

Zonal councils and their discontents

There are sizeable differences between the Centre and states ruled by non-BJP and non-Congress regimes over key economic issues

SUBHOJYI BHATTACHARJEE
New Delhi, 15 December

In discussions on Centre-state differences, two elements predominate. The first is the emphasis on the goods and services tax (GST). The second is that demands from the Congress-ruled states get more traction. Yet, about half of India's states are led by non-Bharatiya Janata Party (BJP) and non-Congress political alliances. Their demands on economic issues are often inadequately highlighted.

Article 263 of the Constitution empowers the setting up of an Interstate Council, "to support Centre-state and interstate coordination and cooperation in India". The United Progressive Alliance (UPA) government favoured the National Development Council which brought all the chief ministers under the rubric of the Planning Commission and met once every five years. The BJP-led National Democratic Alliance has favoured Zonal Councils, that state-wise are five contiguous zones. Since 2014, these Councils have met 20 times.

We check out four of the most prominent demands and how they have been treated so far.

Water: Water is a political hot potato across India. Sharing river and water rights was discussed in two of the Zonal Council meetings chaired by Home Minister Amit Shah. The flashpoint in the north concerns the Sutlej-Yamuna link canal. Punjab is unwilling to divert more water from the Sutlej, though the Supreme Court had ordered it to do so. Haryana is keen for more water to deepen the flow in Yamuna and Delhi is hugely dependent on the latter river. The problem has taken an interesting turn, since the Aam Aadmi Party is now the ruling party in Punjab and Delhi and a BJP alliance rules Haryana.

In the south, the river flow is contested not only between Karnataka, a BJP-ruled state, and Dravida Munnetra Kazhagam (DMK)-ruled Tamil Nadu, but has also become a sore point between Andhra Pradesh (YSR) and Telangana (Telangana Rashtra Samithi).



TESTING TIMES

- The interstate council is a creation from Article 263 of the Constitution for solving federal issues
- The UPA government favoured the National Development Council. The BJP government has favoured zonal councils
- Both have only advisory roles since they are not Constitutional bodies
- Zonal councils bring chief minister and chief secretaries of each zone (5) across the table with union ministers and their teams
- Will be tested with increasing differences on power, pensions and administrative reforms

For both, there are independent panels, the Cauvery Water Management Authority and the Krishna River Management Board. The former is almost as old as independent India, the latter is more recent. But the challenges are becoming more acute.

Fishing: Since fish cannot recognise state or national boundaries, fishermen in search of a big catch inevitably cross national boundaries. This has become a key problem for Tamil Nadu and West Bengal, where the Sri Lankan and Bangladesh navies respectively, repeatedly arrest certain Indian fishermen. Worse, as of now, except for Andhra there is no protest if identity theft, people can show. But Aadhar is not recognised by the Sri

has issued a stay on the tax, which still runs.

The second issue is what has led the Enforcement Directorate to the house of Jharkhand Chief Minister Hemant Soren. The agency has allegedly accused Soren of diverting stone mining royalties from the state treasury to his party, Jharkhand Mukti Morcha. Charges came at a time when Jharkhand, which has India's largest coal reserves, announced plans for a transition tax on coal. This is a new flashpoint as it has to be decided if states have the power to impose such a tax.

DBT: For non-BJP ruled states with no national footprint, the Centre's decision to withdraw most centrally sponsored schemes (CSS) seemed an opportunity to expand their grip since they lack votes to check identities from the Aadhar servers; it also raises the issue of illegal migration. The home ministry has recommended issuing QR code-enabled PVC Aadhar cards to the fishermen. But this is not the active support of both DMK-ruled Tamil Nadu and Trinamool Congress (TMC)-ruled West Bengal. This was a top priority issue in the South Zonal Council meetings this year. A press release notes the home minister "urged the coastal states to make efforts to ensure that 100 per cent of the fishermen including migrant and seasonal fishermen going to the high seas should have such Aadhar cards that can be easily verified."

Mining royalties: This has been a bone of contention between the Centre and many states, particularly in the mineral-rich east. The Centre sets the rates for each major mineral. For minor minerals, it collects them from miners. The exceptions are coal, oil and gas. Royalty for most of these minerals is charged on an ad valorem basis as a percentage of the price notified by the state government. For minor minerals like stone and sand, the rates are set by the state and also collected by them.

Two types of tussles have emerged between the Centre and states. First, by law, any royalty enhancement can be made once every three years, but there is always a pressure from the cash-strapped governments such as Jharkhand, West Bengal and Odisha to begin the revision exercise early. The mining companies have also argued that no GST should be levied on the royalty they pay. The Supreme Court

Bezos and Gates back Synchron in drive for brain implant breakthrough

SARAH MCBRIE
15 December

Last March, brain-computing interface expert Tom O'Leary sat down to dinner with Amazon.com Inc. founder Jeff Bezos to talk about O'Leary's nascent company, Synchron Inc. That meal in O'Leary's California, ended with something better than dessert: Bezos told O'Leary that he wanted to invest in the business.

Synchron said Thursday it completed a \$75 million funding round, part of it from Bezos Expeditions. The financing was led by ARCH Venture Partners, and includes a check from Gates Frontier, the venture investment arm of Microsoft Corp. and founder Bill Gates, and others. Existing

investors also participated, including Khosla Ventures—whose founder, Vinod Khosla, introduced O'Leary to Gates.

Brain-computer interfaces, known as BCIs, can interpret and stimulate parts of the brain and are seen as a possible treatment for brain injuries. New investors approached Synchron "through the lens of making an impact in neurology in an area of need," O'Leary said in an interview. They "saw BCI as a future therapeutic." About 100 million people globally have upper limb impairment, he said, and could benefit from the technology.

The cash brings Synchron's total funding to \$145 million. That places it behind Elon Musk's Neuralink Corp. and Max Hodak's Science Corp. on Unlira, Inc.

according to research firm Pitchbook, but far ahead of most other BCI companies. Synchron's Switch device aims to help paralyzed people, such as those with amyotrophic lateral sclerosis (ALS), communicate by controlling computer cursors with their minds.

The founder's next big goal is launching an FDA pivotal trial, a necessary step for the Switch to be eligible for Medicare and insurance coverage. Winning that eligibility would put the company on a path toward future revenue.

Investors had a burst of enthusiasm for BCI startups in 2021, with some 49 deals attracting \$568 million of investment, according to Pitchbook.

BLOOMBERG

FORM NO. CAA, 2
(Pursuant to Section 230 (3) and rule 6 and 7)
20/AN/17/03/2022

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013; And

In the matter of Scheme of Merger by Absorption of TRIL Infopark Limited ("Transferee Company") with Infopark Properties Limited ("Transferor Company") and their respective Shareholders and Creditors.

INFOPARK PROPERTIES LIMITED
4th Floor, Para Plaza No.211, Cathedral Garden Road, Nungambakam Chennai - 600034

..... Second Applicant / Transferee Company

NOTICE OF APPLICATION

Notice is hereby given that a joint Application under sections 230 to 232 of the Companies Act, 2013 with respect to the Scheme of Merger by Absorption of TRIL Infopark Limited ("Transferor Company") with Infopark Properties Limited ("Transferee Company") and their respective Shareholders and Creditors was filed by the Applicant Companies with the Hon'ble National Company Law Tribunal, Chennai Bench (NCLT) on 19th October, 2022. The NCLT by an order dated 9th December, 2022, has sanctioned the proposed Scheme of Merger by Absorption of TRIL Infopark Limited and Unsecured Creditors of the Applicant / Transferee Company. Any person desirous of opposing the proposed Scheme of Merger by Absorption should send to the Applicant Company or to its Authorized Representative (S. B. Haribhaskar, Practising Company Secretary having office at No. 10, 44-38, Venkateswara Street, Nungambakam, Chennai - 600 034, Tamil Nadu, outside of his jurisdiction, signed by him or his Advocate, with his name and address, so as to reach the Applicant or its Authorized Representative not later than thirty days from the date of the publication of this Notice. Where he seeks to oppose the Application, the grounds of opposition or a copy of this affidavit shall be furnished with such notice.

All the documents referred above shall be available for inspection at registered office of the Company on all working days from 11.00 am to 4.00 pm except Saturday and Sunday until the date of hearing. The copy of the Scheme shall be furnished free of charge within one day of requisition received from members and creditors.

Dated this 16th day of December, 2022

For Infopark Properties Limited
Sd/-
Mr. Ritesh Saschdev
Director
DIN: 08099511

KERALA WATER AUTHORITY
Tender Notice

Tender No. E-Tender No. 63/2022-23/SE/PH/CHN
Jai Jeevan Mission (JJM) - WSS to Vengola and Rayanganam Paichayath-Providing Distribution Network and FITCs in Rayanganam Paichayath Kattomata Zone Pealine work. EMD: Rs. 1,00,000/- Tender fee: Rs. 8,850/-
Last Date for submitting Tender: 22.12.2022 03:00 pm
Phone: 0484-2360645, Website: www.kwa.kerala.gov.in, www.stenders.kerala.gov.in
KWA-JS-GL-6-1108-2022-23

Bank of Baroda
www.bankofbaroda.in

NOTICE: RECRUITMENT OF CHIEF TECHNOLOGY OFFICER (CTO) ON CONTRACT BASIS

We invite reference to our advertisement dated 21.05.2022. In continuation to the detailed advertisement hosted on the Bank's website, it has been decided to appoint Chief Technology Officer (CTO) (instead of Deputy Chief Technology Officer (Dy. CTO) as advertised earlier.

The revised eligibility criteria is detailed in the Corrigendum/Notification hosted on the Bank's website. The applicants who have already submitted their application need not apply once again and their applications will also be considered as per the modified criteria.

Interested candidates are advised to visit the Bank's website www.bankofbaroda.in -> Career Page -> Current Opportunities -> Recruitment of Chief Learning Officer (CLO) and Chief Technology Officer (CTO) for further details. The last date of submission of the application is 15th January 2023 (23:59 hours).

Place: Mumbai
Date: 16.12.2022 CHIEF GENERAL MANAGER-HRM

Buy a brand or build a brand?



ANBIL PARAMESWARAN

Somn, my friend, was an angry old man. After a stellar career in tech hardware companies he had begun a start-up at the age of 50, only to sell the company to a tech major (for a handsome valuation, I should add). As a part of the acquisition, he was given a seat at the high table in the acquirer's company. He was recounting his frustration as a member of this management council that voted on new product ideas. He challenges that he could walk out with any one of those ideas, build it into a business and the very same large company would be ready to buy that for a hundred million dollars or more. The question we were debating was why acquisition is such a popular game in Silicon Valley. Was it because big corporations were too bound by processes? And is the simpler way to grow, if you had the cash, to buy by acquiring brands and businesses?

One simple reason why companies acquire brands (and businesses) is because that is an easy way to show growth. But the cost can be huge.

Yet another strategic reason for acquiring a brand could be to get a foothold in a new country (or region). When Johnson & Johnson exited India after their joint venture with Hindustan Unilever failed to take off, they found a new way into India by acquiring All Out. In the last 10 years, they have managed to grow the business and also launch a number of their global brands like Glade and My Muscle on the Indian market. Sometimes an acquisition could be

triggered by a brand owner wanting to exit the business, due to reasons like strategic misfit or heavy headwinds. DCW Home Products sold their brand Captain Cook to an Indian investor because they felt that the market was getting too hot with HUL and HUL making big moves. For Bestfoods, it was a good fit to their food business. Unfortunately, Unilever acquired Bestfoods in a global deal and they did not see any place for Captain Cook in their Indian portfolio. Rip Captain Cook.

Brand acquisition is sometimes actioned by a buyer who may be seeing greater value in a brand than a seller. For instance, a buyer may see synergies that could improve the profit margin of a brand. The improvement could be 300 basis points on EBITDA or more. This was achieved by Dabur when they acquired the Balsara brands. It is also possible that the acquirer can take the brand into new areas that the previous owner did not envisage as opportunities worth pursuing. For instance, Wipro Consumer Care has managed to build the legacy brand Yardley into a vibrant modern fragrance, den and skincare player.

The acquirer can take the brand into new areas that the previous owner did not envisage as opportunities worth pursuing. For instance, Wipro Consumer Care has managed to build the legacy brand Yardley into a vibrant modern fragrance, den and skincare player.

This leads us to yet another reason why brands are acquired. Quite simply, to be part of the winning team in a rising field. In a sense HUL did that when

they acquired TOMCO. Global research has shown that more often than not the winner is the seller. He or she gets to keep the money. The buyer, who may be paid a handsome premium to the prevailing forward PE ratios, has to figure out how to make the investment work.

Talks of Tata acquiring Biskeri have triggered discussions around the rationale and logic of acquiring brands at high valuations. Why add one more brand to the existing Tata portfolio (Himalayan at the premium end and Tata Copper at the mid-price end)? Is the acquisition triggered by the brand recognition or by the fact that along with the brand Tata will also get hold of 300 operational plants and 4,500 distributors (Business Standard, November 25)? Will we see Tata making a play for the healthy water market by taking Biskeri into the domain of Vitro? Is the brand in which Tata bought a significant stake in 2006 only to sell it to Coca-Cola a year later?

The last person who bought brands from Ramesh Chauhan had a great run in India. Thums Up continues to be the biggest cola brand in India (in terms of sales in third position). Reports in 1993 said that The Coca-Cola Company paid around \$188 crore (or \$30 million) to acquire Parle Beverages and its brands, Thums Up, Limea, Gold Spot and Maaza. Both Thums Up and Maaza have performed well under the Coca-Cola management and possibly the acquisition was a win-win for both. They have done in this part of the world.

Here's wishing Tata similar luck with Biskeri, if and when the deal is concluded.

Anbil Parameswaran is a best-selling author, independent brand coach and founder Brand Builders. He has been a player from the rising field. In a sense HUL did that when

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