

Private players dominate digital banking

Steep rise in diamond futures turnover



## quick BITES

INDICATORS	%
Sensex	37,535.66 +1.30
Nifty 50	11,301.20 +1.19
S&P 500	2,793.74 +0.38
Dollar (₹)	69.70 -0.25
Pound Sterling (₹)	91.14 -0.77
Euro (₹)	78.53 -0.03
Gold (10gm)* (₹)	32015.119 +0.34
Brent crude (\$/bbl)*	66.75 +0.26
IN 10-Yr bond yield	7.513 +0.002
US 10-Yr T-bill yield	2.628 -0.013

\* As of 10:30 pm IST

## RCom lenders want to keep IT refund

Lenders of Reliance Communications (RCom) contended before the NCLAT that they have the first right over Rs 260 crore, which the company has received as the income tax refund. The SBI along with other members of Joint Lenders' Forum said they have the right over the retention and trust account in which the refunds have been deposited.

## Kotak-RBI row: HC refuses interim relief



The Bombay High Court once again refused to give any interim relief to Kotak Mahindra in its row with the RBI over a regulatory diktat to pare promoter's holding in the fourth largest private sector lender. The court turned down the bank's plea for an interim protection from regulatory action saying the matter is not as simple as the petitioner is making it out to be, and posted the matter for further hearing to April 1.

## Drug controllers asked to ban e-cigarettes

The Central Drug Regulator has directed all drug controllers in states and Union territories to not allow the manufacture, sale, import and advertisement of Electronic Nicotine Delivery Systems, including e-cigarettes and flavoured hookah, in their jurisdictions.

## Malaysia Airlines could be sold or shut

Malaysia Airlines may be sold or shut down, Malaysia's leader said, the latest bad news for a carrier that has been in crisis since suffering the loss of two planes. The 71-year-old airline has been on the ropes since 2014 when Flight MH370 disappeared and MH17 was shot down by a Russian-made missile over war-torn Ukraine.

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■ Sensex notches up nearly 1,670 points in 6 sessions

## BSE market-cap rises by ₹7.8 L cr this month

ASHWIN J PUNNEN  
MUMBAI, MARCH 12

The massive stock rally over the past few days have added over Rs 7.80 lakh crore to the BSE's market capitalisation as investors started betting big on the Narendra Modi-led alliance making gains in the upcoming general elections.

The Sensex has surged by 1,668.22 points this month, taking the total market cap of the BSE to Rs 148.2 lakh crore as on Tuesday from Rs 140.41 lakh crore on February 28. The Sensex gained 481.56 points on Tuesday and closed above the 35K-mark at 37,535.66 points after rising 382.67 points on Monday.

The bull run is mainly driven by aggressive buying by foreign funds, which have pumped in Rs 6,747 crore to equity markets so far this month, according to NSDL data. Foreign investors have turned net buyers in the Indian market, as they bought equity worth Rs 17,219.62 crore in February. They were net sellers to the tune of Rs 4,262 crore in the market in January.

"The market is factoring that the current government would have a good chance of coming back. The market prefers a stable government instead of a coalition," said Debabrata Bhattacharjee,



Head of Research, CapitalAim.

"The market continued the bullish rally as investors are expecting the formation of a stable government at the Centre. The rally was broad-based across all sectors barring IT," Vinod Nair, Head of Research, Geojit Financial Services Ltd, said on Tuesday.

Apart from the poll factor, a major driver of the current rally is the underperformance of the benchmark in comparison to other Asian markets, especially the Chinese markets. Despite uncertainties over trade war and geopolitical tensions, emerging markets like India and China are likely to provide better returns to investors during the year, according to Morgan Stanley.

expected pause on the interest rate hike.

EM equities have had a strong start to the year, generating a total return of 8.3 per cent year-to-date (YTD). While MSCI China has delivered 16.2 per cent YTD, the overall EM index has actually lagged developed market (DM) YTD.

"EM equity have pulled back relative to DM markets in 2019 YTD after significant outperformance last year, we think this is a classic 'pause that refreshes' opportunity to re-engage," Morgan Stanley said.

It said the MSCI EM Index is likely to be driven higher by additional stimulus from Beijing and bullishness on Chinese shares, among other factors. Chinese stocks make up 32.12 per cent of the index.

So far in 2019, the CSI 300—an index of the largest stocks traded on the mainland—as well as Hong Kong's Hang Seng Index, have outperformed MSCI EM Index.

The investment bank said the index could rally due to factors like bullish outlook for Chinese stocks, upcoming stimulus for China and the price of copper.

However, there are certain risk factors like the weak global growth, trade environment and upcoming elections in several emerging market countries.

## Mahindra CIE to acquire Aurangabad Electricals

New Delhi, March 12: Auto component firm Mahindra CIE Automotive on Tuesday said its board has approved acquisition of Aurangabad Electricals Ltd (AEL) for Rs 875.6 crore.

The company's board has resolved to acquire the business of AEL through acquisition of 100 per cent of equity shares for an enterprise value of Rs 875.6 crore, which includes a future deferred payment estimated up to Rs 62.2 crore, Mahindra CIE Automotive (MCIE) said in a regulatory filing.

The acquisition is proposed to be completed on or before April 10, it said.

"This acquisition allows MCIE to enter the aluminum die casting technology," MCIE Chief Executive Officer Ander Arenaza said.

MCIE is part of the Spanish group CIE Automotive. Currently, Mahindra Group owns around 11.5 per cent stake in MCIE.

"We are convinced that the partnership will allow AEL to benefit from global best practices in aluminum die casting," AEL Chairman and Managing Director Rishi Bagla said.

With the proceeds of the transaction, the Bagla Group will further develop its industrial activities and businesses, he added.

—PTI

## Inflation up, but factory output dips

FC BUREAU  
NEW DELHI, MARCH 12

With a moderation in food prices, the country's retail inflation grew to 2.57 per cent in February, marginally higher than the previous month's 2.05 per cent and sharply lower than 4.4 per cent in the same month last year, government data released on Tuesday showed. But factory output weakened, with the Index of Industrial Production (IIP) recording 1.7 per cent growth in January, steeply down from 7.5 per cent a year ago.

The latest price data released by the Central Statistics Office (CSO) showed that the Consumer Price Index (CPI)-based inflation, which measures changes in shop-end prices, remained comfortably within the RBI's target level of 4 per cent.

However, food inflation based on CPI, however, was negative at 0.66 per cent. The headline retail inflation rate, which the RBI monitors for interest rate decisions, is currently barely above the RBI's lower tolerable limit of 2 per cent.

In its monetary policy review last month, the RBI had projected that consumer price inflation, the primary price gauge that it tracks for interest rate decisions, will be around 3.2-3.4 per cent during April-September 2019, reflecting the current low inflation levels and benign

### DATA VIEW

- ▶ Retail inflation grows to 2.57% in Feb, higher than the previous month's 2.05% & lower than 4.4% in the same month last year
- ▶ IIP recorded 1.7% growth in Jan, down from 7.5% a year ago

food price outlook.

RBI governor Shaktikanta Das in its monetary policy review had said, "The decisions of the monetary policy committee in this regard will be data driven and in consonance with the primary objective of monetary policy to maintain price stability while keeping in mind the objective of growth."

However, the factory production data, coming ahead of the RBI's monetary policy statement on April 4, may increase the clamour for yet another cut in interest rates to boost economic activities. The deceleration in GDP growth rate to 6.6 per cent in October-December and the comfortable inflation level could also be cited for a rate cut.

CSO said the capital goods segments, considered barometers of investment, witnessed a contraction in January and so did the intermediate goods segment.

## OYO woos biz travellers with Collection O; ups investment

SANGEETHA G  
CHENNAI, MARCH 12

OYO Hotels and Homes has committed Rs 1,400 crore for its India and South Asia business. It has also added a new mid-market brand for the business class, Collection O, with a target of having 650 hotels and 20,000 rooms under the brand.

According to the company, the investment will be utilised to double down expansion plans, improve customer experience and ensure increase in continued asset owner success. The aim is to deepen and widen presence across India while focusing on aggressive capacity building to bring the choice of a beautiful living space of an OYO hotel to every corner of the country. However, the company did not specify on how many more hotels and keys it will add to its existing portfolio. OYO currently has a

presence in over 259 cities with 8,700 hotels and homes and more than 173,000 keys in India. In 2018 itself, OYO added presence in over 81 cities.

Globally, OYO Hotels & Homes is now present in 10 countries, over 500 cities and has over 18,000 hotels and homes with 515,000 rooms.

"We are committing over Rs 1,400 crore for technology investments, renovation, and managing investments for the calendar year, and will provide more, if needed, to help the team ensure continued economically efficient growth," said Ritesh Agarwal, Founder and Group CEO.

OYO also has launched the new brand, Collection O. The other hotel brands in its portfolio include OYORooms, Townhouse, SilverKey and Palette Resorts. These brands provide budget to premium as well as mid-scale services.

"Collection O has been introduced under our hotel portfolio to target business travellers. Considering the requirements of discerning business travellers, the category focuses on bigger, more spacious rooms, high-speed wifi, workstations in every room, 24x7 in-room dining, unlimited breakfast, laundry on request and OYO trained customer service. We are launching with 12 Collection O hotels and we aim to have 650 hotels with 20,000 rooms in 2019," the company said.

Overall, the company's focus is on investing and franchise building to take advantage of the global \$3.6 trillion accommodation market opportunity.

OYO has been showing improvements in its financial parameters. Its losses as a percentage of realised value, or sales run rate, had reduced from 44.5 per cent in FY17 to 20.3 per cent year-on-year in FY18.

## Rajan says capitalism is 'under serious threat'

London, March 12: Former RBI Governor Raghuram Rajan on Tuesday warned that capitalism is under "serious threat" of a "revolt" as the economic and political system has stopped providing for the people, especially after the 2008 global financial meltdown.

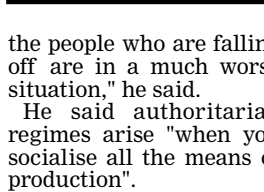
Rajan, now a professor at the University of Chicago, told BBC Radio 4's Today Programme that governments across the world cannot afford to ignore social inequality when considering the economy.

"I think capitalism is under serious threat because it's stopped providing for the many, and when that happens, the many revolt against capitalism," the former Chief Economist at the International Monetary Fund (IMF) said. Rajan said he believes that capitalism is breaking down because it is not providing equal opportunities.

"It's not providing equal opportunity and in fact

I think capitalism is under serious threat because it's stopped providing for the many, and when that happens, the many revolt against capitalism

— Raghuram Rajan, Former RBI Governor



the people who are falling off are in a much worse situation," he said.

He said authoritarian regimes arise "when you socialise all the means of production."

"A balance is needed, you can't pick and choose what you need to do to improve opportunity," he said.

Rajan, tipped by some as a possible successor to Mark Carney as Governor

of the Bank of England, said it was possible in the past to obtain a middle-class job with "modest education". But the landscape has changed in the wake of the 2008 global financial crisis and the resulting austerity.

"Now, if you really want to succeed, you need a really good education," he said.

"Unfortunately, the very communities that are hit by the forces of global trade and global information tend to be communities which have deteriorating schools, rising crime, rising social ills and are unable to prepare their members for the global economy," he said.

A recent report from S&P Global Ratings suggests another global credit downturn is possible, with a 50 per cent surge in worldwide debt since the global financial crisis.

It said since 2008, government debt has risen 77 per cent while corporate debt is up 51 per cent. —PTI

## First REIT gets ₹876 cr ahead of public issue

FC BUREAU  
MUMBAI, MARCH 12

Ahead of India's first real estate investment trust (REIT) initial public offering (IPO) Embassy Office Parks REIT, joint venture of private equity firm Blackstone and Bengaluru-based real estate developer Embassy Group, announced Rs 876 crore commitment to the trust from strategic investors.

REIT is an investment tool that owns and operates rent-yielding real estate assets, mostly commercial real estate. It allows individual investors to make investment in this platform and earn income. Sebi had notified REIT regulations in 2014, allowing setting up and listing of such trusts, which are popular in some advanced markets.

Reports said Embassy Office Parks REIT has entered into unit subscription agreements with strategic investors and would allot them over 2.92 crore units for Rs 876.3 crore.

Embassy Office Parks REIT is aiming to raise Rs 4,750 crore through the IPO. The strategic investors include American Funds Insurance Series, New World Fund Inc and Smallcap World Fund Inc, reports said.

The REIT public issue will open on March 18 with a price band of Rs 299-300 a unit. The issue closes on March 20.

Embassy has put 33 million sq ft of office and hospitality assets under its proposed REIT comprising seven business parks and four buildings spread across Mumbai, Bengaluru, Pune and Noida.

## GST-payers can compare returns

New Delhi, March 12: The GST Network on Tuesday said businesses registered under GST can now compare the tax liability declared as well as input tax credit claimed in their final and summary sales returns forms.

The GSTN, which handles the technology backbone for the new indirect tax, has provided a facility to the taxpayers to view and download a report on tax liability as declared in their form GSTR-1 (final sales return) and as declared and paid in their return filed in form GSTR-3B (summary sales return). —PTI

## Home ownership among women on the rise

SANGEETHA G  
CHENNAI, MARCH 12

The number of women registering homes in their names and taking home loans has gone up in the past two years due to lower stamp duty charges, better interest rates and tax deductions. In affordable housing schemes run by the government, it is mandatory that women be co-owners or sole owners.

A few states, including Jharkhand, Delhi, Haryana, Uttar Pradesh, Rajasthan and Punjab, have a lower stamp duty if property registration is executed in the name of a woman. The difference is one to two per cent and some states have a rural and urban variation in

rates as well.

While most of these states have witnessed a growth in the number of women property owners, Jharkhand, which had fully waived the 7 per cent stamp duty for women, has seen a significant jump in the numbers. As per reports, the number went up to 1.05 lakh units registered in the name of women in a quarter after the government introduced the waiver in June 2017. In the previous fiscal, the total number was 40,000 properties.

A study by Housing.com and Makaan.com found that the share of women searching for property to buy is on the rise. The share of sessions initiated by women on the two sites



jumped to 46 per cent in 2018 from 40 per cent in 2016.

"We have seen a 50 per cent increase in the number of women taking home loans between 2015 and 2018. Some of the states have lower stamp

duties for women home buyers and some of the banks are offering better home loan rates as women are found to be having a better credit score," said Sujata Ahlawat, VP and Head-Direct to Consumer Interactive, TransUnion CIBIL.

Many banks and financial institutions, including SBI, ICICI Bank and HDFC, offer discounted home loan rates to women. There is a rate variation of nearly one per cent. Further, both men and women can claim tax deductions individually if they are joint owners of a property and if she has a separate source of income.

Another major push came when it was mandat-

ed that low-income women should be co-owner or sole owner of affordable homes that are part of government schemes.

However, there have been instances where buyers have been misusing the benefits provided to women. "It has been observed that property registration is done in the name of a woman of the family to reap the benefits of lower stamp duty, but shortly thereafter, the property is re-registered in the name of the male member. Hence, some states have barred re-registration of property in the name of a male before at least one year," said Anuj Puri, chairman, Anarock Property Consultants.]