

IN BRIEF



Chahal on Paytm Payments Bank board
NEW DELHI
Paytm Payments Bank Ltd. (PPB) on Saturday said it has appointed entrepreneur Sairee Chahal to its board of directors. Ms. Chahal is the founder and CEO of SHEROES — a community platform for women. “We are delighted to have Ms. Chahal on our board. She has comprehensive experience of customer service ecosystem. We will benefit from her knowledge,” PPB MD and CEO Satish Gupta said. PTI

Adani arm buys Alpha Design Technologies
NEW DELHI
Adani Enterprises said on Saturday that its subsidiary Adani Defence Systems and Technologies has acquired Alpha Design Technologies Pvt Ltd. “Adani Defence Systems and Technologies Ltd. — a wholly owned subsidiary of the company — has acquired the control of Alpha Design Technologies Pvt Ltd,” Adani Enterprises Ltd. said in a filing to BSE. The company did not disclose the deal value. PTI

Honda opens first premium big bike outlet
MUMBAI
Honda Motorcycle & Scooter India (HMSI) has announced its foray into premium big bike retailing with the first exclusive outlet at Gurugram. Branded Honda BigWing, these outlets will provide personalised sales and after-sales service experience to Honda big bike models customers. HMSI’s big bikes portfolio ranges from the 300-cc CB300R to the 1800-cc Goldwing super bikes, the company said. PTI

Arbitrary ban on social media will impede FDI

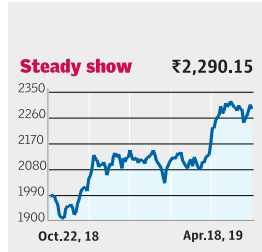
PRESS TRUST OF INDIA
NEW DELHI
Any ‘arbitrary’ ban on social media platforms and intermediaries could impede foreign direct investment (FDI) and affect expansion of the Digital India initiative, an industry body for Internet and mobile device companies said on Saturday.
Without naming Chinese video sharing app Tik-Tok, the Internet and Mobile Association of India (IAMAI) said its statement was in response to the “recent ban by the MeITY on the order of a High Court [on] a social media platform.”
The Madras High Court on April 3, 2019, had directed the Centre to ban Tik-Tok, saying it was evident from media reports that pornography and inappropriate content were made available through such mobile applications.
Soon after, tech giants Google and Apple removed TikTok from their app stores in India to stop further downloads of the application. Owned by Chinese firm ByteDance, Tik-Tok is a short-video app that has over 120 million users in India and is popular among youngsters.
The IMAI said it would be a major roadblock to the growth of Digital India and impede FDI in digital if intermediaries were to be banned quite ‘arbitrarily’ by the courts in the country.
“The association was of the view that such a ban dilutes, nay, negates the safe harbour provisions currently contained in the IT Act and its rules and makes it impossible for them to operate in the country.
“Especially affected would be the so-called social media platforms which allow citizens to express themselves,” it added.

HDFC Bank net up on NII boost

Corporate loans grow 32%, share increases to 46% of total loan portfolio

SPECIAL CORRESPONDENT
MUMBAI

Private sector lender HDFC Bank reported a 22.6% year-on-year increase in net profit for the quarter ended March 31 to ₹5,885.1 crore on the back of healthy growth in net interest income.
Net interest income (NII), the difference between interest earned and interest expended, grew by 22.8% to ₹13,089.5 crore, driven by average asset growth of 19.8% and a core net interest margin for the quarter of 4.4%, the lender said.



Metrics	Q4 FY19	Q4 FY18	Growth(%)
Net interest income (₹ cr.)	13,089.5	10,657.7	22.8
Net profit (₹ cr.)	5,885.1	4,799.2	22.6
Gross NPA (%)	1.36	1.3	
EPS (₹)	21.6	18.5	
Dividend (₹)	15	13	



The bank’s continuing focus on deposits helped in maintaining a healthy liquidity coverage ratio at 118%, well above the regulatory requirement

Retail loans rise 19%
Growth in NII was aided by a 24.6% growth in domestic advances, fuelled by a 31.9% growth in corporate loans. Retail loans grew by 19%. In the total loan portfolio, retail

has a share of 54% while corporate loans’ is 46%. Retail loans were 57% of the total loan book a year ago, while the share of corporate loans was 43%. Other income grew by 15.2% to ₹4,871.2 crore during the reporting period helped by ₹228.9 crore gain from the sale of investments.
The bank saw a deposit growth of 17% with current and savings account (CASA) growing by 14% and time de-

posits by 19.4%. CASA deposits were 42.4% of total deposits as of March 31, 2019. “The bank’s continuing focus on deposits helped in maintaining a healthy liquidity coverage ratio at 118%, well above the regulatory requirement,” the bank said.
Asset quality remained stable with gross NPAs at 1.36% of gross advances as on March 31. They were 1.38% on December 31, 2018 and 1.3% on March 31, 2018.
Provision coverage ratio as on March 31, 2019 was 71%. The bank had floating provisions of ₹1,451 crore at the end of March. Provisions and contingencies for the period were ₹1,889.2 crore versus ₹1,541.1 crore. NPA provisions were ₹1,431.2 crore versus ₹1,132.5 crore a year earlier.

Deadline for GST sales return deferred

PRESS TRUST OF INDIA
NEW DELHI

The Centre has extended the last date for filing summary sales return, GSTR-3B for March by three days until April 23. “Due date for filing GSTR-3B for the tax period March 2019 has been extended to April 23, 2019,” a ticker on GST portal ‘gst.gov.in’ said.
The last date for filing summary sales return and payment of taxes for March was April 20.
“Glitches in GSTN is leading to frequent extensions in the filing of tax returns,” AMRG & Associates partner Rajat Mohan said. “Filers also must improve on the habit of filing on the last date, burdening the servers, resulting in the collapse of the same.”

Jet Airways staff want Jaitley to intervene

Plead for at least a month’s salary

SPECIAL CORRESPONDENT
MUMBAI

Employees of Jet Airways on Saturday met Union Finance Minister Arun Jaitley in New Delhi with an appeal that the airline be saved from permanent closure.
Accompanied by Maharashtra Finance Minister Sudhir Mungantiwar, Jet Airways CEO Vinay Dube and CFO Amit Agarwal, the employees, comprising pilots, cabin crew, engineers and ground staff, handed over a letter highlighting the plight of employees in the wake of the airline temporarily suspending flight operations.
It was learnt that the employees appealed to Mr. Jaitley to ensure that at least a month’s salary is paid since many had EMIs to pay and



families to support.
Mr. Jaitley is said to have assured the employees that the bidding process would be carried out in a transparent and fair manner.
Jet had suspended all operations temporarily on Wednesday with no money to fly and banks refusing to lend any more. This had left over 16,000 employees in the lurch.

Stovekraft prepares for IPO before the end of 2019

Kitchen appliances firm has filed draft papers, says director

M. SOUNDARIYA PREETHA
COIMBATORE

Kitchen appliances company Stovekraft, which has products under four brands, including Pigeon and Gilma, estimates its last financial year’s turnover to be ₹700 crore.

Neha Gandhi, director, Stovekraft, told *The Hindu* that the company’s turnover during 2017-2018 was ₹530 crore. Stovekraft had grown at more than 30% year-on-year, she said.

Clean utility products

The company has more than 650 products under four major categories — cooking, kitchen utilities, home utilities, food preparation. “All



Neha Gandhi

commerce marketplaces and Gilma, in 70 exclusive franchise stores in the southern States.

The ‘Pigeon’ brand of products is also exported to 12 countries. E-commerce has helped the company enhance its presence in the northern and eastern States. “We want to grow our retail market by 20% over the next year,” Ms. Gandhi added.

The company plans to hit the capital markets before the end of 2019.

A clear picture would be available by June or July for the company to decide when to go for an IPO. The company had filed draft papers for an IPO last year, she said.

Reliance Industries denies any cash payment for Venezuelan oil

Not in violation of any U.S. sanctions, says the company

SPECIAL CORRESPONDENT
MUMBAI

Reliance Industries (RIL) denied reports that the company was involved in an arrangement that led to cash payment for oil supplies to Venezuelan state-owned oil firm PDVSA via third parties.

Terming the reports as ‘false’ and ‘reckless,’ RIL said in a statement, “Reliance has purchased Venezuelan crude oil from companies such as Rosneft long before the imposition of U.S. sanctions, as they do get title to Venezuelan oil in return for reduction in their prior debt.”

“Since sanctions were imposed, Reliance has made such purchases with the full



It is false to suggest that Reliance would be settling such shipments via Rosneft to PDVSA

payments, RIL said, “Reliance’s price agreement with such sellers is at market [rates] and payments by Reliance for such supplies are settled in cash or by product supply bilaterally between Reliance and such sellers. It is false to suggest that Reliance would be settling such shipments via Rosneft to PDVSA. In these transactions, PDVSA is only the original physical supplier, as the crude oil originates in its export facilities.”
Clarifying on the cash

knowledge and approval of the U.S. Department of State (USDOS), and Reliance has informed USDOS of specific volumes and transactions. Such transactions do not lead to any consequent payments to PDVSA and do not violate U.S. sanctions or policies.”

INTERVIEW | VIVEK SHARMA

‘We have recovered investment in Anchor’

We want to triple sales, quadruple profit, says Panasonic Life Solutions MD

PIYUSH PANDEY

Vivek Sharma, MD of the ₹3,400 crore Panasonic Life Solutions India Pvt. Ltd. (PLSIP), joined the firm in 2017, a decade after Anchor Electricals was acquired by Japan’s Panasonic Corporation. Mr. Sharma talks about the company’s diversification strategy and future plans. Excerpts:

Why change the name of the company ‘Anchor by Panasonic’ to Panasonic Life Solutions after 12 years of its acquisition by Panasonic?

■ Internationally, the name of the parent-owner has changed to Panasonic Life Solutions. Anchor and Panasonic are the two brands that we have, both are very strong brands and will continue, unchanged and unaltered, so that the association remains.

Anchor Electricals, as an organisation, in the past had a little negative baggage associated with it. So, while we wanted to retain the consumer connect of the brand Anchor, we wanted to disassociate with the negativity associated with Anchor Electricals. It’s not a sudden decision and we have been thinking about it for quite some time.

What is the negativity that are you talking about?

■ [The] negativity is that they used to sell products without any bills, [indulge in] under-invoicing and things like that. They (Anchor promoters) had signed a no-compete agreement at the time of sale, that period expired and now, they have set up a company and projecting it as promoters of brand Anchor.

We are taking legal action against that. We also felt that it was the right time as today’s consumers would like to be associated with an international brand name, Panasonic. The company is having a shift in operations. Anchor Electricals was only in electricals but now we are expanding to

other areas like housing, solar. We are expanding into B-2-B (business-to-business) and B-2-G (business-to-government). The name Panasonic Life Solutions gives you more faith and belief in dealing with these clients compared to Anchor Electricals.

Will Anchor be positioned at the lower end, and Panasonic at the higher end?

■ We don’t want to be in the lower segment at all. Anchor will be positioned in the value-for-money segment; and Panasonic will be seen in the money-for-value segment.

How has Anchor’s growth been since the acquisition?

■ Anchor was acquired 12 years ago. I will divide it into two portions. The first decade since the acquisition and the last two years. In the first decade, sales grew at 13% CAGR and profit at 11% CAGR.

That’s when we decided to review, rejig and transform the organisation and make it ready for future growth. In the last two years, the company has transformed in more ways than one and the results are

Our objective is to expand to the business-to-business and business-to-government segments

there for all to see. The first year after the first decade, sales grew 28% and profit by 100%. Last year, sales grew at 16% and profit at 32%.

The company set up a transformation target two years back. Our segment expanded from B-2-C to B-2-G and B-2-B. Earlier, we were focussed only on the consumer wiring segment. We found that that lighting, indoor air quality (IAQ) and industrial wiring are larger segments.

Last year, we recruited 550 employees only to focus on lighting and IAQ. We set up a separate team to focus on B-2-G and B-2-B. Last year, we spent ₹70 crore on promoting our brands; this year we will spend ₹115 crore.

Where does Panasonic Life Solutions stand now?

■ We have set ourselves a vision after the first decade of acquisition, that we want to be a billion-dollar company which services not only consumers need for products but also for services and solutions.

We would like our company to be making three times of sales and four times profit in the next five years. Today, our topline stands at ₹3,410 crore and bottomline at ₹615 crore. We are a highly profitable, cash-rich and debt-free company. We have more than ₹1,200 crore lying as fixed deposits in banks, exclud-

ing cash reserves.

Where is the future growth going to come from?

■ The company is transforming itself. Earlier, we were just provider of products. Now, we provide solution and the services to execute those solutions. We have market share of 40% in the wiring segment, far ahead of our next competitor. In switchgear, we were catering to the consumer segment, now we are catering to industry as well. Our objective this year to expand from B-to-C, to B-2-G and B-to-B, which is a huge, untapped market.

Has Panasonic recovered the money it paid to acquire Anchor?

■ A long time back. Panasonic paid \$400 million in 2007 to acquire Anchor, which had turnover of ₹800 crore then. Factoring in the sales growth of 13% CAGR and the profit growth of 11% CAGR, Panasonic has recovered all its investments made for the acquisition.

Any plans to list?

■ We are a cash-rich and debt-free company. We don’t plan to sell or list.

Do you pay royalty to your parent company?

■ Yes. We pay a royalty 2% of the sales. Even as a private limited company, we have zero tolerance policy to deviate from the law of the land.

Where do you stand compared to your peers?

■ In the industry, we are most profitable company. Havells India has reported PAT of 10% of the sales, our figures are 18% plus. We have no financial costs to bear as we are cash surplus and debt free company.

India rice rates dip as demand slows, Vietnam prices flat

China’s sale of old inventories also weighing on prices

REUTERS
BENGALURU

Asian rice exporting hubs saw tepid activity this week, with prices for the staple from top exporter India dipping on lower demand, while Bangladesh mulled a review of its ban on exports of the grain.

India’s 5% broken parboiled variety, RI-INBKN5-P1, was quoted around \$377-\$380 per tonne, down from last week’s \$387-\$390.

Weak African demand
Demand from African buyers was weak as they have ample inventories, said Nitin Gupta, vice-president, rice business at Olam India.

Aggressive selling of old inventories by China at lower prices was also weighing on prices, he added.

The country’s rice exports for April-February dropped 9.4% from a year earlier to 10.57 million tonnes, as leading buyer



Bangladesh trimmed its purchases due to a bumper local harvest, a government body said.

On Thursday, Bangladesh’s Commerce Minister said a long-standing ban on rice exports will be discussed after strong pleas from traders to lift the restriction. “If we have surplus, we can allow rice exports,” Tipu Munshi told reporters after a meeting with the rice traders association.

Bangladesh, traditionally the world’s fourth biggest rice producer, banned overseas shipments of some common rice varieties in May 2008 following a spike in domestic prices. It banned all rice exports a year later. In 2017, the country was forced to massively increase imports to shore up domestic reserves after floods wrought havoc on local crops and pushed domestic rice prices to record highs, but domestic stocks have since greatly improved.

In Thailand, the world’s second-largest exporter, the benchmark 5% broken rice, RI-THBKN5-P1, prices eased slightly to \$393-\$411 a tonne, free-on-board Bangkok, from \$405-\$410 last week.

“Overseas buyers have turned to rice from India and Vietnam because their prices have been more competitive compared to ours,” a trader said.

However, concerns over domestic supply in the country have kept prices steady recently, traders said.

Bharti Airtel rights issue to open on May 3

PRESS TRUST OF INDIA
NEW DELHI

Telecom major Bharti Airtel’s biggest rights issue of ₹25,000 crore will open on May 3 and close on May 17, the company said in a regulatory filing.

Bharti Airtel said its board of directors approved the issue which is scheduled to open on May 3 and close on May 17. “Last date for receiving request for split application form (is) May 10, 2019,” the filing said.

Bharti Airtel has fixed April 24 as ‘record date’ to determine the shareholders’ eligibility to apply for the shares.

