

Rajan's 'surgery' uncovers more bad loans

Reserve Bank of India's asset quality review of large lenders shows under-reporting

SHEETAL AGARWAL & ANUP ROY
Mumbai, 25 May

Reserve Bank of India (RBI) Governor Raghuram Rajan's (pictured) insistence on a "deep surgery" to help banks regain health has uncovered that nearly half of the lenders' stressed assets were not reported.

RBI had made banks go through an asset quality review (AQR) to clean up their balance sheets. Rajan had linked the AQR programme to a "deep surgery" needed for banks to regain health. The review has showed that public sector banks were not alone in under-reporting bad assets. Large private banks were also doing so.

Out of the total slippages in Axis Bank and ICICI Bank in the third quarter (Q3) of 2015-16, 50 per cent and 66 per cent, respectively, were on account of the AQR exercise. In the fourth quarter (Q4), AQR accounted for 43 per cent of ICICI Bank's slippages. Notably, Axis had accounted all AQR loans in Q3 itself. ICICI Bank, on the other hand, provided for ₹30,000 crore towards AQR slip-



LOAN BOOK (AQR in the second half of FY16)

Bank	Total slippages*	Portion from RBI's AQR*	Portion from RBI's AQR (%)
IndusInd	526	-	-
Kotak Mahindra	619	-	-
HDFC	3,251	-	-
Axis	3,556	1,050	30
ICICI	13,544	7,319	54
YES	617	150	24
PNB	37,027	16,500	45
BoB	21,717	8,900	41

*In ₹ crore, AQR: Asset quality review
Source: Banks, Macquarie Capital

pages in Q4. HDFC Bank, Kotak Mahindra Bank and IndusInd Bank had nothing to account for under AQR, making these exceptions in the Indian banking industry. Of the total slippages of large banks that have reported their results so far, about 44 per cent were because of the AQR in the second half of FY16.

The country's largest lender, State Bank of India (SBI), is yet to declare its Q4 results. But in Q3, the bank shocked everyone

by declaring 71 per cent slippages towards AQR. For the rest of the public sector banks, AQR accounted for between 25 and 47 per cent of the total slippages in Q4. But this is not the end of the problem. The banks have time till March 2017 to clean up their balance sheets. Analysts have said smaller banks were still treating some of the accounts as standard, though their larger peers have shown these as bad debts. Such accounts would inevitably have

to be recognised as bad debts in the coming quarters. "On a system basis, if we were to aggregate, the total AQR number is lower than 50 per cent. The bigger problem has come from non-AQR portfolio," said Suresh Ganapathy, financial analyst at Macquarie Capital. Additionally, the worry was that even after providing for AQR loans, most private and public banks have disclosed hefty "watch lists" of loans that they fear could turn bad. For

instance, ICICI Bank's watch list stood at ₹44,000 crore, while that of Axis was ₹22,600 crore. Among public sector banks, Bank of Baroda topped the list at ₹15,000 crore, followed by Punjab National Bank and Bank of India at ₹11,000 crore each. What these banks are going to do about these bad loans is not clear.

Bank of India Managing Director and CEO Melwyn Rego said his bank had a recovery and upgrade target of ₹17,000 crore in the current financial year. The bank would try to recover more than what it had incurred in slippages. If not, recovery and upgrade should match slippages, Rego said. Other banks also had similar responses. However, analysts have called these targets as "too ambitious" and were skeptical of the lenders meeting these. This was because the targeted levels indicated a multi-fold increase in recoveries over FY16.

"Those loans are bad for a reason and it is not that banks have managed to stop slippages," said an analyst with a brokerage who did not wish to be named. "When they are not

able to protect their standard loans, it would be too ambitious to think of them recovering their old bad loans." Banks have acknowledged that they have not yet managed to close the lid on bad loans.

"I cannot say the worst is over," Usha Ananthasubramanian, managing director and chief executive officer of PNB, had said at the bank's results conference. "The stress will continue for some more time. Till the economy doesn't revive and stressed sectors improve, pressure on bank's balance sheets will continue."

Bank of India's Rego was "cautiously optimistic". "The bank expects to face asset quality pressure but the magnitude would be far less than what we witnessed," Rego had said at the bank's results conference.

Union Bank Chairman and Managing Director Arun Tiwari said the situation was improving but he did not commit a time frame for a complete recovery. "I can only say that March 2017 results will be better in all quality parameters than this quarter."

SBI to miss payment system launch date

NUPUR ANAND
Mumbai, 25 May

State Bank of India, the country's largest lender, is going to miss the deadline for launch of the Unified Payments Interface (UPI).

UPI, launched by National Payments Corporation of India, aims to transform the digital money segment; it is set to make money transfers as simple as sending text messages. The official launch was last month but it is to be available for consumers only from next month.

For this, in the first phase, NPCI had selected 29 banks, which were to be ready by the third or fourth week of June. Five-odd, including SBI, will not be.

"SBI will take lot more time to get ready. In fact, we don't think they are going to be ready before September, as they haven't yet placed the order with their vendors," said a senior official who is a part of the team working on the launch.

This is although SBI has emerged as leader in the mobile banking space, both in volume and value terms. The

Reserve Bank of India says SBI had, as of December 2015, accounted for 38.4 per cent of all mobile banking transactions in terms of volume and nearly 36 per cent in value.

For that month, the lender had recorded 15.18 million transactions, for ₹17,636 crore. Banks had wanted that mobile wallet players, which till now had an edge over them in the digital cash space, be kept out. As a result, in the first phase, only banks are part of UPI. The others' applications will be made live only after adequately testing the product and ensuring the working of the application is broadly standard across different lenders, said the official quoted earlier.

Through UPI, consumers can transfer money through a unique virtual address (these are aliases to a bank account, allowing a customer's account to be uniquely mapped), or mobile number or Aadhaar number.

Customers don't need to know the payee's IFSC code or bank account details to transfer up to ₹1 lakh per transaction, making money transfer much simpler.

Hotstar doubles IPL viewership

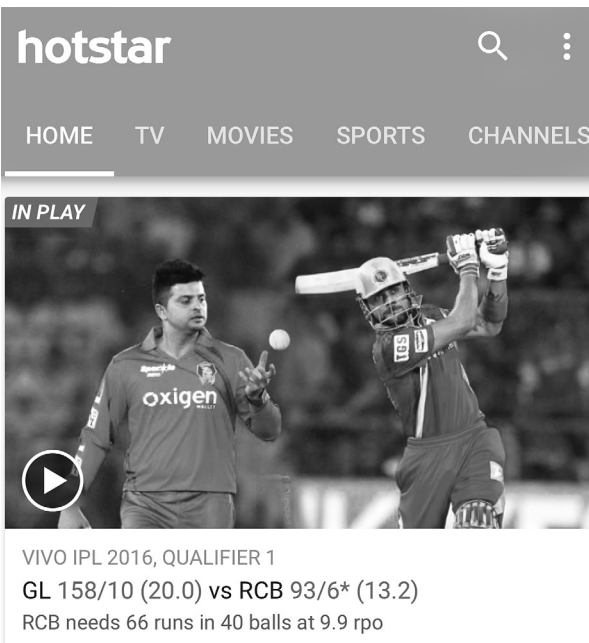
URVI MALWANIA
Mumbai, 25 May

STAR India's online video streaming platform Hotstar has more than double its reach (unique viewers) for IPL in the past one year. For all the games played until the play-offs (between April 9 and May 22), 80 million people used the service, compared with 35 million a year ago.

The cash-rich Twenty20 tournament came under STAR India's digital ambit in 2014 when it was made available on starsports.com. Last year, Hotstar was introduced, helping viewers see the tournament on the new app.

The network seems to be on track to achieve the target of reaching 100 million IPL viewers this year. "We have seen the adoption of Hotstar as primary screen increase significantly among the urban affluent youth. At 80 million (unique) viewers before the play-offs, I expect the platform to add another 15 to 20 million in reach over the last leg of the tournament," says Ajit Mohan, CEO, Hotstar, STAR India.

Total IPL watch time on the app has gone up by 60 per cent over 2015. The key to increasing the reach, according to Mohan, lies in the data-rich experience. Additionally, the application streams live score-card and analysis before and after the match, as well as



VIVO IPL 2016, QUALIFIER 1
GL 158/10 (20.0) vs RCB 93/6* (13.2)
RCB needs 66 runs in 40 balls at 9.9 rpo

between the innings.

The significance of data lies in the fact that a lot of urban, affluent youth can now be targeted via IPL on Hotstar. "While the numbers are good and we are happy about the growth in reach, what is really important is the profile of the audience we are able to capture. There is an audience out there, which is accessing the IPL exclusively through Hotstar. These are usually young people in the metros with smartphones and access to wifi/broadband, which the advertisers also want

to reach out," Mohan says.

The marketing campaigns seem to have hit the mark as about 80 per cent of the total viewers are below 34. Moreover, 50 per cent of the total viewers are in the age group of 15-24. Apart from the IPL, the traction the app generated during T-20 World Cup this year showed advertisers' increasing confidence in Hotstar. "For advertisers looking for scale on digital, Hotstar is a logical option. Even in case of movies and drama, the app has high watch time and reach," Mohan says.

Mamata Banerjee to be sworn in on Red Road

ISHITA AYAN DUTT
Kolkata, 25 May

TMC chief Mamata Banerjee appears to be taking a leaf out of Franklin Roosevelt's book. The American President had said: "We are going to make a country in which no one is left out." Banerjee is working towards a Bengal where no one is left out of anything, especially when it comes to some kind of celebration.

In her first innings as the chief minister of West Bengal, Banerjee had made a mass event

out of an elite Kolkata Film Festival, what had deeply hurt the sentiments and sensibilities of the Bengali *bhadralok*, with the props of the event changing from the likes of Jafar Panahi to the Bachchan family, Shah Rukh Khan and Anushka Sharma. The idea was to change the character and scale of the event. This time, Banerjee has decided to change the scale once more, but for the swearing-in ceremony of her government.

In a deviation from the usual venue of Raj Bhavan, the event of May 27, will be held on

the Red Road, one of the arterial roads in Kolkata that houses the Fort William where the Army is headquartered. And, it will remain blocked for at least five days, probably more. Among the dignitaries who have confirmed presence are: Bihar Chief Minister Nitish Kumar, Delhi Chief Minister Arvind Kejriwal, Rashtriya Janata Dal chief Lalu Prasad Yadav and National Conference's Farooq Abdullah, leading to speculation whether the foundation for a Third Front is being laid.

BHAGWATI AUTOCAST LIMITED			
CIN : L27100GJ1981PLC004718 Regd. Office: Survey No. 816, Village : Rajoda, Bavla-Sanand Road, Dist. : Ahmedabad 382 220 Extract of standalone audited financial results for the quarter and year ended on 31st March 2016			
particulars	3 Months Ended	Year to Date figures for Current period ended	Corresponding 3 Months Ended in the previous Year
	31/03/2016	31/03/2016	31/03/2015
	Reviewed	Audited	Unaudited
Total income from operations (net)	1411.68	6435.87	1304.08
Net profit / (loss) from ordinary activities after tax	(32.50)	78.49	92.12
Net profit / (loss) for the period after tax (after extraordinary items)	(32.58)	78.41	69.30
Equity share capital	288.07	288.07	288.07
Reserves (excluding revaluation reserves as shown in the balance sheet of previous year)	1637.31	1637.31	1583.16
Earning Per Share (before extraordinary items) (of Rs. 10/- each)	(1.13)	2.72	2.41
Basic & Diluted (Rs.)			
Earning Per Share (after extraordinary items) (of Rs. 10/- each)	(1.13)	2.72	2.41
Basic & Diluted (Rs.)			

Notes :
The above is an extract of the detailed format of Quarterly result filed with the Stock Exchanges under regulation 33 of SEBI (listing obligations & disclosure requirements) regulations, 2015. The full format of the Quarterly financial result are available on www.bhagwati.com & www.bseindia.com.
Place : Ahmedabad
Dated : 24/05/2016

**By Order of the Board of Directors
For Bhagwati Autocast Ltd
Dr. P N Bhagwat
Managing Director**

BAJAJ HOLDINGS & INVESTMENT LIMITED				
CIN: L35911PN1945PLC004656 Registered Office: Mumbai-Pune Road, Akurdi, Pune 411 035 Website: www.bhil.in E-mail ID: investors@bhil.in Telephone: +91 20 27472851 Fax: +91 20 27407380				
Extract of consolidated unaudited/audited financial results for the quarter and year ended 31 March 2016				
(₹ In Crore)				
Particulars	Quarter ended 31.03.2016 (Unaudited)	Quarter ended 31.03.2015 (Unaudited)	Year ended 31.03.2016 (Audited)	Year ended 31.03.2015 (Audited)
Total income from operations (net)	121.65	83.98	469.84	523.93
Net profit from ordinary activities after tax, before minority interest and share of profit of associates	92.64	61.40	341.59	431.65
Net profit after tax, minority interest and share of profit of associates	563.78	524.98	2,265.24	2,029.24
Paid-up equity share capital	111.29	111.29	111.29	111.29
Reserves (excluding revaluation reserves as shown in the Balance Sheet of previous year)	15,182.03	13,281.94	15,182.03	13,281.94
Basic and diluted earnings per share (₹) before and after extraordinary items (not annualised) (Face value of ₹ 10 each)	50.7	47.2	203.5	182.3

The Company has opted to submit consolidated as well as standalone financial results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Key standalone financial information is given below:

(₹ In Crore)

Particulars	Quarter ended 31.03.2016 (Unaudited)	Quarter ended 31.03.2015 (Unaudited)	Year ended 31.03.2016 (Audited)	Year ended 31.03.2015 (Audited)
Income from operations and other income	587.08	82.13	1,401.28	1,006.46
Profit before tax	575.58	73.85	1,358.56	964.50
Profit after tax	555.93	41.76	1,270.51	867.73

The above information has been extracted from the detailed Quarterly/Annual Financial Results which have been reviewed by the Audit Committee, approved by the Board of Directors and filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Annual Financial Results are available on the stock exchange websites, www.nseindia.com and www.bseindia.com and on the Company's website www.bhil.in

**By order of the Board of Directors
For Bajaj Holdings & Investment Limited**

Pune
Date: 25 May 2016

**Rahul Bajaj
Chairman**

FORTIS MALAR HOSPITALS LIMITED						
Corporate Identity Number: L85110DL1989PLC276986						
Regd. Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025						
Tel.: 011-26825000; Fax: 011-41628435						
Website: www.fortismalar.com, Email: secretarial.malar@malarhospitals.in						
STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016						
(₹ in lakhs except EPS)						
Particulars	Standalone				Consolidated	
	Quarter Ended March 31, 2016 (Audited)	Quarter Ended March 31, 2015 (Audited)	Year Ended March 31, 2016 (Audited)	Year Ended March 31, 2015 (Audited)	Year Ended March 31, 2016 (Audited)	Year Ended March 31, 2015 (Audited)
Total Income from Operations (net)	3,345.14	3,046.18	12,961.35	11,792.57	12,961.35	11,792.57
Net Profit from Ordinary Activities after Tax	124.10	224.24	621.72	765.94	640.96	786.17
Net Profit for the Period after tax (after Extraordinary items)	124.10	224.24	621.72	765.94	640.96	786.17
Paid-up Equity Share Capital (Face Value of Rs. 10/- per share)	1,862.08	1,860.95	1,862.08	1,860.95	1,862.08	1,860.95
Reserves excluding Revaluation Reserves as shown in the Balance Sheet of previous year	7,696.00 (as at 31 March 2016)	7,184.75 (as at 31 March 2015)	7,696.00 (as at 31 March 2016)	7,184.75 (as at 31 March 2015)	7,793.61 (as at 31 March 2016)	7,263.10 (as at 31 March 2015)
Earning per Share (before extraordinary items) (Face Value of Rs. 10 each) (not annualised) :						
(a) Basic	0.67	1.20	3.34	4.12	3.44	4.22
(b) Diluted	0.66	1.20	3.32	4.10	3.43	4.21
Earning per Share (after extraordinary items) (Face Value of Rs. 10 each) (not annualised) :						
(a) Basic	0.67	1.20	3.34	4.12	3.44	4.22
(b) Diluted	0.66	1.20	3.32	4.10	3.43	4.21

Note:
1. The above is an extract of the detailed format of Quarterly/Year Ended 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/Year ended Financial Results is available on the Stock Exchange website (www.bseindia.com) and the Company's website (www.fortismalar.com).
2. Standalone Figures for the quarters ended March 31, 2016 and March 31, 2015 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter.

For and on behalf of Board of Directors

Place : Chennai
Dated : May 24, 2016

**Raghunath. P
Whole Time Director**