Even policy makers are upbeat about the myriad possibilities. Digital India is expected to contribute more than $1 trillion to the $5-trillion economy. To bring this to life, India's policy makers have introduced many programmes and reforms in form of its plan for 100 smart cities; launching the world's most extensive biometric identity programme, popularly known as Aadhaar; reforming India's tax structures by way of introducing GST and e-Way bill; launch of Ayushman Bharat to offer medical coverage for 500 million Indians and many other such initiatives that all use technology as the backbone for citizen services.

Any conversation about Digital India is incomplete without a mention of the success the country has had with the emergence of startups. While there are various estimates around the size of this sector, a KPMG report pegged the total number of startups in India at 50,000 in 2018—a 7x jump from 7,000 is 2008. While this number may be debatable, what's not is that in the last 5-6 years, India has produced 30 unicorns with over $80 billion in valuation cumulatively. To put this in context, this amounts to 4% of India's Sensex. The sharp rise of these technology incumbents is giving traditional enterprises a serious run for their money, and the scare is palpable. In an exchange with the media, the founder and executive vice-chairman of India's second-largest Indian private sector bank by market capitalisation said, "I keep wondering at night, will I have a bank the next morning, or will some technology company be doing banking without needing a bank?."

With so much change in business, political, economic and technological environment—driving growth today and ensuring survival tomorrow has become a moot point for most organisations. As organisations and their leaders paddle hard to adapt to this new world of digital, one question occupies them the most, what business model will work the best for them. And this is where I believe organisations need to be 'try the new', 'fail a lot', 'learn very quickly' and ultimately 'come out strong'. We call this 'Thinking X+O'. Simply put, while O stands for Operational Data (O-data) and is an outlook of the past, X stands for Experience Data (X-data) that talks about the future of experiences.

While O-data does not need any introduction and spans sales, finance, marketing and internal operations data, the question that presents itself is how organisations can find the X-data. This undefined X may lie in any part of the business. While the most visible challenges are in the back office (read compliance and governance failure), the other significant area of disruption available is the middle office (read changes to supply chains on account of GST). The most significant opportunity for transformation and hence the "x factor" lies in the front office (read delivering customer experiences that translate to increase in revenue).

This neat separation between the X and the O has organisations and leaders asking the obvious—how do you create agile and scalable innovation capacity at a cost structure that makes business sense? How do you industrialise innovation? To answer this question with high relevance to one's organisation, organisations and their leaders need to look closely at the following steps:

Enable Industry 4.0: With exports as a clear priority for the Indian manufacturing sector, ensuring our products are globally competitive isn't a matter of choice. Hence, organisations and their leaders needto strategically invest in and build skills (both white and blue-collared) for Industry 4.0.

Create a technology ecosystem for the intelligent enterprise: While the need to use Cloud and DevOps for competitive advantage is well-documented, organisations continue to struggle on accounts of unlocking capability of modern technology and creating non-linear shifts in process effectiveness. Overcoming these challenges requires infrastructure, data, platform, applications, process and user experience to work in tandem (and seamlessly) as partners and not as point vendors.

Build the agile innovation sandbox: Those well-versed with the workings of the startup world understand the exponential impact VC's expect in their startup bets. The 10% that make it through to production will generate ROI in the order of the entirety of the investment. Traditional firms serious about innovation and being relevant in the new age of digital, need to use the ecosystem to define an innovation sandbox that enables a multitude of experimentation.

Run experience in real-time: As organisations battle it out with peers and new technology incumbents, winning in the market needs more than just being agile. It requires capturing real-time sensing of the experience of stakeholders it serves, including customers, partners and employees and ingesting these into existing business processes and policies. This will not only pave the way for sustainable growth and profitability in a VUCA world, but also leadership position in the experience economy.

Unlock the value of the data asset: As agility, experimentation, modern technology and experience management proliferate, organisations will start generating massive amounts of data, at the edge and all the way back to the core. Organisations that are serious about being relevant and thriving in the new world equilibrium must put the onus on data as core to their strategy. The collected data can be leveraged throughout an intelligent enterprise—in the front office for loyalty and wallet share, in the middle office for efficiency and the back office for minimising risk and maximising governance.

2020 is not just another new year that beckons us. It's the end of a glorious decade and the start of another one. This new decade will be special for it will be etched in history as the times when many market leaders emerged. Those serious about keeping or attaining leadership in the new decade, must use the above five steps and answer the critical question on how to innovate and be relevant. In a world full of unknowns and factors outside our control—it will be down to our ability to experiment, learn fast, and pivot the business model which will become the real source of competitive advantage, indeed the X factor.

BrandWagon

MONDAY, DECEMBER 30, 2019

NUMEROLOGY

35% Indians would prefer food shopping online
90% Indians prefer to shop for travel online
35% Indians uncomfortable sharing financial details with brands
—MiQ's *The Future Consumer* report

NEW YEAR SPECIAL

Media in 2019: The more things change...

A look at TRAI's New Tariff Order, the onslaught of streaming services and other salient developments from the TV and VoD space

Paritosh Joshi

PLUS ÇA CHANGE — the French writer Jean-Baptiste Alphonse Karr came up with this pithy epigram in 1849. Loosely translated as "the more things change, the more they remain the same", it has proven its handy utility to thousands of hacks confronted with the general stubborn unwillingness of the world to change too much too quickly. For the television broadcast and streaming industry, 2019 is likely to get filed in the 'plus ça change' section.

There are, as usual, four broad areas across which we must look at the business: delivery mechanism, the price/value equation for the consumer, the broadcaster or content platform's revenue buoyancy and viewership measurement.

Well-intended, but...

The year began with the industry, and more importantly the consumer, dealing with the TRAI-mandated NTO — the New Tariff Order. Conceived by the regulator as a process for putting more control over purchase in the hands of the consumer, the immediate consequence was almost universal perplexity and disgruntlement. Channel availability shrank dramatically, and many members of the household discovered, to their consternation, that their regular destinations were no longer tunable.

While MSOs and DTH service providers had already started announcing new packages, consumer homes were unable to make immediate sense and their package defaulted down to the near-minimum available. While this got corrected, more or less, over the first half of the year, it led to enduring, largely adverse impacts on channels catering to niche audiences. English entertainment and infotainment were badly bruised while the kids genre got off relatively lightly.

In general, the NTO reduced the number of channels available in the home, even as the monthly subscription paid was flat but with an upward bias. One long-term injury which the NTO has left on the channel mix is the sharply-reduced possibility of serendipitous discovery. Who amongst us has not spent a lazy Sunday afternoon browsing aimlessly through channels and stumbling upon programming that immediately draws us in?

Tightening of purse strings

It was clear from the beginning of the year that the economy was showing the pernicious, lagged effects of demonetisation and GST. Advertisers began to show skittishness in their marcom spends quite early in the year. Forecasts, including by the FICCI Frames, as late as March, kept speaking of a 10% or better growth in the M&E sector, with TV coming in a bit higher, and digital almost twice as high. It is safe to say that, nine months later, these pronouncements sound pollyannaish. In particular, a very large proportion of Indian broadcasters are solely dependent on advertising revenue. You know where this is going by checking on yields, typically expressed as ER (effective rate per spot) or CPT (cost per thousand). Broadcasters have seen ERs remain flat, again with a downward bias even as CPT has actually gone down. The latter is not surprising, given that the last round of BARC's establishment study, Broadcast India, showed continuing growth of television footprint across the country. Advertisers cutting back on spends typically reduce the number of discrete media options they deploy. This concentrates spends with the larger channels and/or networks and leaves niche and new players at risk of being revenue-starved. Combine this with the debilitating effect of NTO on channel availability, and you are looking at the perfect storm for them.

Before addressing the issue of measurement, we must look at how streaming services are impacting content consumption. Given that almost every significant global player is now in the country — noting that even Apple TV+ arrived last month — it is clear that India's billion viewers are unmissable for the streaming industry. Mobile data rates, even after the reset late in the year, remain amongst the lowest in the world. Penetration of Android smartphones continues to grow and apps like TikTok introduce consumers to the joys of audiovisual entertainment on their personal screen.

This should make it abundantly clear that the future of television measurement is screen- and schedule-agnostic. Time shifted viewing, as pioneered by set-top boxes offering recording, is going to be upended by on-demand viewing, and models already exist in other markets where linear TV and streaming services are now so tightly integrated, the consumer is unable to notice where one ends and the other begins. BARC has been aware that this is where the future lies. It is highly likely that we will see the launch of appropriate new measurement metrics in 2020.

The author is principal, Provocateur Advisory

NEWSMAKERS 2019

Ikea's multi-channel move

The Swedish furniture giant tweaked its plan and launched an online store to cater to Mumbai, ahead of its large-format store. The move marks the company's new omnichannel strategy, under which it plans to also introduce smaller-format stores and online stores, along with its usual large-format stores in India going ahead.

A mixed bag for retail

The government introduced the draft e-commerce policy that lays out guidelines on cross-border data flow, refunds on returns, and mandates marketplaces to set up local storage facilities. The final policy is likely to be introduced next year. In another development, the government eased the 30% local sourcing norm for single-brand retail, allowing the likes of Apple to enter India.

Shopclues gets acquired

Online marketplace Shopclues, which was valued at $1 billion in its heyday, was acquired by Singapore-based e-commerce company Qoo10 for less than $100 million. Shopclues had been struggling to survive in the competitive e-commerce space in India. Founded in 2011, the Gurugram-headquartered e-tailer made it to the unicorn club in January, 2016.

Order and chaos

In February, the Telecom Regulatory Authority of India launched the New Tariff Order (NTO), giving the control of choosing which channels to pay for to the consumer. Viewership numbers in the first few months were in a flux, with free-to-air channels overtaking popular TV channels. The instability in the ecosystem affected advertisers' media plans and hit ad spends in the first half of the year.

Zee stake sale

Essel Group sold a majority stake in its media and entertainment company Zee Entertainment Enterprises (ZEEL) to financial investors to repay its lenders. Following the sale, the share of Essel Group in ZEEL fell to around 5%. Chairman Subhash Chandra stepped down, while retaining his position at the board as non-executive director, while Punit Goenka continues as MD and CEO of ZEEL.

Rise of TikTok

In 2019, India accounted for 466.8 million of the total 1.5 billion global downloads of short-format video platform TikTok, from Chinese company ByteDance. The app was banned in India for a short while for hosting inappropriate content. Today, it is a widely popular app among non-metro internet users in particular, with its no-filter, raw video sharing tools.

TV measurement made headlines

BARC India found itself in the eye of the storm post TRAI's NTO issuance. The beginning of the year witnessed mayhem as the broadcast world adjusted to the new order of things. Then there was the landing page measurement controversy, following which the industry body started reporting measurement for free and pay TV separately. CEO Partho Dasgupta exited, giving way to Sunil Lulla.

Netflix's mobile-only plan, and more

Global streaming leader Netflix 'followed' the market with a mobile-only plan this year, a global first for the company, signalling viewership potential in the country. Flipkart forayed into the OTT space with Flipkart Video; local OTT players ALTBalaji and Zee5 tied up for content; and there were launches like Apple TV+, Dish TV's WATCHO and Tata Sky's Binge.

Star-ry rejig

Star and Disney India witnessed quite a management churn, as was expected post Disney's takeover. Country manager Sanjay Gupta moved on to head Google India, taking over from Rajan Anandan. In Gupta's place, long-time Star hand K Madhavan was appointed the country head. He was formerly MD, South. Meanwhile, Uday Shankar took on the additional mandate of directly overseeing Hotstar.

In The News

Tata Global Beverages has a new MD & CEO

TATA GLOBAL BEVERAGES (TGBL) has announced the appointment of Sunil Alaric D'Souza as MD and CEO. He will assume this role with effect from April 4, 2020, subsequent to the retirement of Ajoy Misra, the current MD & CEO of the company. D'Souza is currently the MD of Whirlpool India, and has been at the company's helm since the past four years. Prior to this, he worked with PepsiCo for 15 years. TGBL has also announced the appointment of Ajit Krishna Kumar as COO.

Havas Group acquires Shobiz

HAVAS GROUP HAS acquired Shobiz, a Mumbai-headquartered experiential communications agency. This is its third acquisition in India in 2019. Shobiz offers services such as strategic planning, communication & content design, creative, graphic and architectural design, audience acquisition, production and logistics.

ZEEL expands regional presence

IN A BID to strengthen its regional portfolio, Zee Entertainment Enterprises (ZEEL) has launched four new channels — Zee Punjabi, a Punjabi GEC, and three movie channels Zee Biskope (Bhojpuri), Zee Thirai (Tamil) and Zee Picchar (Kannada). The broadcaster already has channels in eight regional languages.

Starcom appoints Anil Shankar as VP, digital media solutions

STARCOM INDIA HAS brought Anil Shankar on board as its vice president, digital media solutions. He joins from Times Internet, where he served as the India head of programmatic sales.

Dentsu India Slingshot bags a new business

DENTSU INDIA SLINGSHOT, Dentsu India's marketing solutions outfit, has bagged the creative duties for Melorra. The mandate includes marketing communications, campaign designs, media consulting and demand planning.

Performics India wins digital duties of GoAir

THE AGENCY WILL handle performance media, SEO and analytics for the airline.

Motobahn

CAR REVIEW: MG ZS ELECTRIC

It might just change your mind

Electric cars are not for Indian cities? Think again

VIKRAM CHAUDHARY

VERY FEW PERSONAL car users drive more than 100km per day, within city limits. There's mathematics to support the case. Suppose you live in Gurgaon, and even if you drive across a state, to your office in Noida, the return journey won't be more than 100km. Throw in a meeting in Delhi and a dinner, and the maximum you might drive is 130km. In an electric car that travels 340km on a full charge, it shouldn't be a problem.

This real-world range is what MG Motor is banking on for the ZS EV, the electric car it'll launch in January 2020. We drive it from Gurgaon to Greater Noida, and are left with enough charge to take it for a spin for a couple of hours more.

The ZS is not a born-electric car; it's an internal combustion engine car—sold in the UK—that is turned electric. So, it looks like any other compact SUV—similar in size to Hyundai Creta. Under its body is a 44.5 kWh battery pack (for comparison, Hyundai Kona has a 39.5 kWh battery pack), and the electric motor under the hood. It produces 141bhp power and 353Nm torque. Initial acceleration is intense—from 0-100kph in just 8.5 seconds.

Cabin space is decent, even though the rear seat bench is small and there's little thigh support. As you'd expect from electric cars, the cabin is loaded with technology. For example, it's got i-SMART EV 2.0 interface with an embedded machine-to-machine eSIM that provides on-board internet. It can also be connected to external Wi-Fi. Interesting features include voice commands such as "Open the sunroof" or "Take me to the nearest charging station", and the system responds by talking back. To make the most of these features, one must download i-SMART EV 2.0 app on your smartphone, which mirrors what you experience inside the cabin, and lets you control car features remotely.

To get over range anxiety, when the remaining range is less than 50km, a spider-web kind of map opens on the screen, and shows you nearest charging points with navigation support. If you buy the car, the company will install, free of cost, a 7.4kW AC charger at either your home or office—it can charge the car in 6 hours. In addition, at MG dealerships, 50kW DC fast chargers have been set up—80% charge in 50 minutes—which can be accessed 24x7. The car can also be charged using three-pin socket, but it takes 16-18 hours.

True range: If driven at moderate speeds, without unnecessary acceleration and braking, the ZS EV can be driven Monday to Friday on a full charge—provided your commute is less than 50 km per day. At the same time, its electric motor is very responsive, and nudges you to push it hard, and if you constantly do so, the range drops substantially. So you have to find a middle ground. As far as price is concerned, we expect MG Motor will keep it less than the Kona (₹23.7 lakh), and won't be surprised if the ZS EV is priced a shade under ₹20 lakh.

SPECIFICATIONS

- Battery: 44.5 kWh
- Range: 340 km
- Torque: 353 Nm
- Power: 142.7 PS
- Battery: 44.5 kWh
- 0-100kph: 8.5 seconds
- Expected price: Rs 20 lakh*

*(*Ex-showroom, starting price)*

2020: The year of electric cars

In addition to the MG ZS, at least a dozen electric cars are expected to be launched in India. Some of these are:

Porsche Taycan

SUPER-PREMIUM CARMAKER Porsche will launch the Taycan in India by the middle of next year. It's a four-seater electric sports car, and will be expensive, upwards of Rs 2 crore.
Range: Over 400 km
Battery: 93.4 kWh
Expected price: Over ₹2 crore
0-100kph: About 3 seconds

Mahindra eKUV100

MAHINDRA & MAHINDRA HAD showcased the electric concept version of the KUV100 mini SUV at the Auto Expo 2018, and may launch it in mid-2020 or even earlier.
Range: 100-150 km
Battery: NA
Expected price: ₹10 lakh
0-100kph: NA

Audi e-tron

THE E-TRON SUV, showcased in India earlier this year, is the first fully electric model from the German brand. It will be imported as a CBU, and likely launched in mid-2020.
Range: Over 400 km
Battery: 95 kWh
Expected price: More than ₹1.2 crore
0-100kph: 6 seconds

Jaguar I-Pace

IN THE SECOND half of 2020, Jaguar Land Rover India plans to launch its first battery electric vehicle, the Jaguar I-Pace, as also its first hybrid vehicles from Land Rover.
Range: About 400 km
Battery: 90 kWh
Expected price: Over ₹1 crore
0-100kph: 4.8 seconds

Tata Nexon EV

TATA MOTORS WILL launch the electric version of its compact SUV, the Nexon, in January. The production version is ready and was recently showcased to the media in Mumbai.
Range: 300 km
Battery: 30.2 kWh
Expected price: ₹15-17 lakh
0-100kph: 9.9 seconds

Maruti Suzuki Wagon R electric

MARUTI SUZUKI HAS been field-testing the electric version of the Wagon R compact hatchback for a year and a half, and might launch the car in 2021 (earlier it was in 2020).
Range: 100-150 km
Battery: NA
Expected price: Under ₹10 lakh
0-100kph: NA

Investor

MONDAY, DECEMBER 30, 2019

EXPERT VIEW

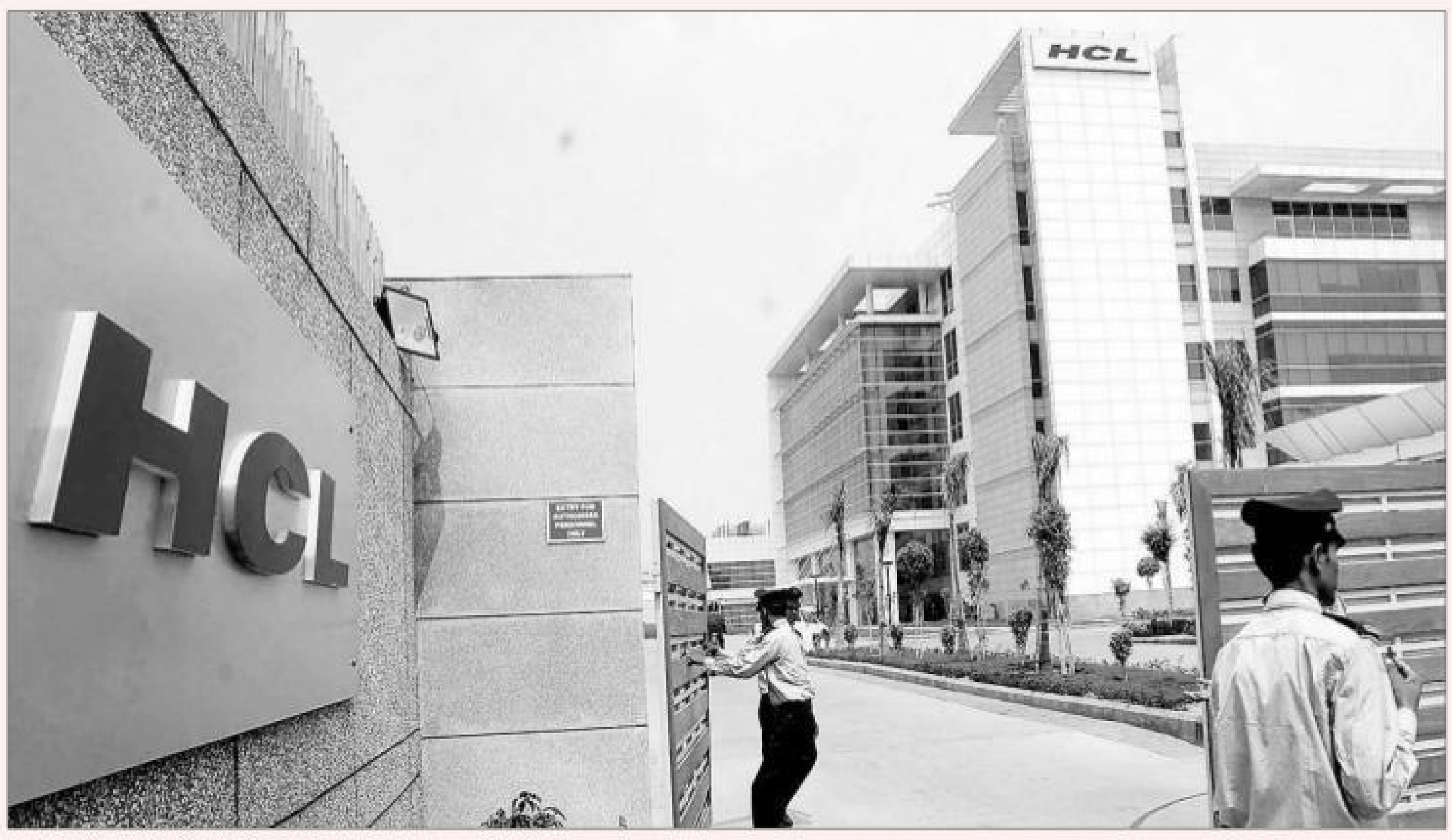
HCL Tech's Ebitda increased by ~23.8% in FY19, supported by revenue growth of ~19.5% and Ebitda margin expansion of ~80bp to 23.0%. This is mainly due to higher contribution from the Ebitda margin-accretive licensed IP business

—Motilal Oswal

● HCL TECHNOLOGIES RATING: **BUY**

Rising capex has been a drag on return ratios

RoCE was down 750bp to 24.8% over FY15-19; operating performance improved in FY19; 'Buy' maintained



HCL'S FY19 ANNUAL report highlighted a continued focus on inorganic growth to expand the product portfolio. This resulted in higher capital intensity and thus a reduction in the return ratios (RoCE down 750bp to 24.8% over FY15-19). Around 54% of operating cash flow (₹356.6 bn) over FY15-19 was utilised for capex (₹118.7 bn; mainly for acquisitions of IPRs) and business takeovers (₹72.5 bn), leading to high intangibles (₹85.3 bn, 20.6% of NW) and goodwill (₹90.6 bn, 21.9% of NW).

HCL's estimate of useful life for amortisation of IPRs (over 5-15 years) was higher than peers TCS (2-5 years) and IBM (over 1-5/7 years). While Ebitda was up 23.8% to ₹139.3 bn in FY19, its conversion to cash flows declined to 83% (FY18: 95%) as the cash conversion cycle elongated from 64 days in FY18 to 68 days in FY19. This was primarily due to a decline in advance from customers to 1 day (FY18: 5 days). A comparison of HCL with peers suggests that it has generated a higher RoE (26.0%) than Infosys (23.7%) and Wipro (17.2%) but lower than TCS (36.0%).

Rising capital intensity drags return ratios: Over FY15-19, HCL utilised 54% of OCF (₹356.6 bn) for capex and business takeovers. Of the cumulative capex over FY15-19, ~₹87.5 bn was used for the acquisition of licensed IPRs from IBM. Note that the CAGR in capital employed (17.3%) was higher than that in earnings (Ebit and other income; ~9.2%). As a result, RoCE declined 750bp to 24.8% (post tax) over FY15-19.

Significant intangibles with higher estimated useful life than peers: Licensed IPRs formed significant part of intangibles at ~86% (₹73.5 bn) in FY19. HCL's amortisation period for licensed IPRs (over 5-15 years) is higher than that of peer companies, and thus amortisation of IPRs in line with peers could materially impact profitability (~3.9% to 63.3% of PBT in FY19), in our view. Goodwill arising from business acquisitions is not amortised but tested for impairment at the end of each year.

Stock info

Bloomberg	HCLT IN
Equity Shares (m)	2,721
M.Cap.(₹ bn)/($ bn)	1544.2/21.7
52-week range (₹)	595/460
1, 6, 12 Rel. Per (%)	-3/-1/5
12M Average Val (₹ m)	2051
Free float (%)	40.0

Shareholding pattern (%)

	2019 Sep	2019 Jun	2018 Sep
Promoter	60.0	60.0	60.2
DII	8.6	8.0	8.2
FII	28.0	28.6	28.0
Others	3.4	3.4	3.7

Source: Motilal Oswal

Operating performance improves: Ebitda increased by ~23.8% in FY19, supported by revenue growth of ~19.5% and Ebitda margin expansion of ~80bp to 23.0%. This is mainly due to higher contribution from the Ebitda margin-accretive licensed IP business, which led to lower personnel cost (-45bp to ₹292.8 bn) and outsourcing cost (-85bp to ₹97.6 bn). Depreciation & amortisation increased from ₹13.8 bn (2.7% of revenue) in FY18 to ₹20.7 bn (3.4% of revenue) in FY19.

MOTILAL OSWAL

● BUILDING MATERIALS

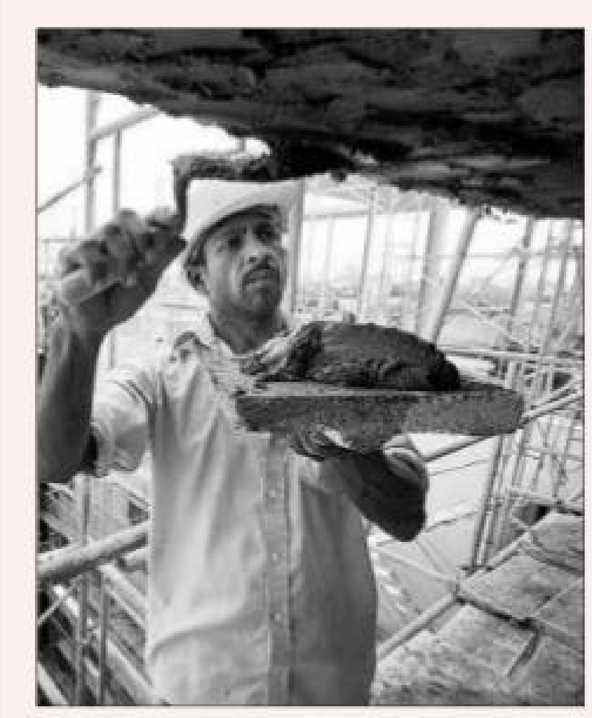
Clinker pipeline lags grinding capacity plans

Deficit to drive an upcycle in North & Central regions; JK Cement, Heidelberg and ACC are preferred picks

THE TREND OF divergence between grinding and clinker capacity utilisation will only broaden, as the industry plans to add ~68mtpa grinding capacity by FY23e but is backing it only with ~30mtpa new clinker capacity. While North has the best clinker to grinding capacity addition ratio, we believe it will at best slow (and not reverse) the increase in clinker utilisation there. Reaffirming our thesis of clinker shortage driving upcycle in North/Central regions.

16mtpa lower than required clinker capacity addition planned

Over FY20-23e, industry is expected to add ~68mtpa grinding capacity and ~30mtpa clinker capacity. While the upcoming grinding units need not be directly dependent on the planned clinker capacity, we believe that at an overall level, clinker capacity addition is 16mtpa lower than what is required to back the grinding pipeline fully. Even assuming highest possible blending in each of the regions, planned clinker capacity addition will fall short by 7mtpa. This, we believe, should further broaden the divergence in grinding and clinker utilisations.



Lowest clinker to grinding capacity addition ratio in East, highest in North

At all-India level, 0.4mtpa clinker capacity is planned to be added for every 1mtpa grinding capacity over FY20-23e. While East plans to add only 0.1mtpa clinker capacity per te grinding capacity, North will add more clinker capacity (13.2mtpa) than grinding capacity (6.1mtpa) — indicative of the industry's acknowledgement/expectation of high clinker utilisation there.

Yet, clinker utilisation in North not expected to be impacted much

Expect clinker utilisations in North to steadily increase over FY20-23e as demand growth recovery FY21e onwards offsets the clinker capacity addition.

JK Cement's grinding capacity additions backed by new clinker capacity

In our coverage, apart from Ambuja's 1.8mtpa grinding/3.1mtpa clinker Marwar Mundwa integrated plant, only JK Cement's planned grinding capacity addition is backed by adequate clinker capacity increase. While Ultratech and Shree Cement have excess clinker capacity, their excess clinker position will deteriorate as they execute their capacity addition plans.

The trend of divergence between grinding and clinker capacity utilisation will only broaden as clinker capacity addition is 16mtpa lower than needed

Prefer North and Central focused players

We reiterate BUY recommendation on JK Cement (PT of ₹1,490; for its North focus, significant capacity addition pipeline and strong white cement/wall putty franchise), ACC (PT of ₹1,771; adding more capacity over the next four years than it did in last eight years and trading at 1SD below its longterm average 1 year forward EV/Ebitda) and Heidelberg Cement (PT of ₹240; highly concentrated Central play with 85% trade sales and competitive cost structure). Retain HOLD on Ultratech (PT of ₹4,246) & Ambuja (PT of ₹197) and UNPF on Shree Cement (₹16,893).

JEFFERIES

Clinker capacity boost per te new grinding capacity (mtpa)

Region	FY20E	FY21E	FY22E	FY23E	Total
North	0.6	3.1	NM	NM	2.2
East	0.2	-	-	-	0.1
Central	-	0.6	0.9	-	0.5
South	0.6	0.4	-	NM	0.4
West	-	-	0.4	-	0.3
All India	**0.3**	**0.4**	**0.5**	**1.6**	**0.4**

Source: Jefferies estimates

● HEXAWARE TECHNOLOGIES RATING: **BUY**

Growth story remains intact for company

Dire client issues to be resolved by Q4; valuations very attractive; 'Buy' retained

WE REITERATE BUY rating on Hexaware as we expect the worst of client-specific issues to be behind by Q4CY19 with revenue growth likely to sustain in double digits on an organic basis in CY20. Stock sentiment has been impacted on account of (i) high exposure to BFS vertical (38.6% of revenues) where the company has a higher exposure to capital market and secondary mortgage sub-segments, which are going through segment and client specific issues respectively, and (ii) potential for supply overhang as the promoter entity looks to potentially lighten up on the name (and eventually exit) over the next few years.

We expect momentum to improve in the BFS vertical in CY20 as spends at the large secondary mortgage client seeing issues should bottom out in Q4CY19. Though supply overhang remains an issue, on fundamentals, we see valuation as very attractive at 13x CY20e EPS for 12.2% EPS CAGR over CY19-21.

Revenue and margin expectations for Q4CY19: We expect USD revenue growth to be 2.3% q-o-q in Q4CY19 which translates into growth of 17.2% for CY19 (vs guide of 17-18%). Client specific rampdown is expected to put growth back by >2% q-o-q in Q4CY19, which implies strong underlying momentum across other clients. We expect Ebitda margin in Q4CY19 to decline by 40bps q-o-q to 15.6%.

Maintain Buy: We see risk-reward as very attractive given (i) bargain basement valuation of 13x CY20e EPS for 12.2% EPS CAGR over CY19-21; (ii) worst of client specific issues likely being behind by Q4CY19; (iii) sustained spend momentum in verticals like Healthcare & Insurance, Professional Services and Travel & Transportation; (iv) likelihood of better NN deal momentum in Q4CY19; and (v) stronger EN pipeline around the themes of cloud native and customer experience transformation.

ICICI SECURITIES

Valuation summary

Y/E Dec	EPS (₹)	P/E (x)	EV/E (x)
CY18	19.3	16.6	13.2
CY19E	21.4	15.0	11.0
CY20E	24.9	12.9	9.3
CY21E	26.9	11.9	8.4

Source: Company data, I-Sec research

Personal Finance

● LIFE INSURANCE: TRENDS IN 2019, ROAD AHEAD IN 2020

Insurers focus on protection plans

As young customers are clearer about their needs, insurers need to expand their protection solutions and pension products

Kamlesh Rao

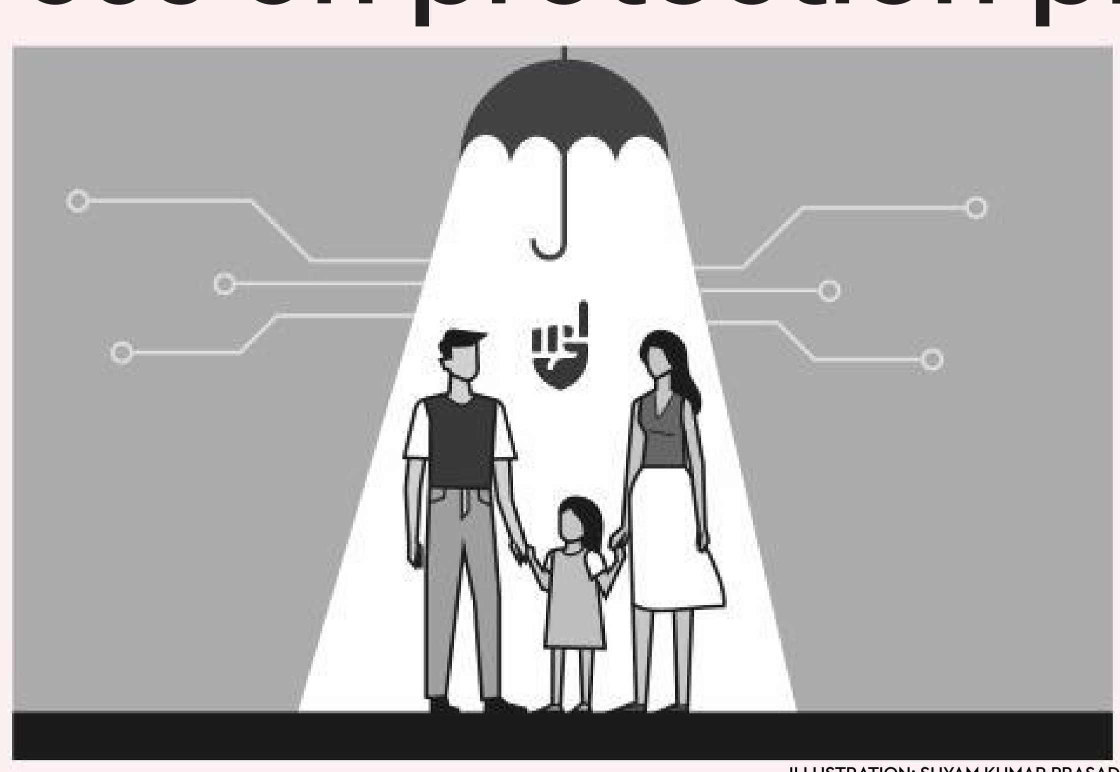


ILLUSTRATION: SHYAM KUMAR PRASAD

IN A YEAR when the economy was turbulent, the life insurance industry remained resilient, generating double digit growth of 15-16%. With several positives in the product regulations, improved persistency and claims ratio, reduction in complaints and boosting awareness with the '*Sabse Pehle Life Insurance*' campaign—the life insurance industry had a positive 2019.

Growth on the back of protection

In 2019, for the first time the overall size of the protection business went up. The growth augured well both for customers and the industry. Insurers focused on unique need-based plans, expanded the protection solutions bouquet and in turn, the share of protection in their business.

Diversification of savings

Increased financial awareness, turbulent markets and falling interest rates gave prominence to guaranteed life insurance solutions for people looking to conserve wealth with secured returns. While investments in the mutual fund sector took some beating, insurance investment in securities held its ground.

Product disruptions

The industry geared up for the big leap in 2019, with the regulatory changes in products leading to new possibilities and customer centricity. Product guidelines like extending the revival period to five years, early term surrender pay, partial withdrawal in pension products aimed at increasing penetration, maintaining persistency, offering more choices and liquidity. While the industry signs off on a positive note, the year ahead is set to offer a mix of opportunities and challenges.

Product suitability theme

The milestone step announced this year will unfold in 2020 and will be something to look forward to. It will address one of the biggest pain areas of the life insurance sector and will aim at setting right the customer selling process.

Future of the protection segment

With one of the biggest reinsurers changing its rates of protection plans significantly, it is set to have some bearing. Whether the protection policies for customers will become dearer or the insurance firms will have to compromise on the margins of their protection business, will ascertain the penetration and growth of the segment. Amongst the highlights of the year, this happening at the end of the year will be something to watch out for.

Technology as game-changer

In 2019, the share of the direct business went up. Besides allowing insurance companies to offer interesting online products, technology led automation in every customer touch point—onboarding to claims servicing—improved customer experience and thereby share of the direct business. This important shift will take a leapfrog in 2020. Data analytics and insights curation with mobility and cloud computing will make processes seamless, helping the sector maintain profitability, while delivering increased customer satisfaction and world-class digital experience.

The 2020 policyholder

The year 2019 witnessed customers getting younger, becoming more knowledgeable about their needs, which reflected in the increase of the term business. 2020 will see the trend continuing. As people start living longer the need for protection will increase, also will the need for pension products and retirement solutions.

Binding all these aspects, customer service and engagement will remain the key differentiator in 2020 as well. Simplifying products and the customer on-boarding process, focusing on protection products and staying customer-centric, will act as success mantras for the industry.

The writer is MD & CEO, Aditya Birla Sun Life Insurance

Five ways to complement your low-risk investments

While increasing your exposure to high-risk investments, diversify your investments to reduce the overall risk

● YOUR MONEY

ADHIL SHETTY

MOST INVESTORS IMPLEMENT strategies to minimise risks and losses. However, they may fail to factor in the risk of not taking any risk at all. Putting all your money only in low-risk instruments can garner guaranteed returns, but those returns may not be enough to meet your financial goals on time. If you're wondering which instruments could best complement your low-risk investments, here are a few options you might find helpful.

Equity mutual funds SIP

Equity mutual funds are one of the best ways to earn a higher return on investment (ROI). It is managed by qualified fund managers who focus on securing high returns while minimising risk. The best way to invest in an equity fund is a Systematic Investment Plan (SIP).

Direct equity investments

Investing directly in stocks is highly risky but can give you phenomenal returns if you select the right stock and have the necessary knowledge of the stock market. For direct equity investments, you need skills like fundamental analysis and technical analysis, and you also need to stay updated with the market trends and news. Invest directly into equities only if you have a high-risk appetite and the requisite skills.

ULIPs

Unit Linked Plans (ULIPs) are managed by skilled fund managers from insurance companies. ULIPs allow you to switch between equity and debt assets. Apart from ROI, they provide insurance cover as per the applicable policy terms. ULIPs come with a lock-in period of five years. However, if you're looking purely at life insurance, buying a term insurance plan may give you adequate cover at a much cheaper price.

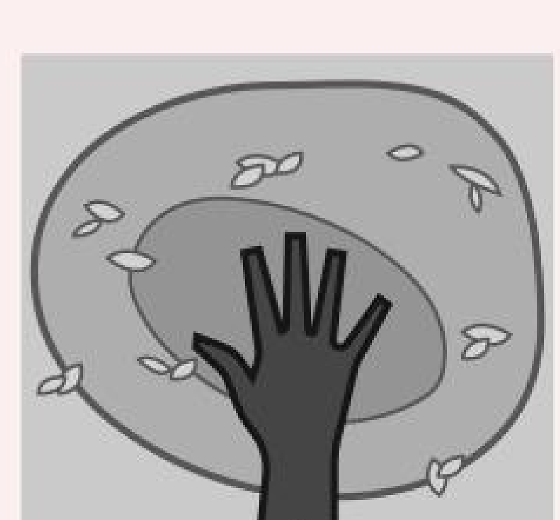


ILLUSTRATION: SHYAM KUMAR PRASAD

Real estate

Real estate is a versatile investment tool for investing for the long-term. It offers rental income as well as capital gains benefits apart from providing a shelter for your family. Home loan repayments also offer several tax benefits under Sections 80C and 24. To invest in real estate, you need a long-term investment approach, strict due diligence, and a high-risk appetite.

National Pension Scheme

If your investment view is for a very long-term and you are also looking for annuity income after retirement, NPS can be an excellent option. It allows you to switch investments between debt and equity asset classes. On reaching the superannuation age of 60 years, you can withdraw up to 60% of the corpus tax-free in a lump sum and the remaining 40% has to be invested to purchase an annuity plan.

While increasing your exposure to high-risk investments, it's vital to diversify your investments across various instruments to reduce the overall risk. But you also need to secure optimal diversification, not over-diversification, to ensure you meet your targets on time. Thus, invest in only those high risk/ high return investment products strictly that are in sync with your long-term financial goals. Keep a strict watch on your investment portfolio and make changes only if required to accelerate your goal-meeting journey while keeping the risk under control.

The author is CEO, BankBazaar.com

ADVERTORIAL

MSMEs

An initiative by RED

MSMEs: India's Growth Engine

Given proper governmental support and an enabling framework for growth, the sector has the potential to help India become a $5-trillion economy by 2025

INDIA is expected to emerge as one of the leading economies in the world over the next decade, and the Micro, Small & Medium Enterprises (MSME) segment is expected to play a significant role in this transformation. Often considered as the backbone for existing and future high growth businesses, the MSME sector acts as a catalyst in ensuring positive transformation in the socio-economic realm. It is extremely critical that the development of the MSME sector is accorded due importance as it generates significant levels of employment across urban and rural India. The development of this sector also ensures that the national imperatives of financial inclusion are met in due course. The MSME sector further nurtures and helps the development of new age entrepreneurs who have the means and measures to create globally competitive businesses in India.

Given the right governmental support, the MSME segment has the potential to emerge as the growth engine that helps India become a $5-trillion economy by 2025, with the GDP growing at 8.5%. It is thus very important that the MSME sector gets the required support and enabling framework for development in all areas of the agriculture, manufacturing and services sectors, allowing it to continue to play a vital role in overall GDP growth and employment generation.

The MSME sector's salience can be gauged from the fact that it accounts for 31% of the country's GDP and 45% of its exports

According to a IFC-Intellecap report published in November 2018, "There are 55.8 million enterprises in various industries, employing close to 124 million people. Of these, nearly 14% are women-led enterprises, and close to 59.5% are based in rural areas. In all, the MSME sector accounts for 31% of India's GDP and 45% of exports." However, the report states that lack of adequate and timely access to finance remains the biggest challenge for the MSME segment and has constrained its growth.

When it comes to finance, it is often seen that more than 22 million MSMEs in India rely on their own funds, or loans from friends and family, for capital. However, these sources of funds are often inadequate, expensive and act as a constraint in the growth of the sector. These enterprises need access to financial institutions' sources of debt and equity. However, debt from financial institutions like banks and NBFCs requires collateral which new MSMEs often struggle to provide, resulting in a need to secure equity or unsecured debt – collectively referred as Risk Capital. Also, financial institutions have limited their exposure to the sector because of the small ticket size of loans and higher cost of servicing the sector.

As per the IFC-Intellecap report, November 2018, "The overall demand for finance from the sector in 2017 was estimated at ₹8,771 thousand crore, of which ₹1,842 thousand crore was equity demand." However, not all MSMEs are considered for equity infusion from external institutional sources; only MSMEs that exceed certain thresholds with regard to "enterprise turnover" and "annual growth rate" (being ₹25 lakh and 25%, respectively, in 2017) are considered potential enterprises for external institutional equity infusion. NBFCs are leading credit providers to MSMEs.

The enterprises in the MSME sector are classified as micro, small or medium based on their investment in plant, machinery and equipment. In India, almost 94.9% of MSMEs are micro enterprises, while small and medium enterprises account for around 4.9% and 0.2%, respectively. Overall, the sector is one of the key economic drivers in the country and is helping its transition from an agrarian economy to an industrialised one.

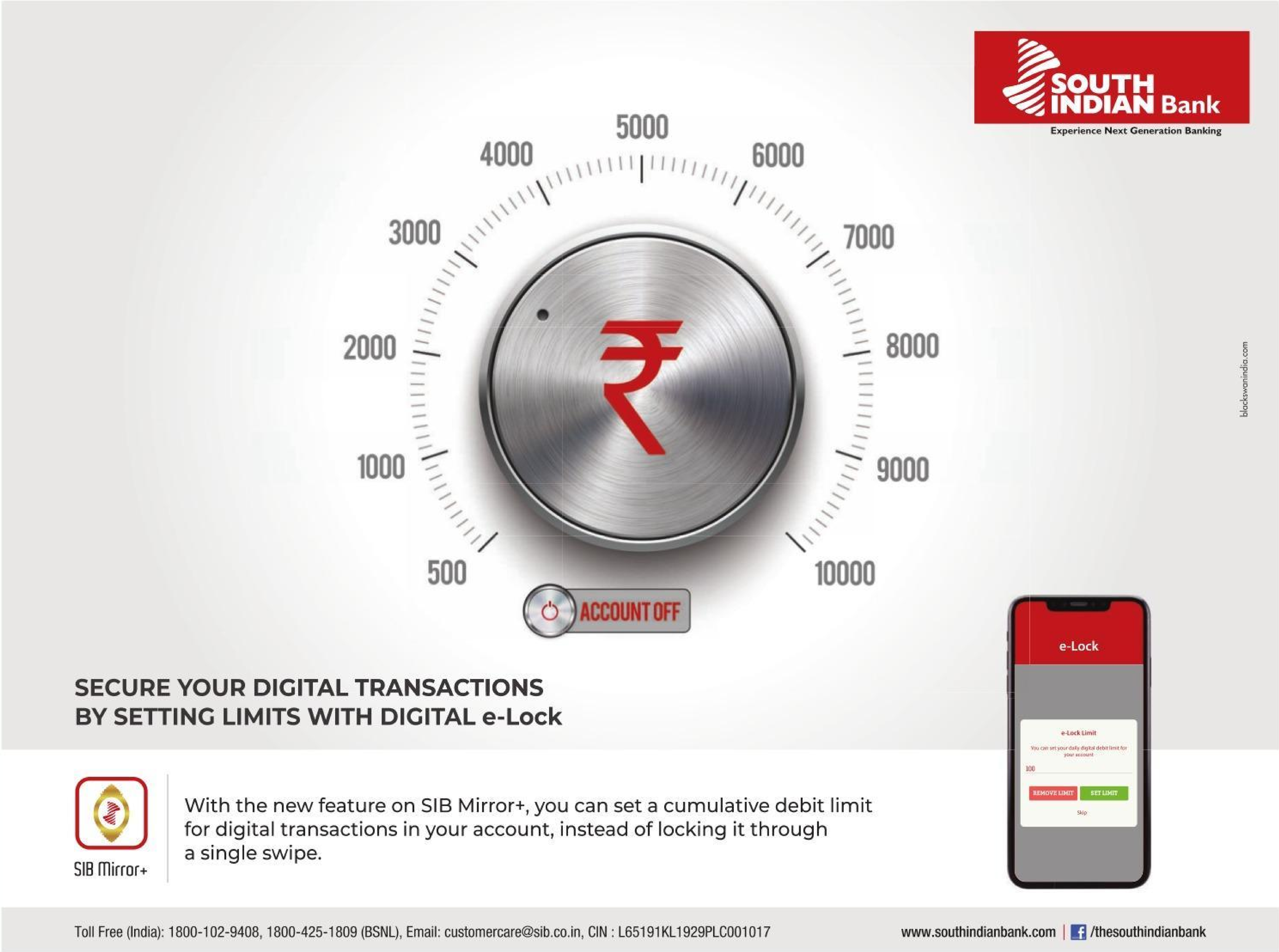
Canara Bank: Making finance available

CANARA Bank is one of the leading public sector banks in the country with a history that stretches over 114 years. The bank is facilitating the growth of MSMEs through its wide network of branches spread across the country and with the additional support of the 52 SME Sulabhs (centralised processing hubs), 167 SME Specialised Branches & around 500 SME focus Branches.

Canara bank offers a wide array of products and services focussed on the development and financial inclusion of MSMEs. In addition to pan-India products, it offers tailor-made area-specific schemes catering to the needs of specific clusters/segments. Products like Canara "MSME CAP" (credit against property), "CANARA GST" (for GST registered MSMEs), "DOCTORS CHOICE" (for financial assistance to registered medical practitioners in setting up of clinics etc.), "CANARA SAHYOG" (standby line of credit to MSMEs for meeting working capital crunch, etc) are a few of its numerous customised products in place for MSMEs.

The bank is also at the forefront as far as digital lending initiatives are concerned. It is onboarded onto the digital platform of M/s. Online PSB Loans Ltd., for Contactless MSME loans through the digital portal PSB Loans in 59 minutes. To provide maximum support to MSMEs by way of online bill discounting under the TReDS (Trade Receivable Exchange) Platform, the bank has onboarded onto the TReDS platforms of all the three RBI approved platform providers.

As recognition of the services offered by the bank to the MSME sector in the country, the bank had been conferred the prestigious 'SIDBI ET India MSE Awards 2019' under the category Noteworthy Lender to MSE-(public sector bank). The bank was among the Top 5 performing banks under PMEGP during FY2018-19, being recognised by the Khadi and Village Industries Commission (KVIC), Ministry of MSME, GoI. The bank was ranked at the top in the customer satisfaction survey under MSME conducted by Boston Consulting Group (BCG) as a part of the PSB Reforms Agenda, known as Project DiPAK by Ministry of finance to ensure EASE in lending to MSMEs (EASE reform Index).



* RED (READ. ENGAGE. DELIVER.) IS THE MARKETING SOLUTIONS TEAM OF THE INDIAN EXPRESS GROUP

SECOND TERM

Hemant Soren takes oath as Jharkhand CM

PRESS TRUST OF INDIA
Ranchi, December 29

JMM LEADER Hemant Soren took oath as Jharkhand chief minister for a second time on Sunday at a grand ceremony attended by a galaxy of Opposition leaders and regional satraps, in a show of unity that could be a harbinger of a broadbased anti-BJP alliance amid the uproar over the new citizenship law.

Attired in white kurta-pyjama ensemble and a Nehru jacket, the 44-year-old tribal leader was sworn in as the 11th chief minister of the state by Governor Droupadi Murmu.

Among those in attendance were Congress leader Rahul Gandhi, TMC boss and West Bengal chief minister Mamata Banerjee, her Rajasthan and Chhattisgarh counterparts Ashok Gehlot and Bhupesh Baghel, CPI(M) general secretary Sitaram Yechury, DMK leader MK Stalin, his sister Kanimozhi, and RJD's Tejashwi Yadav.

They smiled broadly and shook hands at the bonhomie-filled event that heralded the advent of a JMM-Congress-RJD government, after the opposition coalition snatched yet another state from the BJP, barely months after its remarkable performance in the Lok Sabha elections.

Former Assembly Speaker and Congress leader Alamgir Alam, Jharkhand PCC president Rameshwar Oraon and RJD MLA Satyanand Bhokta were the other three ministers who took oath after Soren.

It is the second term for Soren, who had been a deputy chief minister and chief minister between 2009 and 2013.

Alam and Oraon are first-time ministers, while Bhokta had been the agriculture minister in the BJP-led NDA governments between 2000 and 2005, before joining the RJD.

NRC completely India's internal affair, says Border Guards Bangladesh DG

PRESS TRUST OF INDIA
New Delhi, December 29

THE CREATION OF the National Register of Citizens (NRC) is completely an "internal affair" of India, and the cooperation between the border guarding forces of the two countries is very good, the visiting chief of Border Guards Bangladesh (BGB) said here on Sunday.

Director General (DG) Maj Gen Shafeenul Islam told reporters during a press conference that the BGB will continue to do its work of preventing illegal border crossings as per its mandate.

A BGB delegation, led by Islam, is on a bilateral visit to India to hold DG-level border talks with its counterparts, the Border Security Force (BSF).

The talks took place from December 26-29, during which a host of issues related to cross-border smuggling and activities of criminals and others along the 4,096 km-long front were discussed, a senior BSF officer said.

"This is completely an internal affair of the Indian government," the BGB DG said when asked to comment on the NRC issue.

Asked about the provisions of the Citizenship Amendment Act (CAA) that seeks to grant Indian citizenship to persecuted non-Muslims from three neighbouring countries including Bangladesh, Islam said he would not like to make any comments.

"I would say the cooperation and relationship between the two forces (BSF and BGB) are very good. Beyond that I cannot say anything..." he said when asked to comment on the developments in India after the passing of the CAA in Parliament.

SUNDARAM HOME

Revision of Interest Rates on Fixed Deposits / Renewals effective 01.01.2020 as follows

CRISIL FAAA/STABLE

TERM in months	SENIOR CITIZENS Rate of Interest % (p.a. at Quarterly rests for Regular Income Scheme and Cumulative Deposit Scheme)	INDIVIDUALS OTHER THAN SENIOR CITIZENS Rate of Interest % (p.a. at Quarterly rests for Regular Income Scheme and Cumulative Deposit Scheme)	TRUSTS Rate of Interest % (p.a. at Quarterly rests for Regular Income Scheme and Cumulative Deposit Scheme)
12	7.50	7.00	7.00
18	7.50	7.00	7.00
24	7.75	7.25	7.25
36	7.75	7.25	7.75
48	7.75	7.25	7.75
60	7.75	7.25	7.75

Monthly interest option available under 36 / 48 / 60 month deposits.

- Minimum Deposit of ₹ 10,000/- per account.
- Interest rates on existing deposits remain unchanged.
- Trust deposits are specified investment under section 11(5)(xi) of Income-tax Act, 1961.
- Senior Citizens - Completed 60 years of age on date of deposit / renewal.

This advertisement appears further to the statutory advertisement published by the Company in "Business Line" & "Makkal Kural" on 18.07.2019. The text of the statutory advertisement is also printed on all application forms which may be referred to before investing in the Company's Deposit Schemes.

Sundaram Home Finance Limited

Registered Office : 21, Patullos Road, Chennai - 600 002.
Phone : (044) 2852 1181 (General), 2888 1780 / 2852 0391 / 2888 1781 (Deposits)
Corporate Office : "Sundaram Towers", 46, Whites Road, Chennai - 600 014.
Phone : (044) 2851 5267, 2851 5269, Fax : (044) 2858 2235
e-mail : depositorcare@sundaramhome.in Website : www.sundaramhome.in
CIN : U65922TN1999PLC042759

भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

AUCTION OF STATE GOVERNMENT SECURITIES

The following State Governments have offered to sell **4 to 20 years** securities by way of auction for an aggregate amount of **₹8,881.00** crore (Face Value).

Sr. No.	State	Amount to be raised (₹ cr.)	Tenure (in years)	Type of Auction
1.	Gujarat*	2,000	10	Yield based
2.	Goa	381	10	Yield based
3.	Madhya Pradesh	1,000	10	Yield based
		1,000	15	Yield based
4.	Rajasthan	500	4	Yield based
		1,000	10	Yield based
5.	Tamil Nadu	1,000	Reissue of 6.97% TN SDL 2039	Price Based
6.	West Bengal	2,000	15	Yield based
	Total	8,881.00		

*Gujarat state will have an option to retain an additional amount of ₹500 crore.

The auction will be conducted on Reserve Bank of India Core Banking Solution (E-Kuber) in multiple-price format on **December 31, 2019 (Tuesday)**. For further details please refer to RBI press release dated **December 27, 2019 (Friday)** on RBI website (**www.rbi.org.in**).

"Don't get cheated by E-mails/SMSs/Calls promising you money"

Form G
INVITATION FOR EXPRESSION OF INTEREST
(Under Regulation 36A(1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

RELEVANT PARTICULARS

1.	Name of the Corporate Debtor	DIMENSION STEEL & ALLOYS PRIVATE LIMITED
2.	Date of Incorporation of corporate debtor	03.01.2005
3.	Authority under which corporate debtor is incorporated / registered	Registrar of Companies, Kolkata
4.	Corporate identity number / limited liability identification number of corporate debtor	U27109WB2005PTC100957
5.	Address of the registered office and principal office (if any) of corporate debtor	Regd Office: 25B, Camac Street, Camac Court Flat No. 6B, Kolkata-700016, West Bengal. Factory Location: Plasto Steel Park, Bankura-722202, West Bengal
6.	Insolvency commencement date of the corporate debtor	18th October, 2019 vide order passed by NCLT, Kolkata Bench
7.	Date of invitation of expression of Interest	30th December, 2019
8.	Eligibility for resolution applicants under section 25(2)(h) of the Code is available at	Details can be obtained by mailing at: ipmeenasureka@gmail.com / cirp.dsapl@gmail.com
9.	Norms of ineligibility applicable under section 29A are available at	Details can be obtained by mailing at: ipmeenasureka@gmail.com / cirp.dsapl@gmail.com
10.	Last date for receipt of expression of Interest	18th January, 2020
11.	Date of issue of provisional list of prospective resolution applicants	22nd January, 2020
12.	Last date for submission of objections to provisional list	27th January, 2020
13.	Date of issue of final list of prospective resolution applicants	29th January, 2020
14.	Date of issue of information memorandum, evaluation matrix and request for resolution plans to prospective resolution applicants	22nd January, 2020
15.	Manner of obtaining request for resolution plan, evaluation matrix, information memorandum and further information	Shall be shared with all prospective resolution applicants eligible to receive under regulation 36B (1) of IB (IRPCP) Regulations, 2016 by mailing at: ipmeenasureka@gmail.com / cirp.dsapl@gmail.com
16.	Last date for submission of resolution plans	26th February, 2020
17.	Manner of submitting resolution plans to resolution professional	Details shall be provided in the RFRP documents
18.	Estimated date for submission of resolution plan to the Adjudicating Authority for approval	27th March, 2020
19.	Name and registration number of the resolution professional	Meena Sureka IBBI/IPA-001/IP-P01422/2018-2019/12163
20.	Name, Address and email of the resolution professional, as registered with the Board	Meena Sureka Central Plaza, 6th Floor, Room No. H, 41, B. B. Ganguly Street, Kolkata-700012 ipmeenasureka@gmail.com
21.	Address and email to be used for correspondence with the resolution professional	Meena Sureka Central Plaza, 6th Floor, Room No. H, 41, B. B. Ganguly Street, Kolkata-700012 ipmeenasureka@gmail.com
22.	Further Details are available at or with	Can be obtained by sending a request at email ID as mentioned in para 20 and 21 above
23.	Date of publication of Form G	30th December, 2019

Date : 28/12/2019
Place : Kolkata

Meena Sureka
IBBI/IPA-001/IP-P01422/2018-2019/12163
Interim Resolution Professional in the matter of M/s Dimension Steel & Alloys Private Limited
Central Plaza, 6th Floor, Room No. H, 41, B. B. Ganguly Street, Kolkata-700012

This is a public announcement for information purposes only and is not a prospectus announcement. This does not constitute an invitation or offer to acquire, purchase or subscribe for securities.
Not for publication or distribution, directly or indirectly outside India.

PRINCE® PIPING SYSTEMS

PRINCE PIPES AND FITTINGS LIMITED

Our Company was incorporated as 'Prince Pipes and Fittings Private Limited' on November 13, 1987 at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956. Thereafter, pursuant to Section 43A(1A) of the Companies Act, 1956, our Company became a deemed public limited company with effect from July 1, 1998. Further, pursuant to Section 43A (2A) of the Companies Act, 1956, our Company converted back into a private company on May 18, 2001. Subsequently, upon conversion into a public limited company pursuant to a special resolution of our Shareholders dated August 7, 2017, the name of our Company was changed to 'Prince Pipes and Fittings Limited', and a fresh certificate of incorporation was issued by the Registrar of Companies, Goa, Daman and Diu ("**RoC**") on August 11, 2017. For further details in relation to changes in the name and registered office of our Company, see the section titled "*History and Certain Corporate Matters*" on page 176 of the prospectus dated December 23, 2019 ("**Prospectus**").

Registered Office: Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari, Honda, Goa 403 530, India; **Corporate Office:** 8th Floor, The Ruby, Senapati Bapat Marg (Tulsi Pipe Road), Dadar West, Mumbai 400 028, Maharashtra, India.
Contact Person: Pravin Jogani, Company Secretary and Compliance Officer; **Telephone:** +91 22 66022222; **Facsimile:** +91 22 66022220; **E-mail:** investor@princepipes.com; **Website:** www.princepipes.com
Corporate Identity Number: U26932GA1987PLC006287

PROMOTERS OF OUR COMPANY: JAYANT SHAMJI CHHEDA, TARLA JAYANT CHHEDA, PARAG JAYANT CHHEDA, VIPUL JAYANT CHHEDA AND HEENA PARAG CHHEDA

The Company has filed the Prospectus dated December 23, 2019 with the RoC, and the Equity Shares are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**" and together with NSE, the "**Stock Exchanges**"), and trading is expected to commence on or about December 30, 2019.

BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 28,089,885 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH OF PRINCE PIPES AND FITTINGS LIMITED (OUR "COMPANY" OR THE "ISSUER") AND SUCH EQUITY SHARES, THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 178 PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 168 PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹ 5,000 MILLION* (THE "OFFER"), COMPRISING A FRESH ISSUE OF 14,044,943 EQUITY SHARES BY OUR COMPANY AGGREGATING TO ₹ 2,500 MILLION* (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 14,044,942 EQUITY SHARES AGGREGATING TO ₹ 2,500 MILLION, INCLUDING 1,123,595 EQUITY SHARES AGGREGATING TO ₹ 200 MILLION BY JAYANT SHAMJI CHHEDA, 7,865,168 EQUITY SHARES AGGREGATING TO ₹ 1,400 MILLION BY TARLA JAYANT CHHEDA, 2,808,988 EQUITY SHARES AGGREGATING TO ₹ 500 MILLION BY PARAG JAYANT CHHEDA AND 2,247,191 EQUITY SHARES AGGREGATING TO ₹ 400 MILLION BY VIPUL JAYANT CHHEDA (TOGETHER, THE "PROMOTER SELLING SHAREHOLDERS") AND SUCH OFFERS THE "OFFER FOR SALE"). THE OFFER CONSTITUTES 25.53% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

***OUR COMPANY HAS, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs"), UNDERTAKEN A PRIVATE PLACEMENT OF 596,500 COMPULSORILY CONVERTIBLE PREFERENCE SHARES, WHICH HAVE BEEN CONVERTED INTO 5,965,000 EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING TO ₹ 1,061.77 MILLION ("PRE-IPO PLACEMENT"). THE SIZE OF THE FRESH ISSUE OF UP TO ₹ 3,561.77 MILLION WAS REDUCED BY ₹ 1,061.77 MILLION PURSUANT TO THE PRE-IPO PLACEMENT AND ACCORDINGLY THE FRESH ISSUE WAS UP TO ₹ 2,500.00 MILLION.**

OFFER PRICE : ₹ 178 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

ANCHOR INVESTOR OFFER PRICE: ₹ 178 PER EQUITY SHARE

THE OFFER PRICE IS 17.80 TIMES OF THE FACE VALUE

Risks to Investors:

- **The two Book Running Lead Managers associated with the Offer have handled 27 public issues in the past three years out of which 5 closed below the issue price on listing date.**
- **The average cost of acquisition of per Equity Share for our Promoter Selling Shareholders is ₹0.10 for Jayant Shamji Chheda, ₹0.62 for Tarla Jayant Chheda, and ₹0.12 for Parag Jayant Chheda and ₹0.12 for Vipul Jayant Chheda, and the Offer Price at the upper end of the Price Band is significantly high at ₹178 per Equity Share.**

BID/OFFER PROGRAMME:

BID/OFFER OPENED ON WEDNESDAY, DECEMBER 18, 2019

BID/OFFER CLOSED ON FRIDAY, DECEMBER 20, 2019

ANCHOR INVESTOR BIDDING DATE: TUESDAY, DECEMBER 17, 2019

The Offer was made in terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), wherein a minimum Offer size of at least such percentage of Equity Shares equivalent to a value of ₹ 4,000 million (calculated at the Offer Price) was offered to the public. The Offer was made through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer was available for allocation to Qualified Institutional Buyers ("**QIB Portion**"). Our Company and the Promoter Selling Shareholders have, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), out of which at least one-third was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. Such number of Equity Shares representing 5% of the Net QIB Portion (other than Anchor Investor Portion) were made available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion were made available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price such that, subject to availability of Equity Shares, each Retail Individual Bidder was Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, were allotted to all Retail Individual Bidders on a proportionate basis. All Bidders, other than Anchor Investors, were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts and UPI ID in case of RIIs, as applicable, which were blocked by the Self Certified Syndicate Banks ("**SCSBs**"), as the case may be. Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA process For details, see the section titled "*Offer Procedure*" on page 383 of the Prospectus.

The Offer received 142,554 applications for 47,265,624 Equity Shares as per the bid book resulting in 1.6827 times subscription as disclosed in Prospectus. The details of the applications received in the Offer from Retail Individual Bidders, Non-Institutional Bidders and QIBs are as under (before technical rejections):

Sr. No.	Category	No. of Applications applied	No. of Equity Shares applied	Equity Shares Reserved	No. of times Subscribed	Amount (in ₹)
A	Retail Individual Investors	142,294	16,666,104	9,831,460	1.6952	2,968,923,380.00
B	Non Institutional Investors	232	2,199,372	4,213,483	0.5220	391,485,864.00
C	Qualified Institutional Buyers (excluding Anchor Investors)	15	19,972,680	5,617,977	3.5551	3,555,137,040.00
D	Anchor Investors	13	8,427,468	8,426,965	1.0001	1,500,089,304.00
	Total	**142,554**	**47,265,624**	**28,089,885**	**1.6827**	**8,415,635,588.00**

Final Demand

A summary of the final demand as per BSE and NSE as on the Bid/Offer Closing Date at different Bid prices is as under:

Sr. No.	Bid Price	No. of Equity Shares	% to Total	Cumulative Total	% Cumulative Total
1	177	383,796	0.87	383,796	0.87
2	178	28,764,204	65.28	29,148,000	66.15
3	CUTOFF	14,914,536	33.85	44,062,536	100.00
	TOTAL	**44,062,536**	**100.00**		

The Basis of Allotment was finalized in consultation with the Designated Stock Exchange, being BSE on December 26, 2019.

A. Allotment to Retail Individual Investors (After Technical Rejections)

The Basis of Allotment to the Retail Individual Bidders, who have bid at cut-off or at the Offer Price of ₹ 178 per Equity, was finalized in consultation with BSE. This category has been subscribed to the extent of 1.4998 times. The total number of Equity Shares Allotted in Retail Individual Bidders category is 10,668,340 Equity Shares (includes under subscribed portion of 836,880 Equity Shares spilled over from Non Institutional Investors Category) to 127,004 successful applicants. The category-wise details of the Basis of Allotment are as under:

Sr. No.	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	84	118,856	87.08	9,983,904	62.40	84	281:302	9,289,644
2	168	9,154	6.71	1,537,872	9.61	84	107:115	715,428
3	252	2,746	2.01	691,992	4.32	84	67:72	214,620
4	336	1,203	0.88	404,208	2.53	84	40:43	93,996
5	420	1,024	0.75	430,080	2.69	84	27:29	80,052
6	504	726	0.53	365,904	2.29	84	27:29	56,784
7	588	436	0.32	256,368	1.60	84	27:29	34,104
8	672	141	0.10	94,752	0.59	84	27:29	11,004
9	756	83	0.06	62,748	0.39	84	27:29	6,468
10	840	493	0.36	414,120	2.59	84	27:29	38,556
11	924	63	0.05	58,212	0.36	84	15:16	4,956
12	1,008	183	0.13	184,464	1.15	84	27:29	14,280
13	1,092	1,388	1.02	1,515,696	9.47	84	27:29	108,444
14	4 Out of 16,413 Allottees from Serial no 2 to 13, were allotted 1(one) additional share						4:16413	4
	TOTAL	**136,496**	**100.00**	**16,000,320**	**100.00**			**10,668,340**

B. Allotment to Non Institutional Investors (After Technical Rejections)

The Basis of Allotment to the Non-Institutional Bidders, who have bid at the Offer Price of ₹ 178 per Equity Share, was finalized in consultation with BSE. This category has been subscribed to the extent of 0.5176 times. The total number of Equity Shares allotted in this category is 2,181,060 Equity Shares to 224 successful applicants (the under subscription of 2,032,423 Equity Shares in the Non Institutional Bidders category has been spilled over to Qualified Institutional Buyers and Retail Individual Investors Category in the ratio of 50:35 i.e. 1,195,543 Equity Shares to Qualified Institutional Buyers and 836,880 Equity Shares to Retail Individual Investors Category). The category-wise details of the Basis of Allotment are as under:

Sr. No.	Category	No. of Applications Received	% of Total	Total No. of Equity Shares Applied	% to Total	No. of Equity Shares Allotted per Bidder	Ratio	Total No. of Equity Shares Allotted
1	1,176	71	31.70	83,496	3.83	1,176	1:1	83,496
2	1,260	18	8.04	22,680	1.04	1,260	1:1	22,680
3	1,344	3	1.34	4,032	0.18	1,344	1:1	4,032
4	1,428	3	1.34	4,284	0.20	1,428	1:1	4,284
5	1,512	2	0.89	3,024	0.14	1,512	1:1	3,024
6	1,680	11	4.91	18,480	0.85	1,680	1:1	18,480
7	1,764	2	0.89	3,528	0.16	1,764	1:1	3,528
8	1,932	1	0.45	1,932	0.09	1,932	1:1	1,932
9	2,016	4	1.79	8,064	0.37	2,016	1:1	8,064
10	2,100	5	2.23	10,500	0.48	2,100	1:1	10,500
11	2,184	2	0.89	4,368	0.20	2,184	1:1	4,368
12	2,268	8	3.57	18,144	0.83	2,268	1:1	18,144
13	2,520	7	3.13	17,640	0.81	2,520	1:1	17,640
14	2,688	2	0.89	5,376	0.25	2,688	1:1	5,376
15	2,772	15	6.70	41,580	1.91	2,772	1:1	41,580
16	2,856	2	0.89	5,712	0.26	2,856	1:1	5,712
17	2,940	6	2.68	17,640	0.81	2,940	1:1	17,640
18	3,276	1	0.45	3,276	0.15	3,276	1:1	3,276
19	3,360	8	3.57	26,880	1.23	3,360	1:1	26,880
20	3,444	1	0.45	3,444	0.16	3,444	1:1	3,444
21	3,528	3	1.34	10,584	0.49	3,528	1:1	10,584
22	3,780	3	1.34	11,340	0.52	3,780	1:1	11,340
23	4,200	3	1.34	12,600	0.58	4,200	1:1	12,600
24	4,536	2	0.89	9,072	0.42	4,536	1:1	9,072
25	4,620	3	1.34	13,860	0.64	4,620	1:1	13,860
26	5,040	5	2.23	25,200	1.16	5,040	1:1	25,200
27	5,460	1	0.45	5,460	0.25	5,460	1:1	5,460
28	5,544	2	0.89	11,088	0.51	5,544	1:1	11,088
29	5,628	2	0.89	11,256	0.52	5,628	1:1	11,256
30	6,300	1	0.45	6,300	0.29	6,300	1:1	6,300
31	6,720	2	0.89	13,440	0.62	6,720	1:1	13,440
32	8,400	3	1.34	25,200	1.16	8,400	1:1	25,200
33	8,988	1	0.45	8,988	0.41	8,988	1:1	8,988
34	10,080	1	0.45	10,080	0.46	10,080	1:1	10,080
35	11,172	2	0.89	22,344	1.02	11,172	1:1	22,344
36	12,600	1	0.45	12,600	0.58	12,600	1:1	12,600
37	14,028	4	1.79	56,112	2.57	14,028	1:1	56,112
38	16,800	2	0.89	33,600	1.54	16,800	1:1	33,600
39	32,256	1	0.45	32,256	1.48	32,256	1:1	32,256
40	37,800	2	0.89	75,600	3.47	37,800	1:1	75,600
41	44,268	1	0.45	44,268	2.03	44,268	1:1	44,268
42	56,112	1	0.45	56,112	2.57	56,112	1:1	56,112
43	78,708	1	0.45	78,708	3.61	78,708	1:1	78,708
44	112,308	1	0.45	112,308	5.15	112,308	1:1	112,308
45	168,000	2	0.89	336,000	15.41	168,000	1:1	336,000
46	393,204	1	0.45	393,204	18.03	393,204	1:1	393,204
47	449,400	1	0.45	449,400	20.60	449,400	1:1	449,400
	TOTAL	**224**	**100.00**	**2,181,060**	**100.00**			**2,181,060**

C. Allotment to QIBs (After Technical Rejections)

Allotment to QIBs, who have bid at the Offer Price of ₹ 178 per Equity Share, has been done on a proportionate basis in consultation with BSE. This category has been subscribed to the extent of 2.9313 times of Net QIB portion. As per the SEBI Regulations, Mutual Funds were allotted 5% of the Equity Shares of Net QIB portion available i.e. 340,677 Equity Shares (includes under subscribed portion of 59,778 Equity Shares spilled over from Non Institutional Investors Category) and other QIBs and unsatisfied demand of Mutual Funds were allotted the remaining available Equity Shares i.e. 6,472,843 Equity Shares (includes under subscribed portion of 1,135,765 Equity Shares spilled over from Non Institutional Investors Category) on a proportionate basis. The total number of Equity Shares allotted in the QIB category is 6,813,520 Equity Shares (includes under subscribed portion of 1,195,543 Equity Shares spilled over from Non Institutional Investors Category), which were allotted to 15 successful Applicants.

CATEGORY	FIs/BANKs	MF's	IC's	AIF	FPC	TOTAL
ALLOTMENT	555,683	2,426,879	2,244,945	668,654	917,359	**6,813,520**

D. Allotment to Anchor Investors

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, have allocated 8,426,965 Equity Shares to 8 Anchor Investors (who have applied through 13 applications) at the Anchor Investor Offer Price of ₹ 178 per Equity Share in accordance with the SEBI ICDR Regulations. This represents upto 60.00% of the QIB Portion.

CATEGORY	MF's	IC's	AIF	TOTAL
ALLOTMENT	3,371,088	1,685,544	3,370,333	**8,426,965**

The IPO committee of our Company at its meeting held on December 26, 2019 has taken on record the basis of allotment of Equity Shares approved by the Designated Stock Exchange, being BSE and has allotted the Equity Shares to various successful applicants. The Allotment Advice-cum-Intimations and/ or notices will be dispatched to the address of the investors as registered with the depositories. Further, the instructions to the Self Certified Syndicate Banks for unblocking of funds, transfer to Public Offer Account have been issued on December 26, 2019 and payment to non-Syndicate brokers have been issued on December 27, 2019. In case the same is not received within ten days, investors may contact the Registrar to the Offer at the address given below. The Equity Shares Allotted to the successful Allottees have been uploaded on December 27, 2019 for credit into the respective beneficiary accounts subject to validation of the account details with the depositories concerned. Our Company has filed the listing application with BSE and NSE on December 27, 2019. Our Company has received listing and trading approval from BSE and NSE and the trading will commence on or about December 30, 2019.

Note: All capitalized terms used and not defined herein shall have the respective meanings assigned to them in the Prospectus.

INVESTORS PLEASE NOTE

These details of the Allotment made shall be hosted on the website of Registrar to the Offer, Link Intime India Private Limited at www.linkintime.co.in

All future correspondence in this regard may kindly be addressed to the Registrar to the Offer quoting full name of the First/ Sole applicant, Serial number of the ASBA form, number of Equity Shares bid for, name of the Member of the Syndicate, place where the bid was submitted and payment details at the address given below:

LINK Intime

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India.
Telephone: +91 22 4918 6200; **Facsimile:** +91 22 4918 6195; **E-mail:** princepipes.ipo@linkintime.co.in
Investor grievance E-mail: princepipes.ipo@linkintime.co.in; **Website:** www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan; **SEBI Registration No.:** INR000004058

For **PRINCE PIPES AND FITTINGS LIMITED**
On behalf of the Board of Directors
Sd/-
Company Secretary & Compliance Officer

Place : Mumbai
Date : December 27, 2019

THE LEVEL OF SUBSCRIPTION SHOULD NOT BE TAKEN TO BE INDICATIVE OF EITHER THE MARKET PRICE OF THE EQUITY SHARES ON LISTING OR THE BUSINESS PROSPECTS OF PRINCE PIPES AND FITTINGS LIMITED.

Prince Pipes and Fittings Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its equity shares ("**Equity Shares**") and has filed a prospectus dated December 23, 2019 ("**Prospectus**") with the Registrar of Companies, Goa, Daman and Diu and Securities and Exchange Board of India and the Stock Exchanges and issued notices to investors dated December 25, 2019 and December 26, 2019. The Prospectus is available or will be made available on the website of SEBI at www.sebi.gov.in as well as on the websites of the book running lead managers, i.e. JM Financial Limited at www.jmfl.com and Edelweiss Financial Services Limited at www.edelweissfin.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled "*Risk Factors*" on page 17 of the Prospectus.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States pursuant to Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdictions where those offers and sales are made.

CONCEPT

DETAILED PUBLIC STATEMENT IN TERMS OF REGULATION 3(1) AND REGULATION 4 READ WITH REGULATIONS 13(4), 14(3), 15(2) AND OTHER APPLICABLE REGULATIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO, TO THE PUBLIC SHAREHOLDERS OF:

INDO TECH TRANSFORMERS LIMITED

Registered Office: S. No. 153-210, Illuppapattu Village, Near Rajakulam, Chennai-Bangalore Highway, Kancheepuram, Tamil Nadu- 631561, India
Tel.: +91-44-37290518; Fax: +91-44-37290547; Website: www.prolecge.in

OPEN OFFER FOR ACQUISITION OF UP TO 27,24,375 (TWENTY SEVEN LAKH TWENTY FOUR THOUSAND THREE HUNDRED AND SEVENTY FIVE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 10 EACH (INDIAN RUPEES TEN ONLY) ("EQUITY SHARES"), REPRESENTING 25.65% OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF INDO TECH TRANSFORMERS LIMITED ("TARGET COMPANY"), AS OF THE 10TH WORKING DAY (AS DEFINED BELOW) FROM THE TENDERING PERIOD (AS DEFINED BELOW) FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY SHIRDI SAI ELECTRICALS LIMITED ("ACQUIRER") (HEREINAFTER REFERRED TO AS THE "OFFER" OR THE "OPEN OFFER").

This detailed public statement ("**DPS**") is being issued by Ernst & Young Merchant Banking Services LLP ("**Manager to the Offer**") for and on behalf of the Acquirer, pursuant to and in compliance with Regulations 3(1) and 4 read with Regulations 13(4), 14(3), 15(2) and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**"), and pursuant to the public announcement dated December 20, 2019 ("**Public Announcement**" or "**PA**") filed with BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**") (collectively referred to as the "**Stock Exchanges**"). The PA was also filed with the Securities and Exchange Board of India ("**SEBI**") and sent to the Target Company at its registered office, in terms of Regulation 14(2) of the SEBI (SAST) Regulations.

For the purposes of this DPS, the following terms have the meanings assigned to them below:

"**Closing Date**" means the date on which, *inter alia*, the purchase of Sale Shares by the Acquirer from the Seller and the payment of Sale Consideration by the Seller to the Acquirer, is completed in accordance with the SPA;

"**Equity Shares**" or "**Shares**" shall mean the fully paid-up equity shares of face value of INR 10 (Indian Rupees Ten only) each of the Target Company;

"**Fair Market Value**" means the fair market value of Equity Shares determined in accordance with the applicable Indian foreign exchange regulations and the SEBI regulations;

"**Financial Year/FY**" means the year beginning from first day of April of one year and ending on thirty-first day of March in the immediate next year;

"**Public Shareholders**" shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, except: (i) the Acquirer; (ii) parties to the SPA (as defined below), and (iii) the persons acting or deemed to be acting in concert with parties as set out in (i) and (ii);

"**Residual Equity Shares**" means the 5,29,593 (Five Lakh Twenty Nine Thousand Five Hundred and Ninety Three) Equity Shares of the Target Company held by the Seller on the SPA Date, constituting 4.99% of the Equity Share Capital as of the SPA Date;

"**Rupee/INR/₹**" shall mean Indian Rupee(s), the official currency of the Republic of India;

"**Sale Consideration**" means the consideration to be paid by the Acquirer to the Seller for the purchase of Sale Shares in accordance with the SPA, including the applicable Indian foreign exchange regulations;

"**Sale Shares**" means 73,66,032 Equity Shares of the Target Company held by the Seller on the SPA Date, constituting 69.36% of the total paid-up equity share capital of the Target Company;

"**Sale Share Price**" means the price per share to be paid by the Acquirer for the Sale Shares to the Seller in accordance with the SPA, including the applicable Indian foreign exchange regulations;

"**Seller**" means Prolec GE Internacional, S.De R.L. De C.V.;

"**SPA**" means the share purchase agreement dated December 20, 2019 executed between the Acquirer and the Seller, pursuant to which the Acquirer has agreed to acquire from the Seller, 73,66,032 Equity Shares of the Target Company, representing 69.36% of the total paid-up equity share capital of the Target Company at a price of INR 94.51 (Indian Rupees Ninety Four and Fifty One Paise only) per Equity Share;

"**SPA Date**" means the execution date of the SPA;

"**Tendering Period**" has the meaning ascribed to it under the SEBI (SAST) Regulations;

"**Transaction**" means collectively the Underlying Transaction and the Open Offer;

"**Underlying Transaction**" means the transaction in terms of the SPA, pursuant to which the Acquirer shall acquire 73,66,032 Equity Shares of the Target Company, representing 69.36% of the total paid-up equity share capital at a price of INR 94.51 (Indian Rupees Ninety Four and Fifty One Paise only) per Equity Share, from the Seller, in accordance with the terms of the SPA;

"**Working Day**" means the working day of the Securities and Exchange Board of India, in Mumbai;

"**SEBI Act**" shall mean the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

I. ACQUIRER, SELLER, TARGET COMPANY AND OFFER

1. Information about the Acquirer: Shirdi Sai Electricals Limited

1.1. The Acquirer is an unlisted public limited company and was incorporated on July 30, 2010 under the Companies Act, 1956, and is promoted by Mr. N. Visweswara Reddy. There has been no change in the name of the Acquirer since the time of its incorporation.

1.2. The registered office of the Acquirer is situated at G Pulla Reddy Sweets Building, 3rd Floor, # 6-3-8-879/B, Greenland Road, Begumpet, Hyderabad, Telangana 500 016, India.

1.3. The principal activity of the Acquirer is manufacturing of power and distribution transformers and an EPC player in power and distribution sector.

1.4. The shareholding pattern of the promoter and promoter group of the Acquirer, as on November 30, 2019, is as under:

SI No	Name	No. of shares	% holding
1	Mr. N. Visweswara Reddy	2,04,83,199	68.13%
2	Ms. N. Pratibha	39,64,676	13.19%
3	Ms. N. Reddy Radha	47,77,787	15.89%
4	Mr. N. Karunakara Reddy	3,01,014	1.00%
5	Ms. N. Lavanya	4,66,325	1.55%
	Total	**2,99,93,001**	**99.75%**

1.5. The Acquirer does not belong to any group. No person is acting in concert with the Acquirer for the purpose of this Open Offer.

1.6. The securities of the Acquirer are not listed on any stock exchange in India or abroad.

1.7. The board of directors of the Acquirer comprises of 4 (four) directors, namely, (a) Mr. N Visweswara Reddy, Managing Director; (b) Ms. N Radha Reddy, Whole-time Director; (c) Mr. Vinod Masson, Whole-time Director; and (d) Mr. M Vikram Ravindra, Independent Director.

1.8. Neither the Acquirer nor its directors or key employees have any relationship or interest in the Target Company, except for the Underlying Transaction. Further, there are no common directors on the board of the Acquirer and the Target Company.

1.9. Neither the Acquirer nor any of its directors hold any Equity Shares in the Target Company.

1.10. The Acquirer does not hold any Equity Shares or voting rights in the Target Company. Furthermore, the Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA, i.e. December 20, 2019.

1.11. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B of the SEBI Act or any other regulations made thereunder.

1.12. The below key audited financial information of the Acquirer for the FY 2019 and FY 2018 has been extracted from the audited financial information of FY 2019 and the information pertaining to FY 2017 has been extracted from comparative financial information in the audited financial statements as at and for the FY 2018 and the unaudited financial information for the six months period ended September 30, 2019, subjected to limited review are as follows:

(INR in Lakhs except earnings per share)

Particulars	Unaudited six months period ended September 30, 2019 (Ind AS)	FY 2019 (Ind AS)	FY 2018 (Ind AS)	FY 2017 (IGAAP)
Total Revenue[1]	42,544.46	1,06,083.69	1,00,716.17	90,659.72
Net Income (i.e., Profit for the Year)	3,474.02	11,360.81	7,141.61	5,885.83
Earnings Per Share (Basic and Diluted)	11.55	37.79	23.81	19.63
Net Worth/Shareholder's Funds[2]	34,728.32	31,254.30	19,883.60	18,876.79

Note:

1. *Total revenue consists of (i) revenue from operations (ii) other income and (iii) finance income, as applicable*
2. *Net worth includes paid-up share capital and reserves & surplus*

2. Details of the Seller: Prolec-GE Internacional, S.de R.L. de C.V.

2.1 The Seller is a limited liability company incorporated on March 23, 1998 under the name Lumisistemas-GE, S. de R.L. de C.V., under the laws of Mexico, with its registered office located at Blvd. Carlos Salinas de Gortari KM 9.25, Apodaca, Nuevo Leon, Mexico, CP 66600. The Seller's name was further changed to Prolec-GE Internacional, S.de R.L. de C.V. on September 24, 2007.

2.2 The Seller was formed as a joint venture between Xignux and General Electric Company. Xignux is a Mexico based group with significant presence in the electricity, infrastructure and food sectors.

2.3 The Seller is engaged in designing, manufacturing, and selling products and solutions for the generation, transmission, and distribution of electrical energy.

2.4 The Seller is the 'promoter' of the Target Company.

2.5 As on the date of this DPS, the Seller holds 78,95,625 Equity Shares representing 74.35% of the total equity share capital of the Target Company.

2.6 The securities of the Seller are not listed on any stock exchanges, in India or abroad.

2.7 The Seller has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or any other regulations made thereunder.

3. Details of the Target Company: Indo Tech Transformers Limited

3.1 The Target Company is a public limited company incorporated on January 16, 1992, under the Companies Act, 1956, in Tamil Nadu, India. The Corporate Identity Number (CIN) of the Target Company is L29113TN1992PLC022011. There has been no change in the name of the Target Company in the last 3 (three) years.

3.2 The registered office of the Target Company is situated at Survey No. 153-210, Illuppapattu Village, Near Rajakulam, Chennai - Bangalore Highway, Kancheepuram, Tamil Nadu, 631561, India.

3.3 The Target Company is *inter-alia* engaged in the business of manufacturing power and distribution transformers, various special application transformers, and skid mounted sub-stations. The Target Company has manufacturing plants located at Chennai and Kancheepuram in Tamil Nadu.

3.4 The Equity Shares of the Target Company are listed on BSE (Scrip Code: 532717, Scrip ID: INDOTECH) and NSE (Symbol: INDOTECH). The ISIN of the Target Company is INE332H01014.

3.5 As on the date of this DPS, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

3.6 As on the date of this DPS, there are no partly paid-up Equity Shares of the Target Company, outstanding convertible securities, depository receipts, warrants or instruments, which are convertible into Equity Shares of the Target Company.

3.7 The key audited financial information of the Target Company as at and for the financial years ended March 31, 2019, March 31, 2018, and March 31, 2017 and the unaudited financial information for the six months period ended September 30, 2019, subjected to limited review, are as given below. In this regard, please note that the key financial information of the Target Company as at and for the financial years ended March 31, 2019 and March 31, 2018 have been extracted from the respective audited financial statements for the said financial years, and as at and for the financial year ended March 31, 2017 has been extracted from the comparative financial information in the audited financial statements as at and for the financial year ended March 31, 2018. The financial information for the six months period ended September 30, 2019, of the Target Company, has been extracted from the unaudited limited reviewed financial information for such period:

(All figures in INR lakhs, except earnings per share in INR per Equity Share)

Particulars	Unaudited six months period ended September 30, 2019	FY March 31, 2019	FY March 31, 2018	FY March 31, 2017
Total Income[1]	10,339	21,463.33	23,016.29	16,590.56
Profit/(Loss) after tax	192	(838.90)	(369.42)	(1,127.36)
Earnings per Share (Basic & Diluted)	1.81	(7.90)	(3.48)	(10.62)
Net worth/Shareholder Funds[2]	12,661	12,516.77	13,410.08	13,818.82

Note:

1. *Total income consists of (i) revenue from operations; and (ii) other income.*
2. *Net worth includes paid-up share capital and other equity.*

Source:

a) *http://www.prolecge.in/wp-content/uploads/2019/07/Annual-Report-2018-2019.pdf*

b) *http://www.prolecge.in/wp-content/themes/salient/img/pdf/Annual%20Report%202017-2018.pdf*

c) *http://www.prolecge.in/wp-content/uploads/2019/11/Unaudited-Financial-Results-for-Quarter-and-Half-Year-ended-September-30-2019.pdf*

4. Details of the Offer

4.1 This Offer is a mandatory open offer made by the Acquirer in terms of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of SPA to acquire in excess of 25% of the equity share capital of the Target Company and control over the Target Company. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulations 13(1) and 15(1) of the SEBI (SAST) Regulations, was released to the Stock Exchanges on December 20, 2019. Please refer to Part II (Background to the Offer) of this DPS for further information on the SPA.

4.2 The Acquirer is making this Offer to all the Public Shareholders of the Target Company, to acquire up to 27,24,375 Equity Shares ("**Offer Shares**"), representing 25.65% of the total paid-up equity capital of the Target Company ("**Offer Size**") at a price of INR 115.60 (Indian Rupees One Hundred and Fifteen and Sixty Paise only) per Equity Share ("**Offer Price**") determined in accordance with SEBI (SAST) Regulations aggregating to a total consideration of INR 31,49,37,750 (Indian Rupees Thirty One Crore Forty Nine Lakh Thirty Seven Thousand Seven Hundred and Fifty only).

4.3 The Offer Price shall be payable by the Acquirer in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in this DPS and the letter of offer ("**Letter of Offer**") that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

4.4 The Public Shareholders who tender their Equity Shares in this Offer should ensure that the Equity Shares are free and clear from all liens, charges and encumbrances. The Offer Shares will be acquired by the Acquirer, subject to such Offer Shares being validly tendered in this Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

4.5 Please refer to Section VI (Statutory and Other Approvals) in relation to the details of the statutory, governmental and other approvals required for the Transaction and Paragraph 3 under Section II (Background to the Offer) for details on conditions stipulated in the SPA, completion of which are outside the reasonable control of the Acquirer, and in view of which the Transaction may be withdrawn under Regulation 23 of the SEBI (SAST) Regulations, 2011. In the event of such a withdrawal of the Open Offer, the Acquirer (through Manager to Open Offer) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, in the same newspapers in which this DPS has been published, and such announcement will also be sent to SEBI, BSE, NSE and the registered office of the Target Company.

4.6 The Offer is not conditional on any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.

4.7 The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

4.8 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, as of the date of this DPS, the Acquirer has no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company, except:

i. in the ordinary course of business; or

ii. on account of compliance with any law that is or becomes binding on or applicable to the operations of the Target Company; or

iii. as has already been disclosed by the Target Company in the public domain.

In case if the Acquirer intends to alienate any material asset of the Target Company within a period of 2 (two) years from the date of completion of the Offer, a special resolution of the shareholders of the Target Company in accordance with the proviso to Regulation 25(2) of the SEBI (SAST) Regulations shall be obtained before undertaking any such alienation of any material assets of the Target Company.

4.9 Non-resident Indians ("**NRIs**") and Overseas Corporate Bodies ("**OCBs**") who are holders of Equity Shares, if any, must obtain all requisite approvals required to tender their Equity Shares pursuant to the Open Offer and submit such approvals along with the other documents required to accept the Open Offer. Further, if holders of Equity Shares who are not persons resident in India (including NRIs, OCBs and foreign portfolio investors) required any approval from the Reserve Bank of India ("**RBI**") or any other regulatory body in respect of the Equity Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for acquiring and holding the Equity Shares of the Target Company to tender their Equity Shares pursuant to the Open Offer, along with the other documents required to be tendered to accept the Open Offer as mentioned in the Letter of Offer. In the event such approvals and supporting documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in the Open Offer.

4.10 Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI LODR Regulations**") read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto ("**SCRR**") require the Target Company to maintain minimum public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. Upon the completion of the Offer and the Underlying Transaction, if the public shareholding of the Target Company falls below the minimum level of public shareholding, as required to be maintained by the Target Company under the SCRR and the SEBI LODR Regulations, the Acquirer undertakes to take necessary steps to facilitate compliance by the Target Company with the relevant provisions under the SCRR, as required under Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI LODR Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% of the equity share capital within 12 (twelve) months from the date of such fall in the public shareholding below 25%, through the mechanisms prescribed by SEBI and/or any other such mechanism as may be approved by SEBI from time to time.

4.11 The Manager to the Offer does not hold any Equity Shares of the Target Company. The Manager to the Open Offer further declares and undertakes not to deal on its account in the Equity Shares during the Offer period (as defined under the SEBI (SAST) Regulations).

II. BACKGROUND TO THE OFFER

1. This Offer is a mandatory open offer made by the Acquirer in terms of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the execution of SPA to acquire in excess of 25% of the Equity Share of the Target Company and control over the Target Company.

2. The SPA was executed on December 20, 2019. Pursuant to the SPA, the Acquirer has agreed to acquire from the Seller, being promoter of the Target Company, 73,66,032 Equity Shares of the Target Company, representing 69.36% of the total paid-up equity share capital for cash at a price of INR 94.51 (Indian Rupees Ninety Four and Fifty One Paise only) per Equity Share. The Underlying Transaction is subject to receipt of all the statutory approvals, as may be required, and satisfaction of certain other conditions precedent specified in the SPA.

3. **Salient features of the SPA are set out below:**

3.1 Subject to the terms and conditions set out in the SPA, the Acquirer has agreed to purchase the Sale Shares from the Seller, and the Seller has agreed to sell and transfer to the Acquirer, the Sale Shares, free from any Encumbrances (*as defined in the SPA*) and together with all rights, title and interests against the payment of the Sale Consideration by the Acquirer on the Closing Date.

3.2 Sale Consideration shall be subject to certain pre-closing adjustments based on the net debt and net working capital of the Target Company prior to the Closing Date; however, the price per Equity Share to be paid by the Acquirer to the Seller pursuant to the Underlying Transaction shall not exceed the Offer Price (*as defined hereinafter*).

3.3 For the Underlying Transaction, the Acquirer shall pay the Sale Consideration to the Seller in the following manner:

(a) A sum equal to 90% (Ninety Percent) of the Sale Consideration to the Seller on the date on which the Seller transfers the Sale Shares to the Acquirer in accordance with the SPA; and

(b) A sum equal to 10% (Ten Percent) of the Sale Consideration in an escrow account (opened by the Seller) in terms of the SPA, for a period of 12 months from the closing of the Underlying Transaction or 18 months from the date of the SPA, whichever is earlier.

3.4 Seller's Conditions Precedent: The obligation of the Acquirer to purchase the Sale Shares and pay the Sale Consideration is conditional upon fulfilment by the Seller or waiver by the Acquirer, *inter alia*, of the following conditions precedent:

(a) The Seller shall ensure that all necessary corporate approvals and authorizations for the Underlying Transaction are obtained;

(b) No Material Adverse Change (*as defined in the SPA*) shall have occurred between the SPA Date and the Closing Date;

(c) The Target Company having obtained the necessary approvals of the lenders and Third Parties (*as defined in the SPA*) in accordance with the SPA; and

(d) The Target Company having obtained the necessary approvals from governmental authorities (if required) in accordance with the SPA.

3.5 Acquirer's Conditions Precedent: The obligation of the Seller to sell the Sale Shares to the Acquirer is conditional upon fulfilment by the Acquirer or waiver by the Seller (as the case may be), of the following conditions precedent:

(a) completion of Open Offer in accordance with SEBI (SAST) Regulations by the Acquirer; and

(b) Acquirer having obtained the approval of the lead member of consortium of banks for purchase of Sale Shares from the Seller.

3.6 After the completion of Open Offer and at least 3 (three) days prior to the Closing Date, the Seller has to ensure that the Target Company executes: (a) 2 (two) separate trademark license agreements, in a form and manner acceptable to the parties to the SPA and parties to the agreements: (i) 1 (one) to be executed with Xignux, S.A. de C.V. and Prolec S.A. de C.V.; and (ii) other 1 (one) to be executed with Monogram Licensing Inc. and Monogram Licensing International Inc.; and (b) the transition services agreement with the Seller, in a form and manner acceptable to the parties to the SPA and parties to the agreement, which agreements shall be effective from the Closing Date.

3.7 The SPA contains mutual customary representations and warranties, including in relation to compliance with applicable laws, subject to the disclosures (if any) between the Acquirer and the Seller.

3.8 Parties have given indemnities to each other as set out in the SPA.

3.9 The Seller is subject to certain non-compete and non-solicit restrictions as set out in the SPA, without any additional consideration.

3.10 Re-classification of the Seller: The Acquirer, as soon as possible after completion of the Underlying Transaction and in any event no later than 6 (six) months from the date of compliance with the minimum public shareholding requirement with respect to the Target Company, shall make best efforts to procure that the board of the Target Company seeks approval of the shareholders of the Target Company to re-classify the Seller from the 'promoter and promoter group' of the Target Company to 'public' and such re-classification shall take place subject to receipt of necessary approvals in terms of the SEBI LODR Regulations and conditions prescribed therein.

3.11 Lock-in -The Seller has agreed that from SPA Date until a period of 30 (thirty) days from the third anniversary of Closing Date it shall not, directly or indirectly, transfer any Residual Equity Shares of the Company, except as provided in the SPA.

3.12 Call Option: The Acquirer has the right (but not an obligation) for a period of three years from the Closing Date to acquire the Residual Equity Shares held by the Seller in the Target Company at a price per Equity Share ("**Option Price**") which is lower of the: (a) Sale Share Price; and (b) the Fair Market Value, in each case calculated as per Equity Share basis and the Seller shall have an obligation to sell such Residual Equity Shares.

3.13 Put Option: If the Acquirer fails to exercise its call option within 3 (three) years of the Closing Date, the Seller has the right (but not an obligation), for a period of 6 (six) months, to sell to the Acquirer all Residual Equity Shares held by the Seller and/or its Affiliates (*as defined in the SPA*) (if applicable) and the Acquirer shall have an obligation to buy such Residual Equity Shares at the Option Price.

3.14 Material Adverse Impact: If in the opinion of the Seller, any Material Adverse Impact (*as defined in the SPA*) occurs after the Closing Date, the Seller has the right to call the Acquirer to purchase the Residual Equity Shares at the Option Price.

4. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in this DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

5. Object of the Offer: The Offer is being made as a result of the acquisition of more than 25% of the Equity Shares, voting rights and control of the Target Company by the Acquirer resulting in a change of control of the Target Company in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations. Following the completion of the Offer, the Acquirer intends to work with the employees of the Target Company to accelerate its growth. The Target Company is engaged in the business of manufacturing power and distribution transformers, various special application transformers, and skid mounted sub-stations. The Target Company has manufacturing plants located at Chennai and Kancheepuram in Tamil Nadu. The Acquirer proposes to continue with the existing activities.

6. **Object and purpose of acquisition and strategic intent and future plans:**

The acquisition will help the Acquirer (a) to expand its business in the power transformer business; (b) consolidate its position in south India for the transformer business, (c) to create a strong foothold in power transmission and distribution sector and (d) to use the manufacturing facilities of the Target Company at an optimum level by bringing in its expertise in manufacturing operations.

7. Upon consummation of the Transaction, the Acquirer will acquire control over the Target Company and will become a promoter of the Target Company, including in accordance with the provisions of SEBI LODR Regulations.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirer in the Target Company and the details of their acquisition are as follows:

Details of Shareholding	Acquirer	
	No. of Equity Shares	% age
As on the date of PA (i.e. December 20, 2019)	Nil	Nil
Acquired between the date of PA (i.e. December 20, 2019) and the date of DPS	Nil	Nil
As on the date of DPS	Nil	Nil
Post Offer shareholding (assuming full acceptance, on diluted basis, as on the 10th Working Day after the closure of the Tendering Period)	27,24,375	25.65
Shareholding after the completion of the Transaction (assuming full acceptance in the Offer)	1,00,90,407	95.01

2. As on the date of this DPS, neither the Acquirer nor any of its directors hold any Equity Shares in the Target Company.

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE and NSE.

2. The trading turnover in the Equity Shares based on the trading volumes during the twelve calendar months prior to the calendar month in which the PA is made i.e., December 1, 2018 to November 30, 2019 on BSE and NSE is as under:

Stock Exchange	Traded turnover of equity shares of the Target Company during the Twelve Months Period ("A")	Weighted average number of equity shares of the Target Company during the Twelve Months Period ("B")	Traded turnover % (A/B)
BSE	4,43,968	1,06,20,000	4.18%
NSE	28,70,432	1,06,20,000	27.03%

Source: BSE (www.bseindia.com) and NSE (www.nseindia.com)

3. Based on the above, the Equity Shares are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, with NSE being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded.

4. The Offer is being made at an Offer Price of INR 115.60 (Indian Rupees One Hundred and Fifteen and Sixty Paise only) per Offer Share which is in accordance with Regulation 8 read with other applicable regulations of the SEBI (SAST) Regulations. In terms of Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations, the Offer Price shall not be lower than the highest of the following:

Sl. No.	Details	Price per Equity Share in INR
A.	The highest negotiated price per Equity Share of the Target Company for the acquisition under the SPA attracting the obligation to make a PA for the Offer	94.51

Contd....

"IMPORTANT"

Whilst care is taken prior to acceptance of advertising copy, it is not possible to verify its contents. The Indian Express Limited cannot be held responsible for such contents, nor for any loss or damage incurred as a result of transactions with companies, associations or individuals advertising in its newspapers or Publications. We therefore recommend that readers make necessary inquiries before sending any monies or entering into any agreements with advertisers or otherwise acting on an advertisement in any manner whatsoever. Registered letters are not accepted in response to box number advertisement."

SOUTH WESTERN RAILWAY

TENDER NOTICE No. 26/2019 Dated: 24-12-2019

Invites to participate in E-Tender through IREPS only for supply of following items: **Tender Closing Time: 14:00 Hrs.**

SL	Tender No.	Description in Brief	Qty.	Tender Due on
1	45191049D	Universal type over voltage protection (OVP) unit for 4.5 KW RRU conforming.	388 Nos.	06-01-2020
2	16191104	Element Fuel Filter.	2938 Nos.	09-01-2020
3	18191120	Procurement of CPM-500 module.	5 Nos.	13-01-2020
4	17191241A	Purchase of Battery Storage Unit (NI-CD Battery).	22 Sets.	13-01-2020
5	31191118B	Non asbestos based 'K' type high friction composition brake blocks for EMU stock.	9400 Nos.	06-02-2020
6	33191087A	UIC Tapper Roller Bearing.	250 Nos.	06-02-2020
7	30191264B	Silent Block for Anchor link type - B (Bolted Design).	4300 Nos.	11-02-2020
8	52195015	UTS cum PRS thin Client.	231 Nos.	21-01-2020

For details log on : www.ireps.gov.in

Principal Chief Materials Manager
South Western Railway, Hubballi.

Pub/368/AAS/PRB/SWR/2019-20

SOUTH WESTERN RAILWAY

MANUAL OPEN TENDER NOTICE NO. S/XIII/SALE/ANTIMONY/MYS/OT/2019-20

Invites offer for sale of **"Class-I, Antimony Ingots IS:211, Gr-SB-99, IS:211"** available at Mechanical and General Stores Depot / Ashokapuram, Mysuru (M: 9731665756).

Last date for submission of bids: **22-01-2020 upto 15:00 Hrs.**

For details log on: https://swr.indianrailways.gov.in/Tender
Ph: 0836-2326647 M: 9731665761

Principal Chief Materials Manager
South Western Railway, Hubballi

Pub/369/AAS/PRB/SWR/2019-20

LIKHAMI TRADING AND MANUFACTURING COMPANY LIMITED

CIN : L51491WB1983PLC036227
Regd. Office: 2F, Park Plaza, North Block, 71 Park Street, Kolkata-700016; **Tel:** (033) 22642942; **Fax:** (033) 22642940, **Email:** info@ltml.in; **Website:** www.ltml.in

RESULT OF POSTAL BALLOT

Pursuant to the provisions of section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, as amended, the approval of the Shareholders was sought by means of Postal Ballot (including e-voting) for Voluntary Delisting of Equity Shares of the Company from The Calcutta Stock Exchange Limited i.e., the only Stock Exchange where the equity shares of the Company are listed, in terms of Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 as amended (hereinafter called the **"Delisting Regulations"**), as specified in the Postal Ballot Notice dated 14.11.2019 read with Special Resolution and Explanatory Statement attached thereto.

Mr. Alok Kumar Yaduka (DIN 00031755), Director of the Company, has announced the results of the Postal Ballot on the basis of the Scrutinizer Report dated 27.12.2019 submitted by the Scrutinizer, Mr. Pravin Kumar Drolia, Propreitor of Drolia & Co, Membership No. FCS 2366, CP No. 1362 appointed in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The results of the Postal Ballot as follows were announced at the Registered Office of the Company:

A summary of the Postal Ballot votes received is given below:

Sl. No.	Votes casted	By Physical Ballot	By Electronic Voting	Total No. of Valid Votes	% of votes polled on outstanding shares
1.	Favor	456700	893020	1349720	90.46
2.	Against	0	0	0	0.00
	Total	456700	893020	1349720	90.46

Resolution required: (Ordinary/Special)	Special resolution for Delisting of Securities from Calcutta Stock Exchange Limited
Whether Promoter/ Promoter Group are interested in the agenda/ Resolution?	Yes

Category	No. of shares held	Mode of voting	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	807760	Physical Ballot	0	0.00	0	0	0.00	0.00
		E-voting	807760	100.00	807760	0	100.00	0.00
Sub Total (A)	807760		807760	100.00	807760	0	100.00	0.00
Public-Institutions	0	Physical Ballot	0	0.00	0	0	0.00	0.00
		E-voting	0	0.00	0	0	0.00	0.00
Sub Total (B)	0		0	0.00	0	0	0.00	0.00
Public shareholders	684240	Physical Ballot	456700	66.75	456700	0	100.00	0.00
		E-voting	85260	12.46	85260	0	100.00	0.00
Sub Total (C)	684240		541960	79.21	541960	0	100.00	0.00
Total	1492000		1349720	90.46	1349720	0	100.00	0.00

NOTE:

i. The terms "Public Shareholders" and "Promoter Shareholders" have the same meaning as assigned to them under the Delisting Regulations.

ii. The total valid votes cast by the Public Shareholders in favor of the proposed resolution are more than two times of the valid votes cast by the Public shareholders as required under Delisting Regulations.

Accordingly, the Special Resolution as set out in the Postal Ballot Notice dated 14.11.2019 was declared as approved and passed with requisite majority **as required under regulation 8(1)(b) of the Delisting Regulations.**

For **Likhami Trading & Manufacturing Company Limited**
Sd/-
Alok Kumar Yaduka
(Director)
DIN: 00031755

Place: Kolkata
Date: 28.12.2019

VAIBHAV HEAVY VEHICLES LIMITED

CIN: L34101WB1985PLC038709
Regd. Office: 2F, Park Plaza, North Block, 71 Park Street, Kolkata - 700016; **Tel:** (033) 22642942; **Fax:** (033) 22642940; **Email:** info@vhvl.in; **Website:** www.vhvl.in

RESULT OF POSTAL BALLOT

Pursuant to the provisions of section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, as amended, the approval of the Shareholders was sought by means of Postal Ballot (including e-voting) for Voluntary Delisting of Equity Shares of the Company from The Calcutta Stock Exchange Limited i.e., the only Stock Exchange where the equity shares of the Company are listed, in terms of Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009 as amended (hereinafter called the **"Delisting Regulations"**), as specified in the Postal Ballot Notice dated 14.11.2019 read with Special Resolution and Explanatory Statement attached thereto.

Mr. Alok Kumar Yaduka (DIN 00031755), Director of the Company, has announced the results of the Postal Ballot on the basis of the Scrutinizer Report dated 27.12.2019 submitted by the Scrutinizer, Mr. Pravin Kumar Drolia, Propreitor of Drolia & Co, Membership No. FCS 2366, CP No. 1362 appointed in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder. The results of the Postal Ballot as follows were announced at the Registered Office of the Company:

A summary of the Postal Ballot votes received is given below:

Sl. No.	Votes casted	By Physical Ballot	By Electronic Voting	Total No. of Valid Votes	% of votes polled on outstanding shares
1.	Favor	420700	601800	1022500	94.68
2.	Against	0	0	0	0.00
	Total	420700	601800	1022500	94.68

Resolution required: (Ordinary/Special)	Special resolution for Delisting of Securities from Calcutta Stock Exchange Limited
Whether Promoter/ Promoter Group are interested in the agenda/ Resolution?	Yes

Category	No. of shares held	Mode of voting	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	542800	Physical Ballot	0	0.00	0	0	0.00	0.00
		E-voting	542800	100.00	542800	0	100.00	0.00
Sub Total (A)	542800		542800	100.00	542800	0	100.00	0.00
Public-Institutions	0	Physical Ballot	0	0.00	0	0	0.00	0.00
		E-voting	0	0.00	0	0	0.00	0.00
Sub Total (B)	0		0	0.00	0	0	0.00	0.00
Public shareholders	537200	Physical Ballot	420700	78.31	420700	0	100.00	0.00
		E-voting	59000	10.98	59000	0	100.00	0.00
Sub Total (C)	537200		479700	89.29	479700	0	100.00	0.00
Total	1080000		1022500	94.68	1022500	0	100.00	0.00

NOTE:

i. The terms "Public Shareholders" and "Promoter Shareholders" have the same meaning as assigned to them under the Delisting Regulations.

ii. The total valid votes cast by the Public Shareholders in favor of the proposed resolution are more than two times of the valid votes cast by the Public shareholders as required under Delisting Regulations.

Accordingly, the Special Resolution as set out in the Postal Ballot Notice dated 14.11.2019 was declared as approved and passed with requisite majority **as required under regulation 8(1)(b) of the Delisting Regulations.**

For **Vaibhav Heavy Vehicles Limited**
Sd/-
Alok Kumar Yaduka
(Director)
DIN: 00031755

Place: Kolkata
Date: 28.12.2019

SHRIRAM HOUSING FINANCE LIMITED

Registered Office: Office No. 123, Angappa Naicken Street, Chennai – 600 001.
Head Office: Level -1, Wockhardt Towers, East Wing C-2 Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.; **Telephone:** 022 4241 0400, 022 4060 3100
Website: www.shriramhousing.in

PHYSICAL POSSESSION NOTICE

Whereas the undersigned being the authorised officer of Shriram Housing Finance Limited (SHFL) under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**said Act**) and in exercise of powers conferred under Section 13(12) of the said Act read with Rule 3 of the Security Interest (Enforcement) Rules, 2002 (**said Rules**) issued demand notices to the Borrowers details of which are mentioned in the table below to repay the amount mentioned in the said demand notices.

The Borrowers having failed to repay the amount, notice is hereby given to the Borrowers and the public in general that the undersigned being the Authorized Officer of SHFL has taken the Physical possession of the mortgaged properties described herein below in exercise of powers conferred on him/her under Section 13(4) of the said Act read with rule 9 of the said Rules, on this **23rd day of December in the year 2019.**

Borrower Name & Address	Amount due as per Demand Notice	Description of Property
1. MR.JINULAL **2. MRS. PONNAMMA CHANDRAN** **LAL VIHAR, ERICADU, PUTHUPALLY PO, KOTTAYAM VETTATHU KAVALA, KOTTAYAM – 686 011** **ALSO AT:** **POOKARAN'S FLOWERS & DECORATIONS KALATHIL BUILDING THIRUNAKKARA WEST, KOTTAYAM – 686 001** **LOAN ACCOUNT No. SLPHCOCH0000281**	**Rs. 53,02,475/- (Rupees Fifty Three Lakhs Two Thousand Four Hundred and Seventy Five Only) as on 21.12.2018 under Loan Account No. SLPHCOCH0000281 as on 26.04.2017 with further interest at the contractual rate, within 60 days from the date of receipt of the said notice.** **Notice dated: 27.07.2016**	**(Description Of The Immovable Property) SCHEDULE** **All the piece and parcel of land and building bearing No.13/436 of Puthuppally Grama Panchayath measuring an extent of 08.59 Ares lies in Re Survey No.518/4-1 in Block No.22(Old Survey No.654/3/2) of Puthuppally Village situated at Kottayam Taluk, Puthuppally Sub Registrar District and Kottayam District and bounded on the:** **East by : Road** **North by : Properties of Kodinja Vayalil and Reshmi** **West by : Property of Narayanan Kunnumpurathu** **South by : Properties of Mathai Araykkal and Rajan Erathu**

This notice is also hereby to caution the general public at large that the authorized officer of SHFL is in the lawful Physical Possession of the immovable properties mentioned above and the Borrowers or any person shall not after receipt of this notice transfer by way of sale, lease or otherwise deal with/ alienate any of the above mentioned secured assets referred to in this notice, without prior written consent of SHFL.

Sd/-
Authorised Officer
Shriram Housing Finance Limited

Place: Kottayam
Date : 23.12.2019

L.G. BALAKRISHNAN & BROS LIMITED

6/16/13, Krishnarayapuram Road, Ganapathy, Coimbatore - 641 006.
Ph.:0422 2532325 Fax: 0422 2532333
Email id:info@lgb.co.in
Website: www.lgb.co.in
CIN: L29191TZ1956PLC000257

NOTICE

Pursuant to Regulation 29 read with Regulation 47 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a meeting of the Board of Directors of the Company is scheduled to be held on Friday, the 31st January, 2020 to inter alia and approve the Audited Standalone and Consolidated Financial Results of the Company for the quarter / nine months ended 31st December 2019.

The said Notice may be accessed on the Company's website at www.lgb.co.in and may also be accessed on the stock exchange websites at www.bseindia.com and www.nseindia.com.

For L.G.BALAKRISHNAN & BROS LTD
Coimbatore 28.12.2019
M. LAKSHMI KANTH JOSHI
G.M. (Legal) & Company Secretary

B.	The volume-weighted average price paid or payable per Equity Share for any acquisitions, whether by the Acquirer or by any person acting in concert with it, during the 52 (fifty-two) weeks immediately preceding the date of the PA being December 20, 2019	Not Applicable[1]
C.	The highest price per Equity Share paid or payable for any acquisition by the Acquirer or by any person acting in concert with him during the 26 (twenty-six) weeks immediately preceding the date of the PA, being December 20, 2019	Not Applicable[1]
D.	The volume-weighted average market price per Equity Share for a period of 60 (sixty) trading days immediately preceding the date of the PA as traded on the NSE	115.60
E	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to 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; and	Not Applicable
F	The per equity share value computed under Regulation 8(5), of SEBI (SAST) Regulations, if applicable	Not Applicable[2]

Notes:

1. *The Acquirer has not acquired any Equity Shares in the Target Company.*
2. *The acquisition is not an indirect acquisition under Regulation 5(1) of the SEBI (SAST) Regulations.*

5. The Offer Price of INR 115.60 (Indian Rupees One Hundred and Fifteen and Sixty Paise only) per Offer Share represents the highest of the above parameters mentioned in the SEBI (SAST) Regulations.

6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. There has been no revision in the Offer Price or the Offer Size. In case of any revision in the Offer Price or the Offer Size, the Acquirer shall comply with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations and other applicable provisions of the SEBI (SAST) Regulations.

7. In the event of an acquisition of the Equity Shares of the Target Company by the Acquirer during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares of the Target Company after the 3rd (third) working day prior to the commencement of the Tendering Period of this Offer and until the expiry of the Tendering Period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) working day before the commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall:
   (i) make corresponding increase to the escrow amounts as more particularly set out in paragraph 6 of Part V (*Financial Arrangements*) of this DPS;
   (ii) make a public announcement in the same newspapers in which this DPS is published; and
   (iii) simultaneously with the issue of such announcement, inform BSE, NSE, SEBI and the Target Company at its registered office of such revision in accordance with the SEBI (SAST) Regulations.

8. In the event the Acquirer acquires any Equity Shares, it will disclose such information to BSE and NSE where the Equity Shares are listed and to the Target Company within 24 (twenty-four) hours of such acquisition.

V. FINANCIAL ARRANGEMENTS

1. The total consideration for the Offer Size at the Offer Price, assuming full acceptance of the Offer, is INR 31,49,37,750 (Indian Rupees Thirty One Crore Forty Nine Lakh Thirty Seven Thousand Seven Hundred and Fifty only) ("**Maximum Consideration**").

2. In accordance with Regulation 17(5) of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account under the name and title of "**Shirdi Sai Open Offer Escrow Account**" ("**Escrow Account**") with Citi Bank, N.A., Mumbai and having its branch at 4th Floor, Fort House, Dr. D.N. Road, Fort, Mumbai - 400001 and acting through its office at Citibank N.A. 11th Floor, First International Financial Center, C-54 & 55, G Block, Bandra-Kurla Complex, Bandra East, Mumbai 400 098 ("**Escrow Agent**") pursuant to an escrow agreement dated December 19, 2019 ("**Escrow Agreement**") and has made a cash deposit of an amount of INR 7,90,00,000 (Indian Rupees Seven Crore Ninety Lakh only) in such Escrow Account which constitutes more than 25% (Twenty Five percent) of the Maximum Consideration ("**Cash Escrow**"). In terms of the Escrow Agreement, the Manager to the Offer has been authorized to operate the Escrow Account in accordance with the SEBI (SAST) Regulations. The cash deposit has been confirmed by the Escrow Agent by way of its confirmation letter dated December 26, 2019.

3. Reddy & Kumar, Chartered Accountants, located at B-27, View Towers, Lakdi-ka-pul, Hyderabad-500 004, Telangana, has *vide* its letter dated December 20, 2019, certified that the Acquirer has adequate resources and capability to meet the financial obligations under the open offer.

4. The Manager to the Offer has entered into an Escrow Agreement with the Acquirer and the Escrow Agent pursuant to which the Acquirer has solely authorized the Manager to the Offer to realize the value of the Escrow Account and to operate the special escrow account opened as per the provisions of the SEBI (SAST) Regulations.

5. Based on the certificate dated December 20, 2019 provided by Reddy & Kumar, Chartered Accountants, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill the obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

6. In case of any upward revision in the Offer Price or the Offer Size, corresponding increase to the escrow amounts as mentioned above in this Part shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. STATUTORY AND OTHER APPROVALS

1. To the best of knowledge of the Acquirer, there are no statutory approvals required to complete the Open Offer as on the date of this DPS. If, however, any statutory approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such statutory approval(s) and the Acquirer shall make the necessary applications for such approvals.

2. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the statutory approvals (in relation to the acquisition of the Offer Shares), if any, applicable, or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

3. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender their part of the Offer Shares (including without limitation, the approval from the RBI, if required), in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

4. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from Foreign Investment Facilitation Portal (FIFP)/SIA and RBI, as applicable under the Foreign Exchange Management Act, 1999 and the regulations made thereunder, including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.

5. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (Ten) working days from the closure of the Tendering Period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

6. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

7. In case of delay/non-receipt of any statutory and other approval referred to in this Part VI, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

8. For the Transaction, the Acquirer is required to procure a no-objection certificate from its lenders, in terms of its lending documents. Accordingly, the Acquirer has already made an application for procuring the same.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Sl. No.	Activity	Schedule (Day and Date)^
1.	Issue of PA	Friday, December 20, 2019
2.	Date of publishing the DPS in the newspapers	Monday, December 30, 2019
3.	Last date of filing of the draft letter of offer ("**DLoF**") with SEBI	Monday, January 06, 2020
4.	Last date for public announcement for competing offer(s) as per the DPS*	Monday, January 20, 2020
5.	Last date for receipt of SEBI observations on the DLoF (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Monday, January 27, 2020
6.	Identified Date#	Wednesday, January 29, 2020
7.	Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Wednesday, February 05, 2020
8.	Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Monday, February 10, 2020
9.	Last date for upward revision of the Offer Price/Offer Size	Monday, February 10, 2020
10.	Date of publication of Offer opening public announcement in the newspapers in which this DPS has been published	Tuesday, February 11, 2020
11.	Date of commencement of the Tendering Period ("**Offer Opening Date**")	Wednesday, February 12, 2020
12.	Date of closure of the Tendering Period ("**Offer Closing Date**")	Thursday, February 27, 2020
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Friday, March 13, 2020
14.	Last date for issue of post-Offer advertisement	Friday, March 20, 2020

^ The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and may be subject to receipt of relevant approvals from various regulatory authorities and may be revised accordingly.

**There has been no competing offer as on the date of this DPS.*

 # Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be dispatched/mailed. It is clarified that all the Public Shareholders (registered or unregistered) who own Equity Shares of the Target Company are eligible to participate in the Offer at any time prior to the Offer Closing Date.

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

1. Subject to paragraph 2 of Part VI (*Statutory and Other Approvals*), all Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("**Tendering Period**") for this Open Offer. Please refer to paragraph 7 below of this part, for details in relation to tendering of Offer Shares held in physical form.

2. The Letter of Offer specifying the detailed terms and conditions of this Offer will be mailed to all the Public Shareholders whose name appears in the register of members of the Target Company as at the close of business hours on the Identified Date.

3. Accidental omission to dispatch the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the Letter of Offer may be dispatched to the Public Shareholders of the Target Company is February 05, 2020.

4. Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date but prior to the closure of the Tendering Period of the Offer, or those who have not received the Letter of Offer, may also participate in this Offer.

5. In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer (details at paragraph 7 of Part IX (*Other Information*) of this DPS) on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

6. The Offer will be implemented under the stock exchange mechanism made available by the Stock Exchanges in the form of a separate window ("**Acquisition Window**"), as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and BSE notice no. 20170202-34 dated 02 February 2017, in such a case:
   a. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in the Offer.
   b. The Acquirer has appointed Prabhudas Lilladher Private Limited ("**Buying Broker**") as its broker for the Offer through whom the purchases and settlement of the Equity Shares tendered under the Offer shall be made. The contact details of the Buying Broker are as mentioned below:

      Name: Prabhudas Lilladher Private Limited
      Address: 3rd Floor, Sadhana House, 570 P.B. Marg, Behind Mahindra Tower, Worli Mumbai - 400 018
      Tel.: +91 22 6632 2222
      Email: vijayshah@plindia.com
      Contact Person: Mr. Vijay Shah
      Website: www.plindia.com
      SEBI Registration Number: NSE: INB230597738 / BSE: INB010502855
   c. All the Public Shareholders who desire to tender their Equity Shares under the Offer, would have to intimate their respective stock brokers ("**Selling Broker**") within the normal trading hours of the secondary market, during the Tendering Period.
   d. A separate Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized Equity Shares.
   e. Upon placing the order, the Selling Broker shall provide Transaction Registration Slip ("**TRS**") generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
   f. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Offer.
   g. Modification/cancellation of orders will not be allowed during the Tendering Period.
   h. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by the Stock Exchanges on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
   i. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/Clearing Corporation, before the opening of the Offer.
   j. The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
   k. The cumulative quantity tendered will be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

7. Procedure to be followed by Public Shareholders holding Equity Shares in the physical form:
   a. As per the proviso to Regulation 40(1) of the SEBI LODR Regulations read with SEBI Press Release No. 49/2018 dated December 3, 2018, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
   b. Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Open Offer can do so only after the Equity Shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their Equity Shares dematerialized.

THE DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER

IX. OTHER INFORMATION

1. The Acquirer and its directors, accept full responsibility for the information contained in this DPS (other than: (i) such information regarding the Seller and the Target Company that has been confirmed and verified by them; and (ii) information compiled from public sources, neither of which have been independently verified by the Acquirer or the Manager to the Offer) and shall be responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.

2. The information pertaining to the Target Company contained in the PA or the DPS or Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or from publicly available sources which has not been independently verified by the Acquirer. The Acquirer does not accept any responsibility with respect to any misstatement in relation to such information.

3. The Acquirer accepts full responsibility for its obligations under the Open Offer and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Open Offer.

4. Unless otherwise stated, the information set out in this DPS reflects the position as of the date hereof.

5. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Ernst & Young Merchant Banking Services LLP as the Manager to the Offer.

6. This DPS and the PA shall also be available on SEBI's website (www.sebi.gov.in).

7. The Acquirer has appointed Link Intime India Private Limited as the Registrar to the Offer, whose details are set out here below:

Registrar to the Offer	
LINK Intime	**LINK INTIME INDIA PRIVATE LIMITED** **Address**: C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra, India **Contact Person:** Mr. Sumeet Deshpande **Tel:** +91 22 4918 6200; **Fax**: +91 22 4918 6195 **Email**: indotechtransformers.offer@linkintime.co.in **Website:** www.linkintime.co.in **SEBI Registration No.:** INR000004058

8. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.

Issued on behalf of the Acquirer by the Manager to the Offer	
EY Building a better working world	**ERNST & YOUNG MERCHANT BANKING SERVICES LLP^** 14th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400 028, India **Tel:** +91-22-6192 0000; **Fax:** +91-22-6192 1000 **Website:** www.ey.com/india; **Email:** ittlopenoffer@in.ey.com **Contact Person:** Mr. Chintan Hefa **SEBI Registration No.:** INM000010700

^Ernst & Young Merchant Banking Services Pvt. Ltd. (a company with registration no U67120MH2000PTC129109) converted into Ernst & Young Merchant Banking Services LLP (a Limited Liability Partnership with LLP Identity No. AAO-2287) effective February 7, 2019.

On behalf of the Acquirer:
Shirdi Sai Electricals Limited

Place : Mumbai
Date : December 28, 2019

PRESSMAN

Education

MONDAY, DECEMBER 30, 2019

EXPERT VIEW

In 2020, scholarships combined with education loans will ensure higher gross enrolment ratio. Technology will play the most important role in furthering this trend by connecting students with providers as well as bringing transparency to fund utilisation.

—Manjeet Singh, CEO, Buddy4Study

Shipping containers as schools?

FE BUREAU

AN INNOVATIVE PROJECT has been launched in India to tackle the issue of ensuring quality education for street children within the Commonwealth. Called Project Out of School Children (OoSC), it aims to enrol, educate and empower 127 million children out of school in the Commonwealth nations with a special focus on India's 17.7 million kids. It has been set up by educationalist Amreesh Chandra, and converts renewable shipping containers into classrooms.

Project OoSC will re-purpose ship containers into schools for kids in India

Project OoSC will set up 50 container schools in four states of India, and in Nepal and Bangladesh, by the first quarter of 2020. Thanks to swift assembly, the use of shipping containers helps install education infrastructure easily. Chandra said: "Today there are more children in school around the world than at any other time in history, but there are still 262 million children who are not. Project OoSC will focus on putting infrastructure in place."

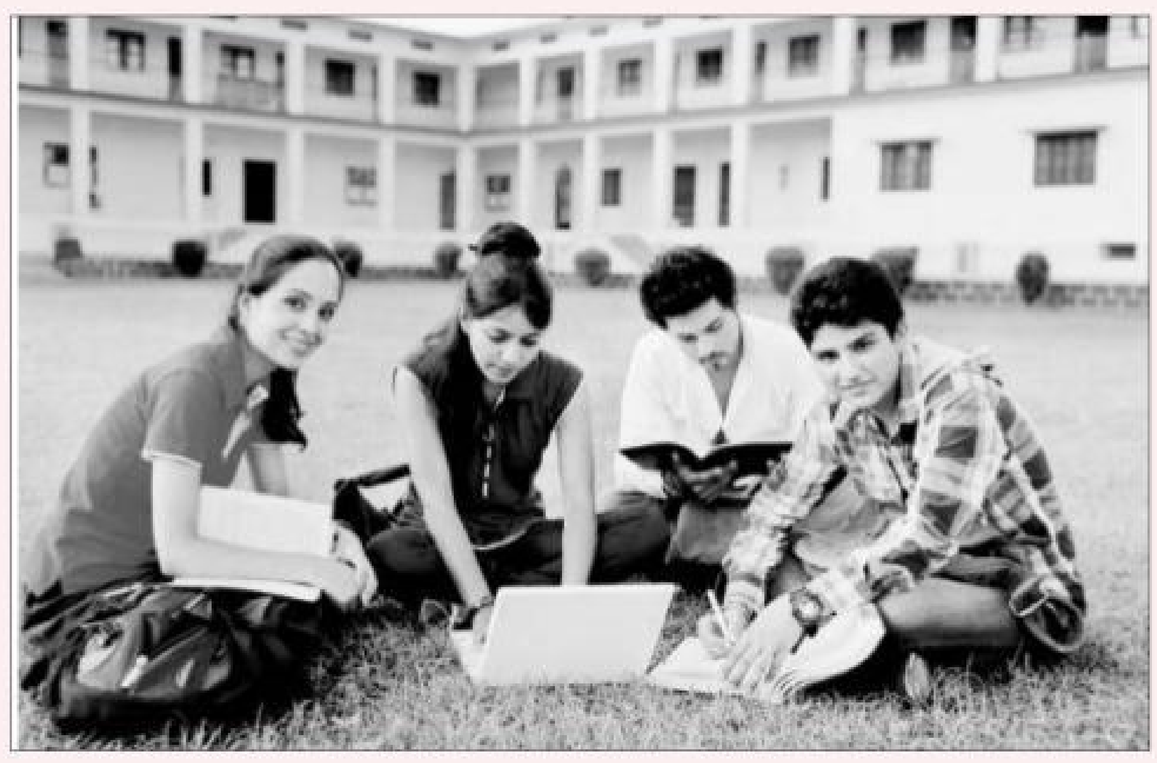
The project, he added, is taking shape in Gorakhpur, UP, the second will come up shortly in Mirzapur, UP, and the third in the outskirts of a village near Jaipur.

MBA 4.0

The year MBA will change

Techno-managerial skills are essential to succeed in the age of Industry 4.0

AMOL SHIMPI



THE UNPRECEDENTED SWAY of technology has mandated a fresh Industrial Revolution, the Fourth, driven by the convergence of digital, biological and physical innovations. Throughout the first two industrial revolutions, it was the innovative curricula that played a role in transforming the technical and managerial capacities of workers. Now, the education system needs to step up again to support the Fourth Industrial Revolution, and this means preparing students who possess techno-managerial skills.

Most premier MBA programmes are now introducing modules that include AI, robotics, genomics, and so on through coursework, case studies, seminars and conferences. The goal is to help students learn the workings of newer career avenues, about new integrated technologies, advantages they can deliver, and the challenges and opportunities for a company that deploys them.

Built environment is an industry that offers students several novel career opportunities, and there are courses such as MBA in Real Estate & Urban Infrastructure, MBA in Construction Project Management, MBA in Construction Economics & Quantity Surveying, and MBA in Infrastructure Management. The growth of built environment in the current industrial and economic scenario has been exponential, leading to transformation in the entire system covering all business functions like human resources, manufacturing, sales and marketing, services, operations, finance and much more.

Interestingly, therefore, MBA 4.0 is first making an appearance catering to the built environment sector. Specialised courses that fall under MBA 4.0 help develop students' strategic thinking, efficiency, managing skills and crisis management. And these are the skills needed the most when implementing Industry 4.0, or the Fourth Industrial Revolution. In 2020 and beyond, we expect to see more and more MBA courses that have a techno-managerial content-a curriculum that integrates theory and applied skills-that prepare students for Industry 4.0.

The author is associate dean & director, RICS School of Built Environment, Amity University, Mumbai

Three edtech trends of 2020

HARI KRISHNAN NAIR

THE SURGE WITNESSED by edtech companies in the professional education space over the last one year has been nothing less than phenomenal. I see three trends shaping edtech in 2020 and beyond.

Revenue growth: We, at Great Learning, have seen significant growth over the past year with professionals increasingly opting for high-quality upskilling courses that can help them achieve career transitions. Many edtech firms are expected to see revenue growth in 2020 and beyond.

Freshers opting for courses in data science, AI, ML: Industry expectations from freshers have changed drastically. Corporates want to hire professionals that are good at new-age skills like devops, data science, machine learning and the cloud. We saw great demand for our data science course that helps fresh graduates build a career in data science and analytics.

Tech firms partnering with edtech platforms: Reskill is the buzzword echoing off corporate walls as companies are driving large-scale initiatives among the existing workforce to build a continuous learning culture. Skilling has become a priority for corporates. In 2020, we will see technology companies partnering with edtech platforms, which will work with corporates to deliver tailor-made programmes keeping in mind the roles and requirements within the organisation.

The author is co-founder, Great Learning

HR TRENDS FOR 2020

Corporate investments into skilling will continue

The ability to learn will rank high for every employee

CHAITANYA N SREENIVAS

THE TALENT MARKET will continue to evolve in 2020 and beyond, changing at a faster pace than ever before. The focus on skill transformation will remain, as organisations will keep up their investments into reskilling and upskilling. The top two trends for 2020 would be:

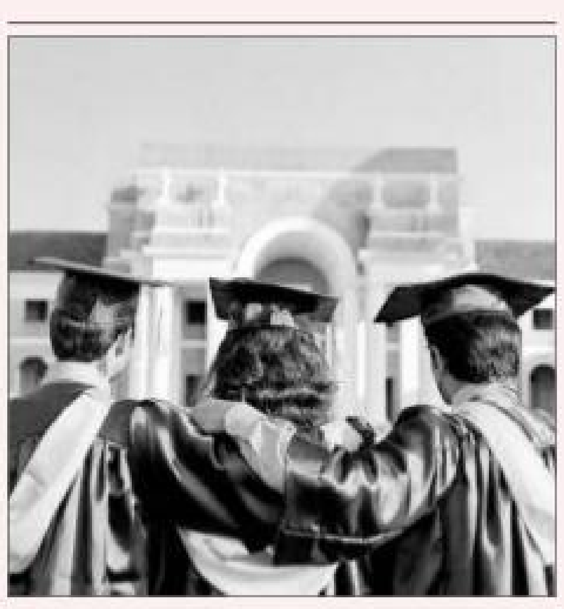
Evolving talent pool: The ability to learn will rank high. For instance, organisations in the technology sector will consider a developer in one domain becoming a full-stack developer with broad capabilities is a greater asset than someone who is doing well as a developer on a specific platform. While adaptability becomes vital, organisations across key industries would look for other skills such as soft skills, collaboration and teamwork. Companies would seek out talent that is comfortable with working alongside or leveraging emerging technologies like AI and data analytics. The capability to work with these technologies would be the new normal. On the supply side, new talent markets will emerge, as groups that are more diverse join the workforce. These diverse groups would include micropreneurs, contingent workers and vocational streams, in addition to traditional graduates.

The shift in talent management: Driven by niche technologies such as AI and machine learning, new ways of work will come to the fore. Organisations will now have the ability to sift through large pieces of (unstructured) data using AI models to provide meaningful, timely and customisable information that is actionable. This dashboard view will enable managers to take better decisions promptly, and cognitive insights will become part of the mainstream tools helping companies.

The author is vice-president & HR head, IBM India and South Asia

How will management education change in 2020

Tomorrow's leaders need both technical & soft skills



VIDHU GAUR

THE TRADITIONAL MBA pedagogy has been disrupted by technology. Massive open online courses (MOOCs) are now common in both B-schools and corporate development programmes. In 2020 and beyond, e-learning will be the go-to choice. According to 'E-Learning: Global Market Outlook (2017-2026)', the global e-learning market can grow from $176.12 billion in 2017 to $398.15 billion by 2026. This tech shift has led to MBA courses turning advanced, specialised and progressive.

According to Oxford Economics, the anticipated skill sets of the future are: digital skills, agile thinking skills, interpersonal & communication skills, and global operating skills. The paradigm of workforce is also changing. According to PwC, 37% are worried about automation, the internet of things and industry 4.0. At the same time, alternative workforce is getting mainstream. Managers are supposed to lead a team with a diverse mix of people through 'unified communication', considering and tackling the issues of inclusion, fairness, trust. Deloitte notes in a report: "For organisations that want to grow and access critical skills, managing alternative forms of employment is critical."

Here comes the importance of 'leadership'. While organisations are restructuring 'the purpose of corporations', which now sparingly serves shareholders' interests, business leaders are required to be laser-focused in their principles. To be an impactful leader, Gartner recommends the following: Promote open dialogue to create a more collegial and informal work environment, focus on upskilling employees to improve perceptions of co-worker quality, and tailor digital business training to build capacity and digital dexterity.

At this outset, one thing is certain: Management education is as dynamic as business. While the digital transformation is both a challenge and an opportunity for an organisation, business leaders of tomorrow need to have the synergy of both technical and soft skills. In 2020 and beyond, entrepreneurial thinking, adaptive leadership styles, and being highly resilient are the qualities that need to be honed by the B-schools in their students. In other words, embracing technology with ethics at heart is the future.

The author is assistant professor, Business Communication Area, MDI Gurgaon

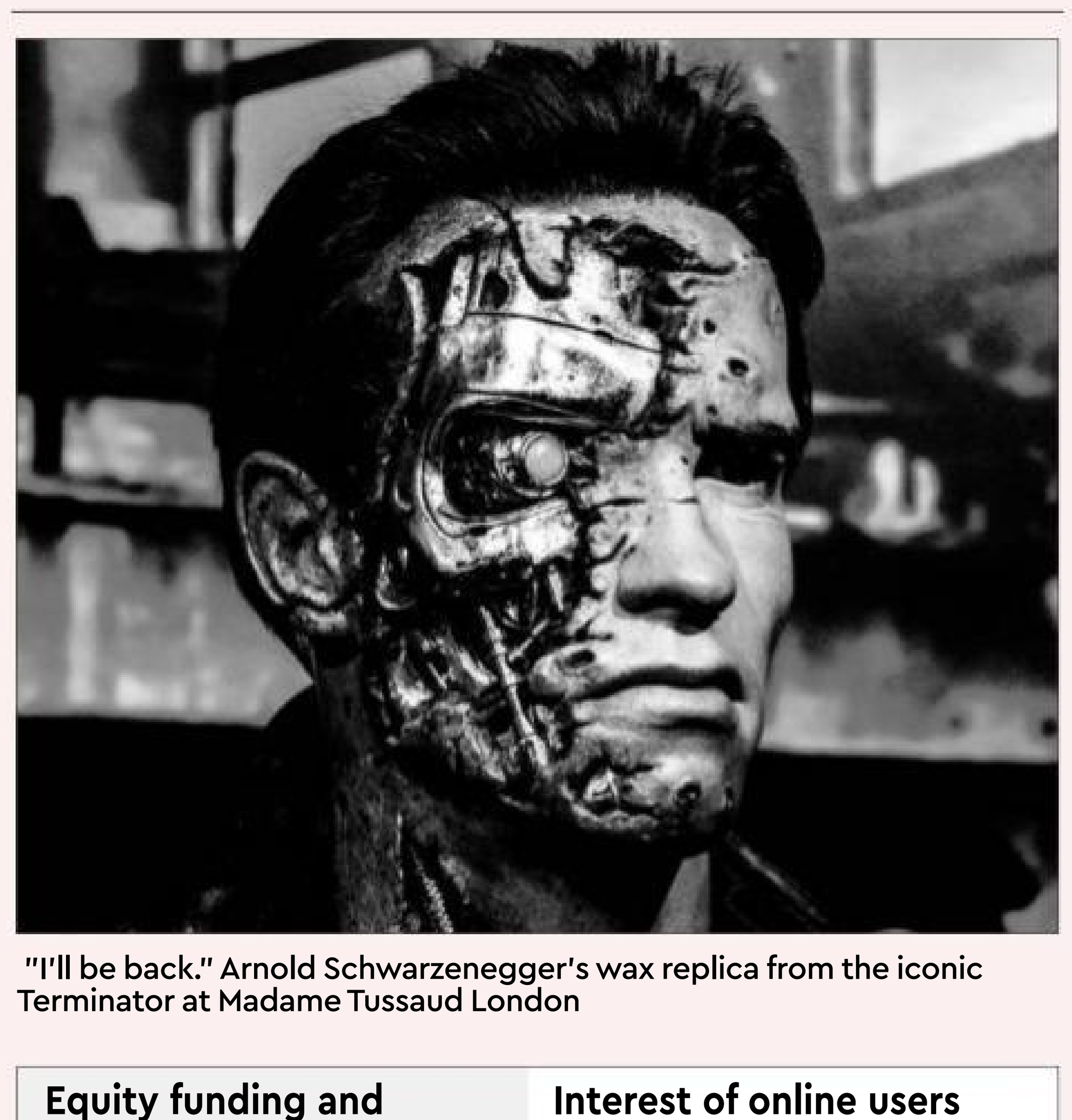
Science & tech

EAVESDROPPER

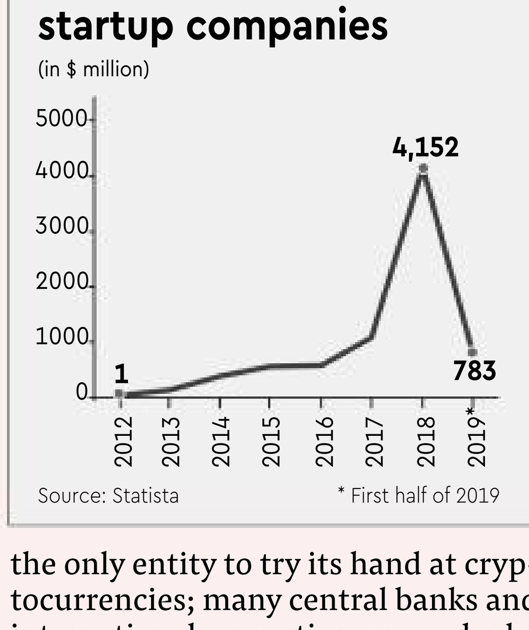
The year of comebacks

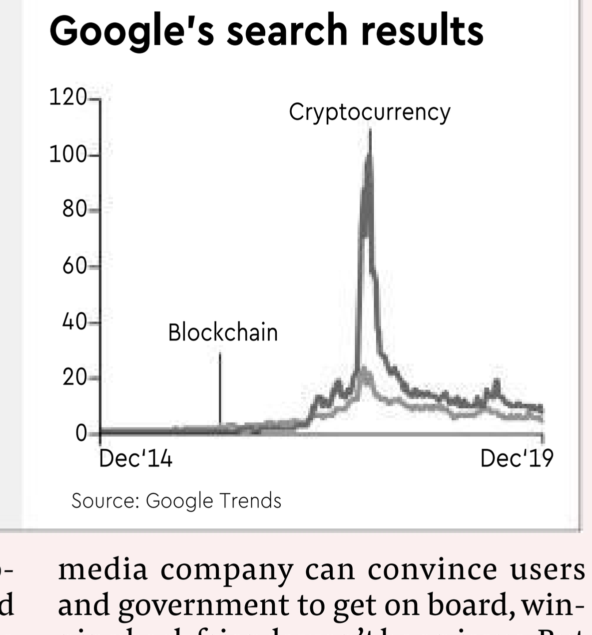
Blockchain will make a big impact in 2020, but AR & VR still have a long way to go

ISHAAN GERA



"I'll be back." Arnold Schwarzenegger's wax replica from the iconic Terminator at Madame Tussaud London





THE YEAR, 2017, among other things, is remembered for bitcoin. The cryptocurrency, then in existence for eight years—it was launched in 2009—jumped in value from a $900 to over $20,000. There was a rush to buy bitcoins, everyone who had purchased them at $20 or $30, thought they had struck gold. A lot of people started doing bitcoin mining to try their fortunes in the modern-day version of the gold rush, an e-gold rush.

A lesser development was the technology that powered bitcoin, called blockchain, had started gaining currency. Investment in blockchain start-ups doubled to $1,053 million, from $550 million in 2015 and $524 million in 2014. A year earlier, Pokemon Go, had taken the markets by storm. As more people took to smartphones, the game found millions of users around the world. Some even crossed continents to find Pokemons that they could not have found in their own country or continent. More than its ability to showcase how big gaming was to become in coming years, Niantic—Pokemon Go—showed that Augmented Reality could be significant as well.

Companies did find other uses to AR than just gaming. They used it to showcase products, but the enthusiasm for the futuristic technologies, both AR and VR, died as years progressed. Only limited games use AR and VR interfaces. Given the prohibitive cost of devices, it will not be easy for the technology to take off. What Pokemon had done was only replicable for specific use-cases.

Blockchain did evince investor interest till 2018. Funding tripled from 2017 to $4.1 billion—the biggest jump since 2014 when start-ups garnered $357 million as compared to $97 million in the previous year—but this withered away in 2019. In the first half of the year, blockchain start-ups could only attract $783 million worth of funding, with investments slowing there is little hope it shall surpass the $4.1 billion figure.

2019 was instead the year for mobile phones. In a break from trend—companies have been introducing incremental changes (read camera improvements) for years—Samsung and Motorola introduced foldable screens. Although it's difficult to measure the success, it will surely upend the market given the interest they have been able to generate, and how they have been able to make it possible for, at least, smartphones and tablets to achieve singularity.

2020 could mark the comeback of blockchain; AR and VR still have a long way to go. Jobs and artificial intelligence would, undoubtedly, garner more headlines, but blockchain could hit it big, along with cryptocurrencies.

For starters, Facebook would launch its currency Libra, trying to take over the finance market. Given that the company has saturated in terms of growth, it is evident that it will venture into other domains. But Facebook is not the only entity to try its hand at cryptocurrencies; many central banks and international consortiums may also be ready with their currency launches. Fortunes won't turn too drastically for bitcoin—more governments are banning it as they believe it used for money laundering by cartels—but the coming of Facebook currency would certainly upend global finance. Imagine, over a billion users being able to transact easily using the wallet (Calibra) in a currency that Facebook wants. Many have since left Facebook's consortium over privacy and security concerns, but if the Menlo Park headquartered social media company can convince users and government to get on board, winning back friends won't be an issue. But not until Facebook gains user confidence, it can roll out its currency. And, that may require some give and take.

Facebook will need to share some of these gains with the people. A revenue-sharing arrangement, where the company deposits money into people's accounts for using their data. If Facebook does dispense off a few Libra to each person, it would undoubtedly start a market. By not allowing the currency to leave its platform, and onboarding small businesses, it will be able to help money make more money. Combined with cashback and discounts, the model can work in Facebook's favour. It would not just be a social media platform; it will be the world's biggest bazaar. Another issue that is of paramount importance is security, and this is where blockchain gains significance.

As people use more technology, they would want secure systems. Someone using an automated home would never want anybody sitting in a remote part of the world, gaining access to their house. Besides, the situation becomes even more precarious, if that someone can access a hospital's database and control everything that is one the cloud, even the life-saving equipment. This is where blockchain becomes useful. Even if one can gain access to a single block, it will be impossible to hack into the entire network. So, while hackers may still be able to cause some damage, it would not turn into a catastrophe.

The technology may have gone into slumber over the last year, but it will score big in 2020. Governments may come to rely more on blockchain as they integrate public services with the internet. Hospitals are one example. Telangana has been experimenting with technology for land records; the Indian government may also do so. But more important, it can help in voting. With most countries recording low voter turnouts, blockchain can provide an easy way out. The government can empower people to vote using their phones.

Banking and insurance have more use cases for blockchain. Not only can it reduce the time for transactions, but trade finance and insurance will get more accessible with the technology. Smart contracts are one feature that will make insurance processes smoother. International transactions can become cheaper, as well. All banks will have to do is integrate one blockchain with another, or make two systems interactive.

With a host of blockchain apps available for messaging and email, consumers can benefit too. Even companies may adopt technology for shareholder voting.

What blockchain does, most of all is help developing economies better their structures. Institutions in these countries are weak, and leakages are high, blockchain can address this problem. Every data point gets recorded, and every change is marked, ensuring trust between counter-parties.

AR & VR are still far off for the world. We'd see more companies using AR & VR to push more products, but don't expect too many changes in the technology. Not unless a Pokemon Go is hiding somewhere ready to surprise the market. Even then till the devices don't become affordable AR or VR won't take off.

As for twistable, foldable, wrappable and portable technologies, there is undoubtedly much more to come.

ishaan.gera@expressindia.com

HR practices that need a relook in 2020

NAVNEET TRIKHA

THE NEXT DECADE is likely to introduce more start-ups, newer technologies, gig economy, aggregator set-ups, and use of analytics to focus on serving each customer uniquely. This presents a unique set of challenges on the people front as well. Many HR practices will need a relook—the process-centric approach in HR will have to accommodate employee-centricity.

Renewed customer-centricity of businesses may require HR to revisit organisation structures and combine hierarchies along with matrix reporting arrangements with loosely-structured, empowered, flexible, mix-and-match and tenured project teams. Also, the pyramids of workflow would get reshaped, and learning agility, competence and adaptability will take precedence over experience and expertise.

Learning agility, competence, adaptability will take precedence over experience and expertise

The emergence of new roles and available capabilities may redefine the dynamic boundaries of role and, therefore, flexibility in hiring could be the norm, rather than going by fixed job description.

The dimensions of compensation and benefits, and recognition for the workforce of the future will be quite different. Besides being competitive, such practices have to focus on differentiating individual identity, help employee see meaning in the job.

Leadership development would focus on cultivating behaviours that drive inclusivity, greater levels of sensitivity, continuous coaching, with feedback and feed-forward. The HR practices of tomorrow will be highly business-aligned, unique for employees and flexible in their approach.

The author is head, HR, Godfrey Phillips India