

French electronics major Thales to expand strategic collaborations with India

Dinakar Peri
NEW DELHI

French electronics major Thales is significantly expanding its investments as well as sourcing from India. A joint venture, Thales Reliance Defence Systems Ltd., in Nagpur is now the Group's global production centre for airport navigational aids, while Bharat Electronics Limited-Thales Systems in Bangalore manufactures high-tech products such as low-band receivers for the electronic warfare suite of Rafale jets. "We are trying to expand and strengthen our local footprint," said Ashish Saraf, vice-president and country director, Thales India.

India is currently negotiating the purchase of 26 Rafale-M jets for the Navy.

In addition, Thales will be establishing a maintenance, repair and overhaul (MRO) facility in the Delhi-National Capital Region with "multi-million-Euro" investment for its Indian airline customers focused



Ashish Saraf

towards avionics, Mr. Ashraf said in a written interview to *The Hindu*. "India is a strategic country for Thales with immense potential across our key markets including defence, aerospace as well as digital identity and security solutions. We take pride in our partnership with India built over the past seven decades," he said.

Elaborating on the MRO facility, he said that "combining the strengths of Indian civil aviation market with Thales's prowess in avionics", they are investing in an MRO set-up in India to provide "world-class service efficiency" to their airline customers. "In the

spirit of 'Make in India', we are also further building on our defence foothold by developing local services capacity to better support our Indian defence customers to achieve their operational readiness as well as provide all integrated logistics support in India, including maintenance, spare parts, and training," Mr. Ashraf said.

Stating that they have steadily built advanced in-country capabilities across manufacturing, critical systems, and services in India through local teams and collaborations, Mr. Ashraf said their objective has been "Make in India for India and for the world", enabling the local industry to play a greater role in worldwide markets. "We are investing in the larger supply chain ecosystem in India. Our purchasing volume in India in the last five years has been around €750 million. This supply chain ecosystem has led to creation of close to 2,000 indirect jobs in India," he said.

Activate Window

Unending woes

India must incentivise fishermen to give up bottom trawling

The continuing arrests of fishermen from Tamil Nadu and Puducherry by the Sri Lankan Navy in the Palk Bay, despite diplomatic interventions at the highest level, and the attacks on them mid-sea by armed civilians are a matter of serious concern. True, Indian fishermen cross into Sri Lankan waters in search of catch, and affect the livelihood of Sri Lankan Tamil fishers. But the numbers this year are staggering. The detention of 23 fishermen and the seizure of two trawlers on Saturday, off Delft island on charges of "poaching", has taken the number of those arrested so far this year to 69, compared to 240 the whole of last year. Since 2013, Sri Lankan authorities have also remanded some fishermen in judicial custody for several months. This year, 34 fishermen, including 12 who were arrested last year, have been released, while over 45 men remain in custody. What is distressing for the community is the confiscation of their expensive fishing nets and vessels – this year, 10 boats were seized. By the time these boats are released through a judicial process or following diplomatic talks, most are not in a sea-worthy condition.

No doubt, Sri Lanka is under pressure from its northern province fishermen to act against Tamil Nadu fishermen, who they accuse of resorting to destructive bottom trawling, a practice banned by the country since July 2017. While India promised to end bottom trawling in the Palk Bay and incentivise fishermen to take to deep-sea fishing under the Blue Revolution Scheme, bottom trawlers are still active. Fishermen also face a practical problem as under the Tamil Nadu Marine Fishing Regulation Act 1983, mechanised fishing boats are permitted to fish only beyond three nautical miles from the coast. Since the distance between Dhanushkodi and the International Maritime Boundary Line is only nine nautical miles, breaches do occur, a point the Sri Lankan Navy should not overlook. As Prime Minister Narendra Modi emphasised in 2015, the tensions over fishing must be handled as a "humanitarian concern". Unfortunately, neither side has demonstrated consistency in the handling of the issue. In November 2016, the countries had agreed upon a Joint Working Group (JWG) on Fisheries that would meet every three months, and also have a bi-annual meeting of the Ministers of Fisheries. But the JWG has held just five sittings, the last one being in 2022. Tangible and targeted action is needed to encourage deep-sea fishing, bottom trawling being given up and the issue resolved with mutual compassion and periodic talks. Failing this, the Palk Bay would remain perilous territory for Indian fishermen.

A sunshine initiative

Centre's solar initiative should be accommodative to States

Finance Minister Nirmala Sitharaman's interim Budget day speech reiterated a plan by Prime Minister Narendra Modi to supply power to one crore households in the country using rooftop solar panels. This would help households save ₹15,000 annually, the Minister claimed. What is known so far is that households that have a monthly electricity consumption of less than 300 units a month will be able to install a mid-sized system (1-2 kilowatt) with the government bearing the expense. This could mean a minimum outlay of ₹1 lakh crore. As of today, rooftop solar systems are subsidised up to 40%, with the remainder having to be borne by the consumer. Under the proposed policy, the subsidy will increase to 60% and the rest will be financed by a private developer who is affiliated to a public sector enterprise connected to the Power Ministry. This will ostensibly ensure quality in installation and also reliable service. There is a mechanism of 'net-metering', wherein surplus electricity produced by households can be sold back to the grid to make good the loan, though the actual way in which this is implemented can be quite complex. A monthly consumption of 300 units is paltry in houses where air conditioners and heaters are a given, but by national standards, is a significant metric of consumption. About 80% to 85% of 25 crore to 30 crore households in India use between 100 units and 120 units of power a month on average. Therefore, finding one crore houses that will be eligible for the plan will not be a difficult task.

The major difference from earlier solar promotion policies is that it is the Centre, as opposed to the State power distribution companies (discoms), that will be pushing for solarisation. India's discoms, most of which are heavily loss making, have had little incentive so far in moving high-consumption customers to decentralised solutions, such as rooftop solar. Given that such discoms have the best granular information about power supply at the household level, bypassing them will not be a successful strategy. The Centre's push to give visibility to a hitherto laggard programme is welcome. After all, the move towards decarbonised power will be half-hearted if it does not involve households. So far, only 12 gigawatt (GW) out of an intended 40 GW of rooftop solar panels has been installed. Here too, household rooftops account for only 2.7 GW with the rest being commercial or building units. The Centre's move can thus galvanise a subsidiary domestic industry of solar panels – the subsidies will not be available for imported panels – and must be tweaked in a way to be more accommodative to States. Else, there is a real risk that much of the challenges that have impeded previous initiatives will resurface.

How secured credit cards help build credit score

By showcasing responsible credit management with secured credit cards, you can position yourself for a transition to unsecured credit cards

CREDIT PROFILE

Radhika Binani

A good credit score not only opens doors to multiple credit opportunities but also gives you the power to negotiate a better deal with lenders. However, individuals who are new to credit or those with a damaged credit score might face difficulty in getting approval for loans and credit cards. They would first need to build a good credit score to increase their chances of availing loans at a more favourable interest rate or a credit card that suits their needs. Secured credit cards could come as a valuable tool for such consumers to help build a solid credit profile.

Collateral needed

Issued against a collateral, generally a fixed deposit, secured credit cards require the users to make a deposit upfront. This serves as collateral, thus lowering the risk for the card issuer while offering a crucial chance for users to rebuild their credit. If the user defaults on credit card payments in future, the issuing bank has the right to use the deposit amount to cover their losses.

The deposit amount also determines the credit limit offered on the secured credit card. The issuer offers 80-90%, sometimes up to 100%, of the deposit as credit limit.

Apart from requiring a



Spend only as much as you can afford to repay, do not exhaust the entire credit limit and establish a strong repayment history

deposit, secured credit cards function the same way as unsecured credit cards. Cardholders can use it to make purchases online and offline, convert big-ticket expenses into EMIs and earn value-back on spends in the form of reward points or cashback.

Low/no fee

While most secured credit cards charge a very low or no annual fee and come with a basic rewards or cashback programme, some secured cards may also offer accelerated earnings on select categories.

For example, the IDFC FIRST WOW Credit Card offers up to 3X reward points on UPI spends and Kotak 811 Dream Different Credit Card offers 2X rewards on online spends.

You can maximise benefits with optimal use of the value-back programme on the secured credit card. You can use the card to earn accelerated rewards, discount deals and avail other limited period offers. However, you should not overspend just to earn more rewards.

Primarily, a secured credit card helps you rebuild a poor credit score or start your credit journey. Since



It is also important to regularly monitor the usage on your secured credit cards as well as your monthly credit score to see the impact

the activity on secured credit cards is reported to the credit bureaus, you can show responsible behaviour by making timely payment of credit card bills. Spend only as much as you can afford to repay, do not exhaust the entire credit limit and establish a strong repayment history.

If rebuilding credit is your primary concern, it is also important to regularly monitor the usage on your secured credit cards as well as your monthly credit score to see the impact and stay on track.

In addition to availing the benefits of a credit card, users will also earn interest on their deposit against which the card is issued. The rate of interest varies from issuer to issuer and also based on the fixed deposit tenure. With IDFC FIRST WOW Credit Card, for example, you can earn 7.5% interest on your fixed deposit. Hence, secured credit cards offer benefits in three ways:

- 1) You can avail general benefits of a credit card like EMIs, up to 50 days of interest-free period, reward points, etc.
- 2) You will earn interest on your deposit
- 3) With responsible us-

age, you can build or improve your credit score.

While selecting a secured credit card, you should compare different options and choose the one where the rate of interest on deposit is higher and, at the same time, the card offers benefits more aligned to your purchase patterns.

Making a transition

By showcasing responsible credit management with secured credit cards, you can position yourself for a transition to unsecured credit cards. Unsecured cards typically offer higher credit limits as well as better benefits. With an improved credit score and a history of responsible credit usage, you could be eligible for unsecured cards that better align with your spending habits and could help you save a substantial amount on your regular spends.

Card upgrade

Sometimes, card issuers take note of these financial habits and may offer an upgrade to their secured credit cardholders. However, if your card issuer is not offering an upgrade, you can consider applying for an unsecured card after using the secured card responsibly for at least 6 months.

Secured cards can prove to be the stepping-stones of building a positive credit profile by demonstrating disciplined usage, opening the doors to more credit opportunities.

(The writer is Chief Product Officer, Paisabazaar)