

QUICKLY.

NowPurchase secures funding of \$6 million



Kolkata: NowPurchase, a SaaS-enabled marketplace for metal manufacturers, on Thursday announced that it has secured a funding of \$6 million that includes both equity and debt. The majority of the funds were raised through equity, with Info Edge Ventures leading the round, according to a statement. **OUR BUREAU**

V Vaidyanathan is IDFC First Bank's MD

Mumbai: The Reserve Bank of India on Thursday approved the re-appointment of V Vaidyanathan as MD and CEO of IDFC First Bank for a period of three years effective from December 19, 2024, to December 18, 2027. Vaidyanathan worked with Citibank and ICICI Bank before founding Capital First. **OUR BUREAU**

RBI not to follow Fed; domestic dynamics to determine rate cuts

POSITIVE PICTURE. Better liquidity position may provide a cushion to the central bank

K Ram Kumar
Mumbai



The Reserve Bank of India is unlikely to immediately follow US Fed in cutting the repo rate as its actions are primarily determined by domestic growth-inflation conditions and outlook.

The US Fed slashed its benchmark lending rate by 50 basis points to 4.75 per cent-5 per cent on Wednesday, its first reduction in more than four years, as it gained greater confidence that inflation is moving sustainably towards the 2 per cent target, and judged that the risks to achieving its employment and inflation goals are roughly in balance.

In his June 7th bi-monthly monetary policy review, RBI Governor Shaktikanta Das noted that there is a view that in matters of monetary policy, the Reserve Bank is guided by the principle of 'follow the Fed'. "I would like

to unambiguously state that while we do keep a watch on whether clouds are building up or clearing out in the distant horizon, we play the game according to the local weather and pitch conditions."

RBI ACTION
"In other words, while we do consider the impact of monetary policy in advanced economies on Indian markets,

our actions are primarily determined by domestic growth-inflation conditions and the outlook," Das said.

INDEPENDENT VIEW

Referring to the 50 bps cut in the Fed Funds rate as rather brave, Soumya Kanti Ghosh, Group Chief Economic Adviser, State Bank of India, observed that RBI may disassociate from the interest rate developments in the US and may take independent view on the domestic rates based on evolving conditions.

Domestic conditions are paramount and with robust growth higher than potential output, a case for pause exists, he said, adding that this is further supported by the fact that the impact of a weak dollar on international commodity prices and its pass through on Indian economy may evolve in coming days.

Additionally, the better liquidity position may provide the cushion to the central bank to ensure that the fin-

ancial system can support the festival demand for credit. "As such, we don't anticipate any rate action by RBI in calendar 2024.

"An early 2025 rate cut (February) looks the best bet as of now.

"We still believe that liquidity challenges will remain for the banking sector with Government cash balances progressively moving out of the banking system with a move towards just-in-time mechanism," Ghosh said.

EMERGING MARKETS

Madhavi Arora, Chief Economist, Emkay Global Financial Services Ltd, said the RBI still has room to prioritise domestic dynamics.

The outsized cut by the US Fed has given Emerging Market Economies in Asia room to proceed with their own easing cycles, with the Bank of Indonesia delivering a 25 bps cut earlier in the day, she said.

Global sentiment improves on hopes of soft landing: BofA FMS

Our Bureau
Mumbai



HIGH HOPES. 52 per cent of FMS investors believe there will be no recession for the US economy in the next 18 months

Bank of America's September Global Fund Manager Survey (FMS) said global sentiment had improved for the first time since June on hopes of a soft landing for the US economy amid Fed rate cuts.

FMS investors lowered cash levels to 4.2 per cent from 4.3 per cent, with a soft landing forecast by 79 per cent of investors.

Fifty two per cent of FMS investors believe there will be no recession for the US economy in the next 18 months.

Forty per cent of FMS investors view US recession as the biggest tail risk and net 42 per cent, expected a weaker economy.

September saw FMS investor risk appetite at an 11-month low, with net 23 per cent of investors saying that they would take lower than normal risk levels. Investors believe that global monetary policy is too restrictive, on par with levels last seen in

FMS investors lowered cash levels to 4.2 per cent, with a soft landing forecast by 79 per cent of investors

the GFC and dotcom bubble. Ninety per cent of FMS investors think that yield curves will steepen, the most on record.

APAC ex-Japan economic outlook crashed to its weak-

est level in two years, with net 23 per cent of the participants seeing a weaker economy 12 months out versus net 22 per cent seeing a stronger economy in August.

Macro pessimism was centered on China, with net 18 per cent expecting a weaker Chinese economy and short China the most crowded trade.

Japan (net 45 per cent overweight) stays the favourite market in the region, followed by India (25 per cent). China (-33 per cent) remains the most unloved.

Banks should play a major role in driving PM's agenda, says Finance Minister

Press Trust of India
Pune



Finance Minister Nirmala Sitharaman at the 90th Foundation Day of the Bank of Maharashtra in Pune on Thursday

Finance Minister Nirmala Sitharaman on Thursday said the banking sector had to play a crucial role in driving the agenda of making India a developed nation or Viksit Bharat by 2047.

Sitharaman was speaking at an event here to mark the 90th Foundation Day of the Bank of Maharashtra.

"Banks will have to play a crucial role in driving the agenda set by the Prime Minister and by your role, we are going to give greater momentum to achieving this dream," she said.

Sitharaman said banks

would be required to give strong momentum to the infrastructure sector, ensure the availability of need-based funding to MSMEs, bring unbanked population under the ambit of formal banking channels, and help increase insurance penetration. She noted that technology

was changing the banking landscape as it provides a secure and easy-to-navigate digital banking experience to all customers.

However, she added, "You (banks) cannot have a digital system which somewhere gets hacked, and the entire system and the trust which is

laid on it getting compromised. So you need to have a robust and resilient system for which every now and then you need to make sure that the firewalls are adequate, any emergency drill which you need to do, what if situation so you know to handle if there is an emergency in terms of digital insecure incidents."

ROLE OF UPI

The Minister also highlighted the rising popularity of the UPI in driving digital payments, saying 45 per cent of all real-time digital payments globally take place in India. The UPI was operational in seven countries, she added.

HDFC Bank to securitise car loans worth ₹9,000 cr

Our Bureau
Mumbai



Besides growing advances a little slower than deposits, HDFC Bank has zeroed-in on big-ticket loan securitisation to moderate its credit-deposit (CD) ratio.

This can be inferred from the fact that India's largest private sector bank will be assigning a pool of car loans aggregating about ₹9,000 crore to the India Universal Trust AL1 in an asset-backed securities transaction.

The Trust, in turn, will issue pass through certificates (PTCs) to investors, including banks and mutual funds.

India Ratings and Research (Ind-Ra) has assigned the India Universal Trust AL1 a provisional rating of "AAA (Structured Obligation)/Stable" for its three series of PTCs - Series A1 (₹3,500 crore), Series A2 (₹1,800 crore) and Series A3 (₹3,762 crore). The provisional rating of the Series A1, A2 and A3

HDFC Bank will be assigning a pool of car loans aggregating about ₹9,000 crore to the India Universal Trust AL1 in an asset-backed securities transaction

PTCs addresses the timely payment of interest and timely payment of principal to the PTC investors as per transaction documentation, Ind-Ra said. The Series A1, A2 and A3 PTCs are time-tranched with Series A1 PTCs

expected to be fully redeemed first (September 20, 2026) followed by Series A2 PTCs (July 20, 2027), and Series A3 PTCs (September 20, 2030).

In securitisation, an identified pool of homogeneous assets are packaged together and sold to a special purpose vehicle, which in turn issues PTCs as financial instruments to investors.

C-D RATIO
Banks will grow advances a little slower than deposits, In a letter to shareholders in July 2024, HDFC Bank MD & CEO Sashidhar Jagdishan said the bank will grow its advances a little slower than deposit growth to bring down the credit-to-deposit (CD) ratio to pre-merger levels.

Pre-merger, the CD ratio of the bank was at 80-85 per cent. HDFC merged with HDFC Bank with effect from July 1, 2023. Post-merger, HDFC Bank's CD ratio was at about 104 per cent as at March-end 2024.

A CD ratio above 100 means that a bank's asset cre-

ation (credit) has run ahead of liabilities accretion (deposits). So, besides deposits, it is supporting asset creation with alternatives such as bonds.

LIQUIDITY BUFFERS

"It is our endeavour to bring down the credit-to-deposit ratio to pre-merger levels and our focus would be to maintain adequate liquidity buffers, repayment of erstwhile HDFC borrowings as and when they mature, including weighing any prepayment opportunities that may arise, and pursuing profitable sources of lending," Sashidhar said.

PROFITABLE GROWTH

More recently, in an analyst call, he emphasised that the bank's focus is going to be on profitable growth and not just on growth.

"And yes, in the bargain, it is in our interest to bring down the loan-deposit ratio much faster than what one would have anticipated," he added.

Banks launch innovative, high-yielding products to prop up deposits

Our Bureau
Mumbai



The funds will bring in much-needed short-term capital for banks **ISTOCKPHOTO**

Banks are launching new, innovative deposit schemes which offer higher rate of interest and also resemble capital market instruments like liquid funds and systematic investment planning (SIP) to regain customers lost to equity market.

Jana Small Finance Bank, for instance, on September 19 launched a "Liquid Plus" fixed deposit product which offers interest rate of 6.75 per cent for tenures ranging from 7 to 180 days. "The rate is applicable for the minimum deposit amount of ₹10 lakh for retail deposits up to

₹3 crore and above ₹3 crore to ₹200 crore for bulk deposits per customer," the lender said in a release.

The liquid plus fixed deposit, makes short-term deployment of funds easier and attractive with higher returns. The lender undertook

this step based on the feedback from customers seeking placement of short term funds. The scheme is targeted for both retail and high-net-worth individuals (HNIs), and corporates seeking short term investment options with muted risk.

MORE FEATURES

Apart from offering high interest rates, this product enables features like T+0 redemption, availability of partial withdrawal feature without charge and instant overdraft facility. Analysts say more lenders are expected to roll out such products to counter deposit mobilisation challenge. The funds will bring in much needed short

term capital for banks, especially when savers are increasingly becoming investors in the capital market.

Bank of Baroda (BoB) MD, CEO Debadatta Chand said the bank recently renamed a recurring deposit product as systematic deposit plan (SDP), which offers modest returns, and it also resembles the popular SIP schemes offered by mutual funds. According to BoB website, some of the features of SDP scheme include allowing monthly contribution of just ₹50 in rural and semi-urban areas, 1 per cent higher rate of interest for senior citizens, instant loans and an overdraft facility of up to 95 per cent of the deposit amount.

Flux in global markets tightens domestic financial conditions in August: Crisil Index

Our Bureau
Mumbai



Global investors are readjusting to the diverging economic trajectories and monetary policies **ISTOCKPHOTO**

Domestic financial conditions were tighter in August, relative to July, Crisil's Financial Conditions Index (FCI) shows.

The gauge, which captures India's major market segments, moderated to 0.5 in August from 0.8 the previous month. Global investors are readjusting to the diverging economic trajectories and monetary policies of major economies.

While the Federal Reserve (Fed) has cut rates from September, Bank of Japan (BoJ) hiked its rate at July-end, which triggered the unwinding of 'yen carry trade' and disrupted global financial flows in August.

Investors factored in signs of weakness in the two biggest economies - the US and China - which led to a decline in crude prices,

weaker US dollar, and easing US bond yields.

CREDIT GROWTH

"These wide-ranging global developments helped some of the segments of India's markets and hit the others. Foreign Portfolio Investors (FPIs) inflows reduced in August, hitting equity market the most, while the rupee depreciated mildly. However, the bond market, which benefited from falling crude prices and US yields, and the continuing effects of India's inclusion in the JP Morgan Emerging Market Bond Index, handled the global turbulence better," Crisil said.

Domestic factors remained supportive as systemic liquidity conditions improved and bank credit growth remained strong.

FPI INFLOWS

FPIs remained net-buyers in Indian markets in August, but net inflows declined to

₹3 billion from \$5.8 billion in July.

The equity segment saw a significant decline in net FPI inflows, from \$3.9 billion to \$0.9 billion, due to increased volatility in equity markets. The debt segment saw robust inflows at \$2.1 billion, though it was lower than in the previous month (\$2.7 billion)

The rupee depreciated to

83.9 against the US dollar in August, 0.4 per cent weaker compared with July (83.6), led by lower PPI inflows and a wider trade deficit.

RISE IN VOLATILITY

Volatility increased in August, with the Volatility Index averaging 14.9 in August (vs 13.9 in July) due to the unwinding of yen carry trade and US recession fears. The benchmark indices S&P BSE Sensex and Nifty 50 were broadly unchanged on average, rising 0.1 per cent and 0.5 per cent, respectively.

LENDING RATES UP

Some bank lending rates inched up in August, compared with July.

The one-year marginal cost of funds-based lending rate (MCLR) increased to 8.9 per cent from 8.85 per cent, while the auto loan rate was up 1 bp averaging 9.82 per cent. Deposit rates were stable at 6.86 per cent.

SHILPA MEDICARE LIMITED

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RESULTS OF THE E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and in compliance with SEBI (LODR) Regulations, 2015, the Company has conducted the process of electronic voting (E-voting) on all the Nine Resolutions stated in the Notice Dated 08 August, 2024 convening the 37th Annual General Meeting on Tuesday, 17 September 2024. The Company had offered e-voting facility through M/s. KFin Technologies Limited to all the Members of the Company as on the Record Date of 11 September 2024 to cast their vote electronically during the e-voting period from 14 September 2024 to 16 September 2024 along with Insta poll facility at the meeting. Mr. Ajay Naga Chowdhary Vemuri, Practising Company Secretary had been appointed as Scrutinizer and the e-voting results as per the report dated 18 September 2024 are as follows:

Particulars of the Resolution	No of Votes Polled	Total Valid Votes	Total Invalid Votes	Voted in Favour		Voted Against	
				Nos	%	Nos	%
Ordinary Resolution No.1 To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31 March 2024, together with the report of Board of Directors and Auditors thereon.	50970333	50970333	0	50857764	99.78%	112569	0.22%
Ordinary Resolution No.2 To appoint a director in place of Mr Omprakash Inani (DIN: 03101385), who retires by rotation and being eligible, offers himself for re-appointment.	42558605	42558605	0	42314710	99.43%	243895	0.57%
Ordinary Resolution No.3 Ratification of remuneration of Cost Auditors.	50995162	50995162	0	50995162	100%	0	0%
Special Resolution No. 4 Reappointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as an Independent Director of the Company	50995162	50995162	0	45931212	90.07%	5063950	9.93%
Special Resolution No. 5 Reappointment of Mr. Vishnukant Chaturbhuj Bhutada (DIN: 01243391) as a Managing Director of the Company and Shilpa Pharma Lifesciences Limited, a material subsidiary	33063126	33063126	0	29149292	88.16%	3913834	11.84%
Special Resolution No 6 Re-designation of Mr Keshav Bhutada (DIN: 08222057) as Executive Director in Shilpa Pharma Lifesciences Ltd, a material subsidiary w.e.f. 19th June 2024	33063126	33063126	0	31224452	94.44%	1838674	5.56%
Special Resolution No 7 Reappointment of Mr. Madhav Bhutada (DIN: 08222055), as Managing Director, Shilpa Biocare Pvt Ltd	33063126	33063126	0	31224452	94.44%	1838674	5.56%
Special Resolution No 8 Payment of Remuneration/Commission to Non Executive Directors	50995157	50995157	0	49110248	96.30%	1884909	3.70%
Special Resolution No 9 Payment of Remuneration to Mr. Hetal Madhukant Gandhi (DIN:00106895), Independent Director in excess of payment made to all other Non-Executive Directors	50995157	50995157	0	45623789	89.47%	5371368	10.53%

The Chairman based on the report of the Scrutinizer, declared the above results stating that Resolution Nos. 1 to 9 as set out in the Notice dated 08 August, 2024 have been approved by the Shareholders by requisite majority.
Note: Votes polled by Interested parties and abstained votes were not considered while calculating the total number of votes polled on the applicable resolutions.

For Shilpa Medicare Limited

Sd/-
Ritu Tiwary
Company Secretary & Compliance Officer

Date: 19.09.2024
Place: Raichur