

NEXT ROUND OF REFORMS TO PUSH 'MAKE IN INDIA'

DIPP Seeks Cabinet Nod for Four FDI Plans

Dept for treating non-repatriable investments by NRIs on a par with domestic funding, hiking proposal limit requiring Cabinet nod to ₹3,000 crore

### Road to Reform

**DIPP PROPOSALS AIM TO**

- 1 Boost capital inflows
- 2 Promote 'Make in India' programme
- 3 Secure infrastructure funding
- 4 Simplify FDI policy for investors

**THE NOTES RELATE TO**

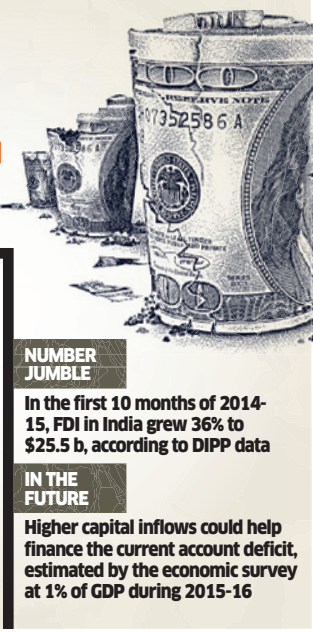
- 1 Treatment of non-repatriable investments by NRIs on par with domestic funding
- 2 Hiking the proposal limit requiring cabinet approval to ₹3,000 crore from ₹1,200 cr currently
- 3 Allowing foreign-funded companies that make 70% of their products in India to sell online
- 4 Setting a Composite Cap for all forms of foreign investment

**NUMBER JUMBLE**

In the first 10 months of 2014-15, FDI in India grew 36% to \$25.5 b, according to DIPP data

**IN THE FUTURE**

Higher capital inflows could help finance the current account deficit, estimated by the economic survey at 1% of GDP during 2015-16



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**New Delhi:** The next round of foreign direct investment reforms is aimed at boosting capital inflows, promoting the 'Make in India' programme and securing infrastructure funding.

The Department of Industrial Policy & Promotion, the nodal agency in charge of foreign investment, has sought cabinet approval for four proposals, including treatment of non-repatriable investments by non-resident Indians on a par with domestic funding and hiking the proposal limit requiring cabinet approval to ₹3,000 crore from ₹1,200 crore currently. The other proposals relate to allowing foreign-funded companies that make 70% of their products in India to sell online and setting a composite cap for all forms of foreign investment. "We have finalised and moved four notes to the cabinet that can be seen as the

next round of FDI liberalisation in sync with the 'Make in India' objective and making the country an easier place to do business for investors. This will result in large capital inflows in key sectors," a government official said.

In the first 10 months of 2014-15, FDI in India grew 36% to \$25.5 billion, according to DIPP data. The proposal on non-repatriable NRI investment will allow Indians living overseas to invest in the country without taking government approval, which is a pre-requisite in many sectors. Non-repatriable investments are those that NRIs cannot take back.

"We want NRI money to flow in directly. They have a lot of money and want to invest here. We will allow people to invest in dollars and let them earn in rupees. We want them to put money in defence, railways, etc.," the official said.

The civil aviation sector already allows NRIs to invest up to 100% against an FDI cap of 74% for

scheduled air transport services and up to 49% for non-scheduled air carriers.

Allowing foreign-funded companies to sell online if they make 70% of their product range domestically will boost domestic brands such as Fab India. The move will benefit and encourage Indian companies to produce locally and also freely access foreign funds for expansion.

To simplify the FDI regime, the government proposes to do away with categories and club them all under a composite cap.

"The aim is to attract foreign investment by clearing ambiguity in the existing FDI policy related to sectoral caps and conditionality," said the official.

The composite cap will include foreign portfolio investment, NRI

investment and depository receipts, foreign currency convertible bonds and fully and mandatorily convertible preference shares or debentures.

The DIPP proposes to raise the FDI threshold to ₹3,000 crore for proposals requiring cabinet approval to help attract big-ticket investment in the infrastructure and manufacturing sectors.

In the past few months, the government has liberalised the FDI regime in sectors such as medical devices, construction, railways, defence and insurance. Higher capital inflows could help finance the current account deficit, estimated by the economic survey at 1% of GDP during 2015-16.

The moves may facilitate the government's efforts to make India an easier place to do business.

India is ranked 142 in the World Bank's latest Doing business index, while the government aims to break into the top 50 in the next two years.

Modi to Launch 3 Social Security Schemes on May 9

**Our Bureau**

**New Delhi:** Prime Minister Narendra Modi will launch three social security schemes in pension and insurance sector, initiating the government's drive popularly billed as 'from Jandhan to Jansuraksha.'

In a statement, the finance ministry said that the three ambitious social security Schemes – Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY) – will be launched by Modi in Kolkata on May 9. "This would be a path breaking initiative towards providing affordable universal access to essential social security protection in a convenient manner linked to auto-debit facility from the bank account of the subscriber," the ministry noted in its statement.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) will provide insurance cover in the unfortunate event of death by any cause or disability due to an accident, whereas the pension scheme, Atal Pension Yojana (APY), is to address old age income security needs. The convenient delivery mechanism of the schemes is expected to address the situation of very low coverage of life or accident insurance and old age income security products in the country. PMSBY will offer a renewable one year accidental death cum disability cover of ₹2 lakh for partial permanent disability to all savings bank account holders in the age group of 18-70 years for a premium of ₹12 per annum per subscriber; it said. The scheme would be administered through public sector general insurance companies or other general insurance companies willing to offer the product on similar terms on the choice of the bank concerned. PMJJBY on the other hand will offer a renewable one year life cover of ₹2 lakh to all savings bank account holders in the age group of 18-50 years, covering death due to any reason, for a premium of ₹330 per annum per subscriber.

Short Takes

WB Arm will Join IREDA to Boost Energy Projects

**NEW DELHI:** The International Finance Corporation (IFC), the private financing arm of the World Bank, has said it would partner the Indian Renewable Energy Development Agency (IREDA) to provide infrastructure financing for energy projects in India.

India Will Meet 2020 Export Target: Joint Secy

**MUMBAI:** The government is confident of pulling off the \$900 billion export target for 2020 despite missing it last fiscal, said a top official.

"We are confident of achieving the \$900 billion export target by 2020 as envisaged in the foreign trade policy," joint secretary (commerce) Sudhanshu Pandey told reporters on the sidelines of a CII event here.

Core Sector at 17-month Low, Contracts 0.1% in March

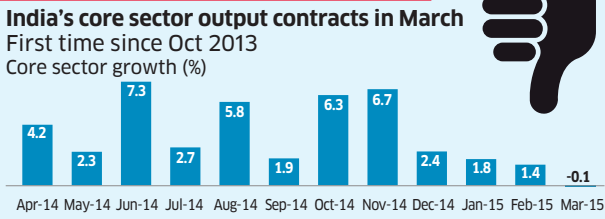
Our Bureau

**New Delhi:** India's core sector shrank for the first time in 17 months in March, hurt by dismal performance of industries such steel and cement. The poor numbers are indicative of supply-side bottlenecks that affected manufacturing activity, even as the government tries to promote local production through a series of measures under the 'Make in India' campaign.

The eight-sector output fell 0.1% in March compared with a 1.4% expansion in the previous month, data released by the Ministry of Commerce and Industry showed on Thursday. The performance, the weakest since October 2013, is expected to be a drag on overall industrial production.

The core sector index captures output in eight infrastructure in-

Poor Performance



dustries – coal, electricity, crude oil, natural gas, steel, cement, fertilisers, and refinery products. It has a 38% weight in the index of industrial production, making it a good lead indicator of industrial activity.

"On the whole, we cannot expect growth of more than 3% in industrial production in March," said Madan Sabnavis, chief economist at CARE Ratings. "The stagnation in core sector output and

contraction in merchandise trade are expected to outweigh the mild uptick in automobile production in March 2015, leading us to expect a moderation in industrial growth from the three-month high 5% in February 2015," said Aditi Nayar, senior economist at ratings firm ICRA.

India's merchandise exports contracted at the sharpest pace in six years in March at more than 21%, falling for the fourth

straight month.

In the fiscal year ended on March 31, core sector growth slowed to a six-year low at 3.5%. The growth was 4.2% in the previous year.

"If we look at the annual growth rate, there has been a significant slowdown. It is a reflection that as far as infrastructure projects are concerned, we need to see certain affirmative action in terms of projects revival, which has to

be done by the government," Sabnavis said.

Output in four sectors – steel, cement, natural gas and refinery products – contracted in March. Coal was the top performer posting a 6% expansion in March, but still the pace was about half the previous month's 11.6%.

Despite the Supreme Court cancelling mining licences on more than 200 captive coal blocks in last September, the sector grew 8.2% in the fiscal year; the quickest in at least a decade.

In March, fertiliser output grew by 5.2%, while electricity output expanded 1.7%. Steel and cement output fell by 4.4% and 4.2%, respectively.

"The subdued trend for cement production partly reflects curtailed demand on account of sub-optimal weather conditions for construction following bouts of heavy rainfall," said Nayar.

AXIS BANK LTD.

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AUDITED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

PARTICULARS	Axis Bank					Axis Bank (Consolidated)	
	FOR THE QUARTER ENDED 31.03.2015	FOR THE QUARTER ENDED 31.12.2014	FOR THE QUARTER ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2015	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2015	FOR THE YEAR ENDED 31.03.2014
	(Audited Refer note 2)	(Reviewed)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	9,697.08	8,889.74	7,965.23	35,478.60	30,641.16	35,727.46	30,735.96
(a) Interest/discount on advances/bills	7,024.65	6,501.92	5,809.78	25,867.82	21,950.43	26,083.99	22,022.52
(b) Income on investments	2,530.18	2,279.79	2,074.91	9,117.09	8,343.13	9,145.42	8,361.07
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	67.08	53.90	48.93	231.26	166.79	232.02	168.07
(d) Others	75.17	54.13	31.61	262.43	180.81	266.03	184.30
2. Other Income (Refer note 5)	2,687.31	2,039.07	2,213.40	8,365.04	7,405.22	8,838.11	7,766.25
3. TOTAL INCOME (1+2)	12,384.39	10,928.81	10,178.63	43,843.64	38,046.38	44,565.57	38,502.21
4. Interest Expended	5,897.84	5,300.18	4,799.48	21,254.46	18,689.52	21,341.26	18,702.97
5. Operating expenses (i)+(ii)	2,473.67	2,314.03	2,131.44	9,203.74	7,900.77	9,609.93	8,209.52
(i) Employees cost	798.76	778.48	659.25	3,114.97	2,601.35	3,615.69	2,973.05
(ii) Other operating expenses	1,674.91	1,535.55	1,472.19	6,088.77	5,299.42	5,994.24	5,236.47
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	8,371.51	7,614.21	6,930.92	30,458.20	26,590.29	30,951.19	26,912.49
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	4,012.88	3,314.60	3,247.71	13,385.44	11,456.09	13,614.38	11,589.72
8. Provisions (other than tax) and Contingencies (Net)	709.82	507.15	505.23	2,328.61	2,107.46	2,331.14	2,110.30
9. Exceptional Items	-	-	-	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	3,303.06	2,807.45	2,742.48	11,056.83	9,348.63	11,283.24	9,479.42
11. Tax expense	1,122.47	907.69	900.16	3,699.01	3,130.96	3,834.76	3,170.25
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	2,180.59	1,899.76	1,842.32	7,357.82	6,217.67	7,448.48	6,309.17
13. Extraordinary Items (net of tax expense)	-	-	-	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	2,180.59	1,899.76	1,842.32	7,357.82	6,217.67	7,448.48	6,309.17
15. Share in Profit/(Loss) of Associate	-	-	-	-	-	1.36	1.36
16. Share of Profit/(Loss) of Minority Shareholders	-	-	-	-	-	(1.94)	(41)
17. Consolidated Net Profit/(Loss) for the Group (14+15+16)	-	-	-	-	-	7,447.90	6,310.12
18. Paid-up equity share capital (Face value ₹2/- per share)	474.10	472.65	469.84	474.10	469.84	474.10	469.84
19. Reserves excluding revaluation reserves	-	-	-	44,202.41	37,750.65	44,475.49	37,926.21
20. Analytical Ratios	-	-	-	-	-	-	-
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio - Basel III	15.09%	14.06%	16.07%	15.09%	16.07%	-	-
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)	-	-	-	-	-	-	-
- Basic	9.22	8.05	7.85	31.18	26.51	31.56	26.91
- Diluted	9.13	7.98	7.83	30.85	26.45	31.23	26.84
(iv) NPA Ratios	-	-	-	-	-	-	-
(a) Amount of Gross Non-Performing Assets	4,110.19	3,901.59	3,146.41	4,110.19	3,146.41	-	-
(b) Amount of Net Non-Performing Assets	1,316.71	1,250.67	1,024.62	1,316.71	1,024.62	-	-
(c) % of Gross NPAs	1.34	1.34	1.22	1.34	1.22	-	-
(d) % of Net NPAs	0.44	0.44	0.40	0.44	0.40	-	-
(v) Return on Assets (annualized)	1.96	1.86	2.01	1.83	1.78	-	-
21. Public Shareholding*	-	-	-	-	-	-	-
- Number of shares	1,620,345,997	1,608,234,425	1,578,741,905	1,620,345,997	1,578,741,905	-	-
- Percentage of shareholding	68.35%	68.05%	67.20%	68.35%	67.20%	-	-
22. Promoters and promoter group shareholding*	-	-	-	-	-	-	-
- Pledged/Encumbered	-	-	-	-	-	-	-
- Number of shares	NIL	NIL	NIL	NIL	NIL	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-	-
- Percentage of shares (as a % of the total share capital)	-	-	-	-	-	-	-
Non Encumbered	-	-	-	-	-	-	-
- Number of shares	662,093,177	667,388,073	693,911,965	662,093,177	693,911,965	-	-
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	-	-
- Percentage of shares (as a % of the total share capital)	27.93%	28.24%	29.54%	27.93%	29.54%	-	-

\*excludes shares held by custodian against which Global Depository Receipts have been issued.

- Notes:
1. Statement of Assets and Liabilities of the Bank as on 31<sup>st</sup> March, 2015 is given below.
  2. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the current financial year which was subject to limited review.
  3. The Board of Directors has recommended a dividend of ₹4.60 per share (230%) for the year ended 31<sup>st</sup> March 2015 (previous year ₹4 per share (200%)), subject to the approval of the members at the ensuing Annual General Meeting.
  4. The shareholders of the Bank at the 20<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June 2014, approved the sub-division (split) of one equity share of the Bank from nominal value of ₹10/- each into five equity shares of nominal value of ₹2/- each. The record date for the sub-division was 30<sup>th</sup> July, 2014. All shares and per share information in the financial results reflect the effect of sub-division (split) retrospectively for the earlier reporting periods.
  5. 'Other income' includes gains from securities' transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers, selling of third party products, ATM sharing fees.
  6. During the current quarter, the Bank infused equity capital of ₹100 crores in Axis Finance Ltd., a wholly owned subsidiary of the Bank.
  7. During the quarter ended 31<sup>st</sup> March, 2015, the Bank allotted 72,53,326 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
  8. Disclosure about investor complaints:

Complaints at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Unresolved as on 31.03.2015
NIL	156	156	NIL

9. In accordance with RBI circular DBOD.No.BP.BC.2/21.06.201/2014-15 dated 1<sup>st</sup> July, 2014, banks are required to make Pillar 3 disclosures under Basel III capital requirements. The Bank has made these disclosures which are available on its website at the following link: <http://www.axisbank.com/investor-corner/baselIII-disclosures.aspx>. The disclosures have not been subjected to audit by the statutory auditors of the Bank.
10. The unaudited financial results for the three months and year ended 31<sup>st</sup> March, 2014 and the consolidated results for the year ended 31<sup>st</sup> March, 2014 have been audited by another firm of Chartered Accountants.
11. The above results have been approved by the Board of Directors of the Bank at its meeting held at Mumbai today.
12. Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

Place: Mumbai  
Date: 29<sup>th</sup> April, 2015

[www.axisbank.com](http://www.axisbank.com)

Statement of Assets and Liabilities

PARTICULARS	(₹ in lacs)	
	As on 31.03.2015 (Audited)	As on 31.03.2014 (Audited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	474.10	469.84
Reserves and Surplus	44,202.41	37,750.65
Deposits	3,22,441.94	2,80,944.56
Borrowings	79,758.27	50,290.94
Other Liabilities and Provisions	15,055.67	13,788.90
<b>TOTAL</b>	<b>4,61,932.39</b>	<b>3,83,244.89</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	19,818.84	17,041.32
Balances with Banks and Money at Call and Short Notice	16,280.19	11,197.38
Investments	1,32,342.83	1,13,548.43
Advances	2,81,083.03	2,30,066.76
Fixed Assets	2,514.31	2,410.21
Other Assets	9,893.19	8,980.79
<b>TOTAL</b>	<b>4,61,932.39</b>	<b>3,83,244.89</b>

Segmental Results

	Axis Bank					Axis Bank (Consolidated)	
	FOR THE QUARTER ENDED 31.03.2015	FOR THE QUARTER ENDED 31.12.2014	FOR THE QUARTER ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2015	FOR THE YEAR ENDED 31.03.2014	FOR THE YEAR ENDED 31.03.2015	FOR THE YEAR ENDED 31.03.2014
	(Audited refer note 2)	(Reviewed)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1 Segment Revenue</b>							
a Treasury	14,406,50	12,864,12	11,904,23	51,781,35	46,339,36	51,803,76	46,351,68
b Corporate/Wholesale Banking	5,909,25	5,196,56	5,108,37	21,105,60	19,424,44	21,700,01	19,741,34
c Retail Banking	7,507,25	7,230,94	6,253,71	28,297,74	22,319,62	28,393,43	22,370,22
d Other Banking Business	335,52	216,33	251,28	875,53	666,89	884,95	742,90
<b>Total</b>	<b>28,158,52</b>	<b>25,507,95</b>	<b>23,517,59</b>	<b>1,02,060,22</b>	<b>88,750,31</b>	<b>1,02,782,15</b>	<b>89,206,14</b>
Less: Inter segment revenue	15,774,13	14,579,14	13,338,96	58,216,58	50,703,93	58,216,58	50,703,93
<b>Income from Operations</b>	<b>12,384,39</b>	<b>10,928,81</b>	<b>10,178,63</b>	<b>43,843,64</b>	<b>38,046,38</b>	<b>44,565,57</b>	<b>38,502,21</b>
<b>2 Segment Results After Provisions &amp; Before Tax</b>							
a Treasury	908,56	805,01	674,03	3,067,79	2,275,12	3,084,45	2,289,34
b Corporate/Wholesale Banking	1,743,86	1,450,89	1,568,62	6,022,68	5,892,60	6,339,91	6,009,47
c Retail Banking	333,53	347,16	273,42	1,177,52	611,89	1,208,26	606,00
d Other Banking Business	317,11	204,39	226,41	788,84	569,02	650,62	574,61
<b>Total Profit Before Tax</b>	<b>3,303,06</b>	<b>2,807,45</b>	<b>2,742,48</b>	<b>11,056,83</b>	<b>9,348,63</b>	<b>11,283,24</b>	<b>9,479,42</b>
<b>3 Capital Employed</b>							
a Treasury	16,413,07	12,051,86	19,510,61	16,413,07	19,510,61	14,886,30	17,884,93
b Corporate/Wholesale Banking	82,886,47	87,443,93	62,406,09	82,886,47	62,406,09	84,928,62	64,159,06
c Retail Banking	(56,032,29)	(58,265,98)	(44,687,33)	(56,032,29)	(44,687,33)	(56,288,41)	(44,714,45)
d Other Banking Business	576,60	431,60	357,68	576,60	357,68	557,50	387,15
e Unallocated	832,66	2,154,75	633,44	832,66	633,44	865,58	679,36
<b>Total</b>	<b>44,676,51</b>	<b>43,816,16</b>	<b>38,220,49</b>	<b>44,676,51</b>	<b>38,220,49</b>	<b>44,949,59</b>	<b>38,396,05</b>