

MARKET WATCH		
	09-03-2018	% CHANGE
Sensex	33,307	-0.13
US Dollar	65.17	-0.05
Gold	31,350	-0.32
Brent oil	64.73	1.27

NIFTY 50		
	PRICE	CHANGE
Adani Ports	377.90	-10.05
Ambuja Cements	235.40	-0.85
Asian Paints	1129.10	1.50
Aurobindo Pharma	592.45	3.25
Axis Bank	505.35	-15.20
Bajaj Auto	2935.40	11.50
Bajaj Finance	1654.20	26.15
Bharti Airtel	402.15	0.85
Bosch	18203.55	108.75
BPCL	439.40	-2.80
Cipla	571.05	-6.95
Coal India	304.05	-1.45
Dr Reddys Lab	2129.90	-13.50
Eicher Motors	27963.85	252.00
GAIL (India)	436.90	0.45
HCL Tech	943.00	-7.65
HDFC	1818.60	19.85
HDFC Bank	1851.05	-1.80
Hero MotoCorp	3586.35	-0.35
Hindalco	220.20	-0.50
HPCL	357.05	-3.50
Hind Unilever	1300.75	7.60
Indiabulls HFL	1199.20	-7.15
ICICI Bank	292.70	-4.25
IndusInd Bank	1697.55	3.40
Bharti Infratel	333.15	1.95
Infosys	1163.40	6.75
Indian OilCorp	385.50	3.40
ITC	259.25	0.40
Kotak Bank	1082.45	0.15
L&T	1290.50	6.70
Lupin	764.50	-6.65
M&M	728.50	1.85
Maurti Suzuki	8660.60	-68.75
NTPC	164.40	-0.90
ONGC	179.90	-0.25
PowerGrid Corp	192.90	-2.50
Reliance Ind	913.10	1.65
State Bank	253.25	-3.55
Sun Pharma	506.80	-7.80
Tata Motors	341.50	-3.65
Tata Steel	606.75	-29.15
TCS	3034.10	30.15
Tech Mahindra	619.20	12.00
UltraTech Cement	4079.85	-40.05
UPL	712.15	1.35
Vedanta	304.15	-4.25
Wipro	285.05	-0.15
YES Bank	303.25	-5.30
Zee Entertainment	568.50	5.00

EXCHANGE RATES		
Indicative direct rates in rupees a unit except yen at 4 p.m. on March 09		
CURRENCY	TT BUY	TT SELL
US Dollar	64.97	65.29
Euro	79.92	80.33
British Pound	89.77	90.21
Japanese Yen (100)	60.84	61.14
Chinese Yuan	10.26	10.31
Swiss Franc	68.32	68.69
Singapore Dollar	49.30	49.55
Canadian Dollar	50.46	50.72
Malaysian Ringgit	16.60	16.70
Source:Indian Bank		

BULLION RATES CHENNAI		
March 09 rates in rupees with previous rates in parentheses		
Retail Silver (1g)	41.5	(41.51)
22 ct gold (1 g)	2905	(2915)

RBI fines Airtel bank ₹50 million

K.T. JAGANNATHAN
CHENNAI

The Reserve Bank of India (RBI) has imposed a penalty of ₹50 million on Airtel Payments Bank Limited (the bank) for contravening operating guidelines for payments banks and the directions issued by it on know your customer (KYC) norms.

This action is based on the deficiencies in regulatory compliance, the Reserve Bank said.

“It is not intended to pronounce upon the validity of any transaction or agreement entered into by the bank with its customers,” it added.

“The supervisory visit report and other relevant documents revealed, inter alia, contraventions of ‘operating guidelines for payments banks’ and the directions issued by RBI on know your customer (KYC) norms,” the central bank said.

Govt. to split Air India debt ahead of stake sale: Sinha

‘Unsustainable’ part of \$8.5 bn dues to be transferred to SPV

REUTERS
MUMBAI

India will transfer part of Air India’s \$8.5 billion debt pile to a special purpose vehicle before selling a stake in the state-owned carrier, its Minister of State for Civil Aviation told Reuters on Friday.

Mr. Jayant Sinha said the government had already decided to split the debt into sustainable and unsustainable debt. “The unsustainable part will be with the special purpose vehicle (SPV),” he said on the sidelines of an event in Mumbai.

He did not elaborate but Bloomberg, citing sources, reported in November that the government had proposed transferring non-aviation assets and up to ₹300 billion in short-term loans into a separate company.

Prime Minister Narendra Modi’s Cabinet gave the go-ahead last year to sell the loss-making flagship airline,



Ready to take-off: Aviation firms including Indigo and Turkey’s Celebi Aviation have expressed interest. ■ REUTERS

after successive governments spent billions of dollars in recent years to keep it solvent. But its debt burden and bloated cost structure have been a concern.

Keen interest

India’s Civil Aviation Secretary, Rajiv Choubey, said on Thursday that the government would invite initial bids for Air India in the next couple of weeks. Companies, in-

cluding low-cost Indian carrier IndiGo, owned by InterGlobe Aviation, Tata Group and Turkey’s Celebi Aviation Holdings, have expressed an interest in buying some of Air India’s operations.

In January, India cleared a proposal to allow foreign investors to own up to a 49% stake in Air India, paving the way for global airlines to also bid for the carrier.



Glad tidings: Political developments spurred a rise in Japan’s Nikkei by 0.5% while South Korean stocks rose 1%. ■ REUTERS

up only four cents, or 0.1%, to \$26.75, a slowdown from the 0.3% rise in January.

Both the benchmark S&P 500 and the Dow Jones Industrial Average each rose 1%. “The great news is the la-

bour participation rate went up, the headline numbers are great, and the average hourly earnings has settled back down into consensus,” said Art Hogan, chief market strategist at Wunderlich Se-

curities in New York. Stronger than expected rise in wages last month fanned speculation about faster interest rate rises in the U.S., causing a rout in the bond market and hammering world equities.

The pan-European STOXX 600 index jumped to a session high. It was last up 0.5%, and Britain’s FTSE 100 rose 0.3% to a session high.

Shares in Asia staged sharp rallies after President Donald Trump said he was prepared to meet North Korea’s Kim Jong Un, potentially marking a major breakthrough in nuclear tensions between the two countries.

Japan’s Nikkei rose 0.5% and South Korean stocks gained more than 1%.

‘E-wallet remittances, business slump in the wake of KYC fiat’

Remittance volumes have shrunk 70%, e-commerce transactions halved: official

MANOJIT SAHA
TCA SHARAD RAGHAVAN
MUMBAI/NEW DELHI

The volumes of remittances and e-commerce transactions made using prepaid payment instruments (PPIs), including electronic wallets, have slumped sharply following the expiry of the February 28 deadline for ensuring all PPI accounts are in compliance with know your customer (KYC) norms, payments industry officials said.

According to industry estimates, the volume of remittances has shrunk 70%, while e-commerce transactions have halved since March 1. The Reserve Bank of India (RBI) had directed PPI issuers to ensure all accounts were KYC compliant “on or before February 28, 2018” and asserted last month that it would provide no further extension.

“Remittance is badly hit due to the KYC norms as compared to e-commerce,” said a payments industry official, who did not wish to be named.

e-KYC saving grace

“E-commerce volumes are hit to a lesser extent because RBI has allowed e-KYC of the customers for 12 months, after which full KYC can be done. However, customers who opt for e-KYC can transact only ₹10,000 per month,” the official said.

While remittances – where account holders transferred funds from an e-wallet to a bank account or to another wallet – had earlier averaged about ₹10,000 crore a month, e-commerce transactions, which entailed the use of wallets to pay merchants, had been in the range of ₹2,000 crore a month.



Blue-collar blow: A large percentage of those using wallets for remittances are people like taxi drivers and daily wage labourers, says Payworld’s Dhabhai. ■ MOHAMMED YOUSUF

Transactions using e-wallets had fallen a precipitous 80% since February 28, according to e-wallet provider Payworld.

“We were doing 50,000 money remittance transactions per day, which has come down to 10,000 since March 1,” Praveen Dhabhai, COO of Payworld said. “And that is generally what the industry is facing, an 80% fall in the number of transactions since the e-KYC deadline.”

E-wallet providers PayTM and PhonePe declined to comment when contacted by The Hindu.

Migrant labourers

“We have a digital wallet license from the RBI and our target market is the domestic migrant labourers or people like taxi drivers, or the people who are not tech savvy enough to do the transactions themselves,” Mr. Dhabhai explained. “So, for that, we have a retailer base across India. The customer

would come to the retailer who would assist them to send the money from their e-wallets to their near and dear one’s bank account.”

However, these retailers had been facing problems since March 1 due to poor infrastructure or poor knowledge, he said.

Infrastructure woes

“Many of our retail points don’t have the required infrastructure to do the e-KYC,” Mr. Dhabhai said. “To do it, you need a biometric device, which is not easy to install. And even if they have the devices, they have to be trained in how to do the e-KYC. We have started doing that training, and have increased the number of call centre executives and the number of operatives on the ground.”

For an e-KYC, it is enough to furnish any one of the four officially valid documents – passport, voter identity card, driving licence, or NREGA job card – in case the

account holder does not have an Aadhaar number. For full KYC, complete authentication and verification of residence and identity proof are required. In October, RBI had directed all PPI issuers to make all accounts fully KYC compliant by December 31. The deadline was later extended to February 28.

RBI had issued licences to 55 non-bank mobile wallets while 50 banks have their own wallets.

“It’s an interesting and challenging time,” said Naveen Surya, chairman, Payments Council of India.

“Challenging because it is to be seen how the PPI players come out from the KYC issues that they are facing and retain the customers. Interesting because RBI is talking about complete interoperability soon. If that happens then the customers will have more choices. So the key is how well it is managed till the time interoperability comes in,” Mr. Surya added.

‘Only about 50% of PAN cards linked to Aadhaar’

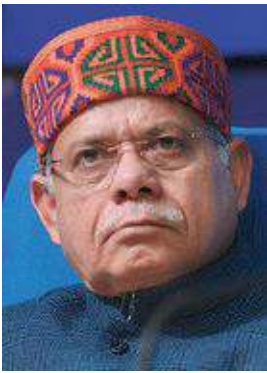
The deadline to link PAN with Aadhaar is March 31

TCA SHARAD RAGHAVAN
NEW DELHI

With less than a month to go for the expiry of deadline for linking Aadhaar numbers to PAN, the government on Friday said that it had so far been able to link only about 50% of the PAN cards issued to Aadhaar numbers.

“As per the latest available information as on March 5... the number of Aadhaar cards linked with PAN is 16,65,82,421,” Minister of State for Finance Shiv Pratap Shukla informed the Lok Sabha. “Further, as on March 2... 8,779.65 lakh current accounts and savings accounts have been linked with Aadhaar.”

An August 2017 answer in the Lok Sabha shows that 32,68,25,653 PAN cards have been issued in the country as of that month. This means that, with about 20 days to



Shiv Pratap Shukla

go for the deadline to link PAN with Aadhaar, only about half of the PAN cards issued so far have been linked. According to another answer in the Lok Sabha, the Finance Ministry said that as of April 2017, there were 92,45,06,506 savings and current accounts in public sector banks (PSBs) although there is no ready data

on the number of accounts in private sector banks.

Share of private banks

However, given that private sector banks have about 20% market share in India, the actual proportion of accounts linked across the banking sector is likely to be less. “The economy has just about come out of the impact of vast structural jerks of demonetisation and the Goods and Services Tax and is not ready for another challenge by way of any bank account becoming inoperative after March 31,” Assoccham secretary general D.S. Rawat said in a statement.

“As of now, even those having submitted Aadhaar details are getting KYC reminders. There is a lot of confusion which may lead to further problems as we approach the deadline.”

‘India to wait for U.S. tariff notification’

PRESS TRUST OF INDIA
NEW DELHI

India said it is awaiting U.S. notification on the increase in import tariff on steel and aluminium, to gauge its impact on domestic players amid a global outcry over America’s decision to raise duties beyond its commitment at the WTO.

Commerce Secretary Rita Teatoria said there is a “disquiet” as the U.S. has raised duties on certain items beyond the bound rates or its commitment at the WTO. “We will wait to see what form it (U.S. notification on tariff hike) will take,” she said.

‘Resolution of Bhushan Steel is credit positive’

SBI, in particular, to benefit: Moody’s

SPECIAL CORRESPONDENT
MUMBAI

Moody’s Investor Service on Friday said that the resolution of Bhushan Steel, which was referred to the National Company Law Tribunal last year, would be beneficial to Indian banks.

“We expect most rated Indian banks to have some exposure to Bhushan Steel and the resolution will particularly benefit State Bank of India, the leader of the consortium of lenders to Bhushan Steel,” Moody’s said. Bhushan Steel is one of 12 large non-performing assets (NPAs) held by the

banks. Within this 40%, the steel sector constitutes the largest industry, with a share of about 35% of these NPAs. Within the steel sector’s NPAs, Bhushan Steel is the largest account representing about 40% share.

Asset quality metrics

“Meaningful resolutions of non-performing assets would significantly improve banks’ asset quality metrics. Beyond asset quality, the effect on profitability and capital will depend on the haircuts that lenders take in the resolution process,” Moody’s said.

World shares climb as U.S. wage gains slow

Proposed Trump-Jong Un meet by May buoys MSCI all-country index

REUTERS
LONDON

World shares hit their highest in over a week on Friday as a slowdown in wage gains in the U.S. helped cool fears about faster inflation and interest rate hikes this year.

The MSCI All-Country World index, which tracks shares in 47 countries was up 0.7% on the day and 2% for the week, having also been buoyed by news that Donald Trump and North Korea’s Kim Jong Un planned to meet by May.

Nonfarm payrolls jumped by 313,000 jobs last month, data from the U.S. Labor Department showed, recording their biggest increase in more than 1-1/2 years. But average hourly earnings edged

THE HINDU
FRIENDS
OF CHENNAI

JOIN US AT
CHENNAI SHOPPING CARNIVAL
THIS WEEKEND!

FOOTWEAR

FOOD

ARTIFACTS

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CLOTHES

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CHENNAI SHOPPING
Carnival

Come indulge your love for shopping at the Chennai Shopping Carnival. Over 50 stalls, selling you everything from clothes, accessories, home décor, art and delicious goodies. But that’s not all. We even have fun workshops, foot-tapping musical performances, a petting zoo and a ‘do it yourself’ plantation zone for kids.

So join us, and make the most of this weekend.

Come, show your support to the women entrepreneurs who are putting up their exciting shopping stalls for you.

Radio Partner: **Fever 91.9 FM**

Date: 10th and 11th March 2018 (Today & Tomorrow)
Time: 10:00 am - 8:30 pm
Venue: MGR Janaki College, RA Puram, Chennai.

CM CH-CHE