

### It's curtains for Aditya Birla payments bank

SPECIAL CORRESPONDENT  
MUMBAI

Within 18 months of starting operations, the payments bank of the Aditya Birla Group has decided to wind up operations citing 'unanticipated developments in [the] business landscape.'

Aditya Birla Nuvo Ltd. was one of the 11 entities that had received a payments bank licence from the RBI in August 2015. The bank began operations as Aditya Birla Idea Payments Bank from February, 2018.

"This decision has been taken due to unanticipated developments in the business landscape that have made the economic model unviable," Vodafone Idea said in a statement to the exchanges.

# HDFC Bank net up 21% on higher income

Savings, current account deposits fall below 40% for first time in 12 quarters, retail loan growth slows

SPECIAL CORRESPONDENT  
MUMBAI

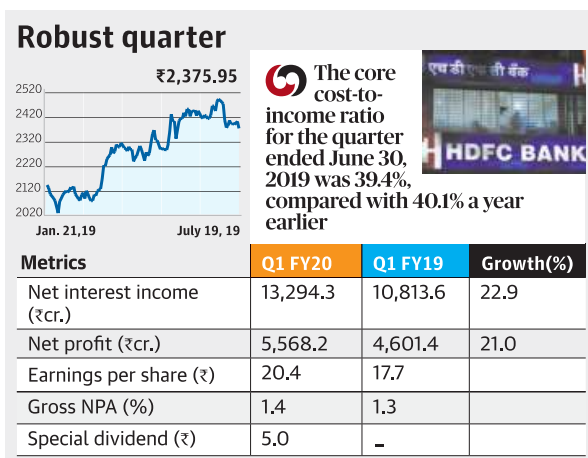
Private sector lender HDFC Bank reported a 21% increase in its net profit to ₹5,568.2 crore for the quarter ended June 30 driven by both core and non-core income.

Net interest income, which is the difference between interest earned and interest expended, grew 22.9% to ₹13,294.3 crore, while other income increased 30.2% to ₹4,970.3 crore.

Net interest margin for the quarter remained stable at 4.3%.

There was a gain of ₹212 crore during the period under review from sale of investments as compared to a loss of ₹283.2 crore during the same period of the previous year.

"The core cost-to-income



ratio for the quarter was at 39.4% as against 40.1% for the corresponding quarter ended June 30, 2018," the bank said in a statement.

The gross non-performing asset (NPA) ratio inched up to 1.4% of gross advances as

on end June as compared to 1.33% a year ago and 1.36% as of end March.

Excluding non-performing assets from the agricultural segment, the gross NPA would have been 1.17%, the bank said.

Excluding NPAs from the agri segment, gross NPAs came to 1.17%

Provisions went up to ₹2,613.7 crore in Q1 from ₹1,629.4 crore, of which specific loan loss and contingent provisions were ₹2,413.5 crore as against ₹1,432.2 crore for the corresponding quarter of the previous year.

General provisions

The bank has made general provisions of ₹200.2 crore, which include additional provisions of ₹85.9 crore for standard advances to the NBFC and housing finance sector.

"The bank held floating provisions of ₹1,451 crore as on June 30, 2019," the bank said. Total deposits of the

bank increased 18.5% year-on-year, while current and savings account deposits grew by 12.8%.

CASA deposits fell below 40% for the first time in 12 quarters, and were 39.7% of total deposits as of June 30, 2019.

Vehicle loans grow 8.3%

While advances grew 17% year-on-year, the vehicle loan segment, where sales volumes have seen some moderation, saw advances grow 8.3% over the previous year, the bank said.

Retail loans grew 16.5% on year, as compared to 19% during the Jan.-March period, while domestic wholesale loans grew by 19.6%. The domestic loan mix between retail and wholesale was 54:46.

## Jet RP invites proposals for the sale of assets

Assets include buildings, 14 aircraft

PRESS TRUST OF INDIA  
NEW DELHI

The resolution professional (RP) of Jet Airways on Saturday called for expressions of interest (EOIs) to sell the grounded airline's meagre assets by August 3.

In an advertisement posted on the airline's website and in newspapers, the RP, Ashish Chhawchharia, appointed by Jet Airways' lenders, has set a deadline of August 3 for receipt of EOIs, August 6 as the date of issue of provisional list of prospective resolution applicants and August 11 as the last date of submission of objections.

The advertisement stated that on August 14, the final list of prospective resolution applicants will be issued.



The final date for submission of resolution plans of these applicants will be September 5, it added.

The estimated date for submission of the resolution plan by the RP to the National Company Law Tribunal for approval is September 20. The airline's assets include 14 aircraft, 49% stake in Jet Privilege and a few buildings. Its liabilities are more than ₹36,000 crore.

## Reliance Jio may unveil GigaFiber at shareholder meet on August 12

Wired broadband service likely to target 50 million homes

PIYUSH PANDEY  
MUMBAI

After disrupting the Indian mobile telephony market, Reliance Jio is all set to storm the wired broadband market with its commercial launch slated to be announced during Reliance Industries' (RIL's) annual general meeting on August 12.

The company plans to launch its GigaFiber services, which would include home broadband, entertainment and smart home IoT (Internet of things) solutions.

"The commercial launch of fibre-to-the-home (FTTH) services is likely to be announced during company's AGM next month," a source



Mukesh Ambani

working towards serving the need for better connectivity with its GigaFiber services. Jio, with its FTTH services, has set a target of connecting 50 million homes across the country," Mukesh Ambani, chairman, RIL, had said in a letter to shareholders.

Investments made

To help meet this goal, RIL has made strategic investments in Hathway Cable and Datacom Limited and DEN Networks Limited.

Jio GigaFiber currently offers ultra high-speed Internet of up to 100 Mbps for 90 days along with a monthly data quota of 100 GB and a complimentary access to many of Jio's premium apps.

in the know of the development told *The Hindu*.

Asked for comments, a senior RIL official neither confirmed nor denied the report.

"Wireline network connectivity in India continues to remain underserved. Jio is

## Govt. in talks with foreign lenders for loans to SMEs

Indian banks not in a position to provide enough capital to small businesses, says official

REUTERS  
NEW DELHI

The government is in talks with foreign lenders to provide \$14.5 billion in credit to millions of small firms, two officials said.

The government is in discussions with multiple foreign lenders, including Germany's state-owned development bank KfW Group, the World Bank and some Canadian institutions to extend lines of credit to small enterprises, one of the officials, who did not want to be identified, told Reuters.

KfW's India office confirmed the discussions, though the main focus was on credit lines to support small businesses' solar power generation. The talks were at an early stage, KfW said. The World Bank's India



In the lurch: Credit availability for SMEs has worsened due to a liquidity crisis in the NBFC sector. ■ REUTERS

spokesperson did not reply to an email seeking comment. The official said the government plans to source up to ₹1 lakh crore of loans from foreign institutions because Indian banks were not in a position to provide

enough capital for the small business sector, which is seen as critical to job creation. "We are exploring, we are having discussions with various funding agencies if something can be done [for small and medium firms],"

and services output, and must be re-energised for the government to kick-start the economy. Gross domestic product growth fell to a five-year low of 5.8% in the January-March quarter, well below the 8%-plus rates that the government is targeting.

But credit availability for SMEs, which also account for about 45% of the country's exports, has worsened due to a liquidity crisis in the non-banking financial companies (NBFC) sector.

State-owned banks have not been able to drive increased lending because they are burdened with more than \$145 billion in bad loans. Last month, a study by an RBI panel said the overall deficit in credit for the MSME sector is estimated at about ₹20-25 lakh crore.

### Air traffic volume rises 6.2% in June

PRESS TRUST OF INDIA  
MUMBAI

Domestic air passenger traffic rose 6.19% in June over the year-ago period, with local carriers flying 12.02 million passengers in the month, show the monthly data from regulator Directorate General of Civil Aviation.

The uptick in June follows a marginal under 3% growth in May, ferrying 12.18 million passengers.

But this was after a 4.5% contraction in April – the first time in six years – due to the grounding of Jet Airways and the resultant spike in ticket prices during the peak summer holidays.

The largest carrier IndiGo continued its market leadership, ferrying 5.77 million passengers during the month of June.

## IndiGo to seek nod to induct woman director

Board to ask for shareholder approval

SPECIAL CORRESPONDENT  
NEW DELHI

The board of directors of strife-torn IndiGo on Saturday said that it would seek the approval of its shareholders to induct an independent woman director – one of the issues flagged by co-founder Rakesh Gangwal in his complaint to the SEBI on violations of corporate governance norms at the firm.

"The Board has decided to seek the approval of the shareholders at the upcoming annual general meeting for expanding the board to enable the induction of an independent woman director," according to IndiGo's press statement.

IndiGo's CEO Ronojay Dutta on Friday, during an analysts' conference call after the board had approved the quarterly results, said

that expanding the board would require amending the Articles of Association.

SEBI intervention

In his letter, Mr. Gangwal sought SEBI's intervention in alleged violation of its regulations and corporate governance, "unusual rights" enjoyed by co-founder Rahul Bhatia's InterGlobe Enterprises (IGE) including the right to appoint three out of six directors, nominate the chairman of the board, nominate and appoint the MD, CEO and the president, besides the absence of an independent woman director.

He also objected to increasing related party transactions between IndiGo and IGE and highlighted the need for proper checks and balances in conducting them.

### Axis Bank gets nod to raise ₹18,000 crore

PRESS TRUST OF INDIA  
NEW DELHI

Axis Bank said on Saturday its board had approved raising up to ₹18,000 crore through an issue of equity shares, depository receipts or convertible securities.

The board of directors of the bank approved the proposal in this regard at a meeting held on Saturday, the bank said in a filing.

"The board has approved raising of funds aggregating up to ₹18,000 crore," Axis Bank said.

The funds would be raised subject to shareholders' approval to the fund-raising proposal through postal ballot process.

Axis Bank is one of the worst-affected private lenders after RBI's asset quality review, which led to a huge increase in bad loans over the past three years.

## Volkswagen to increase localisation level, double market share in India

Plans to start making engines here, expand supplier base

SPECIAL CORRESPONDENT  
CHENNAI

Automaker Volkswagen plans to increase its indigenisation level by 10 percentage points and is aiming to double its market share in India in the next five years, said a top official.

"Currently, we have a localisation level of 82% and we are planning to increase it to 92% to 93% in a year's time," said Steffen Knapp, managing director, Volkswagen Passenger Cars India.

As part of the localisation efforts, the company plans to start making engines in India and expand the supplier base to produce various parts locally.

Mr. Knapp said that efforts were on to double its market share in India from the present 1.4% to 3% in the next five years, as part of the



Steffen Knapp

to clock around 1.2 lakh units per annum," he said.

Talking about the vision, brand positioning and mission, he said: "Our vision is to become a sustainable brand with a market share of 3% in the next five years: Our aim is to be an aspirational premium car brand in India and a brand which has the closest connection with customers and the highest loyalty within the industry."

Asked about new launches, he said the firm was developing a new platform for India named MQB. Volkswagen will be launching its A0 SUV (sport utility vehicle) as the first product under India 2.0 initiative by end 2020-21.

The firm would be setting up 30 new sales format pop-up stores and city stores across high-potential markets in India.

### Razorpay to triple lending to ₹600 crore

SPECIAL CORRESPONDENT  
CHENNAI

Razorpay Software Pvt. Ltd. plans to almost triple its collateral lending to merchants and double its workforce, said a top official.

"We started providing collateral lending to our merchants by tying up with non-banking financial companies," said Harshil Mathur, CEO, Razorpay Software Pvt. Ltd.

In the last six months, the payments solution firm has provided loans to the extent of more than ₹200 crore. It plans to end the current fiscal with collateral loans amounting to ₹600 crore. The loan size per customer ranges between ₹15 lakh and ₹20 lakh. The firm has a staff strength of 450, which it plans to increase to 800 by end FY20.

## HOW EFFECTIVE IS STEP FOR ENGLISH LEARNING?

We let data do the talking!  
We compared three different groups of learners.

Group A	Group B	Group C
40-hour Online STEP Course	40-hour Online + 20-hour Classroom STEP Course	No STEP Course
1073 students	1066 students	37 students

What does our data say?

Group A	Group B	Group C
19.4% improvement	23.6% improvement	7.7% improvement

Highlights

- Improvement strongly correlated with time spent
- Greatest improvement seen in students starting at lower levels
- Students starting at higher levels maintain/strengthen skills

Our Design Principles

- Easy Entry**  
for the Lower Skilled = Stickiness + Motivation
- Adaptive Learning**  
for the Higher Skilled = Higher Proficiency
- Blended Learning**  
for the Lesser Motivated = Better Outcomes

STEP @ MIT

This data was included in a peer-reviewed research paper presented by STEP at the prestigious Massachusetts Institute of Technology's J-WEL's LINC conference in Boston.

Read the full paper here:  
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