

Centre Plans to Follow Maharashtra Model to Combat Food Inflation

**NEW DELHI** The Centre may come up with an integrated plan to combat inflation in farm produce with measures to enhance shelf life and prevent wastage of food at the national level. Rural development minister Nitin Gadkari is scheduled to chair a high-level inter-ministerial meeting in this regard on Wednesday to review the use of radiation technology for preservation of perishable food and agriculture commodities, similar to what is being done in Maharashtra. At the meeting, officials from the Bhabha Atomic Research Centre (BARC) will present before a group of seven ministers a blueprint of a comprehensive plan to be implemented across the country for a sustainable solution devised to curb increase in prices of agriculture commodities. More than 10,000 farmers in Maharashtra have benefited from radiation technology used for onions under the guidance and assistance of BARC. According to Gadkari, the idea is to suggest application of the model at the national level for all agricultural produce for the benefit of the farming community. The government feels that the radioactive technology will not only help enhance shelf life of food but also provide a value proposition for farmers and consumers alike. Although food inflation fell to 7.97% in June from 9.56% in May, compared with the previous year, it is still high and with monsoon still being suboptimal, there is a possibility of further rise in prices of agricultural commodities. —Our Bureau




Closer Home, Modi Govt Now Wants a SAARC Bank

Proposed bank could give a boost to economic development of South Asia, say experts

**DILASHA SETH**  
NEW DELHI

The Narendra Modi government plans to call for a SAARC bank in the lines of BRICS bank to take forward its South Asia initiative that started with invitations to regional leaders to attend the prime minister's swearing in ceremony in May. India will propose a SAARC Development Bank at the regional grouping's ministerial council in Bhutan starting Thursday, officials said. "Commerce department has come out strongly in support of the South Asia Development Bank as it will go a long way in facilitating regional integration through financing of infrastructure for trade," a government official told ET. "The final call will, however, lie with the partner countries," the person added. If agreed by the partner countries, the bank would be the first for the eight-nation regional grouping that will provide countries with access to capital to finance infrastructure for trade facilitation and development. It will be on the lines of the \$100-billion New Development Bank (NDB) announced by the BRICS grouping of Brazil, Russia, India, China and South Africa last week. While NDB, to be headquartered in Shanghai, will finance infrastructure and development projects across the developing world, the proposed South Asia Development Bank will focus on the eight SAARC nations — Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Experts said the proposed bank could give a boost to economic development of South Asia. "The regional bank could be a turning point in the history of the South-east Asian regional economic development, as it will provide impetus to trade in goods,

### A Bank for South Asia



**India is likely to propose a regional bank at the SAARC ministerial in Bhutan on Thursday**

**IT WILL:**

- Fund** infrastructure projects in the region
- Finance** intra-SAARC projects
- Support** trade facilitation measures
- Improve** regional integration

**CORPUS:**

- Start small** and scale it up later
- Third countries** and multilateral agencies like ADB, World Bank, etc could contribute to the corpus and get voting rights

**MEASURES:**


- Liberalised** visa regime for businessmen and tourists

**SAARC Motor Vehicles Agreement**

**Railways Agreement:** Railway linkages for smooth travel and cargo

**SOUTH ASIAN ASSOCIATION FOR REGIONAL COOPERATION**

- SAARC NATIONS** are Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka
- INDIA'S EXPORTS** To The Region Grew **15%** In 2013-14 To **\$18 Billion** While Imports Contracted By **8.25%** To **\$2.4 Billion**



services and investment for development," said Ram Upendra Das, professor at Research and Information System for Developing Countries, a New Delhi-based autonomous think tank under the ministry of external affairs. "Moreover, it will manifest India's commitment towards the development of the South Asian region," he added. Vikramjit Singh Sahney, president at SAARC Chamber of Commerce, said such a bank would help in funding infra projects and provide seed capital for intra-SAARC projects such as hydro power.

"No country should have an objection regarding setting up of the bank though some lobbying would be needed to have the bank's headquarters in India. But as a big brother, India should also contribute a substantial share of the corpus," Sahney said. India has been playing the big brother for the region. It has provided duty-free, quota-free access to the least-developed countries of the region, barring just 25 items under the SAFTA goods agreement signed in 2006. The country is also looking at giving unilateral access to Bangladeshi

vehicles to deliver goods in India. India's exports to the region grew 15% in 2013-14 to \$18 billion while imports contracted by 8.25% to \$2.4 billion. The government official quoted earlier said the proposed bank could be set up with whatever the partner countries agree to put in as equity and scaled up later. Something on the lines of additional non-preferential voting rights can also be structured for third countries who would like to contribute, including the multilateral agencies such as the Asian Development Bank and World Bank. "There will be countries with interest in the region like China and Japan, who would like to contribute towards the corpus," the person said. India will moot the idea at the ministerial council and if all ministers agree, it will become a part of recommendations for the SAARC summit to be held in Nepal in November, he said. "Trade facilitation is actually a question of finding money. That is what the South Asia Development Bank will facilitate," the official said. For example, Nepal could access the bank for a 40-year loan for its hydro power project and can do an energy trade on that, he said. There is already a SAARC Development Fund (SDF), incorporated with a paid-up capital of \$300 million to provide financial assistance to social sector and infrastructure projects. India contributed \$189 million towards it. SDF can either become a part of the new bank, or it can focus entirely on the social sector while the bank finances infrastructure projects. At the Thimphu ministerial, Indian commerce and industry minister Nirmala Sitharaman will also hold a bilateral meeting with her Pakistani counterpart, Khurram Dastgir Khan, in a first for the BJP-led government.

Draft Regulatory Bill may be Taken Up in Winter Session

**YOGIMA SETH SHARMA**  
NEW DELHI

The government is set to revive an initiative of its predecessor to make regulators of key sectors such as power, telecommunications and railways accountable to Parliament, a move that is expected to boost private investment in infrastructure. Planning minister Rao Inderjit Singh has asked the infrastructure division of the Planning Commission to finalise the Draft Regulatory Reform Bill, 2013 by incorporating the views of different ministries, a senior government official told ET on condition of anonymity. The minister is keen to introduce the Bill in the winter session to revive investor confidence as soon as possible, the official added. The draft Bill, if approved, will be applicable to sectors including oil & gas, coal, internet, broadcasting & cable television, posts, airports, ports, waterways, mass rapid transit system, highways, water supply and sanitation. In 2009, the Congress-led UPA government had mooted a law to monitor the functioning of a large number of regulatory authorities in the country. The government's aim was to ensure orderly development of infrastructure services, enable competition and protect the interest of consumers through the regulators while securing access to affordable and quality infrastructure. However, the Bill could not see the light of day during the term of the UPA government. Last week, admitting that the regulatory commissions in the country were accountable to neither government nor Parliament, Singh said in Parliament, "The present legal framework on regulatory reforms needs some rethinking. Regulatory commissions in different sectors follow very divergent practices and require re-examination to have a uniform framework. Our government will undertake regulatory reforms in order to make them effective and answerable."

Eye on Regulators



GOVT REVIVING THE DRAFT REGULATORY REFORMS BILL, 2013

**What it proposes**

- Regulators should be appointed** via fair, transparent process
- Accountable to Parliament**
- Parliament should scrutinise** their functioning annually
- Decisions of regulator** could be legally challenged

**How it will help**

- Government has very high dependence** on private players for infra development
- Private players wary** of investing due to lack of transparency, accountability
- Power, oil & gas, telecom, roads,** ports and airports will benefit

The UPA government had set a target of \$1-trillion investment in infrastructure during the 12th Five-year Plan (2012-17), half of which has to come from private players. The Regulatory Reform Bill is expected to draw private players that have been wary of investing in infrastructure development for want of transparency. The key provisions of the draft Bill include an institutional framework for regulatory commissions, their role and functions, accountability to the legislature and interface with the markets and the people. Besides, their overall functioning would be subject to scrutiny by Parliament on a yearly basis and their decision could be challenged before the appellate authority.



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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30<sup>TH</sup> JUNE, 2014

PARTICULARS	FOR THE QUARTER ENDED 30.06.2014	FOR THE QUARTER ENDED 31.03.2014	FOR THE QUARTER ENDED 30.06.2013	FOR THE YEAR ENDED 31.03.2014
	(Unaudited)	(Audited refer note 2)	(Unaudited)	(Audited)
1. Interest earned (a)+(b)+(c)+(d)	8,289.42	7,965.23	7,277.81	30,641.16
(a) Interest/discount on advances/bills	6,085.31	5,809.78	5,189.09	21,950.43
(b) Income on Investments	2,102.30	2,074.91	2,015.28	8,343.13
(c) Interest on balances with Reserve Bank of India and other inter-bank funds	55.83	48.93	34.11	166.79
(d) Others	45.98	31.61	39.33	180.81
2. Other Income (Refer note 3)	1,691.05	2,213.40	1,781.31	7,405.22
3. TOTAL INCOME (1+2)	9,980.47	10,178.63	9,059.12	38,046.38
4. Interest Expended	4,978.93	4,799.48	4,412.60	18,689.52
5. Operating expenses (i)+(ii)	2,105.88	2,131.44	1,802.97	7,900.77
(i) Employees cost	751.75	859.25	643.08	2,601.35
(ii) Other operating expenses	1,354.13	1,472.19	1,159.89	5,299.42
6. TOTAL EXPENDITURE (4+5) (Excluding Provisions and Contingencies)	7,084.81	6,930.92	6,215.57	26,590.29
7. OPERATING PROFIT (3-6) (Profit before Provisions and Contingencies)	2,895.66	3,247.71	2,843.55	11,456.09
8. Provisions (other than tax) and Contingencies (Net)	386.60	505.23	712.25	2,107.46
9. Exceptional Items	-	-	-	-
10. Profit/(Loss) from Ordinary Activities before Tax (7-8-9)	2,509.06	2,742.48	2,131.30	9,348.63
11. Tax expense	842.30	900.16	722.37	3,130.96
12. Net Profit/(Loss) from Ordinary Activities after Tax (10-11)	1,666.76	1,842.32	1,408.93	6,217.67
13. Extraordinary Items (net of tax expense)	-	-	-	-
14. Net Profit/(Loss) for the period (12-13)	1,666.76	1,842.32	1,408.93	6,217.67
15. Paid-up equity share capital (Face value ₹10/- per share)	471.37	469.84	468.85	469.84
16. Reserves excluding revaluation reserves	-	-	-	37,750.65
17. Analytical Ratios				
(i) Percentage of Shares held by Government of India	NIL	NIL	NIL	NIL
(ii) Capital Adequacy Ratio (Basel III)	15.53%	16.07%	15.87%	16.07%
(iii) Earnings per Share (EPS) for the period/year (before and after extraordinary items)				
- Basic	35.41	39.25	30.07	132.56
- Diluted	35.30	39.16	29.94	132.23
(iv) NPA Ratios				
(a) Amount of Gross Non-Performing Assets	3,463.27	3,146.41	2,489.68	3,146.41
(b) Amount of Net Non-Performing Assets	1,113.54	1,024.62	789.74	1,024.62
(c) % of Gross NPAs	1.34	1.22	1.10	1.22
(d) % of Net NPAs	0.44	0.40	0.35	0.40
(v) Return on Assets (annualized)	1.78	2.01	1.73	1.78
18. Public Shareholding*				
- Number of shares	317,739,645	315,748,381	271,911,347	315,748,381
- Percentage of shareholding	67.41%	67.20%	57.99%	67.20%
19. Promoters and promoter group shareholding*				
Pledged/Encumbered				
- Number of shares	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	137,493,753	138,782,393	159,057,111	138,782,393
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital)	29.17%	29.54%	33.92%	29.54%

# excludes shares held by custodian against which Global Depositary Receipts have been issued.

Notes:

- Statement of Assets and Liabilities of the Bank as on 30<sup>th</sup> June, 2014 is given below.
- The figures of the last quarter for the previous year are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the previous year.
- '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.
- During the current quarter, the Bank infused equity capital of ₹48.75 crores in Axis Asset Management Co. Ltd., a subsidiary of the Bank.
- During the quarter ended 30<sup>th</sup> June, 2014, the Bank allotted 1,525,451 equity shares pursuant to the exercise of options under its Employee Stock Option Scheme.
- Disclosure about investor complaints:

Complaints at the beginning of the quarter	Received during the quarter	Disposed off during the quarter	Unresolved as on 30.06.2014
NIL	101	101	NIL
- In accordance with RBI circular DBOD.No.BP.BC.2/21.06.2017/2013 -14 dated 1<sup>st</sup> July, 2013, 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 or limited review by the statutory auditors of the Bank.
- The above results have been approved by the Board of Directors of the Bank at its meeting held at Mumbai today.
- These results for the quarter ended 30<sup>th</sup> June, 2014 have been subjected to a "Limited Review" by the statutory auditors of the Bank.
- Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

Place: Mumbai  
Date: 22<sup>nd</sup> July, 2014

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

Statement of Assets and Liabilities

PARTICULARS	As on 30.06.2014 (Unaudited)	As on 30.06.2013 (Unaudited)
	(Unaudited)	(Unaudited)
<b>CAPITAL AND LIABILITIES</b>		
Capital	471.37	468.85
Reserves and Surplus	39,577.86	34,478.80
Deposits	2,72,004.23	2,38,440.64
Borrowings	54,287.67	49,813.62
Other Liabilities and Provisions	13,019.91	10,859.44
<b>TOTAL</b>	<b>3,79,361.04</b>	<b>3,34,061.35</b>
<b>ASSETS</b>		
Cash and Balances with Reserve Bank of India	15,300.51	16,045.66
Balances with Banks and Money at Call and Short Notice	13,498.23	5,095.30
Investments	1,07,892.71	1,03,289.62
Advances	2,30,535.16	1,98,151.29
Fixed Assets	2,405.13	2,276.41
Other Assets	9,729.30	9,203.07
<b>TOTAL</b>	<b>3,79,361.04</b>	<b>3,34,061.35</b>

Segmental Results

	FOR THE QUARTER ENDED 30.06.2014	FOR THE QUARTER ENDED 31.03.2014	FOR THE QUARTER ENDED 30.06.2013	FOR THE YEAR ENDED 31.03.2014
	(Unaudited)	(Audited refer note 2)	(Unaudited)	(Audited)
<b>1 Segment Revenue</b>				
a Treasury	12,116.91	11,964.85	11,052.94	46,399.98
b Corporate/Wholesale Banking	4,927.91	5,108.37	4,759.44	19,424.44
c Retail Banking	6,586.34	6,193.09	4,913.14	22,259.00
d Other Banking Business	130.22	251.28	94.84	666.89
<b>Total</b>	<b>23,761.38</b>	<b>23,517.59</b>	<b>20,820.36</b>	<b>88,750.31</b>
Less: Inter segment revenue	13,780.91	13,338.96	11,761.24	50,703.93
<b>Income from Operations</b>	<b>9,980.47</b>	<b>10,178.63</b>	<b>9,059.12</b>	<b>38,046.38</b>
<b>2 Segment Results After Provisions &amp; Before Tax</b>				
a Treasury	648.24	734.65	499.28	2,335.74
b Corporate/Wholesale Banking	1,502.58	1,568.62	1,405.97	5,892.60
c Retail Banking	255.66	212.80	154.52	551.27
d Other Banking Business	102.58	226.41	71.53	569.02
<b>Total Profit Before Tax</b>	<b>2,509.06</b>	<b>2,742.48</b>	<b>2,131.30</b>	<b>9,348.63</b>
<b>3 Capital Employed</b>				
a Treasury	19,572.96	19,510.61	4,354.54	19,510.61
b Corporate/Wholesale Banking	72,039.99	62,406.09	75,753.25	62,406.09
c Retail Banking	(53,138.30)	(44,687.33)	(45,607.72)	(44,687.33)
d Other Banking Business	292.39	357.68	260.02	357.68
e Unallocated	1,282.19	633.44	187.56	633.44
<b>Total</b>	<b>40,049.23</b>	<b>38,220.49</b>	<b>34,947.65</b>	<b>38,220.49</b>

Note: Previous period figures have been regrouped and reclassified, where necessary, to make them comparable with current period figures.

For and on behalf of the Board

SHIKHA SHARMA  
MD & CEO