श्री LAKSHMISHREE

Gateway to your Financial Goals

Bulls Exhausted, Nifty Near A Potential Top !!

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Invest Today,

For

Better Tomorrow !!

From Managing Director's Desk To Readers

Sector rotation playing out in the market. Where should you look for opportunities?

"Fluctuations are synonymous with the Stock Market." And timely sector rotation turns out to be the best possible strategy to gain better investment opportunities for every investor. It has already been one year into the COVID-19 pandemic and everyone is quite familiar with the term "unpredictability."

This definitely makes one point clear that the Indian IT sector has a long way to go. It remains in a really solid placement as well as moving forward, the IT sector will certainly see substantial development. IT sector is experiencing a multi-year change. It is really clear that the IT sector remains in a growing phase. The emphasis obviously will get to contracting as well as brand-new age innovations.

Now coming to recent IPOs of Shyam Metalics and Sona Comstar, both had their own merits. Shyam is for a short- to medium-term view because the metal supercycle is on and there are a lot of interesting things happening in the metal space now. Hence if you want to enter the stock even at current levels post the listing gains, you can, but one has to be nimble. The investor will have to keep watching the space very carefully for incremental gains from current levels.

Sona by and large in terms of the entire components theme is a long-term play. It is believed that some of the auto component players have a better global footprint and global acceptability vis-à-vis, Indian automobile manufacturers. Yes, India is a great market that will do well, but auto components have a better prospect of future growth and becoming global players. That is what is pretty much happening; whether you look at Motherson, Bharat Forge, and some of the other leading auto components players.

The automobile field is anticipated to do well. As the event period begins, we will certainly need to see just how the numbers placed in the marketplace are declared for both automobiles as well as automobile ancillaries.

Sona can get there. They have the right ingredients. Somebody with a long-term view of the market can buy Sona. As far as pesticides are concerned, it is a niche play, but in a niche where there is a lot of excitement at this stage, investors can look at buying this for medium- to short-term or maybe even listing gains.

There was a change of guard with respect to Tata Motors. How are you looking at how the company has performed so far being at the helm and what are the challenges that you see ahead?

They have definitely recovered quite a lot of ground. A couple of years back, people were completely bearish. Things have turned around quite a bit. JLR had been doing pretty well even in those days, but after that, the pandemic hit JLR volumes as well. But things are looking up as far as JLR is concerned and that does augur very well for Tata Motors.

Domestic market CV cycle pick up will definitely benefit Tata Motors in a big way and we are expecting domestic business to start doing well after a very long time. Also, the new launches on the domestic passenger car segment have shown some traction. Overall, the developments over the past few months have been promising, except their failure to get a CEO in place in time to replace the existing one and that is a little unfortunate. But it has the band strength as well as the strength of the Tata Sons board to guide the company this time.

Otherwise, it is cautiously optimistic on the Indian automobile sector and that does include Tata Motors; though Tata Motors has a significant overseas component through JLR it has to be carefully watched with regard to the developments on the global economic front, including China where JLR has a significant presence.

Given the sector rotation that is playing out within the markets, is there any opportunity to buy afresh or anything that you are closely monitoring and keeping on your radar?

Absolutely. There are still buying opportunities and it is believed that the domestic economy-facing sectors particularly in the space of infrastructure, construction, and capital goods do look good. There is deep value in some of these stocks. The investor should definitely look at Larsen & Toubro. It is a great company and we all know about it. The infrastructure spends of the government-private CAPEX are getting revived. With hydrocarbon CAPEX coming back and L&T moving away from unrelated diversification, it all benefits the company and it will definitely show up in their P&L, return ratios, as well as working capital. The target of Rs 1,700 is set on L&T for one year.

Mahindra and Mahindra and on a similar radar as L&T and they are undoubtedly a great tractor company. With agri getting the third consecutive year of good monsoon and the rural economy getting a lot of financial benefits out of record agri commodity prices as well as the government benefit transfers, tractor demands are going to definitely go up and investors should definitely look at Mahindra for that. Apart from that, commercial vehicle cycle and SUV demand pick up is on the cards and this also does help Mahindra. Their capital allocation also has improved and they are talking about getting out of unrelated businesses and improving their return ratios too. So that makes Mahindra & Mahindra attractive. A target of Rs 1,000 is observed for a one-year period and that also can be acquired by investors at current levels.

Salil Shah

Managing Director
Lakshmishree Investments & Securities Pvt Ltd

Macroeconomic data, vaccination, global trends to dictate markets: Analysts

Macroeconomic data, the pace of vaccination, and global trends would be the major drivers for the domestic equity markets this week.

Besides, the progress of the monsoon will also be monitored.

This week marks the beginning of the new month also, so participants will be eyeing the high-frequency indicators like auto sales and manufacturing PMI during the week. Besides, the progress of the monsoon will also remain on their radar.

While the pace of vaccination drive is certainly encouraging as it gives hope of further unlocking by the states, the cases of new COVID variants might derail the plans.

This week, the market is expected to continue its focus on global events as the domestic market lacks key triggers. Manufacturing PMI data is the major domestic economic data awaiting its release this week.

Market participants would also monitor the movement of Brent crude, investment pattern of foreign institutional investors, and the rupee.

Domestic indices are expected to mirror global equities. June auto sales numbers would give investors a fair idea of the revival of ground-level sentiment.

Investors will be watching the progress on daily caseload, vaccination ramp-up, and monsoon progress in the near term.

During the last week, the 30-share BSE benchmark gained 580.59 points or 1.10 percent.

Look What Our Research Analyst Has To Say…

NIFTY CHART

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FOR THE MONTH OF JULY 2021

The index finally in the month of June broke out of the 4 month old range which started to form in Feb 2021 and is making a base pattern on the daily charts. A retest of range high 15430, in July cannot be ruled out and if bulls manage to hold the levels, then towards the end of July we can expect 16250-16400 levels to be tested. On the contrary if bears manage to get the index back into the range below 15430 then a deeper correction towards the range bottom at 14260 will come into play and the next quarter can be challenging for the bulls and the markets as well.

Anshul Jain

Research Analyst

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Stocks To Watch

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1. The Phoenix Mills Ltd.

Industry	LTP	Recommendation	Target Price	Time Horizon
Realty	Rs. 815.2	Buy at LTP and add on dips to Rs. 727-735 band	Rs. 973	2-3 Quarters

Shree Varahi Scrip Code	PHOENIXLTD
BSE Code	503100
NSE Code	PHOENIXLTD
Bloomberg	PHNX:IN
LTP 30th June, 2021	815.2
Equity Capital (Rs Cr)	34.4
Face Value (Rs)	2
Market Cap (Rs Cr)	17.2
Adj. Book Value (Rs)	13,995
Avg. 52 Week Volumes	284.5
52 Week High	370654
52 Week Low	889.6

Share Holding Pattern % (Mar, 2021)	
Promoters	45.5
Institutions	50.8
Non Institutions	3.7
Total	100.0

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Our Take...

Phoenix Mills Ltd (PML) is a leading retail mall developer and operator in India. It has pioneered in retail-led, mixed-use properties in India and has developed over 17.5 mn sq ft of retail, hospitality, commercial, and residential asset classes. The company has an operational retail area of approximately 7 mn sq ft, spread over nine operational malls in six gateway cities of India. It is also developing five malls with over 6 mn sq ft of retail space in five gateway cities. Besides retail, it operates commercial offices and has a gross leasable area of 1.5 mn sq ft. It plans to add approximately 5 mn sq ft of commercial office space across existing retail properties, going forward.

Consumption increased from Q3FY21 onwards on account of (a) increase in mall operating hours across cities, (b) resumption of F&B and

(c) festive season pick-up. Consumption across all malls grew around 5% QoQ to Rs 1,440 crore in Q4FY21 (Rs 3,330 crore for the full year FY21, 69% approximately of the FY20 level on a like-to-like basis). Gross consumption reached approximately 100% of Q4FY20 levels. Excluding the contribution of Phoenix Palassio, which was launched in July 2020, consumption recovery was 90% on a like-to-like basis in Q4FY21 versus Q4FY20. In line with consumption, retail collections continued to witness sharp improvements. Collections further improved 42% QoQ to Rs 370 crore in Q4FY21, taking the total collection to Rs 760 crore in FY21.

Similar recovery trends have been observed in footfalls and four-wheeler traffic at Phoenix malls during Q4FY21, where footfalls and four wheelers across all malls were at 83% and 93% respectively of the previous year's level. Further, PML is looking for inorganic growth and new markets to diversify its geographical presence, in places like Hyderabad, Chandigarh, Kolkata and Gurgaon, apart from being present in Mumbai Metropolitan Region and Bengaluru.

Supply shrinkage, low interest rates, pent-up demand, economic easing and strong IT/ITES sector are driving presales to a lifetime high for retail mall developers. Launches may help sustain the momentum due to pent-up demand.

Valuations...

In FY21, PML posted good consumption, footfalls, and collection numbers as the economy gradually opened. We expect stronger recovery (owing to pent-up demand across the country), after the economy opens, following the second wave (though now there are talks of a third wave). FY21 retail rental income stood at Rs 563.2 crore - 55% of FY20 rental - higher than the initial guidance of 45-50%. Even during the worst phase for the retail industry, PML has achieved impressive preleasing at attractive rentals for its under construction malls - palladium Ahmedabad (50% pre-leased at Rs 155 per sq ft per month), Hebbal Bengaluru (30%, Rs 160 pspm) and PMC Indore (65%, Rs 90 pspm). Its Lucknow mall with 189 brands (24 additional stores) has performed exceedingly well in Jan, Feb, and March with Rs 135 crore of consumption in Q4FY21 and 75% trading occupancy.

Strong traction was seen in residential sales, mainly as the Kessaku property was reconfigured into smaller units and there was robust demand for ready-to-move-in inventory. The company sold and registered agreements for inventory worth Rs 63 crore during Q4FY21 and Rs 172.5 crore during FY21. Q4FY21 collections were Rs 49.9 crore and Rs 138.9 crore for FY21.

Although the second wave and expectations of a third wave has dampened the near-term prospects, the long-term outlook is positive. We currently like the stock, given the company's (a) large scale mall business, (b) healthy internal accruals leading to positive cash flows, (c) low debt, (d) aggressive capex, (e) QIP fund raise/investments by GIC/CPPIB, (f) geographic diversification, (g) FDI inflows, and (h) expected recovery in retail consumption.

Financial Summary...

Particulars (RsCr)	4QFY21	4QFY20	3QFY21	YoY-%	QoQ-%	FY19	FY20	FY21E	FY22E	FY23E
Total Operating Income	385.8	399.2	337.8	-3.4	14.2	1981.6	1941.1	1073.3	1615.1	2143.0
EBITDA	173.4	204.3	158.8	-15.1	9.2	993.1	967.1	494.2	693.0	1158.4
Depreciation	52.0	54.5	53.1	-4.7	-2.0	204.2	207.6	209.4	256.1	266.8
Other Income	49.6	10.4	15.1	377.1	228.1	85.1	58.5	92.3	61.4	64.4
Interest Cost	80.7	84.0	85.7	-3.9	-5.8	350.6	347.8	347.8	294.8	315.5
Tax	26.0	27.9	-24.9	-6.7	-204.3	109.8	122.1	-4.7	40.7	128.1
APAT	46.6	46.7	65.4	-0.1	-28.7	421.1	334.7	52.6	170.2	452.0
Diluted EPS (Rs)	2.7	2.7	3.8	-0.1	-28.7	27.5	21.9	3.1	9.9	26.3
RoE-%						12.2	8.4	0.9	2.6	7.9
P/E (x)						29.6	37.3	266.1	82.2	31.0
EV/EBITDA						16.6	17.2	34.7	25.8	15.1

Income Statement...

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
Net Revenues	**1981.6**	**1941.1**	**1073.3**	**1615.1**	**2143.0**
Growth (%)		-2.0	-44.7	50.5	32.7
Operating Expenses	988.4	974.0	579.1	922.1	984.6
EBITDA	**993.1**	**967.1**	**494.2**	**693.0**	**1158.4**
Growth (%)		-2.6	-48.9	40.2	67.2
EBITDA Margin (%)	50.1	49.8	46.0	42.9	54.1
Other Income	85.1	58.5	92.3	61.4	64.4
Depreciation	204.2	207.6	209.4	256.1	266.8
EBIT	**874.0**	**818.0**	**377.0**	**498.3**	**956.1**
Interest	350.6	347.8	347.8	294.8	315.5
Exceptional items	48.1	7.8	0.0	0.0	0.0
PBT	571.6	478.0	29.2	203.5	640.6
Tax	109.8	122.1	-4.7	40.7	128.1
RPAT	**461.7**	**355.9**	**33.9**	**162.8**	**512.5**
APAT	**421.1**	**334.7**	**52.6**	**170.2**	**452.0**
Growth (%)		-20.5	-84.3	223.6	165.5
EPS	**27.5**	**21.9**	**3.1**	**9.9**	**26.3**

Balance Sheet…

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
SOURCES OF FUNDS					
Share Capital	30.7	30.7	34.4	34.4	34.4
Reserves	3443.5	3677.7	4850.4	4950.3	5332.0
Total Share-holders Funds	**3474.1**	**3708.3**	**4884.8**	**4984.7**	**5366.3**
Minority Interest	**1223.3**	**1278.8**	**1319.0**	**1351.6**	**1454.1**
Long Term Debt	3694.6	3629.3	3016.1	3416.1	3216.1
Short Term Debt	549.1	702.2	637.6	637.6	637.6
Total Debt	4243.7	4331.5	3653.7	4053.7	3853.7
Deferred Taxes	-139.0	-61.2	-123.7	-123.7	-123.7
TOTAL SOURCES OF FUNDS	**8802.2**	**9257.4**	**9733.8**	**10266.3**	**10550.4**
APPLICATION OF FUNDS					
Net Block	6148.9	6079.5	6901.3	6876.0	6978.7
CWIP	896.0	1534.1	1274.0	1608.1	1684.1
Goodwill	371.1	371.1	371.1	371.1	371.1
Investments, LT Loans & Advances	745.0	589.7	574.0	674.0	774.0
Inventories	898.6	816.1	768.2	718.2	668.2
Debtors	195.5	201.7	295.0	305.0	315.0
Cash & Equivalents	192.0	140.7	513.9	157.0	333.1
ST Loans & Advances, Others	529.8	753.2	634.0	649.0	664.0
Total Current Assets	**1815.9**	**1911.7**	**2211.0**	**1829.2**	**1980.3**
Creditors	147.9	111.7	84.7	93.2	102.5
Other Current Liabilities & Provisions	1026.9	1116.9	1512.9	999.1	1135.3
Total Current Liabilities	**1174.8**	**1228.7**	**1597.6**	**1092.2**	**1237.8**
Net Current Assets	**641.2**	**683.1**	**613.4**	**737.0**	**742.5**
TOTAL APPLICATION OF FUNDS	**8802.2**	**9257.5**	**9733.8**	**10266.3**	**10550.4**

2. Tata Coffee Ltd.

Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Coffee	Rs. 178	Buy at LTP and add on dips to 157-161 band	Rs. 194	Rs. 211	2 Quarters

Shree Varahi Scrip Code	TATACOFFEE
BSE Code	532301
NSE Code	TATACOFFEE
Bloomberg	TCO IN
CMP June 25, 2021	178
Equity Capital (Rs Cr)	18.68
Face Value (Rs)	1
Eq- Share O/S(Cr)	18.68
Market Cap (Rs Cr)	3321
Book Value (Rs)	73.2
Avg. 52 Week Volumes	2576177
52 Week High	193.5
52 Week Low	77.6

Share Holding Pattern % (Mar, 2021)	
Promoters	57.48
Institutions	6.07
Non Institutions	36.45
Total	100.0

Our Take…

Tata Coffee Ltd (TCL), a 57.48% subsidiary of Tata Consumer Products Ltd (TCPL), is among the world's largest integrated coffee companies with its own coffee plantations, coffee-curing factories, roasted and ground (R&G) coffee facility, and instant coffee production plants. Besides, it is also the largest corporate producer of Indian origin pepper and has tea estates producing certified Orthodox and CTC teas. With a total area of around 18,000 acres under coffee cultivation, spread over two districts in Karnataka and one estate in Tamil Nadu, TCL accounts for around 3% of the total coffee produced in India. The company also has six tea plantations in south India, with a total area of around 5,900 acres, which produces around 5.6 million kg (MKg) of black tea. The whole plantation, apart from one small tea estate, is freehold land owned by TCL with around 22,500 acres of area under ownership. About 10,000 MT Arabica and Robusta coffee beans are produced every year by the company. It also owns a coffee curing plant at Kushalnagar with an installed capacity of over 20,000 MT, including a coffee roasting facility to cater to Tata Starbucks. The instant coffee business of TCL is supported by its manufacturing plants, which have an installed capacity of ~ 8,400 MT in Telangana and Tamil Nadu.

The company entered the US market by virtue of its acquisition of Eight O'Clock Coffee Company (EOC) in June 2006. Apart from being the fifth-largest bagged coffee brand, EOC has a vibrant portfolio of consumer brands. In May 2019, TCL commissioned a 5,000 MT freeze-dried instant coffee plant in the Robusta heartland of Vietnam. The company is an exclusive supplier to Tata Starbucks; it is gaining ground in a fairly new B2C business through Tata Coffee Grand and a premium brand Sonnets, which is marketed and distributed by TCPL.

Valuations…

TCL is Asia's largest integrated coffee company, the second largest exporter of instant coffee, and the foremost producer of specialty coffee in India. In our view, it remains an undervalued stock, primarily due to the volatile plantation business and relatively high debt (though D/E down to 0.6x in FY21 vs 0.9x in FY20). The plantation vertical is likely to grow in high-single digit, driven by higher crop produce (due to replanting in the past 4-5 years) and superior realisations. The strategy to produce high premium grade coffee, tea, and pepper and focus on profitable cash crops augur well for the company's margin. EOC is likely to build on to its growth momentum through dedicated brand building, revamped distribution, and product innovation. The instant coffee divisions (both in India and Vietnam) are already running at full capacity; thus, margin improvement is likely to be led by higher realisation and cost optimisation. Hence, with alignment of the growth levers, going ahead, we expect increasing profitability and debt reduction, as robust cash flows would prop up the returns. We recommend a buy on the stock at LTP and add on further dips to Rs 157-161 band for a base case target of Rs. 194 (17xFY23E EPS) and a bull case.

Financial Summary…

Particulars (RsCr)	Q4FY21	Q4FY20	YoY-%	Q3FY21	QoQ-%	FY19	FY20	FY21	FY22E	FY23E
Net Revenues	591	517	14.4	533	11.0	1804	1966	2255	2447	2684
EBITDA	94	77	22.4	96	(2.0)	243	321	387	433	483
APAT	43	32	36.4	10	335.9	69	82	134	173	213
Diluted EPS (Rs)	2.30	1.69	36.1	0.53	334.0	3.7	4.4	7.2	9.2	11.4
P/E (x)						48.3	40.3	24.9	19.3	15.6
EV/EBITDA						18.2	13.8	10.8	9.1	7.6
RoE-%						6.0	6.8	10.2	12.0	13.2

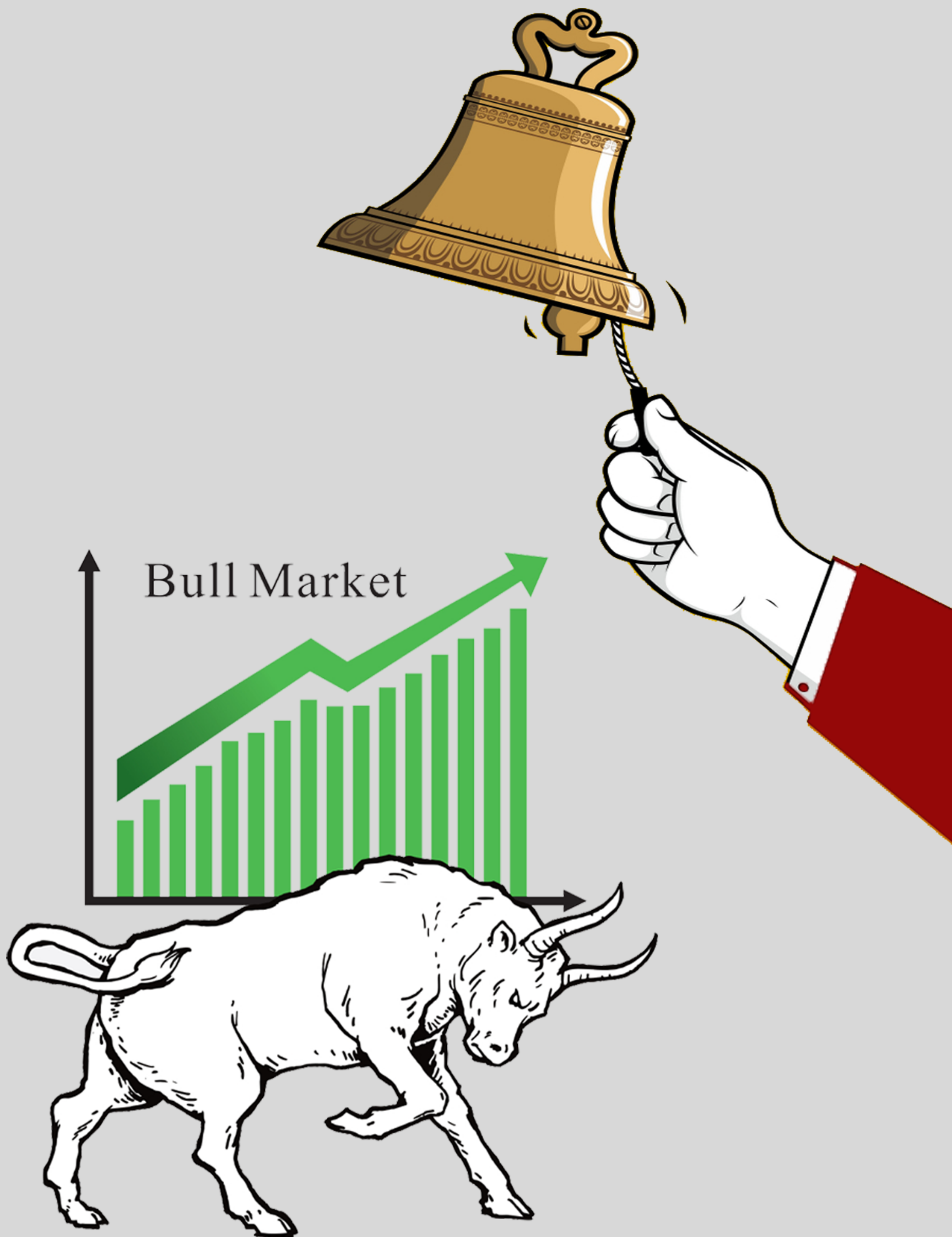
Income Statement…

(Rs Cr)	FY19	FY20	FY21	FY22E	FY23E
Net Revenues	**1804**	**1966**	**2255**	**2447**	**2684**
Growth (%)	15.10%	9.00%	14.70%	8.50%	9.70%
Operating Expenses	1561	30144	31326	34270	37215
EBITDA	**243**	**321**	**387**	**433**	**483**
Growth (%)	-4.0%	31.8%	20.7%	11.9%	11.6%
EBITDA Margin (%)	**13.5%**	**16.3%**	**17.2%**	**17.7%**	**18.0%**
Depreciation	57	81	83	86	90
Other Income	30	25	34	37	40
EBIT	**216**	**265**	**338**	**384**	**433**
Interest expenses	46	65	54	47	39
PBT	170	200	284	337	394
Tax	63	59	73	84	99
APAT	**69**	**82**	**134**	**173**	**213**
Growth (%)	3.80%	4.20%	5.90%	7.10%	7.90%
EPS	**3.7**	**4.4**	**7.2**	**9.2**	**11.4**

Balance Sheet…

As at March	FY19	FY20	FY21	FY22E	FY23E
SOURCE OF FUNDS					
Share Capital	19	19	19	19	19
Reserves	1162	1236	1351	1495	1680
Shareholders' Funds	**1180**	**1255**	**1370**	**1514**	**1699**
Borrowings	1155	1226	1157	942	777
Net Deferred Taxes	129	134	139	139	139
Long Term Provisions and Others	39	141	130	132	167
Minority Interest	362	430	450	530	613
Total Source of Funds	**2866**	**3185**	**3246**	**3258**	**3395**
APPLICATION OF FUNDS					
Net Block	1864	2461	2351	2339	2345
CWIP	391	61	47	23	12
Investments	60	50	33	33	33
Otner Non-current assets	79	19	28	30	30
Total Non Current Assets	**2394**	**2591**	**2459**	**2426**	**2420**
Inventories	370	416	428	495	540
Trade Receivables	172	243	213	255	257
Cash & Equivalents	51	110	285	312	424
Other Current Assets	202	203	185	181	191
Total Current Assets	**794**	**972**	**1111**	**1243**	**1413**
Trade Payables	113	154	129	161	169
Other Current Liab & Provisions	210	225	195	250	268
Total Current Liabilities	**323**	**379**	**324**	**411**	**438**
Net Current Assets	471	594	787	832	976
Total Application of Funds	**2866**	**3185**	**3246**	**3258**	**3395**

This Might Impact Your Investments !!



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India needs a National Health Service like in Britain to combat the coronavirus pandemic

The question needs to be asked: If we could follow the Westminster style of democracy, why couldn't we have emulated the British National Health Service (NHS), the United Kingdom's publicly funded health-care system whose 75th anniversary is being observed this year? Founded in 1946 a year after World War Two ended, the NHS was the brainchild of the Labour government's minister for health Aneurin Bevan who, at the age of 13, had to work in the coal mines in Wales due to poverty before he became an activist and a full-time Labour Party member. Born in 1897 in Tredegar in Wales, Bevan was inspired by the Tredegar Medical Aid Society which had a system where, in return for contributions from its members, health-care was provided free at the point of use to everyone in the town, including those who could not afford to contribute.

When Labour won the first post-war election on July 5, 1945, Clement Attlee appointed Bevan as the minister for health. The first thing Bevan did was to `Tredegarise' health services for the UK through the National Health Service Act, 1946. There was a lot of resistance, not just from the opposition Conservative Party but from a section of doctors who saw their profession not as a service but as a way of minting money in a post-war Britain where the supply-demand ratio was heavily tilted in favour of those providing medical services. However, Bevan stood firm. "No society," he said, "can legitimately call itself civilized if a sick person is denied medical aid because of a lack of means."

Primarily funded by the government from general taxation, the NHS provides healthcare to all legal UK residents, with most services free at the point of use. Emergency treatment and treatment of infectious diseases are free for most people, including visitors. Today, the NHS is a lasting legacy to the vision of Bevan who was far ahead of his time and ideologically opposed to the colonial, imperialist policies propagated by the likes of Winston Churchill. It was the Labour Party government which insisted on Independence for India, much against the wishes of the then Leader of the Opposition, Wnston Chuchill. The NHS may have started off as a British concept but much of it today is Indian in implementation. Many of the doctors and nurses are Indians who have either migrated or are the children and grandchildren of immigrants.

Today, if the UK has a much better Covid vaccination-rate than not just its European neighbours but many countries throughout the world, it is because of the crucial contribution of the NHS. Only 12 to 14 months ago, it looked as if the UK was being overwhelmed by the coronavirus, with even the British Prime Minister Boris Johnson being infected and admitted, when his condition worsened, to the ICU of London's St Thomas Hospital, with the health secretary Matt Hancock (who also tested positive and was in home isolation) stating that "I know he (Johnson) will receive the best possible care from the amazing NHS." Both Johnson and Hancock recovered but the situation was particularly grim towards the end of 2020 and the beginning of 2021.On January 20, 2021, the UK posted a record high of 1,823 deaths, the most for a single day since the pandemic began. On January 8, 2021, the number of new cases for a single day in the UK, touched a record high of 67,841. By January 31, 2021, the cumulative figure for active cases in the UK was 2,027,232. Boris Johnson acknowledged that there were oxygen-shortages in some places, and reports emerged of hospital mortuaries reaching full capacity.

Which was when the UK embarked on a two-pronged strategy of containing the infection through preemptive action (lockdowns) while simultaneously launching a mass-vaccination programme–the first western country to do so. Stocks of more than the required amount of vaccines were pre-booked a year in advance. All of which paid off. The latest figures indicate that the UAE, Israel, the USA and the UK lead other countries when it comes to vaccinating the biggest proportion of their population. Israel has fully vaccinated 57% of its population, (with 60% getting one dose). The US has fully vaccinated 41% of its population (51% one dose),. and the UK 40% fully (60% one dose).

Compared with them, India has so far fully vaccinated 3.3% (13% one dose). In terms of the actual number of doses.(whether full-vaccination or one dose), India is second to the USA. However, the population of India is over 20 times that of the UK and

over four times that of the US. Again, India did not pre-book vaccines like the US and the UK and was caught napping when the second wave hit the country like a tsunami, resulting in a daily surge of new cases from 8,587 on February 1 to 409,3000 on May 8, with the number of daily deaths shooting up from 76 on March 8 to 4,525 on May 18. India's number of daily new cases has now come down onJune 5 to 121,476 and the figure for daily deaths has dropped to 2,683. While India is now targeting 2 billion vaccine-doses between August and December, that seems highly improbable, going by the fact that the daily average for vaccinations has dropped by almost 50% from 30,24,362 in April to 16,22,087 in May.

The vax-drive in the UK targeted people in three main ways, through GP (general physician) practices and community pharmacies, through hospital hubs, and through major vaccination-sites across the UK, like the Etihad Tennis Centre in Manchester, the International Centre in Bournemouth and the ExCel Centre in London. The mass-vaccination drive in the UK has been so successful that the number of daily new cases has dropped from a high of 67,840 on January 8, 2021, to 5,765 on June 5. The cumulative number of active cases has dropped from 2,027,232 by February 1 to 111,136 by June 5. The number of daily deaths has dropped from a high of 1,823 on January 20 to, believe it or not, just 13 by June 5. While the figures for the coronavirus have been volatile in the past and have tended to go up and down, it is the success of the vaccination-drive that has given the government, the policy makers and the NHS the confidence that the situation can only improve from now on.

Hence, many of the pandemic restrictions are now being lifted in the UK. The pubs are open, provided there is no crowding at the bar, with one customer being allowed in for each person leaving. The programme of "Coventry UK City of Culture 2021" has been activated. The English Premier League football season has just concluded and the cricket is on. The World Test Championship Final between India and New Zealand is to be staged from June 18 at the Ageas Bowl cricket stadium in Southampton, the city from where the Titanic set out on its first and last journey on April 10, 1912.

Unlike the United Kingdom, India does not have one single omnibus nation-wide health service like the NHS in which treatment is assured for not just all British citizens but also foreigners who are either working or studying in the UK, many of them again from India. India has the CGHS (Central Government Health Service) which provides treatment for both working and retired government employees. The Defence Services have a chain of command hospitals in different parts of the country. During his last illness, the late president Pranab Mukherjee was being treated in the army's referral hospital in New Delhi. The Indian Railways, perhaps the biggest employer in the country, has hospitals across the length and breadth of the nation and, as a college student, I was treated in the one in Chakradharpur (in Jharkhand) where my father, a railway employee, was then posted. In the rural areas, there are the primary health centres and the anganwadis. On September 23, 2018, Prime Minister Modi launched the Ayushman Bharat national health-insurance scheme, whose objective is to provide access to health services for the low-income earners.

Where the NHS has scored is that it has successfully withstood the onslaught of the ongoing pandemic, the world's worst medical crisis since the Great Flu of 1919-1920. Last year in 2020, for a brief while it looked as if the NHS would be overwhelmed by the pandemic, with the UK constantly recording the highest daily number of cases and deaths. That was the time the UK's deputy chief medical officer Jenny Harris announced at a press-briefing that someone in her family (her daughter) had just received ventilator-training. What enabled the NHS to combat the coronavirus is that it had 75 years of experience to fall back on.

India, of course, is a much bigger country than the UK. India's population is over 20 times that of the UK. However, the one thing demonstrated by the horrendous wave of deaths in April and May in not just India's urban centres but in the rural hinterland is that the existing system had collapsed, whether we blame it on a shortage of oxygen-cylinders, medicines, infrastructure, logistics, or policy formulation and coordination. Who can forget the haunting image of the TV journalist Preeti Choudhry beseeching the night-watchman of Delhi's Lok Nayak Jaiprakash Hospital to allow patients gasping for breath to enter? Who can forget the telecast images of bodies floating down the Ganga? Who can forget the image of a teacher in the rural district of Agra converting his village primary-school into a treatment centre and of patients lying under trees and being put on IV, with the tube attached to the branch above, and all this because the primary health centre had been locked and there was no doctor?

It is apparent that a drastic change in policy is needed. However, any change in policy would take time to formulate and implement, given the number of stakeholders involved in a country where health is a state subject and where different states are run by different political parties.

Vaccination, we are told, is the immediate need of the hour to stop the spread of the virus. In the rural areas where the majority of the people live and where it may not be easy to log on to CoWin, well-planned vaccination drives could be a solution, especially if the local officials and elected representatives at the grassroots work in tandem with the primary health centres and the anganwadis. The experience gained from the mass-vaccination programmes like the one for the eradication of polio should be utilised.

For the urbanites (those living in the metros, the Tier-2 towns or the mofussil centres), there are three points for vaccination. The first is, of course, the hospital where you have been registered for years. That hospital, which has the computerised record of all your ailments over the years, should logically be the best place for vaccination. The second would be the health centres and medical clinics run by the municipal authority. These would be greater in number and possibly located in the ward close to your home but they would also be more crowded, entailing a risk of exposure to an asymptomatic carrier of the coronavirus. The third option is to register for a vax-drive

In my case, what worked was a combination of the first and third options. CoWin had promised that, from March 1, senior citizens and those above 45 with comorbidities could register for the hospital of one's choice and at the time of one's preference. However, I could get nowhere on CoWin despite several attempts. And so I rang up the Bangalore hospital where I was registered for a decade (Manipal). After innumerable attempts, I got through to someone called Vinod whom I had never met and he told me that there was not much of a rush early in the morning and I could get jabbed if I brought along my Aadhaar card and hospital-registration card. And so I had my first jab of Covishield at the hospital on March 11. The final jab was supposed to be after four weeks on April 8. However, on March 23, the Central government recommended a six to eight week gap (42 to 56 days) between the first and second dose of Covishield to ensure optimum efficacy of the vaccine. And so I decided to wait.

By the time my 42 days were over in the third week of April, a rigid lockdown had been enforced on Bangalore. There were reports of vehicles being seized by the cops after 10 in the morning unless one had a confirmed CoWin booking for a jab. However, each time I clicked on Cowin, the response was one of "no vaccination-centre available for booking". That could have been due to a glitch or because registration had also been opened first from April 1 for those above 45, and then from May 1 for those in the age-group of 18 to 44. I rang up Vinod, who had helped me with the first jab at my hospital. He told me he had been transferred and that I should drop by the next morning and ask for one Bhumika. There was a rush on the hospital lawns and I was told to look for a lady in a pink dress. Fortunately there was only one lady in a pink dress and she told me that no stocks of Covishield were available and that I should text her on her mobile after 6.30 pm on May 11. I did so on May 11 but there was no response.

On May 13, a Central government notification recommended a 12 to 16 week gap (84 to 112 days) between the first and second dose of Covishield for greater 'efficacy'. However, Maharashtra and Delhi maintained that they had to close their vax-centres for a few days due to a shortage of vaccines. .

How GoI changed its vaccination policy and fixed Twitter

On Monday, I realised that JP Nadda is a telepath. Incredibly, he read my mind! ‘Whenever there is any crisis in the country, our Prime Minister Modi-ji has always led the country from the front,’ the BJP president-ji said with the sort of startling accuracy not expected from a BJP president since Amit Shah, after the PM had addressed the nation. Then bam! Once again Nadda read exactly what was on my mind in the very next line of his tweet: ‘With his guidance, Modi-ji is deciding the right path for the country’s vaccination and is succeeding in it.’

He is so right. Narendra Modi’s announcement of a revision of GoI’s vaccination policy — that it would now directly buy 75% of the vaccines from manufacturers, and not make states buy 25% from companies, most of whom were not willing to sell them to state governments anyway — is so awesome. And on top of that, he told a super-grateful nation that these vaccines from the Centre to the states — even in non-BJP-ruled states! – would, along with the ones for central distribution, be free for every 18 and above citizen. With no hidden costs. Now that’s what I call music to the ears 2021!

Some smarty-pant anti-BJP types are saying that the credit for this turnaround goes to the Supreme Court for asking GoI, in end-April, to explain in plain view why it cannot ‘buy all vaccines and proceed on the lines of the national immunisation programme’. Some other DIY Dr Faucis are saying that the PM succumbed to pressure from Opposition parties. Remember, Dr Fauci, the chief medical advisor to the US president’s grandparents immigrated to the US from – wait for it — Italy. But the truth is Modi reportedly changed his mind after a cartoon by Manjul was reportedly brought to his notice. (You can never have enough ‘reportedly’ in a sentence these days.)

What the cartoon was, what its subject was, no one has yet brought to light, perhaps fearing that then the cartoon will become the central story, not what it probably inspired. Even JP Nadda doesn’t know which particular, or batch of Manjul cartoons did the trick. But the word on the street is that it’s something catty about the Modi government’s Covid mitigation and (old) vaccination plan. With the kind of seriousness with which the government acts on constructive criticism, this sounds quite plausible.

Twitter, as you all hashtaggers know, is engaged in a big pangaa with GoI. People ranging from Ravi Shankar Prasad to myself, and all people in between that vast spectrum, have called Twitter’s shenanigans of doing what they want, wanting whatever they want Indians to want, doing as they please disregarding sovereign laws, unacceptable. Last week, the same pernicious Twitter reportedly sent Manjul an email essentially threatening him… well, with what, no one including Manjul knows.

The intransigent (no need to quality that with ‘reportedly’) messaging platform informed Manjul that it had ‘received a request from Indian law enforcement’ regarding his Twitter account, @MANJULtoons, ‘that claims the following content violates the law(s) of India’. There’s then a pause, in the form of a para break and a new line followed by the reportedly reported problematic content: @MANJULtoons.

In a voice that in my head sounds like a mix of Alexa and Sachin Tendulkar, the Twitter email then says, ‘We have not taken any action on the reported content at this time as a result of this request.’ But not wont to lead the country from the back – and unable, as well as refusing, to countenance such a blatant threat against an Indian citizen by a multinational bully masquerading as a crusader of free speech — the prime minister, reacted with class and aplomb. By changing GoI’s earlier vaccine procurement policy, he reportedly, yet undoubtedly, lent his support to Manjul by responding positively to the cartoonist’s critiques of the aforementioned GoI vaccination policy.

Vietnam’s strategic interests in the South China Sea: Challenges and options

According to the National Institute for South China Sea Studies, Vietnam is strengthening its maritime militia. Though the figures appear to be exaggerated, Vietnam’s action is propelled by the escalating Chinese aggressive activities. In fact, Vietnam has very high stakes in the South China Sea (SCS), which is its life-line. Its geographical situation clearly brings out this dimension. Vietnam borders the Gulf of Tonkin, Gulf of Thailand, and Pacific Ocean, along with China, Laos, and Cambodia. The elongated roughly S shaped country has a north-to-south distance of 1,650 km and is about 50 km wide at the narrowest point. The country has a long coastline of 3,260 km, excluding islands, running from Mong Cai in the North to Ha Tien in the Southwest. Vietnam’s territorial waters in the SCS extend to the East and Southeast, including the continental shelf, islands and archipelagos. There is also a group of around 3,000 islets belonging to Viet Nam in the Tonkin Gulf. Besides it has islands in the Spratly and Paracel archipelagos. Importantly, about 80% of its population lives within 160 km from the SCS coast. Millions of its fishermen live from this body of water. Its 86% trade with the world outside passes through this sea.

Hence, the stake of sovereignty over territorial and contiguous waters as also over its EEZ is of existential nature. Security and control over resources are its two major interests in the SCS. The Chinese assertion of the ‘nine-dash-line’ threatens its sovereignty. Intrusions into its EEZs harms its normal economic activities. While Vietnam usually stands up against the Chinese undue demands, it often has to accommodate the Chinese coercive pressure. There were instances when China tried to put pressure on Vietnam to cancel its joint exploration activities with foreign countries. While immediately China does not need the subsurface resources, it wants to keep them under its control as a long-term strategy. In addition, controlling SCS is to serve as its advance posts for its dominance in the Indian and Pacific Oceans.

China perceives Vietnam as an obstacle for acquiring its control over this strategic sea. Not only Vietnam is the strongest opponent of the Chinese nine-dash line claim in the region, Vietnam’s sustained economic growth has pushed it to emerge as an important player in the South East Asia, which China perceives is not in its interests. Its role in the ASEAN in keeping the countries united on the issue of the illegal Chinese claims, maintaining the pressure for the finalisation of the Code of Conduct (CoC), and in the ASEAN Outlook for Indo-Pacific (AOIP) annoys China. These bring strategic rivalry between the two nations, despite the two countries have ‘comprehensive strategic cooperative partnership’. Though Vietnam publicly does not oppose China, yet it asserts its claims in the SCS. It has approached the UNSC for the implementation of the Ruling of PCA of 2016.

The recent developments have brought significant changes in the security environment, which are favourable for Vietnam. Vietnam unified the ASEAN countries during its chairmanship to demand the end of the Chinese coercive activities. It became the Non-permanent Member of the UNSC, raising its stature. The first Quad meeting in March, not only assured strong support for ASEAN’s unity and centrality as well as AOIP in the Free, Open and Inclusive Indo-Pacific but also for facilitating collaboration “to meet challenges to the rules-based maritime order in the East and South China Seas.” Vietnam’s handling of the pandemic has been admired globally.

Alongside, the anti-China sentiments have risen in the pandemic period, mainly due to the perception that China concealed information about the virus in the beginning that resulted in the spread of the disease globally. Several manufacturing units in China began to look for other locations to shift their countries. Even before the pandemic period, they had started finding difficult to continue in China because of increasing restrictions and in difficulty in getting young and cheap labour. The Sino-US trade war added to the Chinese problems. The pandemic worked as a catalyst in this respect. Japan is offering financial assistance to the manufacturing unit desirous of shifting from China. Vietnam’s continuous economic growth even during the pandemic, has made it an attractive alternative location for manufacturing units.

At the same time, there are formidable challenges to deal with as well. As China continues to modernise its armed forces, its aggressive activities are escalating. It has also stepped up its propaganda campaign using different means to assert its claim in the nine-dash line region. The ‘Map War’ has potentials to change the perception among the target population, which may not

only complicate the SCS disputes but could give the impression in the Chinese decision-making body that its claims are being accepted by a substantial segment of the global population prompting it to indulge in misadventure.

Overall, the situation is favourable to Vietnam, which has opened several options to protect its interests in the SCS. An analysis of the current situation underscores the urgent need to contain the Chinese coercive and aggressive activities. First, Vietnam needs to send a clear message to China that normal relations between the two countries cannot continue when China is deploying coercive activities. It should be made clear that sovereignty cannot be sacrificed due to ideological links. The Chinese propaganda also needs to countered effectively. Tourism should be encouraged to its islands. Focused seminars should be organised to project the unjustified Chinese claims.

Second, there is a need to carefully align its approach with the Quad Plus to face the challenges of the Chinese coercion and illegal nine dash-line claim in the SCS. The aims of AOIP and FOIP of Quad are similar. Both seek to establish the free, open, accessible, diverse, and thriving Indo-Pacific based on international law. This collaboration could act as a force multiplier.

Third, while it should continue to use all leverages on China to finalise the CoC, realism points out that it is unlikely to be achieved in near future. The SCS disputes are also not easy to be resolved. The other alternative is to push the Quad and others to have the UNCLOS accepted for the entire Indo-Pacific, which should be binding to all. Russia should be pulled into such efforts. Vietnam and India can align their moves in this direction.

Vietnam has so far played well with different poles; it should continue this approach with greater dexterity and confidence based on its past record.

Fourth, Vietnam needs to coordinate with all to get the 2016 Ruling of PCA implemented through the UN. Coordination with other Members of UNSC and disputants is needed for this.

Fifth, Vietnam should join Japan and others to have an alternative supply chain, which is not dominated by a single power. The actualisation of this would be greatly beneficial to Vietnam for boosting its external trade.

Sixth, Vietnam needs to sharply project its firm will to oppose the Chinese unjustified acts, which is essential to deter China. When Indonesia responded by deploying naval ships and flying fighter jets to the Chinese Coastguard and fishing boat incursions, China retreated.

Such an approach is needed. Occasionally Vietnam should also undertake patrolling of the disputed islands by its Coastguard and fishing militia, like China, to assert its claim on them.

Seventh, Vietnam needs to enhance its Comprehensive National Strength. While its economy is going to improve with appropriate measures and it is taking steps to develop its defence capabilities, there should be special focus on acquiring advance technology. In future technology is going to play an important role to safeguard one's interests in the fast-changing global security environment. This is a challenging task that requires a long-term plan for creating training and research facilities and also cooperation with other countries. Vietnam's diplomacy should be geared towards this objective.

Reimagining our approach to enterprise promotion post Covid-19

The Chanpatia Block in West Champaran in Bihar exemplifies the resilience in human spirit and enterprise. Upon the lockdown last March, more than 1.2 lakh migrants rushed back to the safety of their homes in this district alone. Skill mapping by the district administration showed the wealth of skills that they had brought back from the factories in Surat and Ludhiana, construction sites and telecom networks in the NCR and the like. Enthused, the District Administration mounted quick support by way of work sheds and credit linkages. Small enterprises mushroomed. The Chanpatia Block saw 27 start-ups employing more than 700 workers with deep appetite for more in the last one year. Such stories recur in all the 116 migrant-intensive districts of the country – YouTube videos showing ghost villages in Uttarakhand springing back to life are a treat to watch.

Revival and regeneration of MSMEs ravaged by the multifaceted impact of the pandemic are firmly on the policy agenda. Reportedly, 5 million MSMEs have benefitted in terms of immediate liquidity and credit needs from the USD 750 million MSME Emergency Response Programme. And more follow-up measures are underway towards the ambitious 'MSME Competitiveness – A Post COVID Resilience and Recovery Programme'. But as is known, there are limitations to the outreach of formal credit and support mechanisms in so far as the nano or micro enterprises, particularly those in rural areas, are concerned. Many agriculture related enterprises such as farmer producer companies are excluded from the definition of MSMEs by definition or by engrained practices.

There is urgency with regard to women-owned micro-enterprises. Based on responses from 125 women entrepreneurs across 32 countries, the Cherie Blair Foundation for Women found that for nearly one in ten of the women entrepreneurs who responded, the pandemic has been the single greatest challenge they had ever faced. Some India-based surveys and studies exhibit similar findings. Small urban enterprises such as tailors, dressmakers, small shopkeepers and beauty parlours, which have been largely women-owned, were severely impacted upon lockdown. Women-led small enterprises in rural areas, on the other hand, have tended to be more resilient. But these too have suffered with women facing the burden of increased unpaid care work and cash flow shortages.

Thus, a comprehensive relook at the policy and programme measures is required to ensure that initiatives as in Chanpatia and villages in Uttarakhand do not remain bubbles but begin to support a structural shift to local livelihoods, particularly in rural and rurban locations. UNDP's own scoping study across selected migrant intensive districts showed that a majority of the respondents chose not to migrate after easing of restrictions. Many other studies have reached similar conclusions.

So what might such an enabling policy shift entail? First and foremost, is the need for a fresh outlook on the concept of credit worthiness and collateral. For small business loans, the skill base of a potential entrepreneur could well substitute for collateral in the form of physical or financial assets. Such an approach is also likely to hedge the risks for skilled workers transitioning into small enterprise owners. Chanpatia gives hope of genuine success along these lines. Going further, a robust equity support programme for small skill-based entrepreneurs is required.

Second, there is need for internalizing many of the rural value chain segments as enterprises. Considering that women are pre-dominant in these, such measures will be particularly important for reversing the highly dismal trend in female workforce participation rates. In this context, one could quote recent innovations by UNDP in the form of introducing Mini-MBA modules for the educated second generation from the families of farmers and artisans, or training in the new job role of Women Sourcing Manager in partnership with organized supply chain actors.

Third, we need to develop medium to long-term vision and engagement in the 'education to work' transition process. Together with the Institute of Human Development, UNDP has begun to explore an education to work

transition index on the lines of the Human Development Index. It suggests scope for further strengthening of the education to work transition process in states where the youth bulge is yet unfolding. The way forward could be active inculcation of enterprise-oriented mindset and its early exposure among the youth in their educational journey. This would form the core of revamped education to work transition pathways which will address the decent livelihoods agenda for India's massive youth population.

The short point is that the post-pandemic agenda for enterprise promotion at the grassroots calls for a new and progressive vision of skill-based enterprises, of rural value chains as enterprises, and the women who are dominant in these as entrepreneurs. Seen in this light, the migrant intensive districts could generate more hope, enthusiasm, and action. Placing the above process on a healthy and sustainable path requires an innovative approach towards the education to work transition pathways.

Systems thinking inevitable for a 'just' e-mobility transition in India

As we witness the unfolding of a power-packed year of climate action, all eyes are hooked towards COP26 (the 26th UN Climate Change Conference of the Parties) scheduled to be held in Glasgow in November. Seen as the last-ditch to save the world and in a welcome move since the Paris agreement, the global climate agenda has become even more nuanced and action-oriented with its focus to shift to net zero.

At the G20 summit last year, PM Modi declared India as exceeding its nationally determined targets under the Paris Agreement of keeping the temperature rise to below 2-degrees and the installed capacity of renewable energy going up by 226 percent in the past five years. Despite the progress made, there are many debates being kindled on India's climate policy establishment, specifically on the zero-emission targets.

One of such debates revolves around the approach of targeting net-zero in carbon-intensive sectors including power and transportation. In both these economically vital sectors, the existing scheme of things is predominately powered through fossil fuel. Thus, shifting away from coal, petrol or diesel should be carefully planned to smoothen any potential disruptions in the process of transition.

Particularly in the transport sector, the drive to embrace EVs instead of fossil-fuel-powered vehicles by 2030, often finds itself to be the talking point. India has been trailblazing on this path to electrification by undertaking several initiatives to accelerate adoption of EVs, a recent one being the FAME II amendment to boost electric 2W demand. In the aftermath of the pandemic, while the intersection of the discourse on inclusivity, sustainability and resilience has been dominating the economic recovery narrative, there is a need to push for such attributes to the e-mobility transition as well. Towards this, the adoption of the concepts of just transition and systems thinking are inevitable.

'Just transition' ensures an outcome-based, resilient and inclusive macro-level framework. Deriving its significance from the word 'justice', this concept aims to ensure that socio-economic impacts of any transition are not unevenly distributed or borne by the society at large, especially the marginalised sections. While the concept has found great traction in the climate agenda, particularly energy transition, it can be applied to e-mobility too.

Primarily, this involves addressing the impact on the livelihoods of people dependent on the auto sector, while transitioning to a climate-friendly future. India's EV market is estimated to grow to nearly US$206 billion by 2030 and is expected to create 10 million jobs in the near future. In one of the main findings of a CUTS study, Jaipur alone is expected to create around 45,000 new jobs in the next 10 years. However, the immediate fear of survival – as EV-related jobs require a specially-trained workforce – haunts the prospects of almost one-third of the people engaged in this sector.

Keeping people at the centre of the policy process is key here. This implies addressing the livelihood concerns of the workforce engaged in the manufacturing, operations, repair services and end-of-life management processes of conventional ICE vehicles with focus on the scope of skill development, retaining transferable skills, easing the quality of working and subsequently the quality of life of the workforce.

The political acceptability of a just transition has been accomplished beyond borders. Its importance is reiterated through the flagship investment plan of the Biden Administration being propounded as the 'American Jobs Plan', and also that almost every recent investment or policy decision in India has been accompanied by the announcement of its job creation capacity.

However, a lot more needs to be done to ensure just transition does not remain an abstract concept but is indeed translated into an actionable e-mobility strategy. In this context, the EU's Green New Deal is an illustration that provides a strategic roadmap for translating visions into actions.

On the other hand, systems thinking approach implies viewing real-world problems as a manifestation of the way different actors in an ecosystem interact and operate. For instance, the problems of social inequality or ecological sustainability in various economic activities cannot be comprehensively addressed without exploring systems like atmospheric sciences, technology, social sciences, polity, behavioral economics etc. Similarly, the problem of low levels of EV adoption due to lack of awareness, inadequate capacity of vehicle or component manufacturing, among others, requires a broader systems analysis as the point of inquiry, to begin with.

A systems thinking approach compels policymakers to place individuals or end consumers at the core of decision making. Thus, in the e-mobility sector, systems thinking approach will help determine a policy's responsiveness to deal with micro-level nuances in implementation. For instance, how can India's battery waste management rules, scrapping policy or e-mobility policies be made truly consumer-centric so as to drive behaviour change in an expected, timely, holistic fashion?

Furthermore, a comprehensive and exhaustive approach to policy and practice also addresses the perennial chicken-egg problem often faced by the e-mobility sector. This problem of whether vehicles should come first or the charging infrastructure needs a systems solution. This implies that focus should be on getting the system in place so that the end consumers have the visibility and confidence of using the various e-mobility options.

Thus, while India is making strides to remain holistic, with job creation as one of the focus areas, getting the policy right by imbibing the true principles of systems thinking and just transition will facilitate an inclusive and resilient EV ecosystem, i.e. by benefiting the last person in the queue.

By imbibing these principles, India can develop and serve as a global beacon for clean mobility.

AI shows its capabilities by solving grand challenge problem of protein folding

One of the constituents crucial for the survival of humans is proteins. It becomes essential to understand characteristics of protein(s) to decipher their myriad functions and how proteins can affect other operations of our biological system.

A protein's molecules are generally complex and large. It can acquire different shapes in its 3d form, and the number of possible permutations can be in trillions. The shape in which the protein folds plays a key role to determine its function. Predicting protein folding structure has been a huge challenge for humanity. Given its calibre to solve several problems – such as the management of Industrial Waste, drug design, protein engineering, environmental sustainability, pandemic responses and understanding of diseases including Alzheimer – development in this research would be of great consequence.

In fact, it holds such importance that top scientists are terming it as a "Big deal", "Game changer" "boon to medical science" and "scientific breakthrough of a century".

A few months back, a computer company's program reached close to 90% accuracy in its predictions, which was a watershed moment. It used a system equivalent to 200 GPUs requiring weeks of computations for producing the outputs. However, theoretically, it is possible to use supercomputers of a higher range to get similar results in just a few hours.

This huge jump in accuracy came from setting additional physical and geometric constraints, which helped in determining the protein sequence. As the deep learning network of neural nets was the underlying structure in the experiment and was essential to its efficacy, it was using AI as the core-shell of the solution framework.

The program also helped to determine SARS-CoV-2 proteins structures and is now being seen as a potential for many domain areas that need protein design predictions. Now teams are extensively working to make this Alpha Fold enabled system scalable and adaptable to work in Industrial setups and Research Labs. We can be hopeful of key innovations in the coming years which can fundamentally alter our understanding of some of the key diseases and consequently improve the results of research on their respective cures.

As of now, we have nearly 200 million protein sequences in the UPD (Universal Protein database) and only close to 0.2 million protein structures in protein data bank. These numbers are likely to escalate substantially with new innovations like Alpha Fold. This will eventually help in discovering the unknown universe of proteins to a greater level unlocking new vistas of human life.

There are endless discussions on opportunities and challenges of AI for human race. AI has the potential to take the quality of life to higher standards. Nonetheless, it also has the power to develop applications that can be disastrous for human race. Due to collective wisdom, Human race have always won in such situations and have defeated the evil forces that have purely selfish motives of exploiting technology.

The solution to a century old problem of Protein folding has been presented by Artificial Intelligence. This is a positive development and furthers the real capabilities of Artificial Intelligence in solving the real problems facing humanity.

Growth of the nutraceuticals sector amid Covid-19

Covid has taken the centre stage once again challenging the healthcare infrastructure in India significantly.

The shortage of beds, oxygen, and even medicines amidst the alarming rise in daily cases is frightening everyone. In the chaos of coronavirus, and deprivation of medical facilities, preventive healthcare and nature-based sciences like nutraceuticals have seen rising popularity. Lack of cure, side effects of the medicines, increasing cost of hospitalization, and now even the fear of no access to the tertiary healthcare services – all these have contributed to the trend positively.

"Overall demand for nutraceutical, supplement, and preventive wellness products from top 4 metros has seen remarkable growth. West Bengal and Northeast are also strong. Tier 2 and 3 cities in Maharashtra, Karnataka, Haryana, Rajasthan, and Gujarat have also seen rising trends post pandemic. People are far more invested in preventive health, natural wellness than before", said Sanjaya Mariwala, Executive Chairman and Managing Director, OmniActive Health Technologies, and founder-president of the Association of Herbal and Nutraceuticals Manufacturers of India.

COVID-19 made everyone realize that once the damage is done, there is no reversal and hence it is best to prevent. On one side while it proved how devastating and crippling can an illness be, financially, it also now showcased that despite having money, there is no respite.

The limited healthcare infrastructure is completely engaged in addressing the havoc created by the pandemic. This is, unfortunately, denying attention to other chronic, lifestyle-related and non-communicable diseases. "There has been a surge in demand across categories of supplements. Even though most would assume that only immunity has seen strong growth, the trend suggests that cultural barriers related to supplementation have reduced in this time. There is demand for digestive health, sleep and stress and a whole host of other categories too", says Sanjaya. With increasing awareness and to some extent due to the fear of catching the virus, people are now looking at disease prevention as their primary health support.

More and more population are positively moving towards dietary supplements to address the nutritional deficiencies.

Sanjaya emphasises, "I would like to reinforce the point that despite the exponential increase in demand in the immunity product market, no supplement will be able to stop the spread of Corona. It is extremely important to realise that there are far deeper and more addressable health challenges that can be prevented through supplementation. We are already seeing a lot of promise in the sleep category right now. So is the case for other issues such as stress, anxiety, and mental health."

While many Covid positive cases have been reported till now, cases with severe complications form a small percentage of that. Majority of complications are due to the already existing lifestyle challenges like insomnia, limited immunity, obesity and such. The nutraceuticals can help prevent such complications.

Ayurveda, nutraceuticals, naturopathy, and such preventive care-based sciences are finding their inflection point today in this pandemic. Health is no more about medicines; it is the way of creating a defence mechanism that helps in extending the disease-free life span by preventing and limiting disease complications. The benefits are not limited to just health. The sector also brings other socio-economic gains.

Nutraceutical sector is a meaningful contributor to India's export basket. The country is endowed with the medicinal plants and herbs. India is the 3rd largest supplier of the majority of these raw materials globally.

With the expansion of nutraceutical product manufacturing, export of value-added products has increased.

Sanjaya also believes that the extension of schemes like PLI to this sector can further increase the scope of enlarging the export revenue for our country. It will significantly benefit the farmers too. Scale in the nutra sector, can't be achieved without scale in agricultural output of the required raw materials. This is bound to offer more employment and better economic benefits to the farmers.

Missing dots in Adani tale

The Adani group has been triggering breaking headlines for over a week. Such is the level of hyperventilation that even seasoned commentators and anchors have undermined the interests of the minority investors.

Most fell into the trap of the fake news to target the Ahmedabad-based first generation entrepreneur who has built his empire bid-by-bid in the era of auctions unlike those who flourished because of sinful allocations of resources owned by the public and tax payers in earlier regimes.

Enough has been written about the alleged political patronage to tarnish Adani's image. In India, anyone close to the power is painted in black, critics conveniently forget that for generations, many industrial groups and their patriarchs, and their friends and their relatives grew only on the back of political influence instead of their competitiveness.

Gautam Adani arrived on the scene at the right time. He had already laid a strong foundation in Gujarat through trading and private ports before "development" became the serious agenda in Indian politics. Many found his timing was right, and called him lucky. It was also the time when the Supreme Court compelled the government of India to end the unholy allocation era. Adani participated in auctions for renewable energy, airports, city gas distribution, road construction, development of transmission lines and even water management. Adani's aggressive bidding benefitted state and central governments immensely. Experts should study how the auction era has benefitted the end users with cheaper electricity, fuel and cost effective timely power evacuation infrastructure. Adani Airport's aggressive bidding for six airports will enrich the central government by hundreds of crores more compared to the offers made by cartels. But then, critics continue to call it a largesse of the BJP-led NDA government.

Time also favoured him when it came to inorganic growth. Many celebrated and favoured entrepreneurs of the media have failed to repay their debt. Adani had a clean slate with banks, and it enabled him to buy strategic infrastructure assets through the resolution mechanism offered by NCLT. Indian and international financial institutions were and are happy to back Adani who has not disappointed the lenders. Those who follow the financial world know how the competitive world works.

High level debts have never deterred investors across the world. After all, deep-pocketed investors understand markets better than trigger happy distractors. It is worth mentioning here that building infrastructure requires long-term, big-ticket debt.

In India, the growing size of the self-made Adani Group is an eyesore for many, mostly politicians. The critics always ask why the group grew multifold. They find it unprecedented. Gautam Adani has created unprecedented wealth in three decades and being a savvy entrepreneur, he will continue to grow. However, retail investors are not so lucky when entrepreneurs are attacked with twisted narratives.

So let's focus on the current issue.

It is clear that in the pandemic which has wrecked companies and created havoc in the markets, India needs bold entrepreneurs and investors to create employment and rebuild the nation.

What is the bottomline? The government and regulators must create an enabling environment where entrepreneurs can flourish in the interest of the nation's economy. In short, deserving entrepreneurs must get deserving platforms.

Now let's read what hit the headlines.

Freezing of over 9400 accounts by NSDL, following the SEBI directives, demonstrates that regulators are doing their job in the interest of the fair conduct of the market. Regulators and watchdogs must step in to set an example with their strong clarifications to ensure that a similar incident does not erode the interests of retail investors, which is at the peak today.

The Adani Group has made its position clear but it is not answerable or accountable for preference of FPIs in the kind of stocks or companies they invest. Only FPIs can answer the questions that are being asked to the Adani Group. The Adani Group asked for a clarification from NSDL, which is a registered body, and NSDL has confirmed that these funds are not frozen, and they are trading actively.

So what caused the dustup?

The Adani Group has tried to bust the myths. Adani Ports & SEZ, Adani Green and Adani Transmission have credit ratings as good as the credentials of the government. Adani Gas too will have the same credit rating, as its Group CFO spoke on multiple television channels.

If an investor invested in AEL in 1994 they would have made 30 percent CAGR against nine percent of the index. In the last 25 years, the Adani group has built India's largest infra and utility platforms with solid businesses, cash flow, high profit and high EBITDA margins. The group is claiming to be one of the top 10 infra and utility real asset platforms in the world.

But seasoned journalists, television anchors and their whirring cameras have not cared to remember any of these points. They continue to clamour, their words reverberating like jungle drums with provoking and clickbait headlines.

What has the Adani Group done for the nation? Let's dig further. The group currently employs about 20,000 directly and a couple of lakh indirectly. This is not a small figure.

Adani's yet to be operational Carmichael coal mine in Australia is under constant attack. Very few say Australia is the world's largest thermal and metallurgy coal exporter. So why stop the Adani project, why carry placards during an India-Australia cricket match?

Today, the Adani Group is into the business of many, from coal to renewables to build the world's largest renewable energy company. Three years ago, Adani Green was 500mw, now it is 25gw in the pipeline, under development demonstrating 50X since then. Adani Transmission too has grown 10 times.

The Adani group is constantly under the well designed attack for its Carmichael coal mine in Australia that is the world's largest thermal and metallurgy coal exporter! On Thursday, Adani group's Bravus announced production of coal after almost a decade-long struggle with lobby groups despite getting go ahead from the Australian government and its watchdogs. This development will ensure cost effective electricity for the energy starved India

where per capita electricity was only 1181 kWh in 2018-19 as against the world average at 3,260 kWh. Access to better quality coal will also keep the pollution in check. Is it good for the economy or is it bad for the economy? It is good even for the ecology.

So what are the critics missing?

Critics are conveniently ignoring to acknowledge that foreign investors demand a higher level of disclosures. Three of the six listed companies of Adani Group are less than four year old and they have attracted global investors such as Total, BlackRock, Norges, UBP, California State, Legal General among others. Is it good news, or is it bad news for an Indian conglomerate?

Social media has provided vital grounds to the trigger-happy souls. Some are pointing at Adani companies not being tracked by the analysts. But how many of them have visited these companies' resourceful websites for transcripts of quarterly calls with analysts and presentations.

The recent dustup over the Adani Group also gave opportunity to some for their own publicity. For instance, Nordik fund KLP told an international wire agency that it decided to divest from APSEZ due to the company's links with the Myanmar military.

Hilariously, KLP has invested only Rs 7 crore in this Indian company having a market cap of over 1.5 lakh crore and at least a dozen ports under its belt. Worse, the foriegn fund raised a brouhaha weeks after Adani Group announced its decision to abandon the Yangon International Terminal in Myanmar and earned headlines like never before.

Critics must know this vital piece of information. Adanis won the contract for the Yangon Project in 2019 when the democratically elected government of Myanmar was governing the country and the APSEZ had not paid any money to the new regime even before the coup started. Further, APSEZ announced its preparedness to write off the project, which accounted for 1.3% of its total assets.

Strangely, no one asks KLP for its investments in other Western companies with interests in Myanmar.

Time to get real, time to sift facts out of madness.

5G: Key to India's Industry 4.0 revolution

India is fast approaching its much-anticipated digital revolution, now more than ever. Thanks to the ever-increasing broadband and internet penetration backed by the government's focus on digitalisation, India is today witnessing exponential data uptake coupled with surging trends of technology adoption across industries. The impact of mobile broadband and digitisation on Indian industry and economy has been immense to say the least. Experts believe that the country's digital economy has the potential to reach USD 1 trillion by the year 2025 with 5G being the key catalyst that would fuel this growth. Relying on dense networks of small cells, 5G, the next era of wireless service, promises to open the door to life-changing innovations with faster speeds, higher bandwidth and lower latency.

5G is more than a next-generation communication technology; it's a technology revolution that enables many innovative use cases, including Industry 4.0, Internet of Things (IoT), remote surgery and autonomous driving. The Government of India, in line with its long-term vision of a Digital India, has taken a view of the benefits that 5G can bring to the entire value chain across consumer and business. With the Department of Telecommunications recently giving operators a green light to conduct 5G trials across the country including rural and semi-urban areas, India looks to be finally ready to set sail on its 5G journey. In favour of that, the consumer interest for 5G in the country is

also at an all-time high. About 40 million Indian smartphone users have expressed their intent in switching to 5G in the first year of its implementation, claims a recent study by Ericsson ConsumerLab. It is however important to note that owing to the lack of an affordable device ecosystem currently, the initial use cases for 5G in India could be more for enterprises, rather than consumers.

In the next decade, billions of new connected devices will come online and they will need to transmit significantly more data, reliably. To enable such connectivity, enhancement of existing wireless networks is necessary. Additionally, the COVID-19 crisis has only highlighted a greater need for industries and organisations across sectors to evolve and make their digital transformation more effective. This is leading to the capability of connecting devices and collecting and utilizing data becoming business critical. 5G has the potential to pave the way for more widespread IoT application by introducing new devices across industries.

Making Industry 4.0 happen with 5G

Industry 4.0 marks the transition from legacy systems to connected technologies that we will witness in smart factories. These futuristic factories will be able to make more informed, decentralized decisions, thereby improving overall equipment and process efficiency by leveraging IoT-enabled connected devices, sensors, edge computing, self-healing networks, robotics and automation. 'Intelligent Industry', powered by data is the evolution of Industry 4.0, where industrial companies completely transform across their entire value chain starting from research and development, to designing a concept, and then to engineering and manufacturing. It is a future that radically improves industrial operations, supply chain and service and support by adopting a data-centric approach to create new sources of value. With intelligent products, intelligent operations, and intelligent support and services, everything a firm does will become digitized, leading to new platforms and portfolios, and ultimately more profitable and sustainable businesses.

However, to capture and process data at scale in real-time for plant and equipment monitoring and maintenance, industrial networks will need a stable, secure and fast connection. By providing speed, reliability, capacity and mobility, 5G promises to enable the last-mile connectivity that manufacturers require for successful IoT implementation. With India ranking amongst top-3 in the list of most suitable locations for global manufacturing, there is now specific direction and focus on IoT coming from both the Indian Government and industry bodies through initiatives such as SAMARTH Udyog Bharat 4.0. As 5G is expected to play a key role in Industrial Automation, it can accelerate India's progress in Industry 4.0 by enabling unprecedented degrees of flexibility, productivity and efficiency in industrial manufacturing.

Road to 5G implementation

5G could be instrumental in unlocking the digital aspirations harboured by Indian enterprises and industries. Offering ultra-reliable low-latency communication (URLCC) and mass connectivity, 5G networks, unlike its predecessors, target far more than best effort connectivity, including guaranteed service levels. For a country like India, which has seen a meteoric rise in data-consumption in the last few years, it is critical to be an early mover in 5G technology and create a good investment climate for mobile operators to expedite the establishment of 5G networks.

India has come a long way to be among the best digitally connected nations in the world today. To maintain this lead, there is an urgent need for policy steps to accelerate early rollout of 5G and make it affordable and available everywhere. Taking note of the underlying infrastructure and business challenges faced by the telecom sector today, a coordinated roadmap between the public and private sectors can go a long way in nurturing the right ecosystem required for the successful adoption of 5G in India.

Why has there been the present rise in fuel inflation in India ?

Fuel and power which has a weight of 13 % in total WPI (wholesale price inflation) dwindled by 2.05 % cagr (compound annual rate of growth) from 2013 to 2020. The yoy(year on year) fuel inflation increased to 37 % in May 2021 and month rate increased by 5 -15 % from November 2020.

Petrol price has declined by 6.69% Cagr from 2013 to 2020. In 2021, price has risen by 5 – 62% year on year from February to May. Month on month price has risen by 5 – 15% from November 2020. Hence the high price.

Similarly diesel has declined by 6% from 2013 to 2020. Like petrol, diesel too has risen by 3 – 66% yoy from February to May in 2021 and sequentially month by 5 – 15% from November 2020. Hence the high price.

Low base effect is working in these prices. In 2020 yoy inflation of fuel items had been negative.

Global oil prices have risen from February 2021 to $ 71 per barrel in the current times after OPEC withdrew supply cuts and rising demand that the world witnessed since last quarter of 2020.

India imports 82 % of oil from others and local petroleum products market prices are linked to global prices of crude oil on a daily method and subject to high tax rates – excise and state VAT to the tune of about 54 %. Also freight charges and dealers commission are added to the base price as shown in the table below for diesel.

So daily fuel prices have been rising steadily since February 2021.

This has led to high WPI inflation of about 12 % in June 2021.
Tax revenues from fuel have added to the government ' s earning in these times of sops. Oil marketing companies also would be in the red if fuel prices are low. Thus the debate for replacing present fuel taxes by GST is thus defended.

So forecast of fuel price in India would depend on global oil price and how often government raises local fuel price as well as demand growth in the economy. My estimate is oil price would be range bound at present levels as 2 opposite forces of high base effect and recovery in global demand would be at play from 2022.
But if global oil prices escalate continuously, local oil prices too would zoom and result in a precarious situation. The alternative then would be government policies and switching to alternative fuels such as gas, biofuels and electricity.

Upskilling for the digital and rapidly changing industry needs, but it is not back to school

Digital transformation has been hanging over the heads of most workers like the Sword of Damocles. Sooner or later, everyone would have to upskill to keep pace with change. The Covid-19 pandemic has accelerated that change dramatically. A recent McKinsey Global Survey found that companies have accelerated digitizing of their customer and supply-chain interactions and internal operations by three to four years. The share of digitally enabled products in their portfolios has accelerated by seven years. 1 The World Economic Forum's The Future of Jobs Report 2020 says that 84 percent of employers will digitize working processes rapidly. 2 These assessments and forecasts point to

a new era of work. In the absence of digital skills, people may not retain their current jobs or deal with substantially reduced pay. Many traditional jobs will vanish, and without digital skills, new employment will become impossible.

No one can wait for tomorrow to acquire digital skills. Tomorrow is here.

There is yet another remarkable aspect to the urgency to acquiring more relevant skills. Labor markets, business environments, and technologies are changing so rapidly that upskilling cycles are becoming shorter, adding substantially to the risk of becoming redundant. The Future of Jobs Report 2020 says that for “those workers who stay in their roles, the share of core skills that will change by 2025 is 40 percent, and 50 percent of all employees will need reskilling.” People will not go back to college to reskill or upskill. They must “learn to learn”. The 21 st Century evergreen skills of critical thinking and problem-solving enable learning to learn. As manufacturing gets automated, service-based economies are thriving, and customer-centricity skills are slated to earn a premium. Finally, in an increasingly global economy, English being the most common language of communication, acquiring robust written and verbal English skills will enhance employment opportunities.

Learning English online isn’t difficult. There are scores of websites, many free, that help learn the language using flash cards and visuals, around topics of the student’s interest, through typing, speaking and listening, along with motivational prompts, self-paced learning and progress trackers. 3 Today, it is possible to pick up skills of almost any type on the internet, ranging from digital design and online marketing to service-centric soft skills, customer relationship management, and even how to use basic CRM software, spreadsheets and word processors.

Digital literacy is an important professional skill – using a smartphone to get work done is now the new normal. An example of this is the army of health care workers across India who use mobile phone apps in Primary Health Care (PHC) centers that do not have computers and broadband, to complete the Covid-19 vaccination process and update government records.

Another example is that of Ecommerce delivery agents who must learn to use mobile devices to locate addresses, make deliveries, and complete delivery records. These skills are not as simple as they sound. They require the student to use technology, find information and evaluate data. The Wadhwani Foundation has 21st-Century core employability skills with over 700 hours of mobile and video content on cloud that is specially designed to improve an individual’s chances of getting a job. 4 The skills are closely aligned with the qualities that employers look for: communication and listening skills, digital skills, problem-solving and critical thinking capabilities, a propensity for teamwork, workplace awareness and an entrepreneurial mindset. In addition, the foundation offers sectoral skills for those interested in healthcare, retail and hospitality and IT jobs.

The road to employment-focused skills is bumpy. There are challenges. Besides motivating and finding time to upskill constantly, many will struggle with the required hardware and broadband to access prolific online education programs that are the norm in reskilling now. But progress is being made in ?the area of online skilling with the government’s National Mission on Education through Information and Communication Technology (NMEICT) 5 that encourages online learning. The government’s Digital India 6 initiative promises to provide high-speed internet in rural parts of the country. The ecosystem to support digital skilling at scale is falling in place. It needs to accelerate its progress in keeping with the pace of digitalization and upskilling needs.

Scraping the fiscal barrel-the bottom upwards view

In a desperately poor land, which just got poorer, it is ironic that we succeeded in the big challenges, like keeping democracy alive, but failed in the most basic of municipal functions – quality education to develop skill sets for productive employment; health services, sanitation, sewage management and drinking water facilities to insulate people from the economic shocks of medical emergencies. An additional annual spend of 3 percent of GDP over a decade, could dealt with all those challenges.

In the absence of capable local governments, state governments have the mandate for providing these "social services". They spent 30 percent of their total expenditure in the 1970s increasing to 35 percent by 2020, barring some reversals during the 1990s.

In contrast, expenditure by state governments on "economic services" -infrastructure projects like roads, power plants, irrigation systems; agriculture, small industrial and rural development- as a share of their total expenditure, progressively decreased from a share of 44 percent in the later 1970s to 29 percent by 2019-20. This shift in the profile of state government spend is explained by first the Union government and later liberalization, edging state governments out of economic services.

From the late 1970s, capital expenditure on power generation shifted to the newly minted Union government PSUs and away from the State Electricity Boards. From the 1990s private power companies stepped in with the bulk of the investment. New irrigation projects also tapered off with large dams coming under ecological disrepute. Most of the road building also got subsumed under Union government financed interstate highways or rural road building programs.

State government owned industrial finance companies and PSUs came under stress due to competition from banks, private financial companies, and private industry. The initiative for an active industrial policy shifted from the state governments to the Union government.

Being free to finance its deficit through debt, made it easier for the Union to shoulder aside state governments in infrastructure development. Union debt increased from 41.4 percent of GDP to 66 percent between 1981 and 2005 before reducing to 52 percent of GDP by 2020. The increase was partly due to external debt, which increased from 9 to 16 percent of GDP by 1992 before tapering off to 3 percent by 2020. Meanwhile state government debt increased from 18 to 31 percent of GDP by 2005 before reducing to 26 percent by 2020. More generally, with industrial policy shifting from direct public sector intervention to guarantees for contracting PPPs and fiscal incentives like interest rate subventions and tax benefits, the Union government had the upper hand, with its direct regulatory control over the financial sector -banking, insurance, and the securities markets.

Could throwing more money at the problem have helped improve social services outcomes? The reform strategy post 1991 gave precedence to investments in infrastructure over targeted poverty alleviation- considered at the time, as leaky and wasteful.

State governments spend more than the Union government on development expenditure (economic services plus social services). Their share in the past decade was 70 percent of the total development expenditure. But all of government outlays on development, relative to total expenditure, have decreased since the peak of 62 percent during the 1980s to 51 percent for the decade ending in 2010 partly. It increased to a share of 58 percent during the decade ending in 2020, But that was still 4 percentage points below the peak level, largely due to fiscal restraint targets.

The hope was that economic growth fueled by better infrastructure investment and governance reforms would generate enough good jobs, allowing poorer folk to look after themselves, rather than depend on doles.

Sadly, enough "good jobs" were never created, even though a growth upsurge and better targeted measures did lift all boats, reducing poverty from 46 percent in 1990 to 9 percent by 2017-18. The right to food at low administered prices- extended now to around 800 million people; minimum support prices for cereal crops; cheap electricity and irrigation water sustained families in agricultural – one half of the total workforce -while interest rate subventions, public sector purchase preference and most recently, higher import tariffs protect the profits of small and large industry.

The Modi government's determination to be fiscally correct was blown away by economic slowdown since 2017-18 with the pandemic cementing fiscal profligacy into the government budget till, at least, 2022-23, by when pre-national election populism, will kick in.

As we struggle to restore tax revenue at 2019-20 levels in real terms, fiscal space is limited for the structural problems of an ineffective education system or a ragged health care service, let alone for clean drinking water, sanitation and sewage management, world class cities, highways, or a blue water navy to keep China at bay.

We shall firefight, over the next two years, to make food and daily needs available to the poor; struggle to pay government servants and pensioners; think creatively to restore dignity to the unemployed; dumb down public projects to ensure more bang for the buck and focus expenditure on fewer schemes for earlier fruition. None of this makes for enhanced political capital even as the rest of the world luxuriates in V shaped recoveries.

If, perchance, we pursue quick-wins, like printing money to insulate the private sector from higher interest rates whilst funding a business-as-usual growth strategy, it will be back to the nasty 1980s and 1990s when annual inflation (CPI) was below 6% in only two of those twenty years.

A tighten-your-belts economic strategy cannot be a vote catcher in the magnitude the Modi government is used to. But then neither is rip-roaring inflation, though it will pare down over-leveraged corporate balance sheets in real terms and keep the economic wheels grinding for the top quintile of India's population, secure in rock-solid government jobs or in lucrative private sector employment.

How horrible would that be? Terrible, from the outside, looking in, because of the inequity of it all. But from the inside – especially, looking up from the bottom- merely more of the same, albeit a far cry from the rousing promises of 2014.

Why E-commerce Is Upset Over New Draft Rules: A quick guide to the latest chapter in the long-running regulatory drama

What are the big takeaways from draft rules?

First, new draft rules were not issued by commerce and industry ministry. Consumer affairs ministry issuing the draft, and 'explaining' that proposed rules deal with 'unfair' trade practices that hurts customers, may be an attempt to give this intervention a gentler avatar. That is, make draft rules appear to not be a product of online-offline battle.

Second, unlike the last set of rules issued by commerce ministry this draft doesn't distinguish between foreign and domestic e-commerce. So, new rules, if adopted, will apply to Amazon and Flipkart as well as to, say, Reliance's and Tata's e-commerce ventures.

What are the biggest confusions?

First, flash sales. Late on Monday GoI issued a clarification that flash sales were not banned, as stated in the notification. It said that 'conventional' flash sales will be allowed. The clarification said, "only specific flash sales or back-to-back sales which limit customer choice, increase prices and prevent a level playing field are not allowed."

This still doesn't answer what the new rule means, however. E-commerce players are unclear what a 'conventional' flash sale would entail. If a phone manufacturer wants to clear its stock and announces a flash sale on an e-commerce platform – say, 2-hour sale, 30% discount – is that a 'conventional' flash sale or a problematic one? If the latter is implemented, how will it be determined? There are no clear answers at this point.

On Tuesday, GoI said e-commerce companies won't have to 'disclose' flash sales data, and that discounts that 'benefit' consumers won't be banned. But that action will be taken based on consumer complaints. This still leaves the scope of potential government action unclear.

Second, draft rules said no related parties and associated enterprises should be listed as sellers on marketplaces. This is confusing because an earlier set of rules issued by commerce ministry had forced companies like Amazon to bring down their shareholding in what they called preferred sellers to 24%. This was done to provide a more level playing field among sellers, GoI had said.

Do new rules mean any shareholding by e-commerce companies in any seller is now banned? Or are there other definitions of being related parties? If new rules mean absolutely no relationship between an e-commerce company and a seller, it may require huge and disruptive restructuring.

What else is upsetting e-commerce players?

One proposed rule in particular: The one on fall-back liability that makes the e-commerce marketplace liable for the sellers' activities on many accounts. Industry is arguing that all other rules mandate that they remain a marketplace – that is, an online site that hosts many sellers but doesn't do any selling itself and doesn't have any strong relationship with any seller – but that the liability rule is contrary to what marketplaces should be accountable for.

Basically, that e-commerce companies will be held responsible as if they were sellers themselves. To take an example from brick and mortar space, this is almost akin to holding a market responsible for any fault of any shop in that market.

Why so much attention on e-commerce, has it grown really big?

No, it hasn't. A recent report by Statista, mapping India's e-commerce market, said that pre-pandemic the share of e-commerce in retail was 3.6%, but during the peak pandemic period it went up to almost 10%, and has now stabilised at 5%. Compare that to the US market, which had an e-commerce penetration of 11% before Covid-19, which increased to 22% during the months when the pandemic was pretty severe and has now settled at 17%.

So, why are there so many rules about an industry that has only 5% market share?

At least partly this is because of strong lobbying by brick and mortar retail trade, which has been complaining that e-commerce has been taking away their business via 'unfair' means. It will be interesting to see how these arguments

develop after domestic e-commerce players, Reliance and Tata, scale up their operations and start competing vigorously with Flipkart and Amazon.

Are Amazon and Flipkart under other forms of scrutiny?

Yes, they are. The Competition Commission of India wants to conduct antitrust probes to investigate business practices of Amazon and Flipkart. That battle is in the courts for now.

Thank

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