

LDR no longer primary focus; priority now is profitable growth: Jagdishan

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Have you gauged the damage, if any, this incident has caused to the bank, and what has been the investor feedback?

■ If I have done something wrong, I know what we need to do to repair that. But here, it's a ghost that has come about. It's something all of us are baffled with, whether at management or board level. We had requested Chakraborty to spell out the issues and we would have addressed them the way we have done all these years. We have a wonderful and a robust process. When there is such an elaborate and a strong process, one would have expected anyone to either place the issues so that they can be addressed — which was what the appeal of the board members was on March 18 — or go to the regulator and probably tell them rather than creating a kind of uncertainty for the stakeholders.

Your term as MD & CEO ends in October. Are you willing to seek reappointment?

■ Yes, I am willing and raring to go. But I respect the process that needs to be there, whether it's the board process or the regulatory process.

Are there any gaps that need to be addressed after this episode?

■ All issues are before the management and the board. Every issue is addressed with a time-bound plan. If there are new issues that surface, either from Chakraborty or from some other channel, we will address them. We are not saying that we need to be apologetic. Our core job is to execute the business strategies of the bank in a manner that gives confidence to customers and other stakeholders. We are just digesting the merger (with HDFC). We had committed ourselves to a glide path. We are on track. So, once you get that kind of growth, I am sure customers will start getting the confidence back.

Last week, in a call with the media, you said there would be organisational restructuring. Can you throw some light on it?

■ I have done this in the past when we have reorganised the organisation or come up with restructuring. The objective is to ensure that people are galvanised and there is a sharper focus in achieving our strategies. This energises the whole organisation, and I plan to do that again. But this time, there is a process in which I will have to discuss it within the organisation and also with the board before I announce it. So this is nothing extraordinary. If I want to achieve our strategic goals over the next three years, I would love to have this



Sachidhar Jagdishan, MD & CEO, HDFC Bank

restructuring or reorganisation.

How do you plan to grow your loan books and also bring down your loan-deposit ratio (LDR)?

■ Is there an opportunity for us to grow? Yes. Do we have the ability to raise good-quality deposits? Yes. Do we have alternative funding options to support growth? Yes. Until now, we had not fully exercised those options because we were focused on bringing down the LDR. However, with the recent monetary policy statement, there has been a slight shift in stance. It now allows room to consider slightly longer-term, non-callable borrowings to enhance stability in the balance sheet. This means that the LDR may remain where it is or even move up marginally. But from a risk-management perspective, that is not a concern if long-term assets are funded by long-term, non-callable borrowings.

That creates a stable funding structure, which is what prudent risk management calls for. When we talk about the LDR, we must recognise that business cycles will recur every three to five years. Even though the regulator has taken the LDR off the table for the moment, our thinking is that we should not go overboard. Even if we operate around current levels, over the medium term we would prefer to gradually bring it down. That remains our approach. From a strategic standpoint, however, the LDR is no longer our primary focus. Our priority now is disciplined, profitable growth. We have committed ourselves to growing faster than the system in FY27. For FY26, we had indicated that we would grow broadly in line with the system, and based on performance up to December, that remains on track. We are continuing to grow deposits broadly in line with our top line growth. Over time, we would like deposit growth to outpace loan growth. What we want to ensure is that we capture the growth opportunity and drive growth in earnings per share. These are the two core objectives guiding us. As growth opportunities and deposit growth gradually out-

paces loan growth, you will see a smooth glide path where the LDR naturally trends down over time.

So the LDR going off the table for the moment gives you some comfort...

■ When you take over a massive machine that is already funded, your LDR will naturally move up. There is no regulatory prescription for what the LDR should be. It is not a global ratio, nor is it a Basel ratio or even a regulator-prescribed ratio. Yet, from January 2024, you suddenly started hearing about the LDR. No bank was given any specific target. We reviewed our own books. After the merger, our LDR had become the highest in our history. We decided to pull down our loan growth rate. We reduced it by roughly one-tenth and brought the LDR down accordingly. From our perspective, our board needed comfort on the regulatory stance. That comfort came when the (Reserve Bank of India) governor clearly articulated the same thought process in the monetary policy statement. The emphasis now is that banks should maintain comfortable LCR levels. The LCR and NSFR (net stable funding ratio) are the key metrics that determine the resilience of an organisation over the short and long term. The minimum regulatory requirement for the LCR is 100 per cent. At the same time, we do not want to be excessively high because that would mean inefficient use of funds. A buffer of around 15 per cent above the minimum is quite comfortable. We operate at roughly 115 per cent, give or take.

The return on assets is improving. When will it top 2 per cent on a consistent basis?

■ To bring down the LDR from 110 per cent to below 100 per cent, we had to slow asset growth and accelerate deposit growth. That did create some drag on the business. To offset that impact, we focused on driving efficiencies to ensure that profitability was maintained. Now that profitability is stable, the moment we resume top line growth — with bottom line growth keeping pace — earnings per share will naturally start improving.

Which are the levers you will tap for accelerating loan growth?

■ We do not want to pursue growth for the sake of growth. Our objective is safe and profitable growth. If consumption picks up, retail lending will grow. If consumption does not pick up, there is strong demand from micro, small, and medium enterprises, where growth continues to be 18-20 per cent. We will balance growth across segments. Demand is not the issue. The real challenge is striking the right balance among margins, risk, and growth — that is where the hard work lies.

NEW INCOME-TAX RULES

Registration to become simpler for charitable trusts

MONIKA YADAV
New Delhi, 22 March

Charitable trusts and non-profit organisations will get a simplified registration process and reduced record-keeping requirements under the Income-tax Rules, 2026, notified by the Central Board of Direct Taxes (CBDT) on Friday, ahead of their April 1 rollout with the Income-tax Act, 2025.

The rules introduce a single common prescribed form for both registration of charitable trusts and approval for tax-deductible donations, replacing the earlier multi-step process.

Provisional registration approvals will now be handled through the centralised processing centre (CPC) instead of jurisdictional tax officers, aiming to improve speed and consistency across the country.

Under the new framework, provisional registration may be treated as non-est (invalid from the very beginning), if the trust has already started activities or holds another registration. Trusts can also voluntarily surrender such registration if no tax benefits have been claimed and they undertake not to claim them in future, in which case it will be treated as never granted.

The CBDT has further introduced a dedicated prescribed form for trusts seeking approval to change the purpose for which income has been accumulated.

In a key relief measure, the record



Easing philanthropy

- A single common form will be used for both registration and approval for tax-deductible donations
- Provisional registration will now be processed through the centralised processing centre instead of local tax officers
- Trusts can voluntarily surrender provisional registration if no tax benefits were claimed
- A new prescribed form has been introduced for trusts wanting to change purpose of accumulated income

retention period has been cut to six years from the end of the relevant tax year, down from the earlier requirement of 10 years from the end of the assessment year.

Under the earlier regime governed by the Income-tax Act, 1961, newly formed trusts first applied for provisional registration in

Form 10A before commencing activities. This was processed by the jurisdictional Principal Commissioner of Income-tax (Exemptions) and remained valid for three years. After starting operations, trusts had to apply for regular registration in Form 10AB, valid for five years, with detailed submission of audited accounts and activity reports. The process remained decentralised, often resulting in delays and variations across jurisdictions. There was no formal option for easy surrender of provisional registration, and changing the trust's objects required separate application without any dedicated form.

Sandeep Bhalla, partner with Dhruva Advisors, welcomed the changes, saying the single common form and centralised processing through CPC will bring much-needed uniformity and speed. "The voluntary surrender option and reduced record-keeping period are particularly welcome for smaller organisations, as they cut down compliance burden and paperwork significantly," he added.

Abhishek A. Rastogi, founder of Rastogi Chambers, said the new provisions mark a practical easing for the non-profit sector. "Trusts can now exit provisional registration cleanly if not used, and maintaining records for only six years will save considerable time and cost, especially for smaller NGOs and newly established trusts."

More on business-standard.com

WEEKEND UPDATE

Kotak Mahindra Capital divests nearly 31% stake in Infina Finance

Kotak Mahindra Bank's wholly owned subsidiary Kotak Mahindra Capital Company (KMCC) has entered into definitive agreements to divest a part of its stake in Infina Finance for an aggregate consideration of about ₹1,293.91 crore. The transaction involves the sale of a cumulative 30.99 per cent stake in Infina, an associate company of the bank, to multiple investors, the bank said in a regulatory filing. As part of the deal, KMCC will sell 9.9 per cent stake to Derive Trading and Resorts and Bright Star Investments for ₹413.35 crore. It will also transfer a 12.1 per cent stake to the estate of late investor Rakesh Jhunjhunwala through its trusts for ₹505.21 crore. In addition, KMCC will divest an 8.99 per cent stake to KF Trust, an existing shareholder, for ₹375.36 crore. KF Trust is Uday Kotak's family trust.

BS REPORTER

South Indian Bank appoints ex-RBI ED Jose Kattoor as part-time chairman



Kerala-based South Indian Bank announced the appointment of Jose Kattoor as the non-executive part-time chairman (Independent Director) for a term of three years, effective March 23, 2026, following RBI approval. Kattoor will succeed VJ Kurian, who retires on March 22 upon completion of his term as non-executive part-time chairman (Independent Director). Kattoor has served as an independent director on the South Indian Bank board since July 18, 2024. In his new role as non-executive part-time chairman, he will work closely with the board and senior management to further strengthen governance standards. He has over three decades of distinguished experience at RBI, where he served from 1991 until his retirement in 2023.

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Public Notice for E-Auction to General Public Under Rule 8 & 9 of The Security Interest (enforcement) Rules, 2002

STATUTORY SALE NOTICE UNDER RULE 8 (A) OF THE SECURITIES ACT, 2002

E-Auction Sale Notice for Sale of Immovable Assets Under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 read with proviso to Rule 8 (b) of the Security Interest (enforcement) Rules, 2002.

Notice is hereby given to the public in general and in particular to the Borrower (s) and Guarantor (s) that the below described immovable property/properties charged to the Secured Creditor, the constructive/physical symbolic possession of which has been taken by the Authorised Officer of the Bank/ Secured Creditor, will be sold on "As is where is", "As is what is", and "Whichever is the best" basis, for recovery of its dues due to the Secured Creditor, by the Authorised Officer of the Bank/ Secured Creditor, on the respective borrower (s) and Guarantor (s). The reserve price and the earnest money deposit will be as mentioned in the table below against the respective properties.

Sl. No.	Name of the Branch Name of the Account Name & addresses of the Borrower/Guarantors Account	Description of the Immovable Properties Mortgaged/ Owner's Name (mortgagors of property(ies))	A) Dt. Of Demand Notice u/s 13(2) of SARFAESI ACT 2002 B) Outstanding amount as on 31.12.2025 C) Possession Date u/s 13(4) of SARFAESI ACT 2002 D) Nature of Possession Symbolic/Physical/Constructive	A) Reserve Price (Rs. in Lacs) B) EMD (Last date of deposit of EMD) C) Bid Increase Amount	Date/ Time of E-Auction	Details of the encumbrance s known to the secured creditors
1	Branch-JALNA JINDAL MARKET (132410) Borrower : M/s SAI TRADERS Proprietor 1. Sh. Ashok Vittalrao Sable. Address: House No 187, Indewadi, Ambad Road, Jalna Maharashtra 431401. Also Residing at Flat no 201, Chintamani orchid, Plot no 125, CTS No 16132, Sheet No. 182, Jyoti Nagar, Aurangabad, Maharashtra 431001 Guarantor : 1. Smt. Sangeeta Ashok Sable, Address: 2468, Navin/Vasnah, At-Kumbhar Pimpalgao, Tah-Ghanwasawangi Jalna Maharashtra 431211. Also Residing at Flat no 201, Chintamani orchid, Plot no 125, CTS No 16132, Sheet No. 182, Jyoti Nagar, Aurangabad, Maharashtra 431001 2. Smt. Sindhubai Girijaappa Kalal Address: At Walur, Tah-Selu, District-Parbhani Maharashtra 431503	1. Plot Milkat No. 2057, S No. 297 B (Adm. Plot area -2000 Sq. Mtr), Walur-Selu Road, Walur, Tq-Selu, Dist- Parbhani standing in the joint name of Sangeeta Ashokrao Sable & Sindhubai Girijaappa Kalal. Boundaries: East Side: Part of Survey no 297, West Side- Selu-Boni road, North Side-Walur-Moregaon Road, South Side-Abdul Kadar Land. Property ID- PUNB000828800239	A) 25.11.2021 B) Rs.4845504.44/- + further interest + Charges C) 15.06.2022 D) Symbolic	A) Rs. 52.27 Lakh B) Rs 5.227 Lakh C) Last date of EMD 07.04.2026 C) Rs 1,00,000/-	Date: 07.04.2026 From 11:00 AM to 16:00 PM	Not Known
2	Branch: Jalna, Sambhaj Nagar (777800) Borrower : M/s Uday Tractors sales and services, Gat No 228 & 229, Jalna-Navha (Sindhodh Raja) Road, Near Taj Petrol Pump, Mauje Navha, Tal & Dist. Jalna Pin - 431203 Also residing at Mr. Balasaheb Narayan Gajar (Proprietor) Address- Gat No 228 & 229, Jalana-Navha (Sindhodh Raja) Road, Near Taj Petrol Pump, Mauje Navha, Tal & Dist. Jalna Pin - 431203 Mr. Balasaheb Narayan Gajar (Proprietor) Address- At Gundewadi Rajur Road Tal. Dist Jalna-431203	1. Register Mortgage of Gat No 228 & 229, Total area 8850 Sq. meter Jalana-Navha (Sindhodh Raja) Road, Near Taj Petrol Pump, Mauje Navha, Tal & Dist. Jalna Pin - 431203 In the Name of Mr. Balasaheb Narayan Gajar Boundaries: East : Agri Land in Gat No 28 and Government Road, West : Agri Land of Haribhau Salunkhe, North : Navha Sindhodh Raja Road and Land in Gat No 229 of Mr. Vishnu Khirsagar and other, South: Government Road Property ID-PUNB4157925922	A) 23.04.2024 B) Rs.37,62,311.69 + further interest & Charges C) 22/08/2024 D) Symbolic	A) Rs 123.36 Lakh B) Rs 12.336 Lakh C) Last date of EMD 07.04.2026 C) Rs 1.00 Lakh	Date: 07.04.2026 From 11:00 AM to 16:00 PM	Not Known

The sale shall be subject to the Terms & Conditions prescribed in the Security Interest (Enforcement) Rules 2002 and to the following further conditions:
1. The properties are being sold on "AS IS WHERE IS BASIS" and "AS IS WHAT IS BASIS" and "WHATEVER THERE IS BASIS"
2. The particulars of Secured Assets specified in the Schedule hereinabove have been stated to the best of the information of the Authorised Officer, but the Authorised Officer shall not be answerable for any error, misstatement or omission in this proclamation.
3. The Sale will be done by the undersigned through e-auction platform provided at the Website <https://baanet.com> on 07.04.2026 at 11:00AM to 4:00 PM.
4. Bidder compulsorily has to submit at least One Bid above the reserve price for participating in E-Auction.
5. For detailed term and conditions of the sale, please refer www.pnb.bank.in & <https://baanet.com>
Date : 20.03.2026
Place : Nashik