

'Gati Shakti' master plan to give Rs 100-trillion infrastructure boost

Looking to put the Covid horrors behind and place the economy on the fast-track, Prime Minister Narendra Modi promised a slew of initiatives in his Independence Day speech on Sunday, including the Rs 100-trillion Pradhan Mantri Gatishakti Bharat Master Plan for integrated infrastructure growth. He also set a target of making India energy independent by 2047 by replace petroleum with other forms of energy and announced a National Hydrogen Mission, noting the country spends Rs 12 trillion on energy imports every year.

Glossing over the shortages in public health facilities, especially during the second wave of Covid-19, Modi said the world had praised India for its Covid management and while its large population presented huge challenges, the country was forging ahead in vaccinating people. “But can you imagine what might have happened if India did not have its own vaccine?” he asked. He promised the expansion of public health facilities to panchayat levels.

The PM also asked state governments to revisit unnecessary regulations and scrap those that slowed down the system.

Given that the COP26 meeting on climate change is barely weeks away, the PM dwelt extensively on issues of climate change, mentioning the issue as one of “environment security”. He noted the Indian railway system would meet the net-zero target by 2030, the country had already surpassed the developed world in meeting per capita emission levels, and the emphasis on renewable forms of power would further reduce emission. “Green energy will lead to green jobs,” he said.

Under the National Hydrogen Mission, the aim is to make the country a global hub for the production and export of green hydrogen – hydrogen as fuel obtained from the electrolysis of water, without any emission.

The PM referred only in passing to the world order that is emerging post Covid but said two challenges were evident: The challenge of terrorism and concerns about expansionism. “The world is looking at India with new eyes. And India is also replying to the challenges with resolve. Whether it is surgical strikes or expansionism, India is responding with courage and vigour,” he said. He said elections would be held in Jammu and Kashmir “soon”.

He avoided taking any position on Afghanistan where the Taliban -- a force that India does not recognise and members of which are on the list of sanctioned organisations by both UN and US -- is on the brink of establishing a government.

There were some firsts in the PM’s speech. His speeches are known for pure Hindi. This time, it was peppered with English words and phrases. For the first time, he read out a poem, presumably penned by him, as part of his speech, in the tradition of Atal Bihari Vajpayee. Possibly for the first time, in a somewhat reflective tone, Modi referred to his tenure as prime minister and how future PMs would judge him. This reference to his place in history seemed to suggest a succession plan might be in the making.

The PM posed the ongoing protest against the three farm



laws as a small-versus-big farmer problem. He said the Swaminathan committee formula for minimum support price had already been implemented. But it was farmers with small land-holdings who faced the biggest challenge. He referred to the ongoing digitisation of land records and said that this would help establish ownership and bring down litigation.

He said through ration shops or the mid-day meal scheme, fortified rice would be made available under every government programme by 2024.

The prime minister also said Sainik Schools, which used to admit only boys, would be now open to girls after a successful pilot project in Mizoram over two years ago.

Delivering his Independence Day address from the ramparts of Red Fort, Modi said there would be 75 Vande Bharat trains by 2023, besides India would have better air connectivity in the coming years with new airports. Work to connect capitals in the northeastern region with rail services would be completed soon, he said.

India’s production-linked incentive plan would make manufacturing globally competitive, he said. This came days after one of his ministers criticised Indian industry for not doing enough to aid the

In his 90-minute speech, the prime minister hailed start-up unicorns for wealth creation and said his government would develop an e-commerce platform for products manufactured by women SHGs in villages.

The Gatishakti Bharat Master Plan has a striking resemblance to the 2019-20 Budget proposal which mentioned the same figure for the same purpose: Infrastructure creation; his own Independence Day speeches in 2019 and also last year had mentioned the National Infrastructure Pipeline Project.

The plan is aimed at easier interconnectivity between road, rail, air and waterways to reduce travel time and improve industrial productivity.

As before, the prime minister emphasis was on “Indian-made”: Whether it was fighter aircraft or mobile phones. He said India used to import mobile phones in large numbers but is now exporting them. He asked exporters to make goods that were not merely competitive but also high quality because “your goods are brand ambassadors for the country”.

“In our eyes, there must be a dream: A dream to capture the world market,” he said.

Modi said the next 25 years are “Amrit Kaal” for Indian citizens. “The purpose of Amrit Kaal is to better the lives of citizens, lessen the development divide between villages and city, reduce government interference in people’s lives, and have latest technology so that we are not behind any country in the world,” the prime minsiter said.

Ola Electric launches Ola S1 scooter, prices start at Rs 99,999

SoftBank-backed Ola Electric took the wraps off its maiden e-scooter offerings -- Ola S1 and S1 Pro -- for a commercial launch on Sunday. With prices starting from Rs 99,999 (excluding state government incentives, registration fee, and insurance cost), the Bhavesh Aggarwal-founded firm said the e-scooters are designed and engineered in India for the world and will deliver the best scooter experience to the consumer. He suggested that after 2025, sale of petrol-powered two-wheelers should not be allowed.

“It will be the best scooter ever made, not just the best electric scooter,” said Aggarwal, chairman and group CEO, Ola, during a roundtable at the Ola Electric campus in Bengaluru. “We have to make technology which is the best in the world and that’s what we’re doing. We’ve been saying we’ll build our own technology. We built our own technology. All of this has been done by Indian teams based here in this office, and it’s world-leading.”

With pricing that undercuts competition-- internal combustion engine (ICE) powered scooters and e-scooters and a promise of delivering an e-scooter that claims superiority over rivals, But Aggarwal gave a clarion call to “reject petrol and commit to electrification”.

According to him, the scale of pollution by the traditional automotive industry is very high and electrification is the only sustainable solution. He said electric vehicles are much more efficient and sustainable than gasoline vehicles. In terms of the total cost of ownership (TCO), Aggarwal said the vehicle will be 40 per cent lower than the petrol vehicle in a 4-5 year cycle.

“The only true solution for us is to genuinely completely reject petrol and commit to electrification,” he said, often interrupting himself to ask “What do you think?” He said after 2025, “no petrol two-wheeler should be sold in India and it is possible to make this transition to sustainability in four years.”

In India, Ola is now in direct competition with electric two-wheeler makers, such as Ather Energy, Hero Electric, Bajaj’s Chetak, and TVS Motor Company. Ola has the S1 (Rs 99,999) and S1 Pro (Rs 1,29,999) electric scooter models -- the S1 Pro has 3.97 kWh (kilowatt-hour) battery packs, which, according to the company, have enough power for a range of 181 km in a single charge. The S1 and S1 Pro are likely to be available for purchase from September. With aggressive pricing that undercuts the products offered by the competition and superior products, coupled with the charging infrastructure that Ola is creating, Ola Electric is set to disrupt the world’s largest two-wheeler market, said analysts.

“Ola is priced aggressively at par with the gasoline Activa and undercuts its EV rivals,” Aditya Makharia, analyst at HDFC Securities, wrote in a

research report. With a starting price of Rs 85,000 in Delhi, the Ola electric scooter is cheaper than the TVS iQube (Rs 101,000), Bajaj Chetak (Rs 142,000) and the Ather 450 (starting at Rs 1,13,000).

Ex-showroom Delhi prices for ICE scooter Honda Activa 6G ranges between Rs 69,080 and Rs 72,325, while the more-powerful Activa 125 costs Rs 72,637-79,760. “Thus, the pricing of the OLA is extremely competitive,” said Makharia.

It’s superior to rivals even in terms of product specifications, he wrote. “With a 2.9kwh battery (the best in class) and peak output, this is 40 per cent more than the Ather. A driving range in excess of 100 km for its S1 base model addresses the range anxiety (121 km range on a single charge). The battery has a capacity of 2.9kWh (among the highest in EVs) for the base variant and 3.9kWh for the S1 Pro (30 per cent higher than the Ather).”

The launch comes days after Tesla CEO Elon Musk expressed hopes that the Indian government would slash tax on imported electric cars. Earlier, Aggarwal had said he was not in favour of the government paring duty on imported electric vehicles and his comment went viral. But Aggarwal, on Saturday, said that many people misinterpreted his comment that his firm didn’t want any competition.

“I welcome that gentleman to India. Competition is good,” said Aggarwal. According to him, companies whether Indian or international, should invest in the country. “Many people misinterpreted my comment that ‘we don’t want the competition. Nothing like that. We welcome competition and we will beat the competition, whether it is Indian or global.”

Ola Electric had also revealed its plans to set up the world’s largest electric two-wheeler charging network. The Ola Hypercharger Network is likely to be the widest and densest electric two-wheeler charging network in the world, with more than 100,000 charging points across 400 cities.

Besides large cities, it is also witnessing huge demand from small towns and cities for its scooter.

Chasing the mission of a faster adoption to e-mobility, Ola had announced in December 2020 that it would be investing Rs 2,400 crore for setting up phase 1 of the factory. The Ola Futurefactory is coming up on a 500-acre site in Tamil Nadu. At full capacity of 10 million vehicles annually, it would be the world’s largest two-wheeler factory and would handle 15 per cent of the world capacity. It would have an initial capacity of 2 million units a year in Phase 1 and also serve as the company’s global manufacturing hub for its range of electric-powered scooters and two-wheelers across India and international markets, including EU nations, the UK, Latin America, Asia-Pacific, Australia, and New Zealand.

Securities tax mop-up at 70% of Budget target amid market rally

More than 70 per cent of the budgetary target for collection of the securities transaction tax (STT) has been achieved by August itself, on the back of increased retail participation in the stock market. The STT collection as on August 12 stood at Rs 8,800 crore, against the target of Rs 12,500 crore. In fact, the growth is 64 per cent over the mop-up of Rs 5,291 crore until August 2020.

“The sharp increase in the STT collection can be attributed to an overheated market,” J B Mohapatra, chairman of the Central Board of Direct Taxes, told.

The STT is a direct tax payable on the value of taxable securities transactions done through a stock exchange. It is levied at 0.1 per cent of turnover for delivery-based equity transactions, while for intraday transactions, the STT for purchase is nil; for sale, it is 0.025 per cent of the turnover. The net direct tax collection witnessed 87 per cent YoY growth to Rs 3.56 trillion until August 12. Gross collection at Rs 4.05 trillion was 46.1 per cent higher YoY and refunds were down nearly 32 per cent.

“This is the best year in terms of direct tax collection in the past last four years. That’s because some sectors are doing wonderfully well. Maybe there is pent-up demand in high revenue areas. Generally, corporates are doing well,” said Mohapatra.

Sectors like infrastructure, health care, pharma, trade, chemicals, fertilisers and logistics are contributing to higher revenues, he said.

“I am keeping my fingers crossed over the full-year collection. We are looking at

the September quarter for the advance tax instalment, which should give us another 30 per cent,” said Mohapatra.

The Budget had pegged revenues from direct taxes at Rs 11.08 trillion, necessitating 17 per cent over the 2020-21 actuals. Last year, the direct tax mop-up at Rs 9.47 trillion was



9.7 per cent lower than the previous year due to the impact of the pandemic but exceeded the revised estimate of Rs 9.05 trillion.

Aditi Nayar, chief economist, ICRA Ratings said that the fact that a considerable proportion of the budget estimates for several tax collections has already been achieved, suggests that the targets themselves were conservative despite the unprecedented second wave of covid 19.

A report by State Bank of India recently pointed out that retail participation in the Indian stock market was rising and that 4.47 million retail investor accounts were added during the first two months of this financial year.

The number of individual investors in the market increased by 14.2 million in FY21, with 12.25 million new accounts at CDSL and 1.97 million in NSDL, it had said. Also, the share of individual investors in the turnover on the stock exchange rose to 45 per

cent at the end of FY21 (the highest in a decade) from 39 per cent in March 2020, as shown by the NSE data.

This can be attributed to declining savings avenues because of falling interest rates and a significant increase in global liquidity. Around 9 million new retail investors came up in FY21, according to the NSE data. Besides, the BSE data showed that it added 17.8 million new investors from May 2020 until early May this year.

Rajat Mohan, Partner, AMRG Associates, said the bull run on the stock market, spearheaded by IT and pharma companies, has led to increased volume of transactions by FII, as well domestic investors, resulting in the improved STT collection. “Market experts believe that increased money circulation and lower rates of interest will continue to fuel the stock markets and the annual target collection for STT can be met in the calendar year 2021 itself,” said Mohan.

Rakesh Nangia, chairman, Nangia Anderson India, said there have been massive inflows of funds in the capital market by all classes of investors, resulting in the STT collection jump and if the trend continues, the government’s collection of STT may double this year. “The quantum of increase in direct taxes has been due to the bounce-back in economic activity and a double-digit growth in a few sectors,” said Nangia.

The direct-tax-to-GDP ratio in the first quarter of 2021-22 increased to 5.14 per cent, compared with 3.29 per cent over the last two years, riding on the back of growth in the corporation tax and personal income tax collections.

The Sweden-based firm also ran a #SpotifywaaliHoli campaign using Reels to host a “Reels Holi party,” which resulted in 60 million views and the “Holi Ke Rang” playlist ranked among the top three most consumed playlists on Spotify for the week.

“We combined the power of authentic influencer recommendations with the targeting options on Instagram on this campaign. It has helped rapidly build awareness in India for one of our global flagship playlists,” said Neha Ahuja, head of marketing, Spotify India. Similarly, toothpaste brand Closeup’s #FreedomToLove campaign for Valentine’s Day had worked with creators to develop content. This resulted in a 4.4-points lift in ad recall for the campaign.

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Other brands such as Red Label’s #letsunstereotypeIndia campaign also resulted in a movement of 8.7 points in ad recall. The product a brand choo-sees on Instagram to drive its advertising depends on the kind of announcement or campaign it wants to do, said Srinivas. The platform helps brands connect with creators, helping them monetise opportunities.

Instagram ad options for brands give businesses a wider audience

More and more businesses in India are using Instagram through brand campaigns and creators to reach a wider audience, a senior executive said.

“We started with only (Instagram) Feed, and then there are products like Stories, Live, IGTV, and now Reels is the latest addition. What we see is that our audience continues to engage and interact with creators, public figures and brands. And today, 90 per cent of people follow at least one business on Insta-gram. This means they actually want to see more about this business or brand, when they have new launches or something new to share,” said Arun Srinivas, director of Global Business Group at Facebook India.

With branded content ads, advertisers can promote creators’ branded content posts as feed and stories-based ads.

Srinivas added that Reels, the short format video product that was launched in India last year, shortly after TikTok was banned, has gained massive traction. An average of over 6 million Reels are produced in

India every day, as of the last three months ending July 2021.

While Reels has been around for a year, advertising on the product began only six weeks ago. “We have some early campaigns which have gone live. For example, Nykaa has done a campaign to promote its new ranges of



make-ups, from foundation or eyeshadow, through creators.

Another example is audio streaming service of Spotify’s #Listenwiththeworld campaign, where it worked with creators to develop content that showcased how diverse playlists on Spotify inspire their work.

Using a combination of influencers and promotions on Instagram, Spotify saw an increase of 23 per cent in its daily average users in India on the “Today’s Top Hits” playlist.