

RBI goes slow on liquidity ops

ANUPROY
Mumbai, 13 January

The Reserve Bank of India (RBI) on Thursday positively surprised the bond markets by going slow on its liquidity absorption mode, possibly indicating its readiness to not rush towards normalisation amid a pandemic scare.

Generally, the central bank has been rolling over its variable rate reverse repo (VRRR) auctions in order to suck up excess liquidity from the banking system. It was widely expected that the RBI would be announcing a three-day reverse repo auction of ₹2 trillion, rolling over the last such auction conducted on Monday.

The central bank did not do so during market hours. But after the market closed, it announced a 14-day VRRR of ₹5 trillion. This was lower than the central bank's expressed plan of draining the system by ₹8 trillion through VRRR this week.

The central bank had on December 31, 2021, conducted a 14-day VRRR auction of ₹7.5 trillion, but banks parked only ₹2.67 trillion in that auction.

"Both the 14-day amount and no communication on the three-day VRRR came as a pleasant surprise to the market. It seems the RBI has now taken a



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backseat on monetary tightening due to the prevailing Covid situation," said Devendra Dash, senior vice-president, AU Small Finance Bank. "This means the cut-off of 3.99 per cent is not near-guaranteed in VRRR auctions," said Dash. Therefore, short-term money market rates would likely dip in the coming days on RBI liquidity support.

Soumyajit Niyogi, associate director of India Ratings and Research,

observed that in the environment of long pause on policy rate, the internal liquidity management and market operations of the RBI are assuming a critical central role.

"Impounded system liquidity, rather than permanent sterilisation, gives comfort and flexibility to banks to operate amidst volatile environments without compromising with the stability in the financial system," said Niyogi.

Like other global central banks, the Indian central bank is also normalising its pandemic-induced extraordinarily loose monetary policy in stages.

In October, it stopped direct bond purchases, thereby halting its infusion of fresh liquidity into the system. Now, it is draining the system liquidity through VRRR auctions. By choosing a variable rate for reverse repo auction, rather than the fixed rate, the central bank has pushed up the de-facto reverse repo rate to near the repo rate of 4 per cent.

This has resulted in bond yields firming up, pushing the interest rate in the economy. Analysts expect a formal reverse repo hike announcement at the February 9 monetary policy review, while a repo rate hike could come sometime in the second half of this calendar year.

But clearly, the central bank does not want to hurry on a rate tightening as the economy has still not registered a healthy recovery. The Index of Industrial production grew at its slowest pace since March by 1.4 per cent year-on-year in November, from 4 per cent in October.

Meanwhile, inflation also quickened to a five-month high of 5.59 per cent in December, making the job complicated for the central bank.

OFFER OPENING PUBLIC ANNOUNCEMENT UNDER REGULATION 18(7) OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, FOR THE ATTENTION OF THE SHAREHOLDERS OF KERNEX MICROSYSTEMS (INDIA) LIMITED

(CIN: L30007TG1991PLC013211)
Registered Office: Plot No 38 (part)-41, Survey No 1/1, Hardware Technology Park, TSIC Layout, Kanchara Imlarat, Raviraj Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-501510, Telangana, India.
Tel No.: +91 84146 67601; E-Mail ID: acs@kernex.in; Website: www.kernex.in

This advertisement is issued by Mark Corporate Advisors Private Limited ("Manager to the Offer") for and on behalf of Mr. Anji Raju Manthena ("Acquirer") pursuant to Regulation 18(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations, 2011") in respect of the Open Offer to acquire upto 32,50,000 Equity Shares of ₹10 each of Kernex Microsystems (India) Limited ("KML"/"Target Company") representing 26% of the Equity Share Capital/Voting Capital of the Target Company. The Detailed Public Statement ("DPS") with respect to the Offer was published on September 27, 2021 (Monday) in the following newspapers:

Publication	Language	Edition(s)
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition
Nava Telangana	Telugu	Hyderabad Edition

1) The Committee of Independent Directors ("IDC") of the Target Company has issued recommendation (relevant extract) on the Offer, which was published on January 12, 2022 (Wednesday) in the above mentioned newspapers and the same are as under:

Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC is of the view that Open Offer is fair and reasonable.
Summary of reasons for recommendation	IDC has taken into consideration the following for making the recommendation: IDC has reviewed (a) The Public Announcement ("PA") dated September 20, 2021 in connection with the Offer issued on behalf of the Acquirer (b) The Detailed Public Statement ("DPS") which was published on September 27, 2021 and (c) The Letter of Offer ("LoF") dated January 05, 2022. Based on the review of PA, DPS and LoF, the IDC is of the opinion that the Offer Price of ₹74.50 (Rupees Seventy Four and Paise Fifty only) per Equity Share offered by the Acquirer (more than the highest price amongst the selective criteria mentioned under Justification of Offer Price in the LoF) is in line with the SEBI (SAST) Regulations, 2011 as prescribed by SEBI and prima facie appears to be justified. The IDC, however suggests that the Equity Shareholders should independently evaluate the Offer, and take informed decision in the matter.

2) There was no Competitive Bid.
3) The dispatch of Letter of Offer to the Public Shareholders as on the Identified Date i.e. January 03, 2022 is in accordance with Regulation 18 (2) of SEBI (SAST) Regulations, 2011 and has been completed (either through electronic mode or physical mode) on January 10, 2022. The Identified Date was relevant only for the purpose of determining the Public Shareholders to whom the LoF was to be sent. It is clarified that all the Public Shareholders (even if they acquire equity shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.

4) The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11 B of the SEBI Act, 1992 and there are no directions subsisting and proceedings pending against the Acquirer under SEBI Act, 1992 and regulations made thereunder or by any other Regulator.

5) The Acquirer undertake not to directly/indirectly sell any equity shares in the Target Company during the Offer Period in terms of Regulations 25(4) of SEBI (SAST) Regulations, 2011.

6) The Acquirer has complied with Regulation 29 (3) of SEBI (SAST) Regulations, 2011, wherever applicable.

7) As on date, the Target Company is fully compliant with applicable provisions of the Listing Agreement as well as SEBI (LODR) Regulations, 2015 as amended except non-dematerialisation of 1,18,675 Equity Shares belonging to the Promoter/Promoter Group representing 0.95% of the Equity Share Capital/Voting Capital of the Target Company. Further, there has not been any penal/punitive action taken by the Stock Exchanges.

8) As on date of LoF, there are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and regulations made thereunder or by any other Regulator.

9) As on date there has been no action initiated against the Promoters/Promoter Group of the Target Company for non-compliance with Regulation 29(2) of SEBI (SAST) Regulations, 2011. However, SEBI may initiate appropriate actions against the Promoter(s)/Promoter Group in terms of SEBI (SAST) Regulations, 2011 and provisions of SEBI Act for certain Non-Compliances by Promoter(s)/Promoter Group.

10) The Promoters/Promoter Group, Directors and KMPs of the Target Company are not in the list of 'wilful defaulters' issued by any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by RBI and as per Regulation 6A of SEBI (SAST) Regulations.

11) The Promoters/Promoter Group, Directors and KMPs of the Target Company have not been declared as a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) as per Regulation 6B of SEBI (SAST) Regulations.

12) A copy of the LoF is also available on the website of SEBI.

13) The Final Observation Letter no. SEBI/HO/CFD/DCR-III/OW/40223/1 received from SEBI on December 30, 2021 (Thursday) and the comments received from SEBI in terms of regulation 16(4) of the SEBI (SAST) Regulations have been duly incorporated in the Letter of Offer and also in this advertisement to the extent applicable.

14) a) **In the case of Equity Shares held in physical form:** Eligible Person(s) may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions as set out in the LoF. They can participate by submitting an application to their Broker/Selling Broker on the plain paper giving details regarding their Shareholding and requisite documents as mentioned in the LoF. They have to deliver Physical Share Certificates and other relevant documents along with the Transaction Registration Slip to the Registrar to the Offer by Registered Post/Speed Post/Courier/Hand Delivery so as to reach to the Registrar within two (2) days from the Closing of the Offer.

b) **In case of Equity Shares held in dematerialized form:** The Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Clearing Corporation of India Ltd. (Clearing Corporation) for the transfer of Equity Shares to the Special Account of the Clearing corporation before placing the bids/order and the same shall be validated at the time of order entry. The details of the Special Account of Clearing Corporation shall be informed in the issue opening circular issued by BSE/Clearing Corporation.

15) **Schedule of Activities:**
The Schedule of Activities has been revised and the necessary changes have been incorporated in the LoF. The Revised Schedule of Activities is in compliance with the applicable provisions of SEBI (SAST) Regulations, 2011 and the same is as under:

Nature of Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Date of the Public Announcement	September 20, 2021	Monday	September 20, 2021	Monday
Date of publishing the Detailed Public Statement	September 27, 2021	Monday	September 27, 2021	Monday
Last date for filing of Draft Letter of Offer with SEBI	October 04, 2021	Monday	October 04, 2021	Monday
Last date of a competing offer	October 20, 2021	Wednesday	October 20, 2021*	Wednesday
Last date for receipt of SEBI observations on the DLOF	October 27, 2021	Wednesday	December 30, 2021*	Thursday
Identified Date*	October 29, 2021	Friday	January 03, 2022	Monday
Last date by which the Letter of Offer will be dispatched to the Shareholders (Except the Acquirer/Promoter/Promoter Group of the Target Company/ Seller(s)) as on the identified date	November 09, 2021	Tuesday	January 10, 2022	Monday
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	November 11, 2021	Thursday	January 12, 2022	Wednesday
Last Date for revising the Offer Price/number of shares	November 12, 2021	Friday	January 13, 2022	Thursday
Date of Public Announcement for Opening the Offer	November 15, 2021	Monday	January 14, 2022	Friday
Date of Commencement of the Tendering Period ("Offer Opening date")	November 16, 2021	Tuesday	January 17, 2022	Monday
Date of Closing of the Tendering Period ("Offer Closing date")	November 30, 2021	Tuesday	January 31, 2022	Monday
Last date for communicating rejection/acceptance and payment of consideration for accepted equity shares/credit of unaccepted shares to demat account	December 14, 2021	Tuesday	February 14, 2022	Monday

* There is no competing offer as on the date of this LOF.
* Actual date of receipt of SEBI's final observations on the DLOF.
* Identified Date is only for the purpose of determining the names of the Eligible Shareholders (Except the Acquirer/Promoter/Promoter Group of the Target Company/Seller(s)) as on such date to whom the Letter of Offer will be sent. It is clarified that all the holders (registered or unregistered) of Equity Shares (except those who are excluded in the ambit of Eligible Shareholders) of the Target Company, are eligible to participate in this Offer any time during the tendering period of the Offer.

Capitalized terms used in this advertisement, but not defined herein, shall have the same meanings assigned to such terms in the PA, DPS and the Letter of Offer. This advertisement will be available on the website of SEBI i.e. www.sebi.gov.in.

Issued by the Manager to the Offer:

Mark Corporate Advisors Private Limited
CIN: U67190MH2008PTC181996
404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off W. E. Highway, Vile Parle (East),
Mumbai - 400 057.
Tel. No.: +91 22 2612 3207/08
Contact Person: Mr. Manish Gaur
E-Mail ID: openoffer@markcorporateadvisors.com
SEBI Registration No.: INM000012128

On behalf of the Acquirer:

Sd/-
Anji Raju Manthena ("Acquirer")
* Signed by duly constituted power of attorney holder, Sitarama Raju Manthena

Date : January 14, 2022

Place: Hyderabad

Higher input costs make PNG 20% dearer in FY22

IGL hikes price of domestic PNG in Delhi by 50 paise

TWESH MISHRA
New Delhi, 13 January

Indraprastha Gas (IGL) has hiked the price of domestic piped natural gas (PNG) in Delhi by 50 paise to ₹35.61 per unit (measured in standard cubic metres or scm).

The new price effective from Wednesday means more expensive cooking fuel for the nearly 1.68 million domestic households that use IGL's PNG across the country.

This is the fifth hike in PNG prices by IGL in the current fiscal year, raising the price by over 20 per cent or ₹5.95 per unit in this period. The present price would roughly mean an increase of ₹92 per month in cooking gas bills from the levels during the 2020-21 financial year. It is estimated that a household consumes half a unit of PNG in a day.

Higher piped natural gas prices are due to increased input costs for IGL. In October 2021, the Centre had hiked the sale price allowed to domestically produced natural gas available under the administered price regime (APM) by 62 per cent to \$2.9 per million British thermal units (mBtu) from \$1.79 per mBtu. Correspondingly, the ceiling price allowed to gas produced from deep water, ultra-deep water, and high pressure-high temperature areas (collectively called



difficult fields) was almost doubled to \$6.13 per mBtu. While the price of domestically available gas was hiked, there was also a surge in global natural gas prices, which is delivered as liquefied natural gas (LNG). The prices for LNG delivered to North Asia crossed \$56 per mBtu in October.

This surge in the price of spot LNG, which was scheduled to be delivered in December, was due to higher demand for LNG coming from Europe and colder winters being anticipated in Asia, putting pressure on the global supply chain.

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Despite cooling off from record highs, Asian LNG prices remained firm and touched \$48.3 per mBtu in December. This price was for LNG due for delivery in February 2022.

These higher prices mean more pain in sight for the PNG consumers in India as IGL meets roughly 20 per cent of its natural gas requirement from LNG.

According to Debasish Mishra, leader (energy, resources, and industrials) at Deloitte in India, the higher PNG prices would mean tougher adoption over LPG cylinders. "PNG consumers have been reluctantly switching from LPG given the initial deposit. As the running cost is expected to go up significantly in the future due to increased APM gas price and completely unaffordable spot prices unless mandated, it will be tough going for the PNG segment," Mishra told Business Standard.

Despite the higher price of PNG, it continues to be cheaper than domestic (14.2 kgs) LPG cylinders by around 25 per cent, according to official estimates. This is because LPG cylinder prices, too, have been higher after the government stopped bearing LPG subsidies from May 2020.

The price of a domestic LPG cylinder has been unchanged at ₹899.50 apiece from October 2021.



Mangled remains of Guwahati-Bikaner Express after it derailed in West Bengal's Jalpaiguri on Thursday PHOTO: PTI

5 killed as train derails in Bengal, PM takes stock

PRESS TRUST OF INDIA
Kolkata/New Delhi, 13 January

At least five people were killed and more than 45 injured when 12 coaches of the Bikaner-Guwahati Express train derailed and some overturned near Domohani in West Bengal's Jalpaiguri on Thursday, officials said.

The accident occurred around 5 p.m. in an area under Alipurduar division of North-east Frontier Railway, an NFR spokesperson said in Guwahati, which is over 360 km from the scene of the tragedy. Commissioner, Railway Safety, will conduct an inquiry into the cause of the accident, a railway official said in New Delhi. Railway Minister Ashwini Vaishnaw, Railway Board Chairman and Director General (Safety) are also leav-

ing for the accident site, the official said.

"Three bodies were recovered from the accident site. So far, around 20 people have been admitted to hospital. The rescue operation is on at a war-footing," Jalpaiguri District Magistrate Moumita Godara Basu said.

An NFR spokesperson said in Guwahati that a relief and rescue train carrying a medical team has reach the accident site.

Prime Minister Narendra Modi, who was in the middle of a meeting with chief ministers to review the Covid-19 situation, inquired West Bengal CM Mamata Banerjee about the accident. Banerjee, who had spoken to the Jalpaiguri district magistrate, briefed the prime minister about the relief and rescue operations.

Symptomatic cases in kids on the rise

Doctors worry about post-recovery complications, like MIS-C

RUCHIKA CHITRAVANSHI & SOHINI DAS
New Delhi/Mumbai, 13 January

With the country in the grip of a third Covid-19 wave, the cases of symptomatic-infected children are on the rise, reveal medical experts. While the infection has been mild in most reported cases, those below two years of age are showing signs of acute infection.

Doctors at this stage have twin worries: One, the rise of multisystem inflammatory syndrome in children (MIS-C), which could manifest four to six weeks after Covid infection. Two, an increase in cases could overwhelm the medical system already groaning under the weight of inadequate specialised trained staff needed for paediatric care.

But medical professionals aren't pressing the panic button just yet. They say intensive therapy and/or critical care infrastructure (infra) for children is not stressed yet.

A senior paediatrician in the national Capital says he had 40 young patients come in with Covid in one day, against single-digit cases he tended to in the earlier wave. "The number of children infected is much higher. Many more children are coming to us with mild symptoms like fever and gastrointestinal disorders. Acute symptoms last for two to three days. But very few hospitalisations so



NATIONAL SCENARIO OF ICU BEDS

Bed category	Available
■ Isolation	1,810,083
■ ICU	139,300
■ Paediatric non-ICU	64,796
■ Paediatric ICU	24,057

Source: Ministry of Health and Family Welfare

far," he says. Over the past few months, the government has underscored the need to ramp up paediatric infra in all its advisories.

Union Health Secretary Rajesh Bhushan said recently, "Around 50 per cent funds of the ₹23,123-crore Emergency Covid Response Package II announced by the Centre in August has been released to states. Also, 9,574 paediatric intensive care unit beds will be added using the funds."

Since September, India has been ramping up infra for paediatric hospital beds. Several national-level discussions have happened around deciding upon a clinical protocol for Covid management in children, say doctors. "The efforts have paid off. Treatment of children in hospitals will not be a challenge in big cities. Although the equipment for newborns and infants is very specialised, adult beds, too, may be used, if the

Delhi, Mumbai may see Covid cases peak next week

New Covid-19 infections in cities such as New Delhi and Mumbai could peak next week after rising rapidly, experts said on Thursday, as the country reported the highest number of daily cases since late May. "Our modelling, and those of others, suggests that the big Indian cities should see their peaks in cases close to Jan. 20, while the overall peak in India may be shifted a bit later, to early February," said Gautam Menon, professor of physics and biology at Ashoka University.

need arises," says Jesal Sheth, paediatrician and intensivist, Fortis Hospital, Mulund.

Of the 139,300 ICU beds available across the country now for Covid patients, around 5 per cent, or 24,057 beds, are earmarked for young patients. Of the 1.8 million India has, around 4 per cent of the non-ICU beds are available for children, said the Union health ministry. However, as some health experts say, infra without adequate manpower could be a carriage without wheels.

"Children need special care. They need paediatric nurses and doctors. Adult ICUs cannot be blocked. It will be a logistical nightmare. Even in ICUs, you need a parent/guardian/attendant on call. That causes another group of people to be masked," says Rahul Nagpal, director-paediatrics and neonatology, Fortis Hospital, Delhi.

Nagpal says while the disease among adolescents settles down in two-three days, all respiratory diseases can be severe in babies less than two years old.

Child specialists are recommending vaccination for younger children be taken up in mission mode. "If the world has to return to normal, one of the ways to ensure that is vaccination. Paediatric vaccination is crucial. Covaxin is a safe vaccine since it uses a very traditional technology," says Nitin Verma, associate director general-paediatrics, Madhukar Rainbow Children's Hospital, Delhi.

"It is the post-Covid impact that is worrying, especially MIS-C, which comes four to six weeks after recovery," he adds. That the infection is on the rise in children is evident from the US data, says Nagpal. "Child infection in the US was 2.5 per 100,000 in the last wave; now it is 4 per 100,000," he adds.

Suresh Kumar Panugati, lead consultant-paediatric critical care and paediatrics, Yashoda Hospitals in Hyderabad, says in the earlier two waves, children who got tested positive for Covid remained asymptomatic. In the third wave, they are showing symptoms.

Panugati says during the first wave, around 4 per cent of children in the age group of 1-10 years required hospitalisation. That percentage was higher in the 11-20 age group, where 8-10 per cent needed hospitalisation. The proportion is likely to remain unaltered in this wave.

Doctors, however, admit that there are higher Covid cases among children on the ground than is being reported.