

QUICKLY.

Health insurers rejected ₹15,100 cr claims in FY24



**New Delhi:** Health insurers disallowed claims of ₹15,100 crore or 12.9 per cent of the total claims filed in 2023-24, according to IRDAI data. Of the total ₹1.17 lakh crore claims under health insurance of general and standalone health insurers, only ₹83,493.17 crore or 71.29 per cent were paid during the year.

**Non-residents' net claims fell by \$19.8 b in Q2: RBI**

**Mumbai:** Net claims of non-residents on India declined by \$19.8 billion during Q2 of the current financial year to \$348.5 billion, according to the RBI. Growth in overseas financial assets compared to that in foreign-owned assets in India led to a dip in net claims, the difference between the assets and liabilities held by non-residents.

# AI adoption poses several risks to financial stability, says FSR

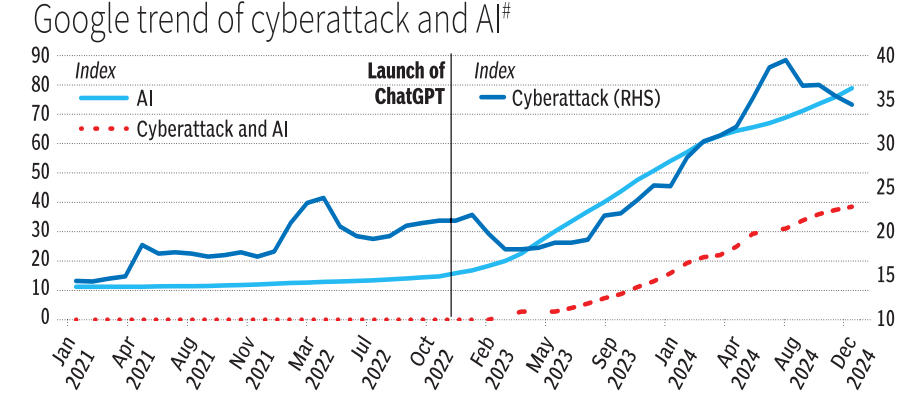
**GROWING CONCERN.** Threat of cyber security turning into a financial stability risk is high

**Our Bureau**  
Mumbai

The evolution and adoption of AI (artificial intelligence) by the financial industry poses several risks to financial stability, cautioned the Financial Stability Report. The risks include interconnectedness becoming enhanced through over-reliance on shared technology, service providers and infrastructure.

**MARKET CONCENTRATION**  
In particular, there is a high risk of market concentration both within the financial industry as well as critical third party service providers of cloud and AI services.

Further, the threat of cyber risk turning into a financial stability risk is high as AI could aid cyber attackers through sophisticated phishing attacks such as creation of deepfakes using generat-



\*Index represents 12-month moving average of search interest relative to the highest point since 2004 for worldwide google search of 'AI', 'Cyber attack' and 'Cyber attack and AI'. Data accessed on December 12, 2024  
Source: Statista, Synergy Research Group and Google Trends

ive AI. "With widespread availability of AI services such as ChatGPT, there has been a growing concern that these services are being used for cyberattacks," according to the report, a half-yearly publication, with contributions from all financial sector regulators.

The report referred to International Monetary Fund's observations that the increased adoption of AI in capital markets can create additional risks related to increased market speed and volatility under stress, especially when trading strategies using AI become

highly correlated. Specifically, if such trades are funded through leverage, any shock could amplify market stress through fire sales and feedback loops.

**MIGRATION TO NBFIs**  
Moreover, AI may encourage migration of more activities

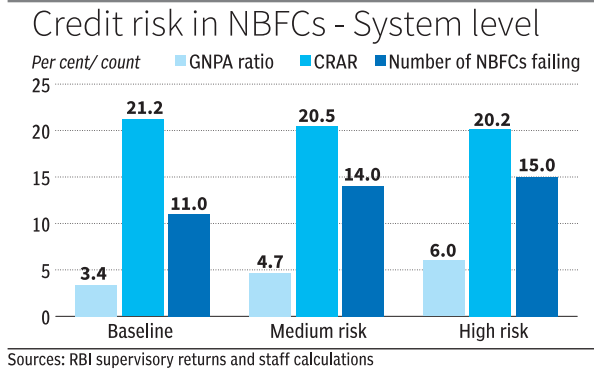
to NBFIs (non-banking financial institutions), increasing systemic opacity, per IMF.

The FSR, referring to the European Central Bank, cautioned that if technological penetration and market and vendor concentration are high, transition of risk from individual firms to the financial system could be non-linear and portend systemic risk.

**BALANCED APPROACH**  
The report noted that standard setting bodies and national regulators and supervisors should, therefore, take a balanced approach to reap the benefits of Artificial Intelligence while safeguarding the financial system.

They must update their skills and tools as well as proactively adapt their frameworks to identify and mitigate emerging risks from this rapidly evolving technology, it added.

## 'Rise in write-offs by private banks a cause for worry'



**Piyush Shukla**  
Mumbai

The Reserve Bank of India has expressed concern over the sharp rise in write-offs, especially by private sector banks, in its financial stability report (FSR).

"The GNPA ratio for unsecured lending was marginally higher at 1.7 per cent. An area of concern, however, is the sharp rise in write-offs, especially among private sector banks, which could be partly masking worsening asset quality in this segment and dilution in underwriting standards," the report said.

**ACCRETION OF NPA**

The report said the fresh accretion of non-performing assets (NPA) in retail loan portfolios of banks was also dominated by slippages in the unsecured loan book, with 51.9 per cent bad loans emanating from unsecured loan segment as at end-September 2024.

"Among bank groups, small finance banks are witnessing larger impairment in their retail lending portfolio with the GNPA ratio at 2.7 per cent, the SMA (1+2) ratio at 3.6 per cent, and the unsecured GNPA ratio at 4.7 per cent," it said.

**LOAN GROWTH**

The hike in risk weights on unsecured, bank loans to NBFs, imposed by the RBI in November 2023 has led to slowdown in both retail and bank loans to NBFs.

The growth of bank borrowings in NBFs' liabilities also declined from 26 per

cent to 17 per cent, while reliance on non-bank sources raised their cost of funds. NBFs hiked their foreign currency borrowings to diversify sources of funds and contain overall costs.

The rise in foreign currency borrowings could pose currency risks to these NBFs to the extent they are unhedged.

The NBFC sector remains healthy with sizeable capital buffers — capital adequacy ratio (CRAR) stood at 26.1 per cent in September 2024 — robust interest margins and earnings. Write-offs, show a rising trend, with a few outlier NBFs showing significantly higher write-offs.

**STRESS TESTS**

Stress tests by the RBI team on NBFC sector showed a few NBFs failing to meet minimum regulatory requirements, even under the baseline scenario.

Under the baseline stress scenario, the year-ahead GNPA ratio for the NBFC sector is estimated at 3.4 per cent and the system level CRAR at 21.2 per cent. CRARs of 11 NBFs were below the minimum regulatory requirement of 15 per cent, even under the baseline scenario.

Under the medium risk scenario, GNPA of NBFs are expected to rise to 4.7 per cent, while CRAR will moderate to 20.5 per cent and 14 NBFs fail this test.

Under high-risk scenario, GNPA ratio of NBFs could rise to 6 per cent, CRAR could moderate to 20.2 per cent, and 15 NBFs fail to meet basic requirements.

## '34 MF debt schemes fail stress test'

**Our Bureau**  
Mumbai

The stress level in 34 open-ended debt schemes with total AUM of ₹2.75 lakh crore as of September-end have breached the AMFI or AMC prescribed threshold and have initiated remedial action to be completed in the prescribed timeframe.

On the other hand, stress level of 261 schemes with AUM of ₹11.93 lakh crore were below the threshold limit, according to the Financial Responsibility Report.

SEBI has mandated that asset management companies should carry out stress testing of all open-ended debt schemes (except overnight schemes) every month to evaluate the impact of various risk parameters faced by such schemes on their net asset values (NAVs).

As part of liquidity risk management for open-ended debt schemes, two types of liquidity ratios including redemption at risk (LR-RaR), which represents likely outflows at a given confidence interval and conditional redemption at risk (LR-CRaR), which represents the behaviour of the tail at the given confidence interval, have been used.

All AMCs are mandated to maintain these liquidity ratios above the threshold limits which are derived from scheme type, scheme asset composition and potential outflows (modelled from investor concentration in the scheme). MFs are required to carry out back testing of these liquidity ratios for all open-ended debt schemes (except overnight funds, gilt funds and gilt funds with 10-year constant duration) on a monthly basis.

## 'Capital levels of banks, NBFs to stay above regulatory minimum'

**K Ram Kumar**  
Mumbai

Stress test results reveal that capital levels of the banking system as well as of the non-banking financial companies (NBFs) sector will remain well above the regulatory minimum even under adverse stress scenarios, RBI Governor Sanjay Malhotra said in the latest Financial Stability Report. Macro stress tests reveal that SCBs' aggregate capital would remain much higher than the minimum regulatory capital requirement of 9 per cent in March 2026 under adverse scenarios.

Stress test for NBFs shows that even under a high-risk scenario, their one-year ahead CRARs (capital to risk-weighted assets ratios) would remain much above the regulatory minimum level of 15 per cent.

The ability of the financial institutions to absorb shocks in adverse scenarios provide comfort on financing of economic growth dynamics, going forward, per the FSR, which is a half-yearly publication, with contributions from all financial sector regulators. The minimum regulatory capital requirement for SCBs and NBFs is currently at 9 per cent and 15 per cent, respectively.



The ability of the financial institutions to absorb shocks in adverse scenarios provide comfort on financing of economic growth dynamics, going forward, per the report.

Under the revised framework for macro stress testing, which attempt to project capital ratios of banks under a baseline and two adverse macro scenarios over a one-and-half year horizon — till end-March 2026, the aggregate CRAR (capital to risk-weighted assets ratio) of 46 major SCBs may fall from 16.6 per cent in September 2024 to 16.5 per cent by March 2026 under the baseline scenario.

The CRAR may decline to 15.7 per cent under adverse scenario 2 (assumes that global and idiosyncratic risk factors blend to trigger a synchronised sharp growth slowdown in key economies). No bank would fall short of the minimum capital requirement of 9 per cent under both the scenarios.

However, under adverse scenario 1 (assumes persisting geopolitical risks and escalation of global financial market volatility), SCBs' aggregate CRAR may deplete to 14.3 per cent and four banks may breach the minimum capital requirement of 9 per cent.

The aggregate GNPA (gross non-performing assets) ratio of the 46 banks may rise from 2.6 per cent in September 2024 to 3 per cent in March 2026 under the baseline scenario and further to 5 per cent and 5.3 per cent, respectively, under adverse scenario 1 and adverse scenario 2.

**NBFC RESILIENCE**

System level stress tests for assessing the resilience of the NBFC sector to shocks in credit risk conducted on a sample of 162 NBFs, whose combined capital adequacy ratios and GNPA ratios stood at 23.6 per cent and 2.9 per cent, respectively, in September 2024, estimated the one year ahead GNPA ratio at 3.4 per cent and the system level CRAR at 21.2 per cent under the baseline scenario.

Under the medium and high-risk scenarios, the one year ahead GNPA ratio for the system is estimated at 4.7 per cent and 6 per cent, respectively.

## India's external debt rises to \$711.8 b in Sept

**Press Trust of India**  
New Delhi

India's external debt rose to \$711.8 billion as of September, up 4.3 per cent over June 2024, as per data released by the Finance Ministry.

At the end of September 2023, external debt stood at \$637.1 billion.

In September 2024, India's external debt was placed at \$711.8 billion, recording an increase of \$29.6 billion over its level at June-end 2024, India's Quarterly

External Debt Report said. The external debt to GDP ratio stood at 19.4 per cent in September 2024 against 18.8 per cent as of June 2024, it added.

**LARGEST COMPONENT**

"The US dollar-denominated debt remained the largest component of India's external debt with a share of 53.4 per cent at end-September 2024, followed by Rupee (31.2 per cent), Japanese Yen (6.6 per cent), SDR (5.0 per cent) and Euro (3.0 per cent)," it said.

**MPL**  
MAITHON POWER LIMITED  
(Contracts Department)  
Maithon Power Ltd, Village: Dambhui,  
PO Barbinda, District-Dhanbad, State-Jharkhand PIN-828205  
**NOTICE INVITING EXPRESSION OF INTEREST**  
The Maithon Power Limited invites expression of interest from eligible vendors for the following package:-  
GI ERW pipe IS 1239, Heavy duty, bevel End, galvanized as per IS 4736 FOR ASH WHARF SYSTEM AT 525 X 2 MW MAITHON POWER LIMITED (MPL), JHARKHAND - INDIA  
For details of pre-qualification requirements, bid security, purchasing of tender document etc., please visit Tender section of our website (URL: <https://www.tatapower.com/tender>).  
Eligible vendors willing to participate may submit their expression of interest along with the tender fee for issue of bid document latest by 10<sup>th</sup> JAN 2025.

**एसजेवीएन लिमिटेड SJVN Limited**  
(भारत सरकार एवं हिमाचल प्रदेश सरकार का संयुक्त उपक्रम)  
(A Joint Venture of Govt. of India & Govt. of H.P.)  
(नवरत्न सीपीएसई ANAVRATNA CPSE)  
CIN: L40101HP1988GO008409  
**NATHPA JHAKRI HYDRO POWER STATION**  
**PRESS NOTICE**  
E-Tender No. PCD-2910 (Corrigendum-II)  
Online bids (e-tender) on Domestic Competitive Bidding (DCB) are invited on behalf of SJVN Ltd. for, "Resurfacing of Road under NJHPS Jhakri with five year maintenance".  
Last date for downloading of bid documents is 09/01/2025 (12:00 Hrs.).  
Last date for bid submission is 10/01/2025 (13:00 Hrs.).  
For details & all future Amendments/Corrigendum to the NIT please visit websites <https://etender.sjvn.co.in>, [www.sjvn.nic.in](http://www.sjvn.nic.in) and [www.eprocure.gov.in](http://www.eprocure.gov.in).  
All other terms and conditions will remain unchanged.  
Dy. General Manager  
P&C deptt. NJHPS, SJVN Ltd., Jhakri, Shimla, H.P.-172201

**COCHIN INTERNATIONAL AIRPORT LIMITED**  
CIAL/COML/ADMN 29/2024/02 31/12/2024  
**TENDER NOTICE**  
**TENDER FOR SUPPLY OF SPECIAL EQUIPMENT TO CISF QUICK RESPONSE TEAM AT CIAL**  
Tenders are invited on behalf of Cochin International Airport Limited (CIAL) for "SUPPLY OF SPECIAL EQUIPMENT TO QRT TEAM, CISF". The last date of submission of tenders is 15.01.2025. For more details visit [www.cial.aero/tenders](http://www.cial.aero/tenders) or Contact: 0484 2610115 Extn. 2632,3507. Sd/- Managing Director

**MCL** Mahanadi Coalfields Limited  
(A Subsidiary of Coal India Limited)  
Jagruti Vihar, Burla - 768020, Dist. - Sambalpur, Odisha  
Ph. (EPABX): 0663-2542461 to 469 Website: [www.mahanadicoal.in](http://www.mahanadicoal.in)  
**Notice**  
"All the tenders issued by CIL and its Subsidiaries for procurement of Goods, Works and Services are available on website of Coal India Ltd. [www.coalindia.in](http://www.coalindia.in), respective subsidiary Company, (MCL, [www.mahanadicoal.in](http://www.mahanadicoal.in)), CIL e-procurement portal <https://coalindiatenders.nic.in> and Central Public Procurement Portal <https://eprocure.gov.in> In addition, procurement is also done through GeM portal <https://gem.gov.in>". R-5233

**PPGCL**  
Prayagraj Power Generation Company Limited invites expression of interest (EOI) from eligible vendors for PPGCL/FY25/DJ73/PPGCL/Support Service of Security of 3x660 MW Thermal Power Plant at Prayagraj Power Generation Company Limited, Bara, Dist. Prayagraj, Uttar Pradesh, India.  
Details of pre-qualification requirements, bid security, purchasing of tender document etc. may be downloaded using the URL- <https://www.ppgcl.co.in/tenders.php> Eligible vendors willing to participate may submit their expression of interest along with the tender fee for issue of bid document latest by 03<sup>rd</sup> January 2025.

## 'Equity valuations remain over heated'

**Our Bureau**  
Mumbai



Equity valuations remain elevated across metrics, such as trailing and forward price-to-earnings (P/E) ratios, market capitalisation-to-GDP and earnings yield despite the recent correction, said the Financial Stability Report released by the Reserve Bank of India on Monday.

Stretched valuations are more prominent in midcap and smallcap stocks. Notably, the Nifty Midcap 150 index was trading at P/E ratios close to 43.7 in mid-December compared to its long-term average of 34.8. Despite a sharp increase in the benchmark P/E ratio from 34 in March to 42 in November, about 56 per cent of stocks in the Nifty Midcap 150 Index were trading higher than the benchmark P/E. Similarly, 64 per cent of both smallcap and microcap scrips traded with a P/E ratio above their respective benchmark ratios. To justify the current valuations for all indices, the required earnings growth should exceed the expected earnings growth to forestall a large and abrupt market correction, said the report.

However, corporate earnings in the September quarter indicate a slowdown

as reflected in earnings per share estimates.

**'OVERLY OPTIMISTIC'**

Another area of concern is IPOs of small and medium enterprises, it said. There has been a sharp increase in demand for SME IPOs, with several IPOs oversubscribed 100 times or more on account of rising participation from retail investors.

The SEBI has observed that some SME companies engaged in practices that present an overly optimistic view of their operations following their listing, which are often followed by corporate actions, such as bonus issues, stock splits, preferential allotments to influence stock prices.

SEBI has issued orders against certain entities engaging in such activities and advised investors to remain vigilant and cautious when considering investments in SME securities, said the report.

**3M INDIA LIMITED**  
CIN: L31300KA1987PLC013543  
Registered Office: Plot Nos. 48-51, Electronic City, Hosur Road, Bengaluru - 560 100, Phone: 080-22231414  
Email id: [investorhelpdesk.in@mnm.com](mailto:investorhelpdesk.in@mnm.com), Website: [www.3m.com/in](http://www.3m.com/in)  
**POSTAL BALLOT NOTICE AND E-VOTING INFORMATION**  
Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 ("the Act"), Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") and other applicable provisions of the Act and the Rules, General Circular No. 09/2024 dated September 19, 2024, and other Circulars issued by the Ministry of Corporate Affairs ("MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), 3M India Limited ("the Company") is seeking approval of its Members through Postal Ballot (e-voting) for the resolutions set out in the Postal Ballot Notice dated December 25, 2024, together with the Explanatory statement relating to:  
1. TO ALTER AND ADOPT NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY INTER-ALIA PURSUANT TO THE COMPANIES ACT, 2013.  
2. APPOINTMENT OF MRS. KONG SAU WAI ELIZABETH (DIN: 10879418) AS A NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR OF THE COMPANY.  
All the Members are hereby informed that:  
1. The Postal Ballot notice, along with e-voting instructions, has been sent by the Company only through e-mail on Monday, December 30, 2024 to all those Members whose e-mail addresses are registered with the Company or with the Depository Participants or with KFin Technologies Limited (KFIN), Registrar and Share Transfer Agent of the Company and to those Members whose names appear in the Register of Members/Beneficial Owners/Record of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, December 27, 2024, which is also the cut-off date to reckon paid up value of shares and voting rights of the Members. The requirement of sending physical copy of the Postal Ballot notice has been dispensed away with vide above referred MCA Circulars.  
2. The Postal Ballot notice is also available on the website of the Company [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m-financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m-financial-facts-local/), on the website of KFIN at <https://evoting.kinfintech.com> and on the website of BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The person who is not a Member as on said cut-off date should treat this notice for information purposes only. Further, as per the MCA circulars physical copy of the Postal Ballot notice, Postal Ballot form and pre-paid Business reply envelope have not been sent to the Members for this Postal Ballot.  
3. Members who have not registered their e-mail address, and in consequence of which the Notice of Postal Ballot and e-voting instructions could not be serviced to them, may temporarily get their e-mail address and mobile number registered with the Company's Registrar and Share Transfer Agent, KFIN, by clicking on the link: <https://ris.kinfintech.com/client/services/postalballot/> for doing the same. Members are requested to follow the process as guided to capture the e-mail address and mobile number for obtaining the soft copy of notice and e-voting instructions along with the User ID and Password. In case of any queries, Members may write to [inward.ris@kfinfintech.com](mailto:inward.ris@kfinfintech.com).  
4. In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to the Members of the Company. The Company has appointed KFIN to provide e-voting facility and has appointed Mr. Vijayakrishna K. T. Company Secretary in practice, as per the Scrutinizer for conducting Postal Ballot Process in a fair and transparent manner.  
5. Members can opt to exercise their voting rights through e-voting. The detailed procedure for e-voting is given in the Postal Ballot Notice. The voting through e-voting shall commence from Wednesday, January 1, 2025 (9.00 a.m. IST) and ends on Thursday, January 30, 2025 (5.00 p.m. IST). Members are requested to cast their votes during this period only. The e-voting module shall be disabled by KFIN for voting thereafter and Members shall not be allowed to vote beyond the said date & time. Once the vote is confirmed by the Member, he/ she will not be allowed to change it subsequently.  
6. The Results of Postal Ballot will be announced within 2 (two) working days. The resolution, if passed by the requisite majority, shall be deemed to have been passed on the last date specified by the Company for e-voting i.e. January 30, 2025. The results of Postal Ballot along with the Scrutinizer's Report will be placed on the website of the Company [https://www.3mindia.in/3M/en\\_IN/company-in/about-3m-financial-facts-local/](https://www.3mindia.in/3M/en_IN/company-in/about-3m-financial-facts-local/) and on the website of KFIN at <https://evoting.kinfintech.com/>. The Results will also be communicated to the BSE Limited and National Stock Exchange of India Limited where the Equity Shares of the Company are listed.  
7. Shareholders, holding shares in physical mode, who have not registered/ updated their e-mail address and contact details with the Company may get the same registered/ updated by clicking the link <https://ris.kinfintech.com/client/services/mobile/mobileregmailreg.aspx> or by sending a request including a request for updating of bank details to Registrar and Transfer Agent. In case of any query, Members may refer to Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the download section of <https://evoting.karvy.com> or Members may contact the below mentioned officer of the Company/its Registrar and Transfer Agent:-  

| Particulars        | KFin Technologies Limited  | 3M India Limited   |
|--------------------|--|--|
| Address            | Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 | 5th Floor Marksquare, 61, St Marks Road, Bengaluru 560001.                   |
| Name & Designation | Mr. Rajeev Kumar<br>DY. Manager - Corporate Registry   | Mr. Pratap Rudra Bhuvanagiri<br>Company Secretary & Compliance Officer       |
| Tel                | 040 6716 1524  | 080 22231414   |
| e-mail id          | <a href="mailto:rajeev.r@kinfintech.com">rajeev.r@kinfintech.com</a>                           | <a href="mailto:investorhelpdesk.in@mnm.com">investorhelpdesk.in@mnm.com</a> |

  
By order of the Board  
For 3M India Limited  
Pratap Rudra Bhuvanagiri  
Company Secretary & Compliance Officer  
Place: Bengaluru  
Date: December 30, 2024