

MARKET WATCH		
	24-01-2018	% CHANGE
Sensex	36,162	0.06
US Dollar	63.69	0.14
Gold	31,100	0.08
Brent oil	69.76	0.00

NIFTY 50		
	PRICE	CHANGE
Adani Ports	448.75	10.35
Ambuja Cements	260.15	-2.55
Asian Paints	1151.05	-18.85
Aurobindo Pharma	658.45	4.70
Axis Bank	607.95	-12.15
Bajaj Auto	3341.55	45.60
Bajaj Finance	1739.15	30.45
Bharti Airtel	459.50	-32.60
Bosch	19730.30	-45.70
BPCL	480.50	-0.65
Cipla	618.30	-4.05
Coal India	294.55	1.45
Dr Reddys Lab	2559.40	39.00
Eicher Motors	26404.05	-667.20
GAIL (India)	484.95	14.15
HCL Tech	1018.45	23.10
HDFC	1911.20	26.55
HDFC Bank	1957.65	6.35
Hero MotoCorp	3645.50	15.50
Hindalco	258.70	-6.25
HPLC	389.15	-6.75
Hind Unilever	1365.90	-2.45
Indiabulls HFL	1362.00	-17.10
ICICI Bank	352.75	-9.55
IndusInd Bank	1717.30	-6.05
Bharti Infratel	342.30	2.90
Infosys	1185.80	8.70
Indian Oil Corp	390.30	0.90
ITC	281.45	4.85
Kotak Bank	1080.10	4.65
L&T	1401.20	-9.50
Lupin	959.05	21.70
M&M	755.40	-13.65
Maurti Suzuki	9434.95	41.55
NTPC	174.00	1.30
ONGC	210.85	3.50
PowerGrid Corp	195.95	0.10
Reliance Ind	966.35	-16.90
State Bank	329.90	11.80
Sun Pharma	586.55	7.20
Tata Motors	403.60	-14.40
Tata Steel	762.10	-17.65
TCS	3174.60	72.60
Tech Mahindra	603.15	14.90
UltraTech Cement	4283.00	-91.70
UPL	824.25	17.00
Vedanta	340.00	-3.50
Wipro	313.95	-1.30
YES Bank	364.80	5.25
Zee Entertainment	603.20	6.05

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on January 24		
CURRENCY	TT BUY	TT SELL
US Dollar	63.49	63.81
Euro	78.38	78.78
British Pound	89.67	90.13
Japanese Yen (100)	58.00	58.30
Chinese Yuan	9.96	10.01
Swiss Franc	66.77	67.11
Singapore Dollar	48.43	48.68
Canadian Dollar	51.47	51.73
Malaysian Ringgit	16.22	16.32

BULLION RATES CHENNAI		
January 24 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	42.20	(42.00)
22 ct gold (1 g)	2,895	(2,882)

# UDAN 2 to link 73 airports, helipads

About 26.5 lakh seats a year will be covered under the scheme with an airfare cap of ₹2,500: Choubey

SPECIAL CORRESPONDENT  
NEW DELHI

The Centre on Wednesday said 73 underserved and unserved airports and helipads would be connected under the phase 2 of the regional connectivity scheme UDAN.

Of the 90 proposals awarded to provide flight connectivity to more than 300 regional routes, Inter-globe Aviation, the parent firm of IndiGo, was awarded a maximum of 20 proposals followed by SpiceJet with 17. Jet Airways won 4 proposals.

"The scheme will provide around 26.5 lakh seats per annum that will be covered with [an] airfare cap of ₹2,500/hr of flying," said R. N. Choubey Secretary, Ministry of Civil Aviation.

"In addition, around two lakh RCS (regional connectivity scheme) seats per an-



**Air cover:** The Centre will fund the scheme partly from the dividend paid by the Airports Authority of India.

num are expected to be provided through helicopter operations," he said.

The States with maximum number of airports and heli-

pads which will see activation under UDAN 2 scheme include Uttarakhand (15), Uttar Pradesh (9), Arunachal Pradesh (8), Himachal Pra-

desh (6), Assam (5) and Manipur (5).

Some of the cities that would now be connected include Kargil, Darbhanga, Kasauli, Bokaro, Dumka, Hubli, Kannur and Pakyong, among others.

This was the first time bids were received from helicopter operators under the scheme.

## Viability gap funding

These proposals would require a viability gap funding (VGF) of ₹487 crore per annum for fixed wing operations and ₹130 crore per annum for helicopter operations in the priority areas — which include the north-eastern and hill States, taking the total funding need for the scheme in phase 2 to ₹617 crore. In the first phase, this amount stood at ₹213 crore

per annum.

The Centre said it had decided not to increase the ₹5,000 regional air connectivity levy charged from airlines flying on major routes to fund the UDAN scheme. It would now be partly funded by the dividend that AAI (Airports Authority of India) paid to the Government of India. "The Finance Ministry has agreed to fund the UDAN scheme through the dividend that AAI pays to the government every year," said Mr. Choubey.

"We already have got ₹200 crore from AAI as dividend share for this year. Next year also, a similar exercise will be done," he said.

Under the first round of RCS, which concluded in March last year, a total of 128 routes were awarded to five airline operators



**Call drop:** Idea Cellular's quarterly revenue also fell 25% to ₹6,509.7 crore. ■ REUTERS

# Idea rings in biggest ever quarterly loss

Interconnect charge cut hits revenues

SPECIAL CORRESPONDENT  
MUMBAI

Idea Cellular Ltd. reported its fifth consecutive quarterly loss, the biggest-ever so far, as a sharp cut in interconnection charges (IUC) eroded revenue. The telecom company posted a net loss of ₹1,284.5 crore for three months ended December 2017.

This takes the cumulative loss of Idea for the first nine months to more than ₹3,000 crore compared with a loss of ₹78 crore in the year-earlier period.

India's third largest telco by subscriber base saw its revenue dip by 25% to ₹6,509.7 crore.

"The regulation imposed 57% sharp decline in IUC settlement rates negatively impacted Idea's revenue and EBITDA for this quarter by ₹8,200 million and ₹2,300 million respectively," the company said.

## Contrasting show

Rival Reliance Jio, which had reported earnings on Friday, however, beat Idea in topline as well as bottom-line. Reliance Jio reported its first net profit of ₹504 crore for the December quarter on revenue of ₹6,897 crore. The profits came within the second

quarter of starting commercial operations.

The new domestic Mobile Termination Charge (MTC) rate and recently announced reduction in 'interconnection charges (IUC) settlement charges effective February 1, 2018, from ₹0.53 to ₹0.30 per minute, may impact the telcos in the coming quarters, Idea said.

The MTC and IMT charges deal a body blow to all operators and reduce investable funds for the 'Digital India' programme, warned the company, adding the international IUC rate cut only benefitted the foreign operators with no commensurate benefit to Indian consumers but with significant foreign exchange and revenue loss to the exchequer.

"The more eloquent story of Idea's losses is in the Average Revenue per Unit (ARPU), an important metric for telecom companies," Angel Broking said in a research note.

"Idea's ARPU fell sharply to ₹114 in the third quarter from ₹132 in the second quarter. Compared to Idea, Bharti Airtel had an ARPU of ₹123 while Reliance Jio enjoyed an ARPU of ₹154. That probably sums up the story of Idea's Q3 results."

## INTERVIEW | P.K.GUPTA

# 'Capital adequacy ratio to rise 44 bps'

This is for growth, not for regulatory purpose; we are adequately capitalised: SBI

MANOJIT SAHA  
MUMBAI

While most state-run banks that will receive capital from the government will use it to meet provisioning requirement for accounts that face bankruptcy proceedings as mandated by the banking regulator, State Bank of India (SBI) — the country's largest lender — said the capital will be used to fund loan growth and not for regulatory purposes. P.K. Gupta, a managing director, discusses the bank's plans in an exclusive interview.

SBI will receive ₹8,800 crore capital from the government this financial year out of ₹88,139 crore allocated to 20

Also, some demonetisation of assets has happened

banks. What was the main objective of this capital infusion?

■ We were well capitalised, we did not need the capital immediately. Going forward, for the purpose of funding credit growth, we might have required capital next financial year. So this will help in taking care of further growth capital requirement that we could have.

So, you are saying this capital is not for regulatory

purposes... ■ For us, this capital is not for regulatory purpose but for growth. For regulatory purpose we are adequately capitalised.

What kind of loan growth do you expect in the coming quarters?

■ As I said, since capital was not a constraint for the bank, we have been meeting whatever requirement of credit that was coming to us. But, so far, the loan demand has been very muted. The demand, which we are seeing now, is from the retail side. The corporate demand is very little.

Hopefully, next year we will see more corporate de-

mand coming in.

With this capital do you need to raise any further capital to support growth?

■ We don't need to raise any further capital immediately. We had also raised ₹15,000 crore from the market during the current financial year. Also, some demonetisation of assets has happened...we did that part sell of SBI Life Insurance.

SBI's capital adequacy ratio was 13.56% as on September 30, 2017. What will be the impact on capital adequacy post this fund infusion? ■ For us, the impact on capital adequacy ratio is about 44 basis points (bps).

# IndiGo profit soars over 50% to ₹762.03 cr.

Revenue from operations rose 24%

PRESS TRUST OF INDIA  
MUMBAI

InterGlobe Aviation, parent of budget carrier IndiGo, reported more than a 50% jump in net profit to ₹762.03 crore in the three months ended December on the back of better revenue management and credit from manufacturers.

The firm posted a net profit of ₹487.25 crore in the December quarter of 2016-17. Revenue from operations rose 23.94% to ₹6,177.82 crore from ₹4,986.49 crore in the year-ago period, the company said in a regulatory filing on Wednesday.

"I am pleased to report profit after tax of ₹7.6 billion for the quarter. At the same time, I am happy to announce that we delivered



the promise of starting our regional operations with our ATR aircraft, which will enable us to provide connectivity to many more cities in India," IndiGo president and whole-time director Aditya Ghosh said.

"Last quarter was special to us as we carried 200 million customers and now, we operate more than a thousand flights a day," Mr. Ghosh added.

# Canara Bank net profit plummets 61%

Vijaya Bank's profit in Q3 drops 65%

SPECIAL CORRESPONDENT  
BENGALURU

Canara Bank's Q3 net profit fell 60.9% to ₹125.75 crore year-on-year on higher provisioning for bad loans, according to a regulatory filing. The State-owned bank's provisions for bad loans stood at ₹1,900 crore compared with ₹1,486.57 crore in the year-earlier period.

Gross non-performing assets (NPA) stood at ₹4,031.2 crore compared with ₹3,438.65 in the year-earlier period.

As a percentage of total loans, gross bad loans accounted for 10.38% for the quarter compared with 9.97%. "Our strategy of chasing higher yielding and risk weight-light assets for qualitative business growth

by deploying the surplus liquidity, generated by divesting our excess treasury assets, has paid off through healthy improvement in our core net interest income," said Rakesh Sharma, CEO and MD.

Vijaya Bank Vijaya Bank's Q3 net profit fell 65.45% to ₹79.56 crore year-on-year due to a rise in provisions. Total income declined by 7.09% to ₹3,450.81 crore, according to a BSE filing.

The bank's provision (other than tax) and contingencies rose 62.35% to ₹676.92 crore in the third quarter. NPAs, as a percentage to gross performing assets, improved marginally to 6.17% as against 6.98%.

# 'Fraud cases in India surged 21% in 2017'

Country saw highest global incidence of fraud in 3 categories: Kroll report

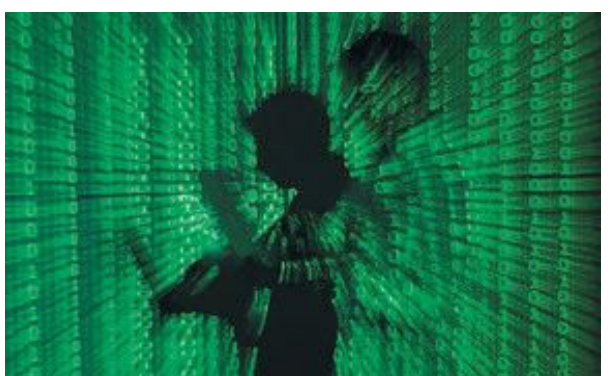
SPECIAL CORRESPONDENT  
MUMBAI

India witnessed a significant increase in fraud cases involving corporates with 89% of executives reporting that their companies fell victim to at least one instance of fraud in the past 12 months, up from 68% in 2016, according to Kroll Annual Global Fraud & Risk Report 2017-18.

## 'Significant rise'

"In India, the percentage of respondents affected by fraud increased significantly by 21% in 2017 to 89% while the global average this year is 84%," said Reshmi Khurana, managing director and head, South Asia, Kroll.

As per this report, India witnessed the highest incidence of fraud globally across three categories — theft of physical asset or stock (40%), IP theft, piracy or counterfeiting (36%) and corruption and bribery



**Danger ahead:** More companies are becoming aware of the risks related to fraud and are taking preventive steps.

(31%). The findings revealed that most common perpetrators of fraud incidents in India in the past 12 months were joint venture partners with 45% respondents naming them as the primary perpetrators.

Last year, existing and former employees were the main perpetrators of fraud within a company. This year, junior employees were the

second most common perpetrators causing fraud incidents (43% respondents), as per the report.

As much as 33% of respondents in India suggested that the extent of loss suffered by their company due to fraud was more than 7% of the revenues. This was significantly higher than the 23% of respondents witnessed globally. Mexico was the on-

ly country where a larger proportion of respondents suffered loss of more than 7% of revenues due to fraud (39% respondents).

Cybersecurity remained an area of concern with 84% of Indian respondents saying they had experienced a cyberattack in the past 12 months, indicating an 11% point rise from 2016 (73%).

"The silver lining for India is that while higher proportion of companies witnessed fraud during 2017, increasing number of companies are also becoming aware of risks related to fraud and are taking preventive measures to tackle the issue," said Tarun Bhatia, MD, Kroll South Asia. "In coming years, however, combating information security risks would gain priority as fraud risk due to information theft is only likely to increase as India chases its digitisation dream," he added.

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