

Amazon India: Buyer's remorse?

A tougher global e-commerce environment and repeated policy and regulation problems are raising questions about the company's India expansion plans



NIVEDITA MOOKERJI
New Delhi, 20 June

For Amazon, North America accounts for 60 per cent of total sales, according to the financial results announced in April, reporting its first quarterly loss since 2015. A clutch of countries other than the US, Canada and Mexico, together account for just about 25 per cent of the Seattle-based e-commerce major's international business. India is part of that small international business pie. Against the global economic turmoil and slowing of pandemic-fuelled growth in online shopping, industry watchers are wondering whether Amazon may cut its international exposure in foreign lands where losses are piling up.

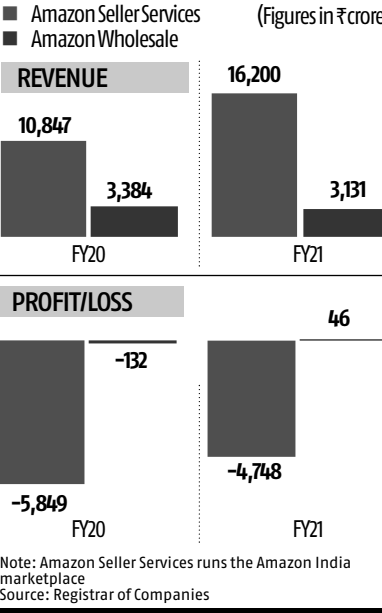
Against that backdrop, Amazon's repeated setbacks of other kinds in India — the latest being the National Company Law Appellate Tribunal (NCLAT) ruling that upheld the Competition Commission of India (CCI) penalty in the Future Coupons case — stand out. The India management maintains that it's bullish on India and will stay invested without getting distracted, but sources pointed out that the company is concerned about the uncertainty and ambiguity in policy and regulation, which make it difficult for any business to plan investments.

The American firm, which competes with Walmart-owned Flipkart as well as Mukesh Ambani's Reliance Retail in this country, entered India less than 10 years ago in 2013. Its cumulative investments have topped \$7 billion during this period. In contrast to the heady top-dollar investments announced by founder and then CEO Jeff Bezos in the early days in India, the company has more recently been in the headlines for its various court cases, arbitration proceedings, penalty by the country's anti-trust body and other investigations. Local trade bodies such as the Confederation of All India Traders (CAIT) are also often at loggerheads with the mighty Amazon in a foreign versus *desi* battle, in a throwback to the days when Walmart evoked fear in the minds of *kirana* or neighbourhood store owners.

As for Walmart, which acquired a majority stake in Flipkart in a \$16-billion

AMAZON INDIA PLAY

Investments by the group since 2013: Around \$7 bn



deal in 2018, the business now resonates with an Indian-ness. Flipkart, founded by Sachin Bansal and Binny Bansal in 2007 in Bengaluru, remains India's e-commerce poster boy.

Amazon may have attempted such a brand trade-off in its stalled deal with the Future Group, founded by Kishore Biyani. It tried to step into the no-man's land called multi-brand retail and faced action. In December 2021, CCI suspended its earlier approval for Amazon's investment in Future Coupons and a 49 per cent stake in the group. It also imposed a penalty of over ₹200 crore on the e-commerce firm for "misrepresentation" and "suppressing information" while seeking approval for the deal from the antitrust body. According to CCI, Amazon's investment in Future Coupons was to exercise strategic control over Future Retail. Recently, NCLAT, where Amazon had challenged the CCI decision, upheld the antitrust regulator's verdict.

Amazon's "intent" to become the single largest shareholder in India's largest offline retailer when foreign direct investment opens up in this sector is at the centre of controversy. Both CCI and NCLAT held

that the e-commerce firm hid this "intent" while seeking approval for its investment in the Future Group.

Even as CAIT national secretary general Praveen Khandelwal hailed the anti-Amazon decisions citing violation of foreign investment norms by the American e-commerce firm, in reality FDI in multi-brand retail has not been made null and void yet. The United Progressive Alliance regime (2004-2014) allowed FDI up to 51 per cent in multi-brand retail, but only UK-based Tesco set up a couple of stores under the policy. Subsequently, there's been no evidence of any application for FDI in multi-brand retail once the Bharatiya Janata Party government came to power in 2014.

Amazon's legal battle with the Future Group has been running on a parallel track as well. After the Amazon-Future Coupons deal, the Biyani group decided to sell the Big Bazaar retail business along with wholesale and logistics units to Reliance Retail in a ₹24,713-crore transaction. Amazon has been busy blocking the deal in various courts in India and overseas on grounds that the Amazon-Future pact had a clause prohibiting the Biyani group from selling its retail assets to a list of restricted entities including Reliance.

Apart from these, Amazon along with other foreign e-commerce firms was told to comply with changing rules from time to time. In one such rule, through Press Note 2, the government amended the FDI regulations for e-commerce marketplace players, restricting them from hosting or selling products of sellers with equity participation in the platform. The Jeff Bezos-founded firm rejigged its business model after this, putting an end to the joint venture with N R Narayana Murthy's firm Catamaran Ventures by buying out its stake in Cloudtail. Mandatory "country of origin" label was among the many policy changes that e-commerce firms such as Amazon were told to follow. Earlier this year, its offices along with those of Cloudtail and Appario Retail (a JV with Patni group) were raided by CCI after offline retailers alleged the American group was monopolising the market.

However, India is not the only geography where Amazon is facing regulatory flak. The US House Committee had recently asked the Department of Justice to launch a criminal probe against Amazon over its alleged refusal to hand over data about third-party sellers. US Federal Trade Commission chairperson Lina Khan has red-flagged the "anti-competitive" aspects of Amazon, too. The European Union also began an antitrust investigation on Amazon's use of "sensitive" data from independent retailers.

Meanwhile, Amazon has tried to help itself during the past years by ticking the right boxes in India, such as hard-selling its scheme (Sambhav) to create employment for small businesses.

The latest issue of *The Economist* argues that in the poorer regions where Amazon operates, such as India and Latin America, the infrastructure is shoddy and local competition intense. "That makes it look like it is throwing good money after bad." Will the Seattle major look at ways to get out of the mess or continue to stay invested despite odds?

The firm closed its online marketplace business in China at the end of 2020 after trying to make it happen. In India, the company's interests are equally widespread if not more, including video, music and Amazon Web Service. According to Arvind Singhal, chairman and managing director of Technopak Advisors, with so much going for Amazon across categories, it's unlikely to cut ties with India. However, Singhal says Amazon may come under shareholder pressure to put on hold any future investments in India in the backdrop of so many setbacks.

ON THE JOB

Agni pareeksha



MAHESH VYAS

The government announced two hiring programmes during the week that began on June 13, but angry protesters set ablaze public property through the week. On June 14, the government announced that the Prime Minister had instructed that a million people must be employed by the various government ministries over the next 18 months on mission mode. The emphasis was on providing employment to the youth. This is ambitious and a very big announcement. To place this number in perspective, India added 2.8 million jobs in 2019-20, the last normal year, in a sense. The addition of a million jobs by the government is therefore very big. Government jobs are also the most coveted. This makes the Prime Minister's instruction even more important.

Politicians have been making demands that government vacancies must be filled and the unemployed youth must be provided jobs during these times. The Prime Minister's guidance therefore was timely and the offer was reasonably large. The government may not be able to fill all vacancies but the offer of a million jobs in 18 months is generous. However, this offer did not attract the attention it merits. Instead, a smaller but more tangible offer of government jobs took centre stage for the wrong reasons.

On the same day that the Prime Minister's instructions were announced, the defence minister announced the Agnipath scheme to enrol youngsters for a four-year stint in the armed forces.

Agnipath promises to hire only about

46,000 people initially; this would be increased in subsequent years. The problem is that the scheme exposes a conflict between the government's objectives as an employer and the aspirations of the youngsters who look forward to joining the armed forces.

The Agnipath scheme limits the hiring to a four-year period with no pension or healthcare benefits after this tenure for 75 per cent of the recruits. Twenty-five per cent would be re-selected for a longer tenure and regular benefits. The interests of the government and the armed forces are well aligned in the Agnipath scheme. The government seeks a lower financial burden from future pension obligations and the armed forces seek a younger armed force of personnel below officer rank.

But, Agnipath springs a rude surprise to the Indian youth who were preparing for the status quo that offered a longer tenure and its attendant monetary and social benefits. Agitations began in Bihar and Uttar Pradesh. These spread quickly to most of north India and then also to the southern regions, particularly in Telangana. The government quickly made a few concessions but the agitation has continued.

The violence is sad because by and large, the Indian youth does not agitate against the lack of jobs. The current agitation like the one in January 2022 with respect to employment by the Railways is essentially against the government changing its rules of employment. It is the unexpected and substantial change in the terms of employment that seems to have riled the youth.

The employment condition is precarious. India is not creating sufficient jobs. Then there is a pent-up anger or growing frustration against stalled recruitment by the government.

Agnipath offered jobs to youngsters between 17.5 years and 21 years of age. The upper limit was relaxed to 23 years, apparently to assuage the anger among those who lost opportunities during Covid times

when hiring was suspended.

The 17.5 to 21 age group is arguably of youngsters who people from most large towns would believe are still at the age of being in school or college. Till 2019, about 4 per cent of the people in the age group of 15 to 19 years were employed. Earlier, in 2017, about 7 per cent in this age group were employed. Since 2020, this proportion has dropped to about 2 per cent. But, this is the age of an entry into the armed forces. And, the anger is amongst these people.

This can be explained by the fact that the unemployment rate in this age group has risen from around 23 per cent in 2017 to over 50 per cent since 2020. Every second person who is looking for employment in this age group is unemployed. This is despite the fact that the labour participation rate is very low — less than 5 per cent. This low labour participation rate is in line with our expectation that youngsters of this age group are mostly studying. There is only a small proportion that is looking for work. But, most of them do not find employment.

The next age group for which data is readily available is the 20-24 years bracket. This group is also impacted by the Agnipath scheme. The labour participation rate for this group is higher at 33.5 per cent. The unemployment rate is also very high at over 41 per cent. The employment rate is about 20 per cent.

Some of these 15-24-year-olds are looking for employment in the armed forces. They are disappointed that the rules of the game have changed.

It is imperative that India finds a reasonable balance between the sustainability of government finances and the aspirations of the growing youth population. Sustained economic growth is the best solution. India is the world's fastest-growing large economy. But, even at this rate it cannot generate sufficient jobs and its government cannot raise the resources required to adequately fund its defence requirements. None of these can precipitate a crisis in the short run. Both require a credible plan and collective patience.

The writer is MD & CEO, CMIE PLtd

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CORRIGENDUM

With reference to the advertisement for acceptance of public deposits published in this newspaper on June 15, 2022. In this regard at point (h), the public deposits outstanding as on March 31, 2022 was ₹14,983.78 crores (including unclaimed deposits) instead of ₹17,648.97 crores. The other details stipulated in the advertisement remains unchanged.

सेन्ट्रल बैंक ऑफ़ इंडिया
Central Bank of India

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NOTICE FOR INVITING TENDERS

Central Bank of India invites tenders from eligible bidders for Rate Contract for Purchase of MICR Grade Security Paper. For complete details, visit our Bank's website www.centralbankofindia.co.in under Live Tenders. **Last date & Time for Submission of Tenders is 07.07.2022 up to 3.00 PM**

Date : 20.06.2022
Place : Mumbai **Asst. General Manager-BSD**

CORRIGENDUM TO THE DETAILED PUBLIC ANNOUNCEMENT AND LETTER OF OFFER UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2021 FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF

HexaTradex Limited
(CIN: L51101UP2010PLC042382)
Registered Office: A-1, Nandgaon Road, UPSIDC Industrial Area, Kosi Kalan, Mathura - 281 403 Uttar Pradesh, India
Corporate Office: Jindal Centre, 12 Bhikaji Cama Place, New Delhi - 110 066, India
Tel: +91 11 2618 8360; Fax: +91 11 2617 0691
Website: www.hexatradex.com, Email: contactus@hexatradex.com
Contact Person: Mr. Praveesh Srivastava, Company Secretary

This corrigendum to the Detailed Public Announcement (*defined below*) and Letter of Offer (*defined below*) is being issued by Sundae Capital Advisors Private Limited ("Manager" or "Manager to the Offer") for and on behalf of the Siddeshwari Tradex Private Limited ("Acquirer 1"), Innex Global Multiventures Private Limited ("Acquirer 2"), Opeline Sustainable Services Private Limited ("Acquirer 3"), JSL Limited ("Acquirer 4") (Acquirer 1, Acquirer 2, Acquirer 3 and Acquirer 4 are collectively referred to as the "Acquirers") and other members of promoter and promoter group of Hexa Tradex Limited, to the public shareholders as defined under Regulation 2(1)(f) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended, ("SEBI Delisting Regulations") ("Public Shareholders") of Hexa Tradex Limited (the "Company") in respect of the proposed acquisition of the fully paid up equity shares of the Company with a face value Rs. 2 (Indian Rupees Two) each ("Equity Shares") that are held by the Public Shareholders and consequent voluntary delisting of the Equity Shares from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE are collectively referred to as the "Stock Exchanges") pursuant to the applicable provisions of SEBI Delisting Regulations ("Delisting Offer") and in accordance with the terms and conditions set out below and/or in the Detailed Public Announcement and the Letter of Offer.

This corrigendum is to be read along with the detailed public announcement published on June 10, 2022 (the "Detailed Public Announcement") and letter of offer dated June 10, 2022 (the "Letter of Offer").

The Acquirers have presently availed the facility of Reverse Book Building Platform / Offer to Buy Window of NSE. As an additional facility to the Public Shareholders, the Acquirers have now decided to use the Reverse Book Building Platform / Offer to Buy Window provided by BSE as well. Hence, following clauses of the Detailed Public Announcement and / or the Letter of Offer should be read as under:

i) **Modification of the definition of "Acquisition Window Facility" in the Letter of Offer:**

Acquisition Window Facility	The facility for acquisition of Equity Shares through mechanism provided by the Stock Exchanges in the form of a separate window in accordance with the SEBI Delisting Regulations and the SEBI Circulars

And all references to "Acquisition Window Facility" in the Detailed Public Announcement shall be construed accordingly.

ii) **Insertion of the definition of "Clearing Corporation" and "ICCL" in the Letter of Offer and the Detailed Public Announcement:**

Clearing Corporation	Indian Clearing Corporation Limited or NSE Clearing Limited, as the case may be
ICCL	Indian Clearing Corporation Limited

iii) **Substitution of the disclosure under Clause 9.5 of Letter of Offer and Clause 13.5 of the Detailed Public Announcement as under:**
The cumulative quantity of Offer Shares tendered shall be displayed on website of NSE and BSE at specific intervals during the Bid Period and the outcome of the Reverse Book Building Process shall be announced within 2 (two) hours of the closure of the Bid Period.

iv) **Substitution of Clause 11.11 of the Letter of Offer and Clause 15.11 of the Detailed Public Announcement as under:**
The cumulative quantity of the Equity Shares tendered shall be made available on the website of NSE and BSE throughout the trading session and will be updated at specific intervals during the Bid Period.

v) **Substitution of the disclosure under Clause 10.1 of Letter of Offer and Clause 14.1 of the Detailed Public Announcement as under:**
All the Public Shareholders holding Equity Shares are eligible to participate in the Reverse Book Building Process by tendering, the whole or part of the Equity Shares held by them through the Acquisition Window Facility at or above the Floor Price. The period during which the Public Shareholders may tender their Equity Shares, shall commence on Tuesday, June 21, 2022 ("Bid Opening Date") and close on Monday, June 27, 2022 ("Bid Closing Date") during normal trading hours of the secondary market ("Bid Period"). During the Bid Period, Bids will be placed in the Acquisition Window Facility by the Public Shareholders through their respective stock brokers registered with the NSE and/or BSE ("Seller Member") during the normal trading hours of secondary market on or before the Bid Closing Date. Any change in the Bid Period will be notified by way of an addendum/corrigendum in the newspapers in which Detailed Public Announcement has been published.

vi) **Substitution of the disclosure under Clause 11.6(j) of the Letter of Offer and Clause 15.6(j) of the Detailed Public Announcement as under:**
In case of non-receipt of the Letter of Offer / Bid Form, Public Shareholders holding shares in dematerialized form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, client number, DP name/ID, beneficiary account number and number of equity shares tendered for the Delisting Offer. Public Shareholders will be required to approach their respective Seller Member and have to ensure that their Bid is entered by their Seller Member in the electronic platform to be made available by NSE or BSE, before the Bid Closing Date.

Further, please note that:

(a) The references in the Detailed Public Announcement and the Letter of Offer referring to usage of "acquisition window facility provided by NSE", in what so manner appearing shall be read and construed as "acquisition window facility provided by the Stock Exchanges"

(b) the references in the Detailed Public Announcement and the Letter of Offer referring to "NSE Clearing Limited" or "NCL" should be read as "Clearing Corporation".

Except as above, there are no other changes in the Detailed Public Announcement and the Letter of Offer.

ISSUED BY THE MANAGER TO THE OFFER

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For and on behalf of the Acquirers
Siddeshwari Tradex Private Limited

Sd/-
Naresh Kumar Agarwal
Whole- Time Director, Chief Financial Officer and Company Secretary

Sd/-
Ranjit Malik
Director

Date: New Delhi
Place: June 20, 2022

Covishield booster after vax doses gets a thumbs-up

SOHINI DAS
Mumbai, 20 June

Covishield fares significantly better as a booster or third shot after primary vaccination with either Covishield or Covaxin, shows a Christian Medical College Vellore study on heterologous vaccine boosting.

In an interview with Karan Thapar, Gagandeep Kang, microbiologist and professor at CMC Vellore, said that heterologous boosting with Covishield as a third shot after two doses of Covishield boosted antibody-led immune response by 58 times.

In an interview to *The Wire*, Kang said the findings of the study on mixing Covishield and Covaxin as the booster shot after one was primed with either two doses of Covishield or Covaxin would be published this week. The findings have been submitted to the government already.

They show that Covishield is a far more effective booster after two Covaxin jabs than the other way round. So far, India has not allowed heterologous boosting of vaccines. At present, those who have taken two doses of Covishield have to take its third shot. Likewise, for those who have taken Covaxin.

Kang said: "If you have had two doses of Covaxin, then you would have a better immune response with a third dose of Covishield, and also, if you have



In an interview with Karan Thapar, Gagandeep Kang, microbiologist and professor at CMC Vellore, said that heterologous boosting with Covishield as a third shot after two doses of Covishield boosted antibody-led immune response by 58%

had two doses of Covishield, then you would have a better response with Covishield."

Kang, a member of Britain's Royal Society, confirmed the CMC Vellore study found out that a third Covaxin after two Covaxin increases antibodies six times but from a very low base; a third Covishield after two Covishield increase antibodies 6.8 times but from a very much higher base; whereas a third Covaxin after two Covishield only increases antibodies 2.5 times. A third Covishield after two Covaxin increases antibodies 58 times, the study has found.

The expert, however, also

pointed out that while the Covaxin primed and Covishield boosted regimen starts to boost the antibody response from a lower bar, it has been found that people who have got Covaxin as primary dose and Covishield as booster end up with better immunity than those who have been Covishield primed, and Covaxin boosted.

Kang added that the CMC Vellore study was only testing responses of antibodies and not T-cells. She also pointed out that no tests were done using protein-based vaccines as boosters. The tests were limited to the two most widely used vaccines in India, Covishield

and Covaxin.

In fact, she said, "We can boost the immune response of Covishield with protein vaccine heterologous vaccination." She also added that this data is similar to the data from elsewhere in the world, which shows that if one has received an inactivated vaccine as their primary two doses then a vector or mRNA vaccine gives a better boost to immune response.

Also, the expert did not sound worried about people below 60 years and without any co-morbidities not getting a third shot of booster doses immediately.

"We know that a booster dose gives some incremental level of immunity. Most people below the age of 60 years and without any co-morbidities, do they really need a booster? Nowhere in the world there is evidence that a public health programme is boosting people under the age of 60 years within the time frame that we have done, or others in the world may have done. I think we have been in a rush to provide protection against a pandemic and we may have given too many doses too soon in some cases," she said in the interview.

She felt that the time had come to redefine what we mean by a wave, by not focusing on tests and their outcomes but on how serious the disease is and the number of deaths.