

# Bharat 22 ETF recast will see 3 firms cast out

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The Department of Investment and Public Asset Management (Dipam) will reconstitute its flagship exchange traded fund — the Bharat 22 ETF — and remove shares of three companies — National Aluminum Co (Nalco), Engineers India Ltd (EIL), and Rural Electrification Corp — from it.

The first two stocks will be removed from the ETF because any further offering of the financial product will take the government's shareholding in Nalco and EIL to below 52 per cent, something it doesn't want.

REC will be removed because once Power Finance Corp completes its acquisition of the Centre's stake in the REC, the latter will cease to be a state-owned company.

This means the additional offering of Bharat 22 ETF on Thursday, in which the exchequer garnered around ₹10,000 crore, will be its last in the current form. The next offering of the fund, likely in 2019-20, will be with new constituent stocks.

"We will need to reconstitute the ETF. The government will work with the asset manager (ICICI Prudential) to see what other PSUs can be made part of the ETF's basket," said an official. The reconstitution will happen in 2019-20.

The Bharat 22 ETF draws companies from six sectors. The constituents of the basket are Nalco, ONGC, Indian Oil, Bharat Petroleum, Coal India, State Bank of India, Axis Bank, Bank of Baroda, Rural Electrification Corp, Power Finance Corp, Indian Bank, ITC Ltd, Larsen & Toubro (L&T), Bharat

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- Three stocks — Nalco, EIL, REC — to be removed from ETF
- Govt stake in Nalco, EIL will drop below 52% after any further offering of Bharat 22
- REC will be dropped upon completion of PFC's acquisition of the Centre's stake
- Reconstitution to happen next fiscal

Electricals, Engineers India, NBCC, Power Grid Corp, NTPC, Gail India, NHPC Ltd, NLC India, and SJVN.

Though ITC, Axis Bank and L&T are not state-owned enterprises, the government owns shares in them through the Specified Undertaking of Unit Trust of India (SUUTI).

The government has so far raised ₹22,900 crore through the Bharat 22 ETF. While ₹14,500 crore was raised in November 2017, another ₹8,400 crore was raised in June 2018.

The ₹10,000 crore that Dipam earned from SUUTI will go a long way in meeting the disinvestment target of ₹80,000 crore.

The government's other ETF, the CPSE ETF was reconstituted earlier this fiscal as well. Three companies were removed — GAIL, Container Corporation and Engineers India, as the government holding in these companies has fallen below 55 per cent.

These firms have been replaced by four other state-run entities — NTPC, SJVN, NLC, and NBCC. With this, the number of firms in the CPSE ETF basket has increased to 11, as against 10 earlier.

# Keeping an eagle eye on oil and gas pipelines

FeatherDyn is developing a drone that can make sure pipelines are free of encroachments

**N RAMAKRISHNAN**

The three troop into a conference room at the Maker Village, an electronics hardware incubator, full of confidence and eager to talk about their venture. All three have qualifications in aeronautics and aerospace. They had known each other either from their previous jobs or from their college days. And, when Rajeev decided to start a venture, it was but natural for the three to get together and start it.

What was the idea that FeatherDyn had in mind when they started off? "We wanted to solve the case of long-range asset monitoring," says Rajeev, who dons the hat of the Chief Executive Officer as well. There are nearly 30,000 km of oil and gas pipelines in the country and the Petroleum and Natural Gas Regulatory Board mandates that these pipelines have to be inspected at least once a month, especially for right-of-way. At present, says Rajeev, oil and gas companies employ foot patrols or use helicopters to inspect the pipelines. Both these methods, he adds, are time-consuming and expensive. Once the pipelines are laid, there should not be any activity 5 metre on either side.

The trio thought the use of unmanned aerial vehicles, or drones, will help in easier monitoring of these pipelines. And, if the drones were to carry high-definition cameras, the monitoring will be even better. They in-

corporated FeatherDyn in March 2018 and have now come out with a prototype of the drone made of glass fibre for the airframe and done a few trial flights. The Director-General of Civil Aviation has given them a location

in Munnar to conduct a few test flights to check out the drone's capabilities. The final product will have a carbon fibre airframe for its light weight and strength.

According to Rajeev and Akhil, similar long-range drones are in use in Canada and France. It is a matter of time before foreign drone manufacturers enter India, given the size of the market.

The trio wanted to be first off the block. The drone developed by them is a fixed-wing drone that gives it the capability for vertical take-off and landing and for cruise and hover functions. At present, the drones available have a limited distance range, of up to 10 km, whereas the one developed by them can fly up to 100 km on a single charge, using lith-

### The company

**FeatherDyn Pvt Ltd, Kochi**

### What it does

- ▶ Incubated at the Maker Village at KINFRA Hi-Tech Park in Kalamassery, Kochi, FeatherDyn is developing a drone that can carry a payload of 2 kg and will have a range of 100 km. The drone can be used, among other things, to check the right-of-way of oil and gas pipelines in the country, to make sure the pipelines are free of encroachments and any unwanted activity. It has been founded by Rajeev Chandrasekharan, Akhil Gopalan and Navaneethakrishnan J, all three with qualifications in aeronautical engineering

### The moving force

**Rajeev Chandrasekharan,**  
CEO and Co-founder, 33 years old

- ▶ He obtained a Bachelor's in aeronautical engineering from Aeronautical Society of India, Delhi, and worked in the National Aerospace Laboratory for two years in the computational and theoretical fluid dynamics department, before pursuing a Master's in aerospace engineering from Indian Institute of Space Science and Technology, Thiruvananthapuram. He worked in a start-up Team Indus, which was one of the ventures that competed in the Google Lunar X mission, before founding FeatherDyn, where he is responsible for aircraft design and aerodynamics, apart from looking after the business aspect
- ▶ **Hobbies and interests:** Says he has time for none, but is heavily involved in reading material related to their venture

**Akhil Gopalan,**  
Co-founder, 32 years old

- ▶ A B.Tech in electrical engineering from College of Engineering, Thiruvananthapuram, he completed his Master's from IISc, Bengaluru, and then did a one-year project at IISc before getting his Ph.D in guidance control and navigation in aerospace from the same institute. At FeatherDyn his responsibility is to select the auto pilot hardware, sensors for the applications and programme the flight computer. He was in Team Indus for six months, which is when he got to know Rajeev
- ▶ **Hobbies and interests:** He is passionate about football; plays football and table tennis

**Navaneethakrishnan J, Co-founder, 31 years old**

- ▶ A B.Tech from Aeronautical Society of India and an M.Tech from IIST, Thiruvananthapuram, he worked as an assistant professor before joining as co-founder of FeatherDyn, where he takes care of the structural design and fabrication of the drone. He was Rajeev's junior in college

- ▶ **Hobbies and interests:** He likes playing cricket and watching movies

