

PORTFOLIO

Digital Drive

To earn more, pay more digitally

The government and RBI have rung in 2020 by showering greater benefits for non-cash payments

PARVATHA VARDHINI C

BI Research Bureau

It's a new year, worthy of a fresh start for your financial goals. To the list of many resolutions — such as getting adequate insurance cover, continuing with SIPs and writing your Will — one thing that could be added is a more frequent use of digital or electronic payment modes in 2020.

Aside from the reward points, attractive offers and plain convenience, the government's restrictions on cash transactions in various ways are a good reason to go digital. The government and the RBI have also rung in 2020 with more benefits for digital transactions.

Three cheers

For one, online NEFT transactions (either through internet banking or mobile apps) for savings account customers are completely free from January 1. Earlier, each online and branch NEFT transaction could attract charges from ₹2.50 to ₹25 (exclusive of GST), depending on the amount transferred. Now, only NEFT transactions at branches will continue to be charged.

Besides, from December 16, 2019, NEFT has been made available on a 24x7 basis, with settlement every half an hour. Earlier, it could be done on working days alone and transactions done after 7 pm would get settled only the next day. It is worth noting that RTGS timings were extended earlier in 2019, making it available from 7.00 am to 6.00 pm.

Secondly, to give a boost to



NPT

smaller digital payments, the RBI last week brought out a new prepaid instrument (semi-closed) which can be issued both by banks and non-banks, either as cards or in electronic form. This is somewhat similar to wallets such as Paytm, Ola Money and Mobikwik, but can be loaded only from a bank account and used only for the purchase of goods and services. Funds transfer is not allowed.

Minimal KYC

To ease the adoption of this mode of payment, KYC norms have been made minimal. The requirements are a mobile number verified with OTP and a self-declaration of name and identification number of any officially valid document.

Thirdly, it has been made mandatory for some businesses to provide certain digital payment options from January 1. Charges by banks or system providers have also been waived for such

options in a bid to nudge both business owners and customers to go for them.

Thus, from January 1, any business with a turnover or gross receipts of over ₹50 crore should allow payments through debit cards powered by RuPay and through UPI (BHIM UPI and BHIM-UPI QR code) along with any other electronic modes of

calculation of presumptive income for small businesses at a concessional 6 per cent rate on digital receipts/turnover (8 per cent for cash receipts/turnover) and waiver of RBI's charges on banks for NEFT and RTGS transactions are other means through which the adoption of digital payment modes has been encouraged in recent times.

Scan & Share



'Say no to cash'

While providing a fillip to digital transactions, the government has also indirectly been discouraging cash transactions. Restrictions have been placed on cash spends from as little as ₹2,000. So, if you are fond of charity, donations over ₹2,000 in cash won't qualify for deduction under Sec 80G.

If you are running a business and you incur a cash expense (single or aggregate) of ₹10,000 in a day, you cannot claim this ex-

penditure as deduction in the calculation of your business income for tax purposes. Similarly, if you have spent anything over ₹10,000 in cash in a day (single or aggregate) for acquiring an asset, the amount will be ignored for the calculation of the cost of the asset. Besides, acceptance/repayment of loan or deposit or payment for a property over ₹20,000 (single or aggregate) can attract a penalty equivalent to the amount paid or repaid.

Budget 2017 barred the receipt of ₹2 lakh or more in cash in aggregate from a person in a single day or in respect of a single transaction or transactions relating to one event or occasion. A penalty equal to the amount involved is charged for contravention.

To keep tabs on high-value cash withdrawals, Budget 2019 empowered banks, including co-operative banks and post offices, to levy a 2 per cent TDS on withdrawals in excess of ₹1 crore from September 1, 2019 onwards.

Redress mechanism

While taking steps to push digital transactions, a mechanism for grievance redress has also been put in place. Problems can crop up in plenty — from failure to load money on to wallets, and credit to the unintended account and non-refund of cancelled or failed transactions.

To deal with such grievances, the RBI brought out an ombudsman scheme for digital transactions last year. The scheme applies to grievances arising from payment services provided by entities other than banks. Prepaid instruments, mobile/electronic transfers, UPI/Bharat Bill Payment System/UPI and Bharat QR Code are covered under this scheme. For deficiency in electronic payment services provided by banks, you can approach the banking ombudsman.



E-payment edge

- Free online NEFT transactions
- New prepaid instrument for smaller digital payments
- Mandatory digital payment modes to be offered by certain businesses

Alerts

ICICI Securities unveils new investment option, EIP

ICICI Securities (I-Sec) has launched an investment option called ETF Intelligent Portfolio (EIP). The product invests in a multi-asset basket of low-cost exchange traded funds (ETFs) based on the client's risk profile. It offers investment in a group of four ETFs — with exposure to Nifty 50, Nifty Mid-Cap, G-Sec and gold.

The investor can customise each basket based on his/her risk profile and market expectations, for which he/she has to fill up a simple online profiler. The investments in this portfolio are monitored daily and the allocations are adjusted based on market conditions in order to keep a check on the investor's risk tolerance limits at all points of time.

Investments in EIP can be done through SIPs or as a lump-sum, with amounts as low as ₹1,000. That apart, EIP comes with no brokerage on transaction, as both existing and non-existing customers of I-Sec can invest in it through the company's website.

A new annuity plan for post retirement

Canara HSBC Oriental Bank of Commerce Life Insurance Company has launched Pension4Life Plan, an annuity product designed to provide financial independence post retirement. Under this plan, for a purchase price, the customer gets seven annuity options to choose from.

Along with annuity, some of the options give return of purchase price or reverse mortgage with banks.

Customers can also take a joint life plan. While the plan benefits investors who are close to their retirement age, the minimum age for entry is restricted at 45 years. The minimum purchase price required to be paid is ₹2,00,000.

Coming Up



January 7 (Tuesday)

Insurance

January 8 (Wednesday)

Financial Planning

Shriram Transport Finance to raise up to ₹1,000 cr via NCDs

OUR BUREAU

Mumbai, January 2

Shriram Transport Finance Company (STFC) plans to raise up to ₹1,000 crore by issuing secured redeemable Non-Convertible Debentures (NCDs) of face value of ₹1,000 each.

The company's Tranche 2 Issue of NCDs, which will open on January 6 and close on January 22, has a base size of ₹200 crore, with an option to retain over-subscription aggregating up to ₹1,000 crore.

CV financing

STFC caters to first-time buyers and small road transport operators for financing pre-owned commercial vehicles (CVs). These NCDs, bearing a fixed rate of interest, are being offered under eight different series, the company said in a

statement. Series I, II and III are monthly interest payment options, having tenor of 3, 5 and 7 years, and the monthly coupon will be 8.52 per cent, 8.66 per cent and 8.75 per cent.

For Series IV, V and VI, interest is payable annually, having tenor of 3, 5, 7 years, and the coupon will be 8.85 per cent, 9.00 per cent and 9.10 per cent.

Series VII and VIII are cumulative options, having tenor of 3 and 5 years, where face value and interest accrued are paid at the end of the tenor, and will be redeemed at ₹1289.99 and ₹1,539.35 per NCD. The effective yield for Series VII and VIII will be 8.85 per cent and 9.00 per cent.

Umesh Revankar, MD and CEO, said the last quarter (January to March) is going to be a big one in terms of demand for



Umesh Revankar, MD and CEO, Shriram Transport Finance

used CVs. Hence, STFC is raising the resources.

"The company had raised ₹350 crore via the first tranche of NCDs earlier this year. The resources we will be raising via the second tranche will be about 20 basis points cheaper," said Revankar.

The NCD issue has an option of early closure or extension, as may be decided by the board of

directors of the company or the duly constituted committee thereof, the statement said. The funds raised through the Tranche 2 Issue will be used for onward lending, financing, and for repayment/prepayment of interest and principal of existing borrowings of the company and for general corporate purposes, it added.

Very low credit risk

The company said the proposed NCDs under the Tranche 2 Issue have been rated 'AA+; Stable' by CARE Ratings; 'AA+; Stable' by CRISIL; and 'AA+; Outlook Stable' by India Ratings and Research.

These ratings are considered to have high degree of safety regarding the timely servicing of financial obligations and carry very low credit risk.

Rupee slips 16 paise vs \$

PRESS TRUST OF INDIA

Mumbai, January 2

The rupee lost 16 paise to close at 71.38 against the US dollar on Thursday as steady rise in crude oil prices and stronger dollar against key global currencies weighed on sentiment.

At the interbank foreign exchange market, the domestic currency opened weak at 71.27 a dollar. It touched the day's high of 71.26 before finally settling at 71.38, a drop of 16 paise over its previous close.

The Indian currency is trading in a narrow range amid lack of directional cues from the global market, experts said. Rise in crude oil prices weighed on the domestic unit, but robust domestic equities supported the rupee and restricted the fall, they said.

Brent futures, the global oil benchmark, rose 0.50 per cent to \$66.33 per barrel.

OPERATION TWIST

RBI plans third OMO

OUR BUREAU

Mumbai, January 2

Continuing its 'Operation Twist' into the new calendar year, the Reserve Bank of India (RBI), on Thursday, said it will conduct a special open market operation (OMO), entailing simultaneous purchase and sale of Government of India Dated Securities (G-Secs), on January 6.

Unlike the earlier two special OMOs (both conducted in December 2019) when it purchased only one Gsec (which matures in 2029 and carries 6.45 per cent coupon rate), in the forthcoming special OMO, the central bank will purchase three GSecs maturing in 2024 (coupon rate: 7.32 per cent), 2026 (7.27 per cent) and 2029 (6.45 per cent) for an aggregate amount of ₹10,000 crore.

Simultaneously, the RBI will sell four GSecs, all maturing in 2020, but carrying different coupon rates (6.65 per cent,

7.80 per cent, 8.27 per cent and 8.12 per cent) for an aggregate amount of ₹10,000 crore. The central bank had sold these GSecs in the earlier OMOs, too.

"The RBI purchased only one long-end GSec (maturing in 2029) in the earlier special OMOs. But this time it is also purchasing medium-tenure GSecs. This move is probably aimed at aligning the yield curve," said Marzban Irani, CIO-Fixed Income, LIC Mutual Fund.

Irani felt the central bank may conduct seven or eight 'twists' or special OMOs.

Meanwhile, the RBI will auction a 70-Day Government of India Cash Management Bill (CMB) for a notified amount of ₹30,000 crore on January 6.

By auctioning CMB, the central bank is trying to suck out excess liquidity in the financial system. Excess liquidity could exacerbate inflation, said Irani.

JM Fin Home, BoB in tie-up for co-lending

OUR BUREAU

Mumbai, January 2

Bank of Baroda has entered into a co-lending deal with JM Financial Home Loans to provide retail loans to home buyers.

"There is huge potential in the retail home loan space that can be tapped through co-lending partnerships between large organisations like BoB and finance players like JM Financial Home Loans. With the bank's expertise in mortgage loan processing and low cost of funds, we are confident this partnership will accelerate credit delivery to home-buyers," said Vikramaditya Singh Khichi, Executive Director, Bank of Baroda. "There is a lot of complementarity in our franchisees, which will help in providing a compelling offering to home loan customers," said Vishal Kampani, Managing Director, JM Financial Group.

State Bank of India and Union Bank to sell NPAs worth ₹2,836 cr this month

PRESS TRUST OF INDIA

Mumbai, January 2

State Bank of India (SBI) and Union Bank of India are looking to sell their non-performing loans totalling ₹2,836 crore to banks, asset reconstruction companies and other financial institutions.

While SBI has put on sale ₹1,554.87 crore of three assets, state-run Union Bank of India has invited bids to sell 11 NPAs worth ₹1,280.87 crore, according to separate public notices by the two lenders.

The NPAs will be sold through e-auctions in January. In a notice issued on Thursday, SBI said it will sell two NPAs — Rohit Ferro Tech with an outstanding amount of ₹1,313.67 crore and Impex Ferro Tech with dues of ₹200.67 crore — on January 17.

The bank said Rohit Ferro Tech will be sold on cash-cum-



security receipts with a 50:50 ratio and Impex Ferro Tech on 100 per cent cash basis. Both companies are promoted by the Kolkata-based SKP Group, which has interests in manufacturing, trading, import and export of ferro alloys. The group also has a presence in steel, power and cement too.

In a notice on its website on December 12, SBI had sought bids to sell the outstanding loans of ₹40.53 crore of Kolkata-based engineering firm Avani Projects and Infrastructure.

The bad asset will be sold on 100 per cent cash basis through an e-auction on Janu-

ary 10. Public sector lender Union Bank has invited all-cash bids for 11 NPAs. The bank will sell the NPAs of GVK Power Goindwal Saheb (₹443.84 crore), Chennai Elevated Tollway (₹192.24 crore), Rajamundry Godavari Bridge (₹153.03 crore), Sona Alloys (₹135.58 crore), Supreme Manorvada Bhiwandi Tollways (₹113.95 crore) and NSSL (₹61.63 crore).

The other five smaller NPAs include Shri Raghunath Rai Memorial (₹51.91 crore), Vikas WSP (₹46.45), Kamachi Industries (₹28.37 crore), Karur KCP Packaging (₹26.55 crore) and Pacific Hospitals (₹5.87 crore).

HDFC and subsidiary get IRDAI nod for majority stake in Apollo Munich Health

PRESS TRUST OF INDIA

New Delhi, January 2

Mortgage lender HDFC, on Thursday, said the company and its subsidiary HDFC ERGO have got approvals for acquiring a majority shareholding in Apollo Munich Health Insurance Co Ltd.

Merger

According to the acquisition deal, HDFC will acquire a majority stake in Apollo Munich from the Apollo Hospitals Group for ₹1,347 crore and merge the company with its arm, HDFC ERGO.

HDFC will acquire 50.8 per cent from the Apollo Hospitals Group for ₹1,336 crore and will buy out the 0.4 per cent stake being held by employees for ₹10.84 crore.

Besides, the German insurer Munich Health will pay ₹294 crore to Apollo Hospitals Enterprise and Apollo En-

ergy for terminating their joint venture.

On June 19, share purchase agreements (SPAs) were signed by HDFC ERGO General Insurance, HDFC, Apollo Munich Health Insurance (AMHI), Apollo Hospitals, Apollo Energy Co, Munich Health Holdings and other shareholders of AMHI with regard to the acquisition of up to 51.2 per cent shareholding of AMHI by HDFC.

Approvals

The SPAs were subject to approvals from the Competition Commission of India (CCI), the Reserve Bank of India (RBI), and the Insurance Regulatory and Development Authority of India (IRDAI), besides other regulatory approvals and subsequent merger of AMHI with HDFC ERGO.

"In this connection, we

wish to inform that the company (HDFC ERGO), AMHI (or Apollo Munich) and HDFC have received the requisite approvals for the said acquisition from the CCI, RBI and from IRDAI on January 1," HDFC ERGO said in a regulatory filing through HDFC.

Change of name

HDFC ERGO said the IRDAI has granted the approval, among others, for change of name of AMHI to HDFC ERGO Health Insurance Co or such other name as may be approved by the Ministry of Corporate Affairs.

"In accordance with the SPA, the acquisition of shares by HDFC is expected to be completed by January 9," said HDFC ERGO. The stock of HDFC traded at ₹2,449.60 on the BSE, up 0.65 per cent from the previous close.

एसजेवीएन लिमिटेड
(भारत सरकार एवं विद्युत क्षेत्र सरकार का संयुक्त उपक्रम)
SJVN Limited
(A Joint Venture of Govt. of India & Govt. of H.P.)
A 'Mini' Ratna & Schedule 'A' PSU
CIN No. L40101HP1999GC0008409

NOTICE INVITING TENDER (NIT)
TENDER SPECIFICATION No: SJVN/CHO/EC/D/Insurance Broker-II/2019
1.0 SJVN Ltd. invites Tenders through e-tendering for **"Hiring of Services of Insurance Brokers for Insurance Policy of SJVN Generating stations as well as Settlement of Insurance claims and other Insurance related Matters."**
2.0 Last date for submission of online e-bids upto **20/01/2020 at 13:00 hrs.**
3.0 For detailed NIT, please visit websites www.sjvn.nic.in, <https://sjvn.abcpocure.com> & www.eprocure.gov.in from **31/12/2019**.
General Manager (EC/D),
Ph: 0177-2660201, 204 elect.contracts@sjvn.nic.in
SAVE ENERGY FOR BENEFIT OF SELF & NATION

RAJAPALAYAM MILLS LIMITED
Regd. Office : Rajapalayam Mills Premises
P.A.C, Ramasamy Raja Salai, Post Box No.1,
Rajapalayam - 626 117, Tamil Nadu.
CIN : L17111TN1936PLC002298
Telephone: 04563 - 235666, Fax: 04563 - 236520
Email: rajacot@ramcotex.com Website: <http://www.rajapalayammills.co.in>

NOTICE
Pursuant to Regulation 47(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice is hereby given that a Meeting of the Board of Directors of the Company will be held on Wednesday, the 12th February, 2020, to consider inter-alia the Un-audited Standalone & Consolidated financial results of the Company for the quarter / nine months ended 31st December, 2019.
This Notice is also available on the Company's website at www.rajapalayammills.co.in and on the website of the Stock Exchange where the shares of the Company is listed at www.bseindia.com.
For **RAJAPALAYAM MILLS LIMITED**
A. ARULPRANAVAM
SECRETARY

Place: RAJAPALAYAM
Date: 02-01-2020