

'Aim to reduce CD ratio as fast as possible'

HDFC Bank says it will not get involved in an interest rate war to attract more deposits

SUBRATA PANDA
Mumbai, 21 July

HDFC Bank is aiming to reduce its credit-deposit (CD) ratio "as quickly as possible" while maintaining its commitment to profitable growth.

However, the bank has not received a directive from the Reserve Bank of India (RBI) on the timeline to cut the ratio.

"We have not received any regulatory prescription but at the same time, the thought process is that: Can we, to the best of our ability, bring it down as quickly as possible and still maintain the objective of profitable growth," said Sashidhar Jagdishan, managing director and chief executive officer, in an analyst call after the bank's first-quarter (Q1) earnings.

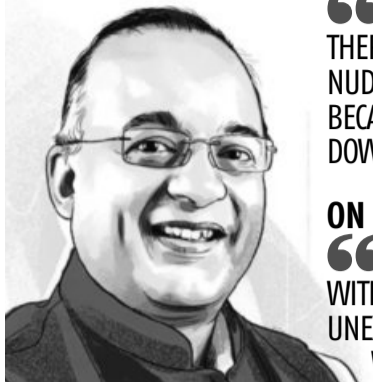
"We are cognizant of the risks in the system and instead of being nudged on that, we want to do it ourselves because it makes economic sense to bring it down as quickly as possible", he added.

However, Jagdishan did not specify the timeframe within which the bank would reduce its CD ratio to pre-merger levels.

"I would love to do it in one year. But it is not something that I can drop in one go. It's not practical," he said.

The ratio stood at 104 per cent in the quarter ended June 2024 (Q1FY25). The bank wants to bring it down to the pre-merger (with HDFC) level of 85 per cent.

Earlier Jagdishan in his message to shareholders had highlighted the bank would grow its advances slower than its deposits. This comes amid repeated warnings by the RBI, cautioning banks on the high CD ratio in the system. Recently, the RBI governor said deposit mobilisation had been lagging credit growth for some time now, and this might potentially expose the system to structural liquidity issues. The regulator's concern is because there could be structural changes happening, which banks need to recognise and, accordingly, devise their strategies.



SASHIDHAR JAGDISHAN, MD & CEO, HDFC Bank

“WE ARE VERY COGNIZANT OF THE RISKS THAT ARE THERE IN THE SYSTEM, AND INSTEAD OF BEING NUDGED ON THAT, WE WANT TO DO IT OURSELVES BECAUSE IT MAKES ECONOMIC SENSE TO BRING IT DOWN AS QUICKLY AS POSSIBLE”

ON DEPOSIT ACCRETION

“THIS TIME AROUND WE WERE REALLY SURPRISED WITH THE PERIOD END NUMBERS BECAUSE OF SOME UNEXPECTED FLOWS IN THE CURRENT ACCOUNT, WHICH WAS MORE THAN WHAT WE HAD ANTICIPATED”

Deposit accretion

The bank's senior management has stated the lender would not be involved in any competition on interest rates to attract deposits. Rather, it would rely on "engagement and service delivery" to get deposits.

"The rate is not a predominant determinant or driver for us to have an engagement. We don't get into rate competition; we are priced fairly with our peers. And this is not something that we want to use to gather more deposits," said Srinivasan Vaidyanathan, chief financial officer.

HDFC Bank's deposit accretion saw a sequential decline in Q1FY25 to ₹23.79 trillion. Commenting on the decrease, Jagdishan said: "This time around we were surprised with the period-end numbers because of some unexpected flows in the current account, which were more than what we had anticipated."

The bank is focusing on expanding its distribution. "We have a 6 per cent market share in distribution and 8,850 branches in the country. So, we need to have a wider reach,"

Vaidyanathan said.

Having brought in new customers, the bank will engage with them by providing best in class services and look to broadbase relations with such customers to keep growing the balances.

In Q1FY25, the bank brought in 2.2 million customers.

Loan growth

The private-sector lender has indicated it will be cautious in selecting and pricing opportunities in both wholesale and retail loans. This strategy ties in with its intention to grow advances more slowly than deposits, aiming to reduce loan-to-deposit ratios more rapidly.

The bank's CEO Jagdishan did not specify the timeframe within which the bank would reduce its CD ratio to pre-merger levels

"In the wholesale category, credit demand is high but the rates are benign. The spread on these loans over risk-free government securities is thin and competition is making it thinner. Given that, we want to ensure that we are circumspect in how we price and choose," Vaidyanathan said.

"On retail, in secured segments such as

Board approves listing of HDB Financial

HDFC Bank said that its board of directors have given an in-principle approval to initiate the listing of HDB Financial Services, a subsidiary of the bank, through an initial public offering (IPO). In a call following the bank's June quarter earnings, Srinivasan Vaidyanathan, the bank's CFO, said: "The IPO process is mandatory and it has to be completed by September 2025 as per Reserve Bank of India regulation. And, the board has given approval to initiate the process, subject to regulatory approvals". Additionally, he said the bank is open to selling stake in HDB Financial Services outside the IPO process but there is no discussion so far. HDFC Bank owns 94.6 per cent in HDB Financial Services. It is a non-deposit taking NBFC offering a wide range of loans and asset finance products.



mortgages, we are the leader after the merger and we will continue to be leading in this segment. On the unsecured segment, we have heard the regulator talking about being cautious about credit quality and end use. So, we have to be cautious and we have been cautious in this segment. Our growth in this segment was about 10 per cent on an annualised basis and we will calibrate the rate of growth," he said.

HDFC Bank reported 52.5 per cent year-on-year growth in advances in Q1FY25 at ₹24.63 trillion. Sequentially, they were up 0.8 per cent.

Kotak Mahindra Bank profit jumps 79% to ₹7,448 crore

Kotak Mahindra Bank on Saturday reported a consolidated net profit of ₹7,448 crore for the first quarter of FY25 (Q1FY25), a growth of 79 per cent over the same period last year. The bank had posted a consolidated profit of ₹4,150 crore in Q1FY24. The consolidated PAT (profit-after-tax) for the recently concluded quarter includes gains from divestment of 70 per cent stake in Kotak General Insurance Company to Zurich Insurance Group. The bank, in a statement, said that on a standalone basis, the private sector lender reported a net profit of ₹6,250 crore, up from ₹3,452 crore in Q1FY24.

BS REPORTER

Disclaimer: Entities controlled by the Kotak family have a significant holding in Business Standard Pvt Ltd

YES Bank Q1 profit rises 47% on lower provisions

Private sector lender YES Bank on Saturday reported a 46.7 per cent growth in net profit to ₹502 crore for the June 2024 quarter, helped by a reduction in provisions. The bank's core net interest income rose 12.2 per cent to ₹2,000 crore. The deposits, on which a good part of the system is struggling, were up over 20 per cent. Its overall provisions declined 41.2 per cent to ₹212 crore, which were transferred to JC Flowers Asset Reconstruction Company.

PTI

Govt terms study on Covid deaths in India 'misleading'

The findings of a paper published in academic journal Science Advances on life expectancy during the Covid pandemic in India in 2020 are based on "untenable and unacceptable" estimates, the Union health ministry said on Saturday after the findings were highlighted in some media reports. While the paper's authors claim to have followed standard methodology of analysing the National Family Health Survey-5 (NFHS-5), there are critical flaws in the methodology, the ministry said in a statement.

PTI

TOURISM FINANCE CORPORATION OF INDIA LTD.

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4th Floor, NBCC Plaza, Tower I, Sector V, Pushp Vihar, New Delhi 110017
Phone: +91-11-29561180 , website: www.tfcilttd.com

E-AUCTION SALE NOTICE UNDER THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 READ WITH PROVISIO TO RULE 8(6) OF THE SECURITY INTEREST (ENFORCEMENT) RULES, 2002
Notice is hereby given to public in general and in particular to M/s Aishwarya Regency LLP (Borrower/Mortgagor), Sh. Sanjay D. Mali & Smt. Rupali Mali (Partners and Guarantors/Mortgagors) that the below described immovable property/Secured Assets mortgaged to Tourism Finance Corporation of India Limited, New Delhi ("TFCI/Secured Creditor"), the physical possession of which has been taken by the Authorised Officer of TFCI (Secured Creditor), will be sold on "As is where is, As is what is, Whatever is there is and Without Recourse" basis on 21.08.2024 for recovery of outstanding dues from the Borrower and its Guarantors/Mortgagors. Notice is hereby given that in the absence of any postponement/ discontinuance of the sale, the below mentioned Secured Asset shall be sold by public E-Auction on the date mentioned herein below. The details of Secured Asset along with reserve price and Earnest Money Deposit (EMD) are as mentioned below:

Particular of Mortgaged Asset/ Hotel Property	Total Liabilities as per Demand Notice u/s 13(2) of SARFAESI ACT dated 03.01.2023	Reserve Price (in Rs.)	EMD Amount (in Rs.)	Last date of submission of EMD Amount	Date and time of Auction
All pieces and parcels of land admeasuring - 6470 sq.mtrs. and hotel building thereon with built-up area of approx. 62,134 sq. ft. together with plant & machinery, equipment, furniture fixtures and fittings etc. present at Hotel Aishwarya Regency at Sy.No.1A/1/1, Sy.No.1A/1/6 and Sy.No. 1A/1/7 Village - Malwadi (Talegaon Dabhade), Taluka Maval, District Pune, Maharashtra.	Rs.32,66,42,931/- (Rupees Thirty Two Crore Sixty-Six Lakh Forty Two Thousand Nine Hundred Thirty One Only) plus further interest alongwith the costs and expenses till the date of full and final payment under the Loan Account.	Rs. 33,00,00,000/- (Rupees Thirty Three Crores Only)	Rs. 3,30,00,000/- (Rupees Three Crores and Thirty Lakhs Only)	20.08.2024 Upto 05.00 PM	21.08.2024 From 12.00 PM to 03.00 PM

Terms and Conditions:- 1. For the details of the terms and condition of the sale and tender document, please refer to the link provided on TFCI's website i.e. www.tfcilttd.com, qua the above-mentioned Secured Asset. 2. The property will be sold on "As is where is, As is what is, Whatever is there is and Without Recourse" basis including encumbrances, if any. 3. The prospective bidders can inspect the Secured Asset/ Hotel property from 23.07.2024 to 19.08.2024 . 4. The last date for submission of EMD amount is 20.08.2024 upto 5:00 PM. 5. The EMD amount shall be deposited through RTGS/NEFT/Fund Transfer to the account of TFCI having Account Number: 0000035313127195, Account Name : Tourism Finance Corporation of India Limited, Branch : Commercial Branch, Nehru Place, IFS Code : SBIN0004298, MICR Code : 110002228. 6. Auction Bidding will be held on 21.08.2024 between 12.00 PM to 03:00 PM on <https://www.sarfaesi.auctiontiger.net>. The bid amount will increase in multiple of Rs.1,00,000/-. 7. The Authorised Officer has the absolute right to accept or reject the bid or adjourn/ postpone/ cancel the tender without assigning any reason thereof and also modify any term and condition of this sale without any prior notice. 8. Interested bidder may contact Mr. Abhishek Pahal at Mob no. 9999949197, and Mr. Prince Garg at Mob. No. 8860230917 during office hours (10.00 AM to 05.00 PM) on working days for any information/clarification.

This may also be treated as notice under rule 8(6) and rule 9(1) of Security Interest (Enforcement) Rules, 2002 to Borrower/ Mortgagors/ Guarantors of the above said loan about the holding of E-Auction Sale on the above mentioned date. The Borrower/ Guarantors/Mortgagors are hereby notified to pay the sum as mentioned above along with upto dated interest and ancillary expenses before the date of Auction, failing which the property will be auctioned/ sold and balance dues, if any, will be recovered with interest and cost.

Date: 22.07.2024
Place: New Delhi
Authorized Officer
Tourism Finance Corporation of India Limited

SESHASAYEE PAPER AND BOARDS LIMITED

CIN: L21012T1960PLC000364
Regd. Office: Pallipalayam, Namakkal District, Cauvery RS PO, Erode 638 007
Ph: 04288 240221 - 228, Fax: 04288 240229, Email: secretarial@spbltd.com Web: www.spbltd.com
EXTRACT OF STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2024 (₹ Crores)

Sl. No.	Particulars	Standalone				Consolidated			
		3 months ended		Year ended		3 months ended		Year ended	
		30.06.2024	31.03.2024	30.06.2023	31.03.2024	30.06.2024	31.03.2024	30.06.2023	31.03.2024
1	Total Income from Operations	438.31	552.68	439.03	1853.04	436.76	552.77	437.59	1851.86
2	Net Profit for the period (before Tax and Exceptional Items)	51.45	69.87	95.64	345.40	49.86	69.84	94.17	343.96
3	Exceptional Items	-	-	-	-	-	-	-	-
4	Net Profit for the period (before Tax and after Exceptional Items)	51.45	69.87	95.64	345.40	50.12	73.56	96.03	356.85
5	Net Profit for the period after Tax (after Exceptional Items)	38.34	53.16	71.37	259.37	37.00	56.84	71.75	270.77
6	Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period (after tax) and Other Comprehensive Income (after tax)	76.17	54.66	99.91	297.38	77.62	58.75	102.61	312.09
7	Equity Share Capital (Face value of ₹ 2 each)	12.04	12.04	12.04	12.04	12.04	12.04	12.04	12.04
8	Reserves, excluding Revaluation Reserves, as per the Audited Balance Sheet				1825.49				1899.27
9	Earnings Per Share (Face value of ₹ 2/- each) (not annualised)								
	1. Basic (₹) :	6.37	8.83	11.85	43.06	6.14	9.44	11.91	44.96
	2. Diluted (₹) :	6.37	8.83	11.85	43.06	6.14	9.44	11.91	44.96

Notes:
1. The above is an extract of the detailed format of Quarterly Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Unaudited Financial Results is available on the Website of Stock Exchanges (www.bseindia.com and www.nseindia.com) and on Company's Website (www.spbltd.com).
2. Paper is the only reportable segment of operation of the Company.
3. The Hon'ble NCLT, Chennai bench vide its order dated 12.05.2023 approved the e-auction sale of assets of M/s. Servalakshmi Paper Limited (Corporate Debtor in Liquidation) as a Going Concern, in favour of our company and consequently the Sales Certificate has been issued and the assets handed over to our company. Few appeals challenging Hon'ble NCLT's order have been filed in Hon'ble NCLAT, which are pending. Meanwhile, Company has taken steps to restore electricity, water supply and for plant refurbishment.
4. During the quarter, the company had acquired 4.21 lakh shares in its associate company M/s.Ponni Sugars (Erode) Limited (PSEL), resulting in an increase in the effective shareholding of the company in PSEL from 27.51% to 32.40% of the paid-up share capital of PSEL. Share of Profit in Associate is accordingly computed at the revised shareholding % from the date of acquisition of these shares.
5. The above results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at the respective meetings held on July 19, 2024 and July 20, 2024.
Place : Chennai
Date : July 20, 2024
(By Order of the Board)
For Seshasayee Paper and Boards Limited
N GOPALARATNAM
Chairman

Poonawalla Fincorp's brass sees a rejig

ABHIJIT LELE
Mumbai, 21 July

The brass at Poonawalla Fincorp Ltd (PFL) is going through a major rejig with five senior executives in compliance, risk management, and internal audit verticals opting for an early retirement, the

Pune-based non-banking financial company (NBFC) informed the exchanges.

The move comes barely a month after Arvind Kapil took charge as the managing director and chief executive.

PFL's board of directors at its meeting on July 20, 2024, considered and approved the

early retirements and appointment of new persons for the position, it said in a filing to the BSE. Manoj Gujran, the chief compliance officer (CCO) has retired from July 20, 2024. The company has named Bholananda Behera as his replacement for five years. He is expected to take up

the new assignment on October 29, 2024. In the interim, Sumit Talreja, deputy CCO, will assume charge. Anup Agarwal, the chief internal auditor also opted for early retirement, effective July 20, 2024. Nitin Sane was named Agarwal's replacement for a five-year term.

▶ FROM PAGE 1

Analysts: Earnings downgrades on cards

The combined gross interest income of the 50 BFSI companies in our sample was up 14.8 per cent Y-o-Y at ₹1.69 trillion in Q1FY25, growing at the slowest pace in eight quarters. For comparison, these firms' combined gross interest income was up 18.1 per cent in Q4FY24 and 31.9 per cent in Q1FY24. In contrast, the combined net sales of the 19 IT services companies in the sample was up 4.3 per cent at ₹1.71 trillion in Q1FY24, growing at the fastest pace in three quarters and an uptick from the 2.8 per cent in Q4FY24.

The combined net sales of non-BFSI companies in the early-bird sample was up 6.6 per cent Y-o-Y in Q1FY25, up from 6.5 per cent Y-o-Y growth in Q4FY24 and 1.9 per cent Y-o-Y growth in Q1FY24. The

combined net sales of early-bird companies ex-BFSI and oil & gas was up 5.7 per cent Y-o-Y in Q1FY25, growing at the slowest pace in 14 quarters. For comparison, the combined net sales of these firms were up 6.3 per cent Y-o-Y in Q4FY24 and 10.9 per cent Y-o-Y in Q1FY24.

Analysts say the early-bird results have been on expected lines, but these might lead to earnings downgrades. "The Street expects 16 per cent growth in corporate earnings in FY25 over FY24. The early-bird results, however, hint an earnings contraction. This will trigger a downward revision in FY25 earnings," says Dhananjay Sinha, co-head research and equity strategy, Systematix Institutional Equity.

Airlines ask fliers to track websites

The Mumbai airport, which is India's second busiest, handles about 870 daily scheduled flights. At least 430 flights (272 departures and 158 arrivals) reported delays on Sunday at Mumbai airport, according to flight-tradar24.

"Heavy rains in Mumbai are affecting flight operations and resulting in cancellation and diversion of some of our flights," Air India said on X, adding that it was offering full refunds, or a one-time complimentary rescheduling options to affected passengers. India's largest carrier IndiGo asked those flying to or from Mumbai to monitor flight status on the company website and "plan your travel accordingly due to waterlogging".

On Friday, a faulty update by cyber security firm CrowdStrike led to the outage of Microsoft apps and services across the world for several hours.

Scope of PLI likely to be extended in Budget

"Within some constraints of a coalition government, there seems to be a change with continuity; in the forthcoming Budget, a focus on employment and further accelerating capex on infrastructure could be the core. Incentives on manufacturing such as extending the scope of PLI (production-linked incentives) and extending the sunset clause for new manufacturing units to get the benefit of a lower tax rate could come up in the Budget, especially since job creation is linked closely with manufacturing," said Ketan Dalal, founder and managing director of Katalyst Advisors.

(Dev Chatterjee with inputs from Sohini Das, Shine Jacob, Prachi Palsal, Aneeka Chatterjee, Akshara Srivastava and Ishita Ayan Dutt)

Weekend update

BS SUDOKU # 4339

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Very Hard:

★★★★★

Solution tomorrow

HOW TO PLAY

Fill in the grid so that every row, every column and every 3x3 box contains the digits 1 to 9

Brief Information Memorandum																																
1.	Hotel on auction	90-room 3-star category 'Aishwarya Regency' earlier 'Eastin' hotel Malwadi, Talegaon-Chakan Road, Talegaon, 6 km radius of developed Talegaon Industrial Estate and in immediate vicinity of developing phase-II of the estate. Midway between Pune (40 km away) and Lonavala (40 km), Maharashtra. Currently under the physical possession of TFCI since 31ST JANUARY, 2024.																														
2.	Date of start of Hotel Operations	2018																														
3.	Hotel Configuration	The hotel is having 90 rooms, lobby/lounge, all-day dining restaurant (75-cover), highway/garden restaurant(60-pax), bar (50-cover), banquet hall (250-pax) & 2 meeting rooms, gym, swimming pool, and other need-based public/utility facilities.																														
4.	Land & Building Details	<p>Freehold Plot Area: 6470 sq.mt. (1.65 acre) Hotel BUA: 62,810 sq.ft.</p> <p>Specifications: 90 rooms, swimming pool, Gym, Multi cuisine restaurant, banquets, 2 lawns, and car park (~40 cars).</p> <table border="1"> <thead> <tr> <th>Particular</th> <th>BUA (sq.ft.)</th> <th>Facilities</th> </tr> </thead> <tbody> <tr> <td>LGF</td> <td>7,156</td> <td>Restaurant, bar, lobby, panel room. The substation, boiler, treatment plant located in separate enclosure.</td> </tr> <tr> <td>GF</td> <td>7,947</td> <td>Reception, lounge, meeting rooms and service area.</td> </tr> <tr> <td>1st floor</td> <td>9,214</td> <td>6 rooms, banquet, housekeeping, staff locker etc</td> </tr> <tr> <td>2nd floor</td> <td>9,666</td> <td>22 rooms & service area</td> </tr> <tr> <td>3rd floor</td> <td>9,666</td> <td>22 rooms & service area</td> </tr> <tr> <td>4th floor</td> <td>9,666</td> <td>22 rooms & service area</td> </tr> <tr> <td>5th floor</td> <td>8,819</td> <td>18 rooms, gym, staff room, service area</td> </tr> <tr> <td>6th floor</td> <td>676</td> <td>Water tank, lift m/c room, chiller plant, terrace.</td> </tr> <tr> <td>Total</td> <td>62,810</td> <td></td> </tr> </tbody> </table>	Particular	BUA (sq.ft.)	Facilities	LGF	7,156	Restaurant, bar, lobby, panel room. The substation, boiler, treatment plant located in separate enclosure.	GF	7,947	Reception, lounge, meeting rooms and service area.	1 st floor	9,214	6 rooms, banquet, housekeeping, staff locker etc	2 nd floor	9,666	22 rooms & service area	3 rd floor	9,666	22 rooms & service area	4 th floor	9,666	22 rooms & service area	5 th floor	8,819	18 rooms, gym, staff room, service area	6 th floor	676	Water tank, lift m/c room, chiller plant, terrace.	Total	62,810	
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Hotel Photographs:





