

LIC improves asset quality ahead of IPO

Lowers its net NPA to 0.05%

PRESS TRUST OF INDIA New Delhi, December 5

AHEAD OF ITS proposed initial public offering (IPO), insurance behemoth LIC has improved its asset quality for the financial year ended March 2021.

The non-performing assets (NPAs) as of March 31, 2021, are ₹35,129.89 crore out of a total portfolio of ₹4,51,303.30 crore, according to the latest Annual Report of Life Insurance Corporation of India (LIC).

The sub-standard assets are ₹254.37 crore whereas the doubtful assets are ₹20,369.17 crore and loss assets are ₹14,506.35 crore. An amount of ₹34,934.97 crore is provided as per IRDAI guidelines in the books of accounts towards non-performing assets, it said.

The percentage of gross NPA is 7.78% while the net NPA is 0.05% at the end of March 2021. This is lower than gross NPA of 8.17 per cent (as a percentage of its debt portfolio) and net NPA of 0.79% in the previous year.

In absolute terms, the NPA



was ₹36,694.20 crore out of a total debt of ₹4,49,364.87 crore in 2019-20. Stress threshold for banks is different from that for insurers. LIC usually makes full provisions for all NPA in the debt book. The corporation has made provisions to the tune of ₹37,341.6 crore, of which ₹34,934.97 crore is towards doubtful, sub-standard, and loss assets.

"The management has reviewed the asset quality and performance of investments in respect of real estate, loans, investments, other fixed assets etc and adequate provision for impairment/diminution in value of investments/assets have been provided for wherever necessary," the annual report said.

The government earlier this year amended the Life Insurance Corporation Act, 1956, to

facilitate the listing of LIC.

According to the amendment, the central government will hold 75% in the LIC for the first five years after the IPO and then it will subsequently hold at least 51% at all times after five years of its listing. The government currently owns a 100% stake in LIC.

The authorised share capital of the LIC shall be ₹25,000 crore divided into 2,500 crore shares of ₹10 each, as per the amended legislation. As much as 10% of the LIC IPO issue size will be reserved for policyholders.

Finance Minister Nirmala Sitharaman in the Budget speech had said the IPO of the LIC would be launched in the current financial year.

LIC, once listed, has the potential to become one of the biggest domestic companies by market capitalisation with an estimated valuation of ₹8-10 lakh crore.

On LIC IPO and strategic sale of BPCL, Sitharaman recently said, "We are progressing with each one of them...the detailing requires a lot of time."

The tying up of loose ends among different departments consumes its own time and this is being expedited, she added.

Cyclone Jawad: Rain lashes Odisha, Bengal; more in store for next 2 days

PRESS TRUST OF INDIA Bhubaneswar/Kolkata, December 5

HEAVY RAIN POUNDED the southern part of West Bengal and coastal region of Odisha on Sunday affecting normal life, as cyclone Jawad weakened into a depression, the Met department said.

The cyclonic storm is likely to further weaken into a well-marked low-pressure area during next 12 hours, as a result of which several districts of south Bengal may receive heavy rain till Tuesday morning.

Heavy rain affected functioning of Paradip port in Odisha while reports of crop loss is received from different parts of the state, an official said.

The West Bengal government has stopped ferry services on the Hooghly river, evacuated people from coastal areas and urged tourists not to visit sea-side resorts.

A trawler sank during anchoring in coastal South 24 Parganas but no casualty was reported, an official said.

Fishermen have been asked not to venture into the west-central and northwest Bay of Bengal, and along and off Andhra Pradesh, Odisha and West Bengal coasts during the



next 24 hours.

"The Depression (remnant of cyclonic storm Jawad) over northwest Bay of Bengal near Odisha coast moved northeastwards with a speed of 25 kmph during past 6 hours, and lay centred at 5.30 pm over northwest Bay of Bengal close to Odisha coast about 30 km southeast of Paradip (Odisha), 120 km east-northeast of Puri (Odisha) and 210 south-southwest of Sagar Island (West Bengal)," the IMD said in its bulletin at 8 pm.

The coastal districts of Odisha were soaked as the remnants of cyclone Jawad reached Puri coast in the afternoon before taking a re-curve in north-northeast direction and reaching Paradip.

Later the system further

progressed towards West Bengal coast. As the system reached near Puri, devotees and several organisations in the town started prayer seeking blessings of Lord Jagannath to save the state.

South Bengal districts such as North and South 24 Parganas, Purba and Paschim Medinipur, Jhargram, Kolkata, Hooghly, Birbhum, Bankura and Nadia received heavy rain of varied intensity on Sunday.

The weatherman said the districts of North 24 Parganas, Nadia and Murshidabad are likely to witness heavy rain till Tuesday morning.

Squally wind with speed reaching 40 to 50 kilometres per hour gusting to 60 kmph is also likely along and off the

West Bengal coast till Monday afternoon.

During its northward journey, the depression caused heavy rainfall across Odisha while the districts of Ganjam, Puri, Khurda, Jagatsinghpur and Kendrapara suffered the burnt of the rain fury, affecting normal life.

The highest rainfall of 201 mm was recorded in Paradip between 2.30 pm to 3.30 pm, disrupting loading and unloading of goods at the port.

Jagatsinghpur received an average of 100 mm rainfall. While Paradip got 201 mm of rain, it was followed by Erasama (where the 1999 super cyclone made landfall) with 188 mm, Balikuda (130 mm), Nuagaon (123 mm), Kujang (114 mm) and Jagatsinghpur (66 mm).

The Regional Meteorological Centre in Bhubaneswar issued a heavy rainfall alert for 14 districts in the state in the next 12 hours.

The Met office said Kolkata, where the sky has been overcast since Saturday with intermittent rainfall, received 5.5 mm rain in 24 hours till 8.30 am on Sunday.

Digha recorded 19.7 mm rain, while Midnapore got 16 mm and Kalaikuda 15 mm rain during the same period, it

said. A rise in water level was witnessed at various embankments, ponds and water bodies in southern Bengal.

The state administration had asked tourists not to visit seaside resorts such as Digha, Mandarmani, Bakkhali, Frazerganj and other coastal areas on the weekend.

However, with the Met department forecasting that there will not be a cyclonic storm in West Bengal, tourists were seen wading into waters and taking photographs of the choppy sea in Digha in Purba Medinipur district and Bakkhali in South 24 Parganas, ignoring the warnings of disaster management personnel camping there.

An official said regular ferry services on Hooghly connecting North 24 Parganas and Hooghly districts had been suspended.

The West Bengal government has evacuated 24,375 people from coastal areas of South 24 Parganas and Purba Medinipur and opened 82 relief centres in the two districts.

The administration has also opened 115 multipurpose cyclone shelters and 135 additional temporary relief shelters to deal with any "emergency-like situation," an official said.

Tata Motors, Honda mull price hike from January

PRESS TRUST OF INDIA New Delhi, December 5

WITH INPUT COSTS continuing to rise, automakers like Tata Motors, Honda and Renault are looking to increase vehicle prices from January next year to offset the impact.

Already, car market leader Maruti Suzuki and luxury automakers Audi and Mercedes-Benz have announced to hike vehicle prices from next month.

While Maruti said the price rise planned for January 2022 will vary for different models, Mercedes-Benz said its hike will be on select models by up to 2%.

The maker of brands like City and Amaze had last hiked the vehicle prices in August this year.

Renault stated that it is also looking at a "substantial" price increase across its vehicle range owing to rising input and operational costs.

When contacted over the issue, Tata Motors President Passenger Vehicles Business Shailesh Chandra said: "Prices of commodities, raw material and other input costs continue to rise. An appropriate price hike to at least partially offset this increase in costs seems inevitable in the near to short term."

The company sells models like Punch, Nexon and Harrier in the domestic market. Honda

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Cars India also stated that it is considering price increase in the near future.

"There is a severe impact on input cost due to commodity prices' increase. We are still studying how much can be absorbed," a company spokesperson noted.

The maker of brands like City and Amaze had last hiked the vehicle prices in August this year.

Renault stated that it is also looking at a "substantial" price increase across its vehicle range from January.

The French company sells models like Kwid, Triber and Kiger in the Indian market.

The companies have been forced to take price hike, with substantial increase in prices of essential commodities like steel, aluminum, copper, plastic and precious metals over the last one year.

Besides, transportation cost has gone up in recent times affecting the total cost structures of original equipment manufacturers (OEMs).

Long waiting period due to semiconductor shortage can affect demand: Maruti Suzuki

PRESS TRUST OF INDIA New Delhi, December 5

LONGER WAITING PERIODS with semiconductor shortage affecting production can have a negative impact on car demand, although the supply constraints of chips have gradually improved over the last few months, according to a senior official of car market leader Maruti Suzuki India.

The company currently has a pending order of around 2.5 lakh units with demand in the market continuing to be buoyant, while its production was over 80% of normal in November.

"The bookings show that the demand continues to be quite robust, both in terms of inquiries and the bookings, but now availability is an issue and waiting periods have gone up," Maruti Suzuki India (MSIL) Senior Executive Director (Marketing & Sales) Shashank Srivastava.

He further said, "So we are a little bit afraid that the longer waiting periods will affect the demand pattern and it can have a negative impact."

Depending on models and variants the waiting period can range from weeks to months in the domestic passenger vehi-

cles market at present.

Srivastava, however, said there have not been booking cancellations as the company has been constantly communicating with its customers.

"Almost every customer is being contacted every week, explaining the situation of why there is a waiting, and when they are likely to get the vehicle. And most consumers, I'm happy to say, understand this and we are also very grateful that they have not cancelled that booking because of this waiting period," he added.

Besides, the company is trying its "best to increase the production as much as possible", in order to overcome the situation, he added.

Stating that the supply constraint due to semiconductor shortage has improved, Srivastava said, "If you look at the availability of electronic components, this is affecting the production since August and onwards. Situation is getting a little better — September was 40% of the planned production, October was 60%, November was about 83-84% and December, as we have stated it will be about 80 to 85%."

While things are improv-

ing, he said when it will become normal is going to take some more time but it is difficult to predict because the global supply chain is involved.

It is not just Maruti or one vendor of Maruti but also other OEMs in the industry and not just India, but across the globe all OEMs are affected by this, he added. Srivastava also said the current decline in

sales is largely because of the supply issue and not a demand issue.

"There is an upswing in the market if you look at a longer period," said, adding in the April-November period this year the overall industry sales were around 19 lakh units as compared to 15 lakh units in the year-ago period, which is a growth of over 26%.

SBI invites bids to sell NPA account KSK Mahanadi Power

PRESS TRUST OF INDIA New Delhi, December 5

SBI HAS INVITED bids from asset reconstruction companies, and other financial institutions to sell an NPA account KSK Mahanadi Power Company, with total outstanding against the company standing over ₹4,100 crore.

"In terms of the bank's policy on sale of financial assets, in line with the regulatory guidelines, we place the account (KSK Mahanadi) for sale to ARCs/Banks/NBFCs/FIs," State Bank of India (SBI) said in an auction notice.

The e-auction of KSK Mahanadi is scheduled to take place on December 31, 2021. With fund based outstanding of ₹3,815.04 crore and non-fund based outstanding of ₹286.83 crore, company's total loan dues towards SBI stands at ₹4,101.87 crore as on date, as per SBI. The country's largest lender has set a reserve price of ₹1,423.17 crore for selling this non-performing asset (NPA).

SBI said the interested parties can conduct their due diligence of this asset with immediate effect after submitting an expression of interest by December 6.

Reserve Bank rate decision, Omicron worries to drive stocks this week: Analysts

PRESS TRUST OF INDIA New Delhi, December 5

VOLATILITY IS LIKELY to continue in the stock market this week amid Omicron uncertainty and the RBI monetary policy meeting will be a key driver for benchmark indices going ahead, say analysts.

It will be an event-packed week for the markets, with RBI policy and several macroeconomic numbers scheduled to be announced, they added.

"Volatility is likely to continue amid Omicron uncertainty, RBI credit policy, and macroeconomic numbers. There are lots of news flows on the Omicron variant which are causing volatility in the market while on the domestic front we will have the outcome of an important monetary policy of RBI that is scheduled on December 8. We will also have our IIP and inflation numbers this week however they will be released on Friday after market hours," said Santosh Meena, Head of Research, Swastika Investment.

Equity benchmarks on Friday tumbled after India reported its first case of the Omicron variant of the coronavirus. "We expect volatility to remain high this week as well as we have some important data and events lined up. First, participants will be closely eyeing

It will be an event-packed week for the markets as RBI policy and several macroeconomic numbers are scheduled to be announced

the monetary policy review meet outcome on December 8. On the macroeconomic front, IIP number and CPI inflation are scheduled for December 10," Ajit Mishra, VP Research, Religare Broking said.

Yesha Shah, Head of Equity Research, Samco Securities said that with a slew of events on the horizon, traders should brace themselves for an action-packed week. Market players will attempt to read between the lines of the RBI's monetary policy outcome.

"RBI's monetary policy meeting which is scheduled to start this week will be a key market driver in the coming days as investors await MPC's policy decision considering the uncertainty surrounding the new virus which persists in the global economy. Major domestic data points awaiting its release this week are November's inflation data and October's industrial & manufacturing production data," said Vinod Nair, head of research at Geojit Financial Services.

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NOTICE (Pursuant to Rule 30 of The Companies (Incorporation) Rules, 2014) REGIONAL DIRECTOR, WESTERN REGION IN THE MATTER OF THE COMPANIES ACT, 2013, SECTION 13(4) OF COMPANIES ACT, 2013 AND RULE 30(6) (a) OF THE COMPANIES (INCORPORATION) RULES, 2014

INDIAN INSTITUTE OF INSURANCE SURVEYORS AND LOSS ASSESSORS CIN: U80902TG2005NPL047675 Registered Office: 6-1-73, Office No. 104 & 106, First Floor, Saeed Plaza, Lakdikapal Hyderabad 500004, Telangana, India.

NOTICE OF 13TH ANNUAL GENERAL MEETING AND E-VOTING INFORMATION Notice is hereby given that the 13th Annual General Meeting (AGM) of the Members of Indian Institute of Insurance Surveyors and Loss Assessors ("the Company") will be held on Monday, 27th December, 2021 at 11:00 A.M. at Hotel Best Western Ashoka Near Metro Station 6-1, 70, Lakdikapal Road, near to Lakdikapal, Hyderabad, Telangana-500004