

SBI for nil GST on insurance premiums

SUBRATA PANDA
Mumbai, 22 March

Taxing insurance premiums at 18 per cent at a time when insurance penetration in the country is merely 4.2 per cent is, perhaps, not the best way forward, according to a report by SBI Research on Tuesday. It added that instead, goods and services tax (GST) on life, health, and term premiums should either be reduced to 5 per cent or "zero" to pave the way for higher penetration.

"In India, insurance penetration is low; the introduction of tax in the realm of insurance may not represent the best step forward. After Covid-19's effect on the economy, it seems this is the right time to reduce the

UPI most-preferred payment mode among consumers in CY21: Report

Unified Payments Interface (UPI) has emerged the most preferred payment mode among consumers, with a person-to-merchant market share of 56 per cent in volume terms in calendar year 2021, said a report by Worldline India. In value terms, UPI merchant transactions account for 41 per cent of the market share. However, cards are still dominating the merchant acceptance payments ecosystem, with 26 per cent market share in volume terms, and 53 per cent in value terms. Among cards, credit cards have 26 per cent and 8 per cent market share in value and volume terms, respectively. Debit cards have a market share of 23 per cent and 14 per cent in value and volume terms, respectively.

BS REPORTER

GST rate to 5 per cent or "nil" on life, health, and term insurance to maximise coverage in India," the research note said.

Twenty years after India's insurance sector was opened up, unshackling the control of state-owned companies, as many as 50 private players have set up shop.

But India's insurance penetration has not progressed

much. The overall insurance penetration has increased from 2.71 per cent in 2001-02 to just 4.2 per cent in 2020-21.

Life insurance penetration has increased from 2.15 per cent to 3.2 per cent during the period. Non-life insurance penetration has moved up by just 44-basis points (bps) to 1 per cent as of 2020-21.

The insurance industry has been advocating a reduction in GST rates on premiums for a long time, and more so after the pandemic. While there have been several calls from the industry to the government for a relook on the GST aspect, there has not been much development on this front.

Industry experts have reckoned that in the absence of any

social security scheme, insurance becomes a necessity. So, charging 18 per cent GST on premiums makes it unaffordable for many in the country.

The research report has also suggested increasing insurance penetration in the country. In fact, the government may look to enrol workers of the Mahatma Gandhi National Rural Employment Guarantee Act under the Pradhan Mantri Jivan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana for a premium of ₹342.

This, if done, will cost the government ₹400-500 crore, assuming only 10 per cent of individuals complete 100 days of work. And, in FY22, approximately 120-130 million people will work under the scheme.

Banks put in lesser amounts in VRRRs ahead of FY22-end

ABHIJIT LEE
Mumbai, 22 March

Banks on Tuesday put in lower than notified amounts in the Reserve Bank of India's (RBI's) two variable rate reverse repo (VRRR) auctions for ₹1.5 trillion as they predominantly preferred to maintain cash on their books ahead of the close of FY22.

The three-day VRRR auction for ₹1 trillion saw offers for ₹67,422 crore. The RBI accepted the amount with a cut-off rate of 3.99 per cent. The 28-day VRRR auction for ₹50,000 crore saw banks putting in ₹47,190 crore. Bankers said the demand from customers remained high at the end of March and banks wanted to keep some liquidity with them.



THE AUCTION

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able rate repo (VRR) and VRRR as the main liquidity management tools.

CARE Ratings, in its weekly review, said the liquidity surplus narrowed sharply in the holiday-truncated week ended March 17. This can be because of outflows towards advance tax payments as well as those for fiscal year-end payment settlements.

The average banking system liquidity surplus, at ₹5.78 trillion, declined in the week ended March 18 against ₹7.24 trillion in the previous week.

The RBI in its bulletin (March 2022) said increased government spending became the principal, autonomous driver of liquidity in this period. This is despite higher leakage in the form of currency in circulation on account of the Assembly elections and the rabbi harvesting season.

Average daily absorption

under the fixed rate reverse repo window stood at ₹1.7 trillion while the bulk of the absorption was effected through VRRR auctions (both main and fine-tuning), reflecting liquidity rebalancing through the migration of surplus liquidity towards longer tenors, the RBI said.

The liquidity surplus in the banking system pulled down overnight money market rates, with the weighted average call rate, the tri-party repo, and the market repo rate close to the reverse repo rate.

Interest rates on longer-term money market instruments such as the three-month T-bill and certificates of deposit, however, remained higher, with their respective spreads over the reverse repo rate averaging 38 bps and 60 bps during the second fortnight of February through March 11, 2022.

emami limited

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POST BUYBACK PUBLIC ADVERTISEMENT REGARDING COMPLETION OF BUYBACK OFFER IN COMPLIANCE WITH REGULATION 24(VI) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED, FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF EMAMI LIMITED.

This post buyback public advertisement ("Advertisement") is made pursuant to the regulation 24(vi) of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time ("Buyback Regulations"). This Advertisement should be read in conjunction with the public announcement dated Saturday, February 5, 2022 published on Monday, February 7, 2022 ("PA") issued in connection with the Buyback. The capitalized terms and abbreviations used in this Advertisement shall have the same meaning as ascribed to them in the PA, unless otherwise specified.

- The Buyback**
 - The Board of Directors of the Company (the "Board") which expression shall be deemed to include any committee constituted by the Board and/or officials, which the Board may constitute/authorise to exercise its powers, including the powers conferred by the board resolution, at its meeting held on Thursday, February 3, 2022 ("Board Meeting"), approved the buyback of fully paid-up equity shares of the face value of ₹1/- (Indian Rupee One Only) ("Equity Shares") of the Company, each from its shareholders/beneficial owners (other than those who are promoters, members of the promoter group or persons in control), from the open market through stock exchange mechanism for an aggregate amount not exceeding ₹16,200.00 lacs (Rupees Sixteen Thousand Two Hundred Lacs Only) ("Maximum Buyback Size"), and at a price not exceeding ₹550/- (Indian Rupees Five Hundred Fifty Only) per Equity Share ("Maximum Buyback Price"), payable in cash (the process being referred hereinafter as "Buyback"). The Maximum Buyback Size and Maximum Buyback Price do not include buyback tax, filing fees, advisory fees, intermediaries fees, public announcement publication expenses, stock exchange fee for usage of their platform for Buyback, brokerage, costs, fees, turnover charges, taxes such as securities transaction tax, goods and service tax (if any) and income tax, stamp duty and other incidental and related expenses (collectively referred to as "Transaction Costs").
 - The Buyback commenced on Wednesday, February 9, 2022 and closed on Monday, March 21, 2022. Till the date of closure of Buyback, the Company has utilized a sum of approximately ₹16,121.45 lacs (Rupees Sixteen Thousand One Hundred Twenty One Lacs Forty Five Thousand Only) i.e. 99.52% of Maximum Buyback Size (excluding Transaction Costs) with a balance of ₹78.55 lacs (Rupees Seventy Eight Lacs Fifty Five Thousand Only).
 - In view of the fact that the Company has utilized a sum of ₹16,121.45 lacs (Rupees Sixteen Thousand One Hundred Twenty One Lacs Forty Five Thousand Only) i.e. 99.52% of Maximum Buyback Size (excluding Transaction Costs) with a balance of ₹78.55 lacs (Rupees Seventy Eight Lacs Fifty Five Thousand Only), the Company has decided to close the Buyback on Monday, March 21, 2022. Intimation for closure of the Buyback was issued to the Stock Exchanges on Monday, March 21, 2022.
 - The total number of Equity Shares bought back under the Buyback is 33,63,740 (Thirty Three Lacs Sixty Three Thousand Seven Hundred Forty Only).
- Details of the Buyback**
 - The Company bought back a total of 33,63,740 (Thirty Three Lacs Sixty Three Thousand Seven Hundred Forty Only) (0.76% of the pre-buyback paid-up equity share capital of the Company), and the total amount invested is ₹16,121.45 lacs (Rupees Sixteen Thousand One Hundred Twenty One Lacs Forty Five Thousand Only) (excluding Transaction Costs), which represents 99.52% of the Maximum Buyback Size. The price at which the Equity Shares were bought back was dependent on the price quoted on BSE Limited and National Stock Exchange of India Limited, together referred to as "Stock Exchanges". The highest price at which the Equity Shares were bought back was ₹500.00 per Equity Share while the lowest price was ₹453.38 per Equity Share. The Equity Shares were bought back at an average price of ₹479.27 per Equity Share. These prices are based on contract notes issued by the Company's broker (IIFL Securities Limited) and exclude Transaction Costs. The total amount utilized in the Buyback is ₹16,121.45 lacs (excluding Transaction Costs), which represents 99.52% of the Maximum Buyback Size of ₹16,200.00 lacs (excluding Transaction Costs).
 - The payout formalities have been completed as per settlement mechanism with the Stock Exchanges. The Company has extinguished the entire 33,63,740 Equity Shares bought back under the Buyback.
 - The Equity Shares bought back were in the demat segment from the Stock Exchanges. As the Buyback was done from the open market through Stock Exchanges, the identity of the shareholders from whom Equity Shares exceeding one percent of the total Equity Shares bought in the Buyback is not known.
- Capital Structure and Shareholding Pattern**
 - The capital structure of the Company, pre Buyback i.e. as on Saturday, February 5, 2022 (as mentioned in the PA) and post Buyback, is as under:

(₹ in Lakhs)

Share Capital	Pre-Buyback (As mentioned in the PA)	Post Buyback (As on March 21, 2022)
Authorized		
50,00,00,000 Equity Shares of ₹1/- each	5,000.00	5,000.00
Issued Subscribed and Paid-up Capital		
44,45,13,740 Equity Shares of ₹1/- each fully paid up	4,445.14	-
44,11,50,000 Equity Shares of ₹1/- each fully paid up	-	4,411.50*

* The Company has completed the process of extinguishment of the entire 33,63,740 Equity Shares bought back under the Buyback.

- The shareholding pattern of the Company, pre Buyback i.e. as on Friday, February 4, 2022 (as mentioned in the PA) and post Buyback is as under:

Sr. No.	Category of Shareholders	Pre Buyback (As mentioned in PA)		Post Buyback (As on March 21, 2022)	
		No. of Equity Shares held	% to the pre Buyback equity share capital	No. of Equity Shares held*	% of the post Buyback equity share capital*
A.	Promoter and Promoter Group	23,93,93,412	53.86%	23,93,93,412	54.27%
B.	Public Shareholders	20,51,20,328	46.14%	20,17,56,588	45.73%
	GRAND TOTAL = (A + B)	44,45,13,740	100.00%	44,11,50,000	100.00%

* The Company has completed the process of extinguishment of the entire 33,63,740 Equity Shares bought back under the Buyback.

- Manager to the Buyback**

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Validity Period: Permanent (unless suspended or cancelled by SEBI)
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CIN: L99999MH1996PLC132983



For further details, please refer to the Company's website (www.emamiltd.in) and the websites of the Stock Exchanges (i.e. www.bseindia.com and www.nseindia.com).

- Directors' Responsibility**
As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company, in their capacity as directors, accept full and final responsibility for all the information contained in this Advertisement and confirms that the information included herein contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Directors of Emami Limited

<p>Sd/- Name: Mr. S.K. Goenka Designation: Managing Director DIN: 00149916</p>	<p>Sd/- Name: Mr. H.V. Agarwal Designation: Whole Time Director DIN: 00150089</p>	<p>Sd/- Name: Mr. A. K Joshi Designation: Company Secretary and Compliance Officer & VP - Legal Membership No: FCS 4976</p>
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Place : Kolkata
Date : March 22, 2022

PRESSMAN

ALL IN A DAY

Unemployment rate dips to 9.8% in Jul-Sept 2021: NSO

Unemployment rate for persons of age 15 years and above in urban areas dipped to 9.8 per cent in July-September 2021 from 13.2 per cent in the same quarter of the previous year, showed a periodic labour force survey by the National Statistical Office (NSO). Joblessness or unemployment rate is defined as the percentage of unemployed persons in the labour force. The joblessness was high in July-September in 2020 mainly due to the staggered impact of lockdown restrictions in the country which were imposed to curb the spread of deadly coronavirus. PTI

ED attaches assets of firm owned by Thackeray's relative

The Enforcement Directorate (ED) on Tuesday said it attached assets worth ₹6.45 crore of a company owned by the brother-in-law of Maharashtra Chief Minister Uddhav Thackeray in connection with a money laundering investigation. In a statement, the ED said it issued a provisional order under the PMLA to attach 11 residential flats in Neelambari project, located in Thane near Mumbai, of Shree Saibaba Grihanirmiti. Shridhar Madhav Patankar, the brother of Thackeray's wife Rashmi, "owns and controls" Shree Saibaba Grihanirmiti, it said. PTI

Lalu Prasad's health worsens, air-lifted to Delhi AIIMS

Incarcerated Rashtriya Janata Dal (RJD) supreme leader Lalu Prasad's health condition has deteriorated and he has been shifted to AIIMS, New Delhi for better treatment, officials said on Tuesday. A medical board of the Rajendra Institute of Medical Sciences (RIMS) here referred him to AIIMS New Delhi, they said. "RJD chief Lalu Prasad has been taken to Delhi in an air ambulance," Ranchi's Birsu Munda Airport Director Vinod Sharma said. PTI

MHA seeks report from Bengal govt on killing of 8 people

The Union Home Ministry on Tuesday sought a report from the West Bengal government after eight people were found burnt to death in Birbhum district, officials said. The move came after a nine-member delegation of BJP MPs from West Bengal met Union Home Minister Amit Shah. Sources said a fact-finding central team may be sent to the state soon to assess the situation, but there was no official confirmation about it yet. PTI

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Markets...

The spiralling prices have forced central banks, including the Fed, to prioritise inflation over facilitating growth. Central banks, for a large part of last year, had termed inflation as transitory.

Zomato...

"It remains to be seen what kind of a system Zomato can offer so that quality remains intact. But for now, we are not in a position to offer such a service," the co-founder of

Wat-a-Burger added. Meanwhile, quick service restaurant chain Burger Singh is still evaluating whether to join the instant delivery service or not. "There are still quite a few things that Zomato has to figure out. We are in talks with them as we have one of the fastest order turnover in the industry. But it is early days and we would like to take a call on this after some time," said Rahul Seth, co-founder of Burger Singh. The decision has also drawn flak from a few workers' unions. "Zomato should understand the pressure it creates with these new service-

es. They forget that the workers are not machines. Most of their delivery agents work for over ten hours and the platform actively engages such practices by not setting a cap on maximum hours that a delivery worker can login," said Shaik Salauddin, the national general secretary of the Indian Federation of App-based Transport workers. "These data-extracting companies provide information about the number of biryanis ordered in a minute but they do not share data on accidents that their delivery workers have met so far," he added. Experts are of the view that such a service will be difficult to sell even to the millennial and Gen Z target audience as these demographics are increasingly opting for health-conscious products and lifestyles. While the range of food items that Zomato plans to offer through 10-minute deliveries is not clear yet, the company said they will sell items like chole bhature, bread omelette, poha, and momos as part of the programme. "The only way to provide a 10-minute food delivery service is using frozen foods. The moment the order is in, you heat it and package it. Even doing that in two minutes will be a tough task," says a veteran investor in food and consumer companies. He adds, "On one hand, the customers want to eat fresher, healthier, organic and preservative-free food. On the contrary, they are open to such offers. I think it is high time that customers raise their voices and tell companies that they do not need such services. Everyone listens to the consumer."

pared to last year, said Davar. He attributes the frequent changes to automakers' production schedules to shortages of parts, including chips, and delayed arrival of ships due to container deficiency. "This is most pronounced for parts or materials that are imported. You have to keep the inventory ready, but frequent changes to schedules from original equipment manufacturers (OEMs) - twice or thrice in a month - make it tough," he said. Deepak Jain, chairman and managing director at Lumax Industries, echoed a similar sentiment. "We are facing longer lead times on import ordering and, of course, the downward revisions on monthly schedules of OEMs, largely due to chip shortages, put further strain on the working capital and inventory management." Automakers are struggling, too. "Last year, we saw supply-side constraints due to semiconductor shortages which, coupled with good demand bounce-back, led to increased pending bookings," said Shashank Srivastava, senior executive director at Maruti Suzuki India. "While the situation has been improving in the past few months, it is still not fully regularised. The volatility in this visibility has led to frequent changes to the production schedule as OEMs seek to optimise outputs," he said. Sunjay Kapur, president, Automotive Component Manufacturers Association, said the industry has been facing headwinds in the form of logistics and availability of chips like every other country. For this reason, one cannot follow the just-in-time model. "So far, I haven't seen any major impact on production because of chips or neon gas," he said, adding that a strong demand across segments,

barring two-wheelers, has helped the industry. Shortage of chips and palladium - a critical precious metal used in the heat treatment of catalytic converters - and other raw materials may force automakers to cut production by a minimum 10 per cent next month, said an executive at another component maker. India Ratings and Research has revised its outlook for the auto ancillary sector to 'Neutral' for 2022-23, from 'Improving'. It expects the sector revenue to grow 10-15 per cent year-on-year in FY23.

Petrol...

The impact of the decision will be marginal on the consumer price index inflation rate but the prices are likely to continue to rise in the next few days. The increase may not be sufficient to make good the losses of the OMCs because they froze prices for a record 137 days due to the elections. Meantime, the international rates of the Indian basket of crude have risen from \$73.47 a barrel at the time of the last increase on November 4 to \$108.25 a barrel as on March 18. In this period, the global crude oil prices also rose to more than \$130 a barrel. To make matters worse, the rupee depreciated from 74.53 a dollar at the time of the last revision to 76.08 as on Tuesday. A few days ago, OMCs also raised diesel prices by ₹25 a litre for bulk buyers. Hetal Gandhi, director, CRISIL Research, said: "The first hike in fuel prices in about five months - by a massive ₹25 per litre for bulk diesel buyers, and 80 paise at the retail level for petrol and diesel - is unlikely to materially support the marketing margins of the OMCs."

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SOLUTION TO #3618

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