

Google tax collection jumps 4 times in Q1

DILASHA SETH
New Delhi, 8 July

India's earnings from the contentious 2 per cent equalisation levy on non-resident digital players like Google, Netflix, and Amazon nearly quadrupled in the first quarter of the current fiscal year.

This comes in the backdrop of India agreeing to the global tax deal proposal at the Organization for Economic Cooperation and Development (OECD), which will require New Delhi to withdraw the equalisation levy by 2023. Collection from the levy, or the so-called Google tax, grew 260 per cent in the first quarter of 2021-22 at ₹778 crore against ₹216 crore during the same time last year, the data accessed by Business Standard showed.

The robust mop-up was led by India's IT hub Bengaluru, which accounted for about half the collection at ₹350 crore, a growth rate of 280 per cent over last year. It was followed by Hyderabad, which saw collection grow by 147 per cent to ₹227 crore from ₹92 crore last year.

Delhi recorded 1,064 per cent growth over the corresponding period last year to ₹128 crore from ₹11 crore.

Mumbai saw collection grow to ₹48 crore from ₹14 crore last year in the same quarter.

E-commerce companies that fall under the scope of the equalisation levy include Adobe, Uber, Udemy, Zoom.us, Expedia, Alibaba, Ikea, LinkedIn, Spotify, and eBay.



COLLECTION BREAK-UP (₹ cr)

	FY21	FY22	% chg
Bengaluru	92	350	280
Hyderabad	92	227	147
Delhi	11	128	1,064
Mumbai	14	48	243
Chandigarh	5	10	100
Pune	0.5	8	1,500
Chennai	0.3	2	567

Source: Government

Gross direct tax collection is 65 per cent higher at ₹3.4 trillion against ₹2.06 trillion. Contrary to the rising revenue potential of the equalisation levy, the OECD tax deal, being finalized, will have a limited revenue significance for India as residual profits of only the top 100 global players will be allocated to market countries.

IPO-bound LIC to have CEO, MD as Centre scraps chairman post

Govt amends another rule to appoint a full-time actuary for state-owned insurance behemoth

NIKUNJ OHRI
New Delhi, 8 July

As the Life Insurance Corporation of India (LIC) readies itself for public listing, the government has abolished the position of chairman at the insurer, which will have a chief executive officer (CEO) and managing director (MD).

The changes have been notified by the Department of Financial Services (DFS) through rules in the LIC Act, 1956. Various rules have been amended in the LIC Act to replace the post of chairman and create the position of CEO.

The insurer will continue with the post of MD. Both CEO and MD will be appointed by the central government.

Presently, MR Kumar is the LIC chairman, whose tenure was extended by another two years last week. Currently, LIC has four MDs — Vipin Anand, Mukesh Kumar Gupta, Raj Kumar and Siddhartha Mohanty.

Besides, the government has also amended the Life Insurance Corporation of India (Special Allowance for



Both the CEO and the MD will be appointed by the central government

In-House Development of Actuarial Capability) Rules, 2002 to appoint a full-time actuary for LIC. The designated actuary will have to be a member of the Institute of Actuaries of India or Institute of Actuaries, London, and be nominated by the CEO or a committee authorised by him.

The changes have been made as the insurer has been preparing for its initial public offering (IPO) that is expected to be the country's largest. Several changes in the constitution of LIC's board were also made through the Finance Act in the Budget session to align it with the list-

ing guidelines of Securities and Exchange Board of India (Sebi). To make the functioning of the insurer driven by its board, several rules have been amended to empower the board to take decisions regarding pension schemes, among others.

In March, the government

had made changes in the board composition of LIC through the Finance Act that included appointment of a chairperson of the board who will be appointed by the Centre and will be a whole-time director; four managing directors, who will also be whole-time directors; two central government officers not below the rank of joint secretary; and two independent members to represent the interest of policyholders.

The government has been readying the ground for the listing of LIC, and plans to launch the insurer's IPO in the last quarter of the current financial year. The government has already reached out to investors to apprise them about LIC's growth and prospects. Preliminary presentations have been made to inform investors on how the organisation is being restructured ahead of the IPO, along with its financials, so that the IPO process can be hastened once its embedded value is derived. The exercise to derive the embedded value of LIC is expected to be completed by August.

RBI to banks: Phase out Libor soon, move to alternative reference rates

However, lenders say they're not sure which alternative will be more reliable

ANUP ROY
Mumbai, 8 July

With the end near for the London Interbank Offered Rate (Libor), the Reserve Bank of India (RBI) on Thursday told banks and other financial institutions to stop using the benchmark as soon as possible and mandatorily by December 31 and move to any Alternative Reference Rates (ARR).

Secured Overnight Financing Rate (SOFR) and Sterling Overnight Interbank Average Rate (SONIA) are the two popular alternatives, but are nowhere near as popular internationally as Libor, which is being phased out by this year's end.

Libor had to be scrapped after a rate fixing scandal was unearthed a few years back. In August 2020, the RBI had advised banks to move away from Libor. Almost all banks that deal in foreign exchange by now are ready with the transition to ARR, but they have not yet decided which one will be the most reliable ARR.

Bankers say it is unlikely that Indian banks will take a lead on this issue. Instead, they will follow the interna-



tional practices that evolve.

"While certain US dollar Libor settings will continue to be published till June 30, 2023, the extension of the timeline for cessation is primarily aimed at ensuring roll-off of USD Libor-linked legacy contracts, and not to encourage continued reliance on Libor," said the RBI in an advisory to banks.

Any Libor contract after December should be done only for hedging against other remaining Libor-linked contracts, the RBI said.

"Banks and financial institutions are urged to incorporate robust fallback clauses in all financial contracts that reference Libor and the maturity

WHAT RBI SAID

- ▶ Libor contracts must end by Dec 31
- ▶ Any fresh Libor contract after that should be to manage risks of old contracts
- ▶ With Libor's demise, Mifor also will cease to exist

of which is after the announced cessation date of the Libor settings," it said.

With the demise of Libor, the popular Indian benchmark Mumbai Interbank Forward Outright Rate (MIFOR), which uses Libor as a benchmark, has

to be scrapped too.

MIFOR publisher Financial Benchmarks India (FBIL) has started publishing daily adjusted MIFOR rates from June 15, and modified MIFOR rates from June 30, "which can be used for legacy contracts and fresh contracts respectively," the RBI said. Again, usage of MIFOR after December 31 should be limited to hedging and managing interest risks.

Banks and financial institutions will have to undertake a comprehensive review of all direct and indirect Libor exposures and put in place a framework to mitigate risks arising from such exposures on account of transitional issues, including valuation and contractual clauses, the RBI said, adding the banks must also put in place the necessary infrastructure to be able to offer products referencing the ARR.

"The Reserve Bank will continue to monitor the evolving global and domestic situation with regard to the transition away from Libor and proactively take steps, as necessary, to mitigate associated risks in order to ensure a smooth transition," the central bank said.

DBS Bank India's profit nearly trebles

ABHIJIT LELE
Mumbai, 8 July

DBS Bank India Ltd's (DBIL) net profit almost tripled to ₹312 crore for the year ended March 2021 (FY21), up from ₹111 crore in FY20. The rise is despite impact of acquisition of ailing private lender Lakshmi Vilas Bank (LVB) in FY21.

DBIL, a subsidiary of Singapore-based DBS, adopted the concessional tax regime, resulting in an additional charge of ₹184 crore on account of one-time adjustments.

The revenues for DBIL grew 85 per cent to ₹2,673 crore, including ₹134 crore from LVB, in FY21 from ₹1,444 crore in FY20.

The asset quality profile came under pressure and gross non-performing assets (NPAs) rose to 12.93 per cent after the amalgamation of LVB, from 2.60 per cent in March 2020. The net NPA rose to 2.83 per cent in March 2021 against 0.47 per cent in March 2020. The provision coverage ratio wads 84 per cent at end of March 2021.

Life insurers' June premium grows 4% after dip

SUBRATA PANDA
Mumbai, 8 July

The life insurance industry saw an improvement in premium collection in June after witnessing a 5.5 per cent drop the previous month as economic activities picked up in states amid falling Covid-19 cases.

The new business premium (NBP) of life insurers — 24 in total — rose 3.95 per cent year-on-year (YoY) to ₹30,009.48 crore.

NBP is the premium acquired from new policies in a particular year. The yearly group renewable premium, which jumped almost three times, aided the growth.

But when compared to the pre-pandemic period (June 2019), the NBP still lags by as much as 6.9 per cent. On a month-on-month (MoM) basis, though, the collection jumped 131 per cent.

In May, life insurers had amassed NBP of ₹12,976.99 crore.

Private insurers — 23 in all — have taken the lead when it comes to growth in business.

In June, the private life insurance companies collected NBP of ₹8,213.19 crore, up 33.94 per cent YoY and 32.23 per cent over June 2019 (pre-

pandemic) period. On an MoM basis, the mop-up has doubled for the private sector companies.

Among the large private sector insurers, ICICI Prudential saw its NBP more than double on a YoY basis to ₹1,263.19 crore, aided by an exceptional rise in group renewable premiums. HDFC Life and Max Life reported over 20 per cent growth, while SBI Life saw its NBP increase 17.61 per cent.

While private insurers have done exceedingly well in getting their business back on track by adapting to the changing needs of the customers, the state-owned insurance behemoth, Life Insurance Corporation (LIC), reported a YoY decline of 4.13 per cent in its June NBP at ₹21,796.28 crore. In June 2019, LIC had amassed premiums of ₹26,030.16 crore. However, LIC has more than doubled its NBP in June over May.

In Q1FY22, the premium collection of the life insurance industry was up almost 7 per cent to ₹52,725.26 crore YoY, aided by a stellar 33.73 per cent growth registered by the private insurers. However, LIC's NBP in Q1FY22 declined 2.5 per cent YoY to ₹35,600.68 crore.



Source: Life Insurance Council

STILL NOT AT 2019 LEVEL

New business premium of life insurers (in ₹ cr)

	Jun '21	Change over June 2019 (%)	Change over June 2020 (%)
Private insurers	8,213.19	32.23	33.94
LIC	21,796.28	16.26	-4.13
Industry total	30,009.48	-6.92	3.95

LIC LAGS PRIVATE INSURERS

Quarterly performance (in ₹ cr)

	Q1FY22	Q1FY20 (%)	Change over Q1FY21 (%)
Private insurers	17,124.58	8.09	33.73
LIC	35,600.68	-20.52	-2.54
Industry total	52,725.26	-13.04	6.87

Source: Life Insurance Council

Non-life insurers' premium income up 7%

SUBRATA PANDA
Mumbai, 8 July

Non-life insurers' premium income jumped 7 per cent year-on-year (YoY) in June to ₹14,809.27 crore, compared to ₹13,842.27 crore in the corresponding period last year. Sequentially, it witnessed a 20 per cent rise, after a slump of 28 per cent the previous month. In May, insurers earned premium income of ₹12,316.5 crore, while in April it was ₹17,309.54 crore.

The non-life insurance industry comprises general insurers, standalone health insurers,

and specialised PSU insurers.

The general insurers, 25 in total, saw premium income rise 5 per cent YoY in June to ₹13,041.51 crore. The standalone health insurers, on the other hand, clocked a 46.61 per cent rise to ₹1,556.89 crore, riding on the demand for health products post the pandemic.

In Q1, the industry's premium income increased 14 per cent to ₹44,434.96 crore compared to ₹39,054.82 crore, with the general insurers seeing a 11 per cent YoY increase in premiums to ₹39,810.39 crore, and standalone health insurers witnessing a staggering 55.5 per cent increase to ₹4,222.75 crore.

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NOTICE OF 35TH ANNUAL GENERAL MEETING

Notice is hereby given that pursuant to the provisions of the Companies Act, 2013 (the 'Act') and Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with relevant Circulars issued by the Ministry of Corporate Affairs ('MCA Circulars') and also Circulars issued by the Securities and Exchange Board of India ('SEBI Circulars'), the 35th Annual General Meeting ('AGM') of the Members of Vinyl Chemicals (India) Limited ('Company') will be held on **Thursday, 12th August, 2021 at 12.00 noon through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility** without the physical presence of the Members at a common venue in view of the continuing COVID-19 pandemic, to transact the business as stated in the Notice convening the said AGM.

Notice convening the AGM and the Annual Report of the Company for the financial year 2020-2021 along with the login details for joining the 35th AGM through VC/OAVM facility is being sent only by electronic mode (e-mail) to those Members who have registered their e-mail ids with the Company/Depository Participants ('DP') in accordance with the aforesaid MCA Circulars and SEBI circulars. The Company has also made available the AGM Notice along with the Annual Report on its website www.vinylchemicals.com, on the website of NSDL www.evoting.nsdl.com and on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

The instructions for joining the AGM are provided in the Notice of the AGM. The Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Notice is also hereby given pursuant to Section 91 of the Act, read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, that the Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 6th August, 2021 to Thursday, 12th August, 2021** (both days inclusive) for the purpose of dividend and AGM.

The Company is providing to all its Members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM through electronic voting system prior to the AGM (remote e-voting) and during the AGM (e-voting). The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating remote e-voting/e-voting services. If your email ID is already registered with the Company/DP, the login details for e-voting are being sent on your registered email address. The remote evoting period shall commence on **Monday, 9th August, 2021 at 9.00 a.m. (IST)** and end on **Wednesday, 11th August, 2021 at 5.00 p.m. (IST)**. The remote e-voting module shall be disabled for voting after 5:00 pm on Wednesday, 11th August, 2021.

The voting rights, by remote e-voting/e-voting, shall be as per the number of equity shares held by the Member(s) as on **Thursday, 5th August, 2021 (cut-off date)**. The Members are eligible to cast vote electronically only if they are holding shares as on cut-off date. The Members who have acquired shares after the date of electronic dispatch of the Annual Report and holding shares as of the cut-off i.e 5th August, 2021, may obtain the Login ID and Password by sending a request at evoting@nsdl.co.in. The Members who may have cast their vote through remote e-voting may participate in the AGM through VC/OAVM facility but shall not be allowed to cast their vote again through e-voting facility in the AGM. Detailed procedure of e-voting is available in the AGM Notice as well as in the email sent to the Members by NSDL. In case of any queries/grievances pertaining to e-voting, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual available at the Downloads section of www.evoting.nsdl.com or contact Mr. Amit Vishal, NSDL, 4th Floor, A-Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, email: evoting@nsdl.co.in or amitv@nsdl.co.in, Tel: 2499 4200 or toll free number 1800 222 990.

In case you have not registered your e-mail address and/or updated your Bank details with the Company/DP, you may follow the instructions given below for obtaining login details for e-voting for joining AGM through VC/OAVM.

Physical Holding:
Send a signed letter to the Company's R & T Agents providing Folio No., name of shareholder along with copy of PAN (self-attested) and email-id details for registering email address.
For updating bank account mandate, for receiving dividends directly in their bank accounts, hard copies of the following documents are to be sent to R & T Agents:

- Signed letter mentioning your Name, Folio Number, complete address and following details relating to Bank Account in which the dividend is to be received viz. i) Name and Branch of Bank and Bank Account type; ii) Bank Account Number allotted by your Bank after implementation of Core Banking Solutions and iii) 11 digit IFSC Code;
- Cancelled cheque in original bearing the name of the Member or first holder, in case shares are held jointly;
- Self-attested copy of the PAN Card and;
- Self-attested copy of any document (viz. Aadhar Card, Driving License, Election Identity Card, Passport) for address verification of the Member as registered with the Company/ R & T Agents

Demat Holding:
Please contact your Depository Participant and register e-mail address and bank account details in your demat account, as per the process advised by your DP.

for Vinyl Chemicals (India) Ltd
P.C. Patel
President & Secretary

July 9, 2021
Mumbai