

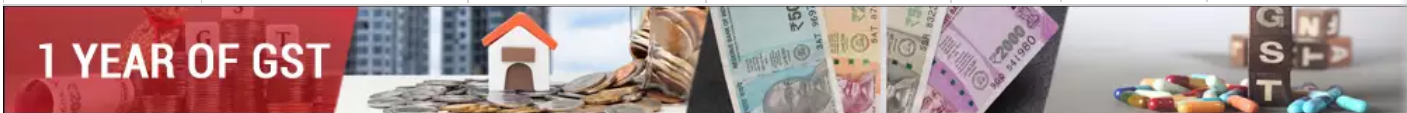


This Teachers' Day,  
**deepen the bond of knowledge** with your mentor!

Business News > Wealth > Personal Finance News > No GST on residential property rental income but housing cost surge may push up rents: Experts

Search for News, Stock Quotes & NAV's

03:59 PM   04 SEP <b>CLOSED</b> <b>MARKET STATS</b> ▼	<b>DID YOU KNOW?</b> Unleash the power of SIP - Invest in Mutual funds	<b>SPONSORED</b> <b>ICICI Prudential Balanced Advantage Direct-Growth...</b> Class:Hybrid Category:Dynamic...	★★★★★ <b>NAV</b> <b>₹36.64</b>	<b>RETURNS</b> 3Y ▼ <b>11.75%</b>	<b>Start SIP</b> *Regulatory Disclaimers.
----------------------------------------------------------	------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------	--------------------------------------	--------------------------------------	----------------------------------------------



## No GST on residential property rental income but housing cost surge may push up rents: Experts

ET CONTRIBUTORS | Updated: Jun 15, 2017, 04:53 PM IST

Save

11  
Comments



Rentals for residential property may go up under the GST regime as the cost is likely to increase under the GST regime.

residential property.

Under the existing service tax legislation, the negative list of services (i.e. the list of services on which service tax is not leviable) includes renting of residential dwelling for use as residence.

On a happy note, the recently circulated list of exempted services under Goods and Services Tax ('GST') includes these services too thereby implying that the rental income from residential properties used for residential purposes would continue to be exempted even under the GST regime.

Thus, while there will be no output tax on these services, it is important to understand whether the changing indirect tax scenario under GST regime is likely to have any impact on the rentals.



By Rohit Jain and Harsh Shah - Partners at  
Economic Laws Practice

The real estate sector has historically been prone to litigation on several aspects, including but not limited to its taxability under Service tax, Value Added Tax ('VAT'), taxability of renting of immovable property, etc.

However, in the midst of such litigation in this sector, one consistent factor has been the non-levy of service tax on renting of

**BRANDEQUITY**  
**ROUNDUP**  
THE EXPERT'S TAKE

**JOIN US WITH**  
**SHAMSUDDIN JASANI**  
Group MD- Isobar South Asia

**Know More**

**ET MONEY**

Start An SIP With As Low As ₹100 Today!

**INVEST NOW**

### 1 Year of GST



#### How has GST impacted manufacturing

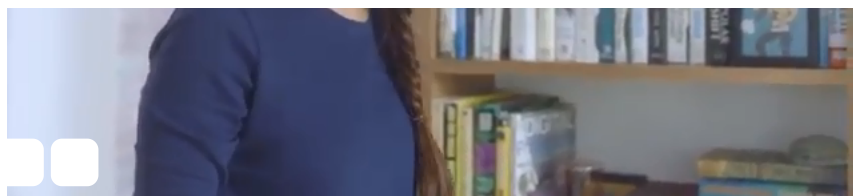
Government spent Rs 132.38 crore on GST advertisements

'Missing' service tax credit in GST update worries companies

GST: A circular that could lead to turf war between states and centre

GST norm changes: Policy for matching invoices goes realtime

More from 1 Year of GST »



Purchase of a residential premises under the existing regime attracts a Service tax of 4.5% for a flat whose value exceeds INR 1 crore and 3.75% of the value of the flat whose value is upto INR 1 crore. In addition to this, purchase of a flat attracts a VAT of 1% in certain states like Maharashtra. As opposed to this, purchase of a residential property under GST regime is likely to attract 12% GST (being a summation of 6% Central GST and 6% State GST).

This being the case, purely from an output tax perspective, the increase in tax on a flat costing INR 1 crore is likely to be 6.5% (12% GST less 4.5% Service tax and 1% VAT). However, it is important to note that a [developer](#) constructing a flat is likely to be eligible to higher credits under GST regime as opposed to the current regime.

This is because under the current regime there are restrictions in availment of credits whereas under GST a developer would be eligible to avail entire credits on procurements. Such increase in/ additional credits, in a city like Mumbai, is likely to be around 2 to 2.5% of the cost of the property.

The below table indicates differential cost on the rental income under the existing regime and the GST regime.

Particulars	Existing Regime (INR)	GST Regime (INR)
Cost of construction of a residential property	1,10,00,000	1,10,00,000
Credits under the existing regime (assumed figure)	10,00,000	NA
Credits under the GST regime (likely to increase by 2-2.5% of the property cost)	NA	12,50,000
Cost charged to the buyer	1,00,00,000	97,50,000
Service tax	4,50,000	N.A.
VAT	1,00,000	N.A.
GST (CGST 6 + SGST 6)		11,70,000
Total Cost to the Buyer *	1,05,50,000	1,09,20,000

*\*Note: Stamp duty has been ignored as the same continues to be leviable even after GST N.A-Not Applicable.*

It can thus be observed that while the renting of residential property would continue to be exempt from service tax even under the GST regime, there is a likelihood that the rentals for residential property may go up under the GST regime, especially for cities like Mumbai, considering the fact that the cost for the purchaser of a residential property is likely to increase under the GST regime.

The above article does not constitute legal advice and the views expressed herein are personal views of the authors.

**Disclaimer:** The facts and opinions written in this column are those of the author and do not reflect the views of [economictimes.com](#).

## SPOTLIGHT

### Around the World



### US throttles Iranian oil flows to buyers who vowed resistance

For all the pushback and negotiations, an emerging pattern shows US sanctions are succeeding in throttling Iran's sales to its customers.

- [Reuters reporters jailed for seven yrs in landmark secrets case](#)
- [China's Xi pledges \\$60 billion in financing for Africa](#)

Start SIP



### Are you an Advertising & Marketing Agency? Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[What happens if you miss today's ITR filing deadline](#)

[ITR filing deadline extended to 15th September for Kerala assesseees](#)

[New vehicle owners have to buy long-term cover](#)

[ITR filing: No penalty if you file by midnight today and revise later if needed](#)

[More »](#)



(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of [www.economictimes.com](http://www.economictimes.com).)

11  
Comments

Save

Read more on

Rentals

Residential Property

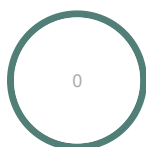
GST

Service Tax

Developer

## Form 16

### Q1. What is Form 16?



CURRENT SCORE

HIGH SCORE:40

- 1 It is a summary of the total amount paid to the employee and the TDS on it
- 2 It contains the details of the income earned by an employee

### Also Read

[Brookfield plans 'large' investments in residential properties](#)

[Realty Hot Spot Series: Why this Mumbai suburb is an ideal residential property](#)

[Sale of residential properties up 25% in top 7 cities in H1](#)

[Tax queries: How is sale of residential property taxed?](#)

[Railways may unlock prime residential property soon](#)

Comments (11)

Add Your Comments

### From Around The Web

Sponsored by



Clearance Sale on Rolex watches - 80% off on limited stock

Swiss Watches



Promote your content on 100+ premium sites

Colombia



Own a Godrej home with EMIs\* less than your flight tickets

Godrej Oasis



Swift, Explore the Unexplored Thrill.

Swift

### More from The Economic Times



Cut the politics, D-Street says cash ban was worth it!



2 convicted, 2 acquitted in Hyderabad blasts case



Heavy-lifters of Nifty may continue to gain wealth



Pak may okay club membership for Indian envoys



### Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps



The J&J hip-implant mess needs a closer look



GO TO ET PRIME →

## NEXT STORY

## Stock market to get a boost as over 24 PFs come under EPFO

By [Yogima Sharma](#), ET Bureau | Updated: Sep 04, 2018, 10:05 AM IST

0  
Comments



The government recently issued a notification under which retirement plans covered by the Provident Funds Act, 1925, will now be regulated by the labour ministry through EPFO.

NEW DELHI: Thousands of crores of rupees of additional money could be headed into the equity market after over two dozen provident funds come under the Employees Provident Fund Organisation (EPFO).

The government recently issued a notification under which retirement plans covered by the Provident Funds Act, 1925, will now be regulated by the labour ministry through EPFO. This means a portion of the deposits with these funds could now be invested in stocks, as per the pattern followed by the EPFO.

Provident funds under the PF Act, 1925, include the State Railway Provident Fund, the Shipping PF, the Coal PF, the Banking PF, the All India Services PF, the Indian Ordnance PF, the Indian Naval Dockyard PF, the Defence Services PF, the Armed Forces Personnel PF, the University PF and PFs of municipalities.

The combined size of these funds is almost same as that of the EPFO, which has about Rs 10 lakh crore. However, General Provident Fund won't come under EPFO as the entire amount goes to Consolidated Fund of India and its subscribers get compensated on retirement or in a contingency, as prescribed by GPF rules.

### Marked to Market

**Boost for equities**

Railway PF, Banking PF, Shipping PF, among others, under EPFO

**Together they have a an accumulated corpus on par with ₹10 lakh crore of EPFO**

**Their funds will now be invested based on EPFO's investment pattern**

EPFO can invest up to **15%** in equities

EPFO & these funds could together invest up to **₹1 lakh cr** in equities

**Start An SIP With As Low As ₹100 Today!**

**INVEST NOW**

**Are you an Advertising & Marketing Agency?**  
Get Your Listing on Economic Times

[CREATE FREE LISTING](#)

**Most Read**

**Most Shared**

**Most Commented**

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

### Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)

[Kerala flood donation tax benefits](#)

[Aadhaar card Date of Birth Update](#)

[Aadhaar-Mobile Number Linking](#)

[How to update or correct Aadhaar details](#)

[How to change your address on Aadhaar card](#) [Pan Card](#)

[Aadhaar](#) [Update Pan Card](#)

[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)

[Link Aadhaar with Airtel Mobile Number](#)

[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)

[Where to Invest Money](#)



Why Ford India needs a tie-up



"EPFO will have to collate the total funds available and the number of subscribers under different provident funds. Once this is done, it will start investing this money in government securities, debt and equity," a senior government official told ET. "It would invest 15 per cent of the cumulative kitty of all these provident funds, which were till now self-regulated, in equity, fetching higher returns for its subscribers."

So far, these funds invested their money largely in fixed deposits and the rate of returns hovered at about 6 per cent. Besides, there was no monitoring of their investments and returns or for frauds at the administrative level.

As per the [finance](#) ministry's notified investment pattern applicable since April 1, 2015, up to 50 per cent of the PF funds can be invested in government securities, up to 45 per cent in debt instruments, up to 15 per cent in equity and 5 per cent each in money market and infrastructure trusts.

With more funds under EPFO, officials expect a large amount to be invested in equity. Even a 5 per cent addition could bring Rs 50,000 crore fresh funds into equities. This is over and above the investment EPFO makes in its own account.

EPFO started investing in exchange-traded funds in August 2015. It invested 5 per cent of its investible deposits in 2015-16, 10 per cent in 2016-17 and 15 per cent in 2017-18. It has invested Rs 41,967.51 crore in ETFs with a return of 17.23 per cent as of February 2018. EPFO sold ETFs worth Rs 2,500 crore in March for the first time to liquidate its investments in the [stock market](#).

0

Comments

#### Read more on

[Provident Fund](#)
[Consolidated Fund](#)
[General](#)
[Stock Market](#)
[Epfo](#)
[Finance](#)

#### Also Read

[Stock market update: Midcaps and smallcaps underperform Sensex](#)
[Stock market update: Midcaps and smallcaps outperform Sensex](#)
[HDFC AMC to make stock market debut on Monday](#)
[Apple hits \\$1 trillion stock market valuation](#)
[How to earn money from stock market](#)
[Comments](#)
[Add Your Comments](#)

#### From Around The Web

Sponsored by

ET

लड़की ने 20 किलो वजन कम करने के लिए इस फल का इस्तेमाल किया

[Health News 24/7](#)

ET

Do's & Don'ts of transacting online

[UTI MUTUAL FUND](#)

ET

प्राकृतिक रूप से बालों को उगाने के लिए 1 आसान तरीका

[Regrow](#)

ET

This Monsoon, Get Cover, Get Going!

[Coverfox.com](#)

#### More from The Economic Times

ET

ET

ET

ET



India suffer 60-run defeat in 4th Test, lose series



Petrol, diesel prices at highest-ever levels on rupee woes



'Rat fever' strikes Kerala after worst floods



NPAs, not note ban, hurt growth: Niti VC

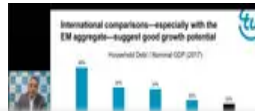
### More from our Partners



Aadhar Housing Finance - making home loans accessible to all



How local entrepreneurs ensure better product quality



Understanding the potential of the India retail lending market by Yogendra Singh

### NEXT STORY

## Petrol, diesel prices at highest-ever levels on rupee woes

PTI | Updated: Sep 03, 2018, 12:16 PM IST

0

Comments



Petrol, Diesel prices hit all-time record high on surge in global crude oil

Petrol and [diesel prices](#) in the country touched their highest levels Monday mainly due to dramatic fall in rupee and a sharp rise in crude oil rates. [Petrol price](#) in Delhi rose to a record Rs 79.15 a litre and diesel climbed to a fresh high of Rs 71.15, according to price notification of state-owned fuel retailers.

This follows a 31 paise/litre hike in prices on Monday. Rates have breached the previous high of Rs 78.43 a litre hit on May 28. On that day, the rate in Mumbai was Rs 86.24 per litre.

A litre of petrol in Mumbai costs Rs 86.56 on Monday.

Prices in Delhi are the cheapest in all metros and most state capitals due to lower sales tax or VAT.

Diesel rates on Monday were hiked by 39 paise a litre, the steepest increase since the daily revision in prices was introduced in mid-june 2017.

Diesel now costs Rs 75.54 per litre in Mumbai.

Since August 16, [petrol prices](#) have risen by over Rs 2 per litre. Diesel prices on the other hand have risen by Rs 2.42 a litre during this period.

Diesel rates had hit Rs 69.31 a litre on May 28, but this record was breached on August 27 and on Monday they hit a fresh high.

Start An SIP With As Low As ₹100 Today!

INVEST NOW

Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read   Most Shared   Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

### Personal Finance Trending Terms

[Banking Fraud](#)   [ITR filing deadline extended](#)

[Kerala flood donation tax benefits](#)

[Aadhaar card Date of Birth Update](#)

[Aadhaar-Mobile Number Linking](#)

[How to update or correct Aadhaar details](#)

[How to change your address on Aadhaar card](#)   [Pan Card](#)

[Aadhaar](#)   [Update Pan Card](#)

[How to link Aadhaar with PAN](#)   [Aadhaar card Download](#)

[Link Aadhaar with Airtel Mobile Number](#)

[UDPFER Interest Rate](#)   [PAN](#)   [PF contribution](#)

[Fuel prices](#) vary from state to state due to local levies.

Officials said the spike in rates is on account of exchange rate falling to a record Rs 71 to a dollar, depreciating by Rs 2.5 in a month.

Also, crude oil has gained USD 7 a barrel in a fortnight, driven by fears that the US sanctions on Iran will likely contract supplies.

The appreciation of dollar against rupee has also pushed up rates for compressed natural gas (CNG) as well as piped natural gas (PNG) since the price of gas procured by city distributors is mostly dollar-denominated.

Indraprastha Gas Ltd, which retails gas in the national capital, on Sunday raised the prices of CNG by 63 paise per kg and by Rs 1.11 per standard cubic meter for piped natural gas supplied to households for cooking purposes.

CNG now costs Rs. 42.60 per kg in Delhi and Rs 49.30 per kg in Noida, Greater Noida and Ghaziabad. The consumer price of PNG to the households in Delhi has been increased to Rs 28.25 per scm, while same in Noida, Greater Noida and Ghaziabad would be Rs 30.10 per scm, which has been increased by Rs 1.26 per scm.

0  
Comments

Read more on

[Diesel Prices](#)

[Oil Prices India](#)

[Petrol Price](#)

[Fuel Prices](#)

[Petrol Prices](#)

## Also Read

[Petrol, diesel prices hiked again](#)

[Petrol and diesel prices set for a sharp drop](#)

[Petrol, diesel prices fall after 10 days](#)

[Petrol, diesel prices hiked for fifth consecutive day](#)

[Petrol, diesel prices rise for the 10th consecutive day](#)

Comments

Add Your Comments

## From Around The Web

Sponsored by



Start Your Career as a Business Analyst. Enrol Now!

TJ



Make money every day with Copy/Paste tasks like Sameer

Career Times



Sign up now for Amazon Business for free!

Amazon Business



अचानक गंजापन? यह आयुर्वेदिक नुस्खा आपकी मदद कर सकता है!

Nutralifye

## More from The Economic Times



Hikal rallies more as Ashish Kacholia ups stake



Petrol, diesel prices rise for the 10th consecutive day



Breaking: IAF's MiG 27 crashes near Jodhpur



Diesel loses sheen as fuel of choice

## More from our Partners





4 things that go into the making of an Eco-Friendly brand



False income tax refund claims could attract these penalties



Extraordinary bungalow that can blow your mind off

## NEXT STORY

# Paytm tots up 290 billion transactions

ET Bureau | Updated: Sep 03, 2018, 04.29 PM IST

0

Comments



The company said it has onboarded 8.5 million offline merchants and receives more than 30,000 requests for integration from merchants every day.

BENGALURU: [Paytm](#), the country's largest digital [payments](#) company, handled Rs 29000 crore worth of transactions in August through money transfers across all its verticals, with 92 million customers using the platform monthly.

The company also said it was registering more than 1 billion monthly sessions by users logging into the application for payments and money transfers. "Our team has been aggressively engaged in introducing new use cases such as apartment maintenance

payments, municipal payments, toll, insurance and donations," said senior vice-president [Deepak Abbot](#).

In the context of the Unified Payments Interface emerging as a major digital platform across the country, Abbot said [UPI](#) is just one among multiple payment railroads for Paytm.

Offline transactions, too, have registered strong growth on the platform, mainly driven by Paytm's strategy of installing QR codes at merchant outlets. The company said it has onboarded 8.5 million offline merchants and receives more than 30,000 requests for integration from merchants every day.

"We have also witnessed huge traction for 'money transfers,' where users send money to each other with their preferred payment modes. We are the largest money-transfer platform and will continue to build more and more convenient payment solutions," said Abbot.

0

Comments

Read more on

[Paytm](#)

[Payments](#)

[Deepak Abbot](#)

[Offline Transactions](#)

[UPI](#)

## Also Read

[Paytm forays into forex service](#)

[Paytm Money set for its public entry today](#)



Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)

[Kerala flood donation tax benefits](#)

[Aadhaar card Date of Birth Update](#)

[Aadhaar-Mobile Number Linking](#)

[How to update or correct Aadhaar details](#)

[How to change your address on Aadhaar card](#) [Pan Card](#)

[Aadhaar](#) [Update Pan Card](#)

[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)

[Link Aadhaar with Airtel Mobile Number](#)

[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)

[Where to Invest Money](#)



[Paytm Money set for its public entry today](#)[Berkshire confirms investment in Paytm; Buffett not involved](#)[Comments](#)[Add Your Comments](#)**From Around The Web**

Sponsored by

ET

9-year-old is in severe pain due to rapidly spreading cancer

Milaap

ET

This trick eliminates fat rapidly! (try it tonight)

Nutrallyfe

ET

The HDFC School offers global teaching & learning practices

The HDFC School

ET

Now Play Poker Like a Master at PokerBaazi

PokerBaazi

ET

Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

ET

The J&J hip-implant mess needs a closer look

ET

[GO TO ET PRIME →](#)**More from The Economic Times**

ET

UP: Student issued admit card with Bachchan's pic

ET

Petrol, diesel prices at highest-ever levels on rupee woes

ET

A new milestone: UPI tops 300 million monthly transactions

ET

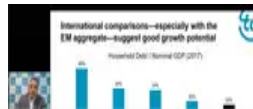
10 most promising chefs who lead by their originality

**More from our Partners**

Aadhar Housing Finance - making home loans accessible to all



How local entrepreneurs ensure better product quality



Understanding the potential of the India retail lending market by Yogendra Singh

**Financial Calculators****Plan your Tax**

INCOME TAX CALCULATOR

INVOICE GENERATOR

HOUSE PROPERTY INCOME

HRA CALCULATOR

**Calculate EMIs and more**

CAR LOAN

PERSONAL LOAN

EDUCATION

HOME LOAN

**Plan your Savings**

SUKANYA SAMRIDDHI YOJANA

EMPLOYEES' PROVIDENT FUND

NPS CALCULATOR

RETIREMENT

[More Calculators](#)**NEXT STORY**

## Exposure to equities should be guided by asset allocation: Rajesh Iyer, DUEI

## asset allocation. Rajesh Iyer, DHFL Pramerica MF

By [Sanket Dhanorkar](#), ET Bureau | Sep 03, 2018, 06:30 AM IST

0

Comments



There is lot of consensus that the market will be driven by a tug of war between worsening macros and improving micros.

*The outlook for equities remains strong globally and this will have a positive impact on emerging markets like India where the local economy is also doing well, Rajesh Iyer, CEO, DHFL Pramerica Mutual Fund tells ET Wealth.*

### Frontline indices are hitting new highs.

#### What is your reading of the market?

Markets are now at multi-year highs. This is one of the longest bulls runs on the back of solid economic growth in large geographies like United States, Japan and Europe. Global

growth outlook remains solid following the second quarter GDP rebound in most developed economies. The critical factors to watch out for will be the impact of trade war and changed stance of central banks regarding monetary policies on global growth.

As long as the growth momentum is not derailed, the outlook for equities globally remains strong and will have a positive impact on emerging markets like India where the local economy is also doing well. From an investor's perspective, it is important to remember that even though the indices are at multi-year highs, there are enough quality opportunities for wealth creation even today and the exposure to equities should be strictly guided by your [asset allocation](#).

### How is the conjunction of the worsening macros and improving micros likely to play on the market?

There is lot of consensus that the market will be driven by a tug of war between worsening macros and improving micros. The interesting hypothesis that needs to be delved upon will be what happens if macros improve either because of crude cooling off or dollar reversing against emerging market currencies or Foreign Institutional Investors turning positive on India. Till then improving micros led themes will do better.

### What are the investment ideas you are betting on right now?

Some of the themes that we like are consumer discretionary and staples, commodities and metals, private sector banks, selective information technology, pharma and textiles companies.

### Are you positioning your fund portfolios more cautiously now or are you being aggressive?

Positioning of the portfolios is driven by the mandate of the product. Our endeavour is to deliver superior risk-adjusted returns by sticking to quality in terms of free cash flows, low leverage and good corporate governance.

### What is the investment proposition for bond fund investors now?

There are concerns around growing fiscal deficit, rising inflation and widening current account deficit (CAD). All three factors are currently negative for longterm bonds. Also considering the shape of the yield curve, short duration and credit risk funds that predominantly depend on an accrual strategy are the best option for investors in the current circumstances.

**Mutual fund costs** are currently the subject of much debate. Is there scope for



**Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times**

CREATE FREE LISTING

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)

[Kerala flood donation tax benefits](#)

[Aadhaar card Date of Birth Update](#)

[Aadhaar-Mobile Number Linking](#)

[How to update or correct Aadhaar details](#)

[How to change your address on Aadhaar card](#) [Pan Card](#)

[Aadhaar](#) [Update Pan Card](#)

[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)

[Link Aadhaar with Airtel Mobile Number](#)

[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)

[Where to Invest Money](#)



**Why Ford India needs a tie-up with M&M**

[Why Indians are swiping left on desi dating apps](#)

ET

[The J&J hip-implant mess needs a closer look](#)

ET

[GO TO ET PRIME →](#)

### rationalisation of expense ratios?

Yes, there is a lot of debate around expense ratios. The whole debate is around the cost of ownership of the [equity](#) fund for the retail investor. On the fixed income side, the expense ratios are at par or better than most other markets. The most important thing to remember while debating the cost of equity funds is that equity mutual fund is still a push product in India.

A lot of effort and cost are involved in converting new investors from traditional avenues to equities. The distribution community plays an important role in helping the industry grow. Unless the margins are decent, it will be difficult to attract quality talent to the industry. This in turn could have an adverse impact on retail investors. Also, the expense structures and the way the investor is charged for mutual fund investments is vastly different across countries, so just comparing one number may not give the correct picture. The expense ratios will get rationalised by market forces over a period of time and should be maintained as they are.

### Do you believe attention will turn towards ETFs in the large-cap funds space?

Some shift may happen as there is a lot of attention on the recent underperformance of large-cap funds vis a vis the benchmark. In my opinion it is too early to conclude that large-cap funds will not outperform the benchmark in the future.

The rally over the past few months has been concentrated to a few stocks leading to diversified portfolios of mutual funds, portfolio management services and alternative investment funds underperforming the benchmarks. Over the long-term, fund managers have a lot of room to add alpha and largecap funds will continue to have a significant role in the client's portfolio.

### The regulator has called for more caution in debt fund investments. Is greater vigilance needed from fund companies while assessing credit risk?

A large portion of the fixed income assets of mutual funds are still in high credit quality papers. Over the last few years, credit funds have started attracting assets. The industry in general exercises abundant caution while including credit in the portfolio. One cannot rule out the possibility of downgrades, etc but in my assessment, the situation is fine from a credit perspective. Liquidity for credit instruments is low and that needs to be kept in mind while constructing an open-ended portfolio.

0

Comments

[Read more on](#)
[Asset Allocation](#)
[Mutual Fund Costs](#)
[Sensex](#)
[Investment Bets](#)
[Equity](#)
[Nifty](#)

### Also Read

[Correct asset allocation is key to managing your wealth](#)
[Overweight on equities? These NCDs can help you correct asset allocation](#)
[Overweight on equities? These NCDs can help you correct asset allocation](#)
[Don't deviate in asset allocations even in face of volatility: Lakshmi Iyer, Kotak Mutual Fund](#)
[Comments](#)
[Add Your Comments](#)

### From Around The Web

Sponsored by

ET

[How to keep your newborn](#)

ET

[The 12 most breathtaking](#)

ET

[Cruise From Singapore At](#)

ET

[Here's why you must never](#)

safe during the monsoons  
Goodknight

coasteering spots in the  
world  
RED BULL

Just 25,000/-  
Tirun

drink water while standing!  
TIMES OF INDIA

## More from The Economic Times



View: Cash ban may have driven Indians away from banks

The trick to making money when rupee falls

Isro to set up its 1st overseas base at North Pole

15 die in six months: Multi-crore TN loan scam

## More from our Partners



4 things that go into the making of an Eco-Friendly brand



False income tax refund claims could attract these penalties



Extraordinary bungalow that can blow your mind off

## NEXT STORY

# View: Cash ban may have driven Indians away from banks

Bloomberg | Sep 02, 2018, 10.06 AM IST

0

Comments



The central bank data, however, suggest we shouldn't be so sure about that.

By Mihir Sharma

The Indian central bank's final tally of Prime Minister Narendra Modi's 2016 [demonetisation](#) drive, intended to take money derived from tax evasion out of circulation, showed that 99.3 percent of outlawed high-value banknotes had been returned. That's a severe loss of face for officials, who had argued that holders of the cash would rather destroy it than return it to banks, providing a windfall for the government.

The authorities managed to produce several other defenses of the initiative, however. One in particular was appealing to financial markets: The notion that, in Finance Minister Arun Jaitley's words, "demonetisation appears to have led to an acceleration in the financialization of savings." Households that traditionally kept their savings in cash would now prefer to put the money into other instruments, perhaps even the stock market. This would increase the amount of capital available for companies to deploy and banks to lend, spurring economic growth.

There certainly were some indicators to support the idea. For one, Life Insurance Corp. of India saw a 142 percent increase in premium collection in the month demonetisation was

Start An SIP With As Low As ₹100 Today!

**INVEST NOW**

Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read Most Shared Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)



India saw a 142 percent increase in premium collection in the month demonetisation was carried out. And Indian stocks have been on a record-breaking run, even though foreign investors were net sellers so far this year.

Unfortunately, the Reserve Bank of India punched a hole in that hypothesis, too. Its annual report, as well as tallying the result of demonetisation, provided a breakdown of savings by households, a category that includes small and unregistered enterprises. It turns out that net financial savings for the fiscal year that ended March 31 were 7.1 percent of overall disposable income — less than the average for the five years prior to demonetisation.

Worse yet, perhaps, households are keeping far more of their net savings in cash, not less. And their net savings going to banks are almost 50 percent lower than the five-year average before demonetisation. In other words, the idea that the crackdown would leave banks flush with household savings that they could lend to productive parts of the economy has been comprehensively debunked.

What's going on? Some have argued that lower interest rates are the problem. That's not an easy sell: Over the past year, India was one of the few countries with strongly positive real rates — and savings in bank deposits were a higher fraction of disposable income back in 2012-14, when Indians were dealing with negative real interest rates.

Perhaps, instead, a change in behavior is responsible. For most Indians, the defining experience of demonetisation was losing access to their bank accounts: We had to stand in long lines at ATMs, and our withdrawals were strictly rationed. In contrast, those who had piles of old banknotes appeared to be able to change them (at a black-market-determined discount) with ease.

What would you learn from this? Would you trust a banking system that can be closed down on a prime minister's whim? For many Indians, demonetisation provided their first experience of banks or digital payments. I just hope the insanity of the process didn't put them off formal finance forever.

Still, you might say, at least the markets are doing well. That reflects households' greater willingness to put their savings in stocks, right? And yes, the RBI data do indeed suggest that.

But look a little closer and things aren't so bright. One of the reasons domestic institutional investors — who pumped \$10 billion into Indian markets so far this year, while foreigners took \$280 billion out — are bullish is because they believe a structural change is under way in how Indians save. They think we're moving permanently away from cash (and gold, and real estate). A turn toward financialization means ever-higher equity prices.

The central bank data, however, suggest we shouldn't be so sure about that. The heights being scaled by Indian markets might prove brittle.

Whatever the impact on savings behavior of demonetisation, it's clear the initiative was a policy failure, even on the administration's own terms. I'd like to think a lesson was learned. Not so fast: The government just appointed one of the brains behind the 2016 project to the board of the central bank. India's era of ill-advised intervention may not be over.

**DISCLAIMER : Views expressed above are the author's own.**

0

Comments

Read more on

Narendra Modi

Demonetisation

Arun Jaitley

Note Ban

Legal Tender

Comments

Add Your Comments

[Kerala flood donation tax benefits](#)[Aadhaar card Date of Birth Update](#)[Aadhaar-Mobile Number Linking](#)[How to update or correct Aadhaar details](#)[How to change your address on Aadhaar card](#) [Pan Card](#)[Aadhaar](#) [Update Pan Card](#)[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)[Link Aadhaar with Airtel Mobile Number](#)[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)[Where to Invest Money](#)

## Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

ET

The J&J hip-implant mess needs a closer look

ET

[GO TO ET PRIME](#) →

## From Around The Web

Sponsored by



Now you can test the colour before you paint the colour!

Dulux



Start with a simple, secure, and reliable IT network

Cisco



Are you eligible for a better credit card? Find out now.

bankbazaar.com



Shop Laptops online | GadgetsNow

GADGETS NOW

## More from The Economic Times



Vodafone Idea raises Rs 1,500 crore via debt



India shoots wrong guy in lost war on cash



Demonetisation: All cost and little benefit



SBI hikes MCLR by 0.2 percent

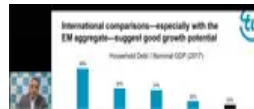
## More from our Partners



Aadhar Housing Finance - making home loans accessible to all



How local entrepreneurs ensure better product quality



Understanding the potential of the India retail lending market by Yogendra Singh

## NEXT STORY

## Home loans get costlier as SBI, ICICI hike rates

By [Mayur Shetty](#), TNN | Updated: Sep 02, 2018, 10:15 AM IST

0

Comments



## HIGHLIGHTS

- SBI and ICICI Bank have increased their benchmark rate against which all home loans are priced
- SBI has announced a uniform increase of 20 bps on its marginal cost of lending rates across different maturities
- The hike has come ahead of the festival season — a time when lenders try to boost sales by announcing special loan deals

Bankers say that there is a possibility that SBI, while increasing rates for existing borrowers, might offer new customers lower rates by narrowing the spread between the MCLR and lending rate.

Bank borrowings which include home loans and other retail and business loans have become more expensive from September 1. The country's largest public-sector lender [State Bank of India](#) and largest private lender ICICI Bank have increased by 20 and 15

Start An SIP With As Low As ₹100 Today!

[INVEST NOW](#)

Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

[CREATE FREE LISTING](#)

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

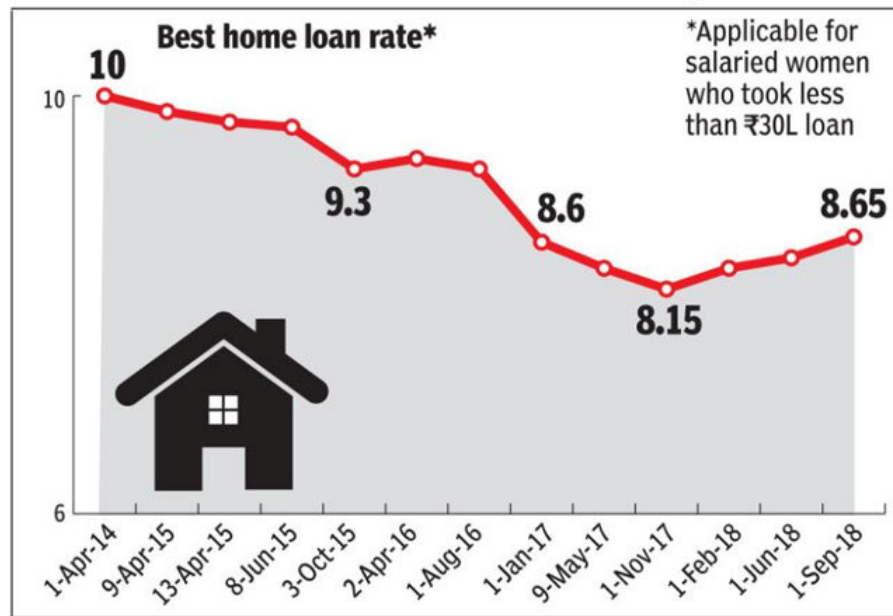
[When should investors sell their mutual fund](#)

basis points respectively their benchmark rate against which all home loans are priced.

The SBI has announced a uniform increase of 20 bps on its marginal cost of lending rates (MCLR) across different maturities. The one-year MCLR, against which home loans are benchmarked, now stands at 8.45% as against 8.25% earlier.

ICICI Bank has increased its six-month MCLR by 15 basis points from 8.35% to 8.5%. One basis point equals a hundredth of percentage point.

## SBI Home Loan Rates Since April 2014



If the SBI continues to price home loans at the current spread above its benchmark rate, SBI's best home loan rate will go up from 8.45% to 8.65%. This rate is available on loans to salaried borrowers, which include a woman as home owner, for up to Rs 30 lakh.

This rate goes up to 8.80% for loans up to Rs 75 lakh and 8.9% for loans of Rs 75 lakh and above. In the case of ICICI Bank, the best home loan rate will go up from 8.7% to 8.85% if loans continue to be priced at a spread of 35 basis points over six-month MCLR.

Bankers say that there is a possibility that SBI, while increasing rates for existing borrowers, might offer new customers lower rates by narrowing the spread between the MCLR and lending rate. If this happens, ICICI Bank too is likely to revise its spread to remain competitive.

SBI lending rate goes up by 5 basis points if the loan does not include a woman as borrower or co-borrower. Also self-employed borrowers have to pay 15 basis points more as compared to salaried.

With this increase, SBI's home loans are more expensive compared to HDFC, the country's largest home loan company. HDFC had recently raised rates and is unlikely to do so soon. "We have not planned any increase in interest rate," said Keki Mistry, vice chairman & CEO.

The hike has come ahead of the [festival season](#) — a time when lenders try to boost sales by announcing special loan deals. According to bankers, there is not much scope to hold on to rates because the cost of funds in the system is rising and the spread between the

[holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)

[Kerala flood donation tax benefits](#)

[Aadhaar card Date of Birth Update](#)

[Aadhaar-Mobile Number Linking](#)

[How to update or correct Aadhaar details](#)

[How to change your address on Aadhaar card](#) [Pan Card](#)

[Aadhaar](#) [Update Pan Card](#)

[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)

[Link Aadhaar with Airtel Mobile Number](#)

[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)

[Where to Invest Money](#)



Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

ET

The J&J hip-implant mess needs a closer look

ET

[GO TO ET PRIME →](#)

yield on the benchmark 10-year bond and home loan rates is at the lowest. Last week, yield on the 10-year bond shot up to cross 7.9% due to sudden pressure on the rupee in the foreign exchange market.

(This article was originally published in *The Times of India*)

0

Comments

## Read more on

Sbi News

Festival Season

State Bank Of India

SBI

SBI Home Loans

## Also Read

[SBI to sell stake in SBI Gen, SBI Card and SBI Caps soon: Chairman Rajnish Kumar](#)

[SBI responds to Singapore government initiative with remittance centre](#)

[SBI hikes MCLR by 0.2 percent](#)

[SBI says rupee still overvalued, no need to panic](#)

[SBI Focused Equity Fund: Aggressive with steady returns](#)

Comments

Add Your Comments

## From Around The Web

Sponsored by

ET

Greenwood public school admissions open 2019 - 20 Apply Now!  
GREENWOOD PUBLIC...

ET

Now challenge the challenges with BASF  
BASF

ET

Try the triple-action fat burning formula!  
Good Life Nutrition

ET

2 BHK apts in Ace Divino starting from 33.8L\*!  
Investors Planner

## More from The Economic Times

ET

How Mastercard kept 2 billion users in the dark

ET

RBI buys gold for first time in nearly a decade

ET

Saurabh Mukherjea on how to liquidity-proof your portfolio

ET

Ranjan Gogoi to take charge as new CJI on October 3

## More from our Partners



4 things that go into the making of an Eco-Friendly brand



False income tax refund claims could attract these penalties



Extraordinary bungalow that can blow your mind off

## Financial Calculators

### Plan your Tax

INCOME TAX CALCULATOR

INVOICE GENERATOR

### Calculate EMIs and more

CAR LOAN

PERSONAL LOAN

### Plan your Savings

SUKANYA SAMRIDHI YOJANA

EMPLOYEES' PROVIDENT FUND



HOUSE  
PROPERTY  
INCOMEHRA  
CALCULATOR

EDUCATION

HOME LOAN

NPS  
CALCULATOR

RETIREMENT

[More Calculators](#)

## NEXT STORY

## The mother of all banks is coming today: 10 things to know

ET Online | Updated: Sep 01, 2018, 05:36 PM IST

0

Comments



PM Modi launches India Post Payments Bank

A banking behemoth will take birth at Delhi's [Talkatora Stadium](#) today when Prime Minister Narendra [Modi](#) inaugurates the [India Post Payments Bank \(IPPB\)](#). The bank will use its vast postal network to offer financial services to people across the country, including rural areas.

IPPB is a public sector company under the Department of Posts and the Ministry of Communication with a 100 per cent equity of the Government of India, and governed by the

Reserve Bank of India. IPPB will focus on providing banking and financial services to people in rural areas, by linking all the 1.55 lakh post office branches (that's nearly 2.5 times the bank network) with IPPB services by the end of 2018.

Postmen in rural and urban areas will provide doorstep banking services. This will create the country's largest banking network with a direct presence at the village level.

Here are 10 important things to know about IPPB:

1. IPPB was the third entity to receive payments bank permit after Airtel and Paytm.
2. Payments banks can accept deposits up to Rs 1 lakh per account from individuals and small businesses.
3. IPPB will go live with 650 branches in addition to 3,250 access points co-located at post offices and around 11,000 gram in dak sevaks (in rural area) and postmen (in urban area) that will provide doorstep banking services.
4. The payments bank will gradually link all 1.55 lakh post offices in the country to offer the service.
5. IPPB will offer a range of products such as savings and current accounts, money transfer, direct benefit transfers, bill and utility payments, and enterprise and merchant payments.
6. IPPB has permission to link around 17 crore postal savings bank (PSB) account with its account. It has received approval for carrying out RTGS, NEFT, IMPS transaction that will



**Are you an Advertising & Marketing Agency?**  
Get Your Listing on Economic Times

[CREATE FREE LISTING](#)**Most Read**[Most Shared](#)[Most Commented](#)

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

### Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)[Kerala flood donation tax benefits](#)[Aadhaar card Date of Birth Update](#)[Aadhaar-Mobile Number Linking](#)[How to update or correct Aadhaar details](#)[How to change your address on Aadhaar card](#) [Pan Card](#)[Aadhaar](#) [Update Pan Card](#)[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)[Link Aadhaar with Airtel Mobile Number](#)[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)[Where to Invest Money](#)

enable IPPB customers to transfer and receive money from any bank account.

7. IPPB will also launch a mobile app to facilitate online banking service as well as payment for various utilities and services like phone bill, DTH, gas connection, electricity, etc,

8. There will be 100 plus billers for which IPPB customers will be able to pay from their account. Since IPPB account can hold up to Rs 1 lakh deposit so once PSB account will be linked to them, customers will be able to transfer money from PSB to IPPB and vice-versa. Money beyond Rs 1 lakh can be kept in PSB.

9. All the billers that accept payment through Bharat Bill Payments system will be available for IPPB customers from Day 1 of the launch.

10. Customers can access their IPPB account through mobile app but it will have limited services. Once a customer completes KYC (know your customers) requirement, the app will start offering all the banking service.

0  
Comments

Read more on

India Post

Talkatora Stadium

Postman

Modi

IPPB

Banking

Comments

Add Your Comments

## From Around The Web

Sponsored by



PivotRoots Secures Series A Funding from KCP Capital  
ADAGE



Get Your Hairline Back with Stem cell Technology @ Berkowits  
Berkowits



Co-own grade a office, properties in India @ 9% yield  
PROPERTY SHARE



Lancer Casuals For Men(Brown)- Rs. 499  
Flipkart

## More from The Economic Times



UIDAI cracks down on banks missing targets



Gold tiffin box, artefacts stolen from museum



Nifty may continue to fall; stay light on exposure



Soon, oil from kitchen can be used in your cars

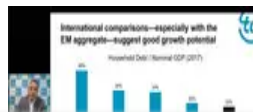
## More from our Partners



Aadhar Housing Finance - making home loans accessible to all



How local entrepreneurs ensure better product quality



Understanding the potential of the India retail lending market by Yogendra Singh



Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

ET

The J&J hip-implant mess needs a closer look

ET

GO TO ET PRIME →

## NEXT STORY

## SBI hikes MCLR by 0.2 percent

PTI | Sep 01, 2018, 11:24 AM IST

0

Comments



The new rates are effective from today.

New Delhi: Home, auto and other [loans](#) would become costlier as the country's largest lender [SBI](#) Saturday increased its benchmark lending rates or [MCLR](#) by 0.2 per cent, a development followed by other lenders.

The new rates are effective from today.

[State Bank of India](#) (SBI) has increased the lending rate by 20 basis points across all tenors up to three years.

Now SBI's overnight and one-month tenors' Marginal Cost of Funds Based Lending Rate (MCLR) stands at 8.1 per cent as against 7.9 per cent, as per the SBI's website.

The MCLR for a one-year tenor increased to 8.45 per cent from 8.25 per cent earlier. Most of the retail loans are benchmarked against one-year MCLR.

The MCLR for a three-year tenor increased to 8.65 per cent from 8.45 per cent.

The rate hike by bank comes a month after the Reserve Bank of India (RBI) hiked benchmark lending rate called repo rate by 25 basis points to 6.5 per cent.

RBI had last raised the repo rate on June 6 by 0.25 per cent to 6.25 per cent. That increase was the first since January 28, 2014 when rates were hiked by a similar proportion to 8 per cent.

0

Comments

Read more on

[Interest Rate](#)[Home Loan](#)[State Bank Of India](#)[Loans](#)[SBI](#)[Mclr](#)

## Also Read

[SBI to sell stake in SBI Gen, SBI Card and SBI Caps soon: Chairman Rajnish Kumar](#)

[SBI responds to Singapore government initiative with remittance centre](#)

[SBI says rupee still overvalued, no need to panic](#)

[SBI Focused Equity Fund: Aggressive with steady returns](#)

Comments

Add Your Comments

## From Around The Web

Sponsored by



Listen to the experts & learn 0% processing fees. buy on Download India's leading Mutual funds comparison |



Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)[Kerala flood donation tax benefits](#)[Aadhaar card Date of Birth Update](#)[Aadhaar-Mobile Number Linking](#)[How to update or correct Aadhaar details](#)[How to change your address on Aadhaar card](#) [Pan Card](#)[Aadhaar](#) [Update Pan Card](#)[How to link Aadhaar with PAN](#) [Aadhaar card Download](#)[Link Aadhaar with Airtel Mobile Number](#)[HDFC FD Interest Rate](#) [PAN](#) [PF contribution](#)[Where to Invest Money](#)

Why Ford India needs a tie-up with M&M

Why Indians are swiping left on



to effectively manage  
diabetes

EMI @Kasturi Diamond  
Kasturi Diamond

free Portfolio Management  
Software  
MPROFIT SOFTWARE...

RupeeVest  
RupeeVest

Fortune Vivo Oil

desi dating apps

ET

The J&J hip-implant mess needs  
a closer look

ET

GO TO ET PRIME →

## More from The Economic Times



Here's how MCLR linked  
home loan works



Are direct MF investors  
being shortchanged?



The answer to your toughest  
MF problem



How Rahul is picking his  
team for 2019

## More from our Partners



4 things that go into the  
making of an Eco-Friendly  
brand



False income tax refund  
claims could attract these  
penalties



Extraordinary bungalow that  
can blow your mind off

## NEXT STORY

# Indian airlines want government to tweak full refund for cancelled flight tickets

By [Saurabh Sinha](#), TNN | Updated: Sep 01, 2018, 11.13 AM IST

0

Comments



NEW DELHI: [Indian airlines](#) want the government to tweak its move to allow flyers to cancel tickets without any fee. The aviation ministry in May had proposed a full [refund](#) — without any cancellation charge — for flyers cancelling domestic air tickets within 24 hours of booking a flight that is at least four days away.

Airlines, however, want the flight to be at least a week away for not levying any charge on

ticket cancellations within 24 hours of booking.

“The airline industry has told Directorate General of [Civil Aviation](#) that the lock-in fare facility should only be for flights that are over a week away. The final call on the number of days will be taken by the aviation ministry,” said a source.

Cancellation fees are a big hassle for passengers. At present, the charges are base fare plus fuel surcharge or Rs 3,000, whichever is less. An extended fare lock-in period —from four days to a week — could mean cutting “revenue losses” for airlines from this move, said a source.

All Indian airlines are deep in red due to spiraling operational costs and they blame below-

Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read

Most Shared

Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) [ITR filing deadline extended](#)

[Kerala food donation tax benefits](#)



cost fares for their losses. While airlines mostly keep fares relatively low, other charges like cancellation, [excess baggage](#) and seat selection have been consistently hiked in the recent past to generate revenue.

The aviation ministry had proposed the concept of lock-in fares in its draft passenger charter which contained several flyer-friendly moves, including compensation for deficiency in services. "Another change is if a person denied boarding is not given an alternate flight or the option given does not suit him, airlines will have to offer a full refund of airfare," said a source. Almost all airlines opposed.

(This article was originally published in *The Times of India*)

0

Comments

#### Read more on

[Indian Airlines](#)
[Cancelled Tickets](#)
[Civil Aviation](#)
[Excess Baggage](#)
[Refund](#)

#### Also Read

[Qatar's Indian airline on hold due to regulations](#)
[Indian airlines want government to tweak full refund for cancelled flight tickets](#)
[Indian airlines exhaust 80% of flying quota on key foreign routes](#)
[Qatar Airways will soon apply for launch of an Indian airline: Akbar Al Baker](#)
[Comments](#)
[Add Your Comments](#)

#### From Around The Web

Sponsored by

ET

Own a Godrej home with EMI's\* less than your smartphone

[Godrej Oasis](#)

ET

Clearance Sale on Swiss watches - upto 80% off

[Swiss Watches](#)

ET

Explore heart of India along river Narmada in MP. Register

[Times Passion Trails](#)

ET

1 Secret Method Exposed of Internet Millionaires

[Times99](#)

#### More from The Economic Times

ET

View: Rupee could turn on a dime if sentiment changes

ET

India's govt is of VIPs, by VIPs and for VIPs

ET

NBSA asks Republic TV for full-screen apology

ET

5 ways to save money by renting and sharing

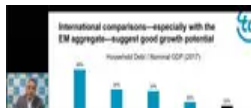
#### More from our Partners



Aadhar Housing Finance - making home loans accessible to all



How local entrepreneurs ensure better product quality



Understanding the potential of the India retail lending market by Yogendra Singh

#### Financial Calculators

[Plan your Tax](#)
[Calculate EMIs and more](#)
[Plan your Savings](#)
[NRI's 100% donation tax benefits](#)
[Aadhaar card Date of Birth Update](#)
[Aadhaar-Mobile Number Linking](#)
[How to update or correct Aadhaar details](#)
[How to change your address on Aadhaar card](#)
[Pan Card](#)
[Aadhaar Update Pan Card](#)
[How to link Aadhaar with PAN](#)
[Aadhaar card Download](#)
[Link Aadhaar with Airtel Mobile Number](#)
[HDFC FD Interest Rate](#)
[PAN](#)
[PF contribution](#)
[Where to Invest Money](#)


#### Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

ET

The J&J hip-implant mess needs a closer look

ET

[GO TO ET PRIME →](#)

INCOME TAX CALCULATOR	INVOICE GENERATOR	CAR LOAN	PERSONAL LOAN	SUKANYA SAMRIDHI YOJANA	EMPLOYEES' PROVIDENT FUND
HOUSE PROPERTY INCOME	HRA CALCULATOR	EDUCATION	HOME LOAN	NPS CALCULATOR	RETIREMENT

More Calculators

## NEXT STORY

## Banks serving summons to defaulters through WhatsApp, emails

By [Raghav Ohri](#), ET Bureau | Updated: Sep 01, 2018, 09:48 AM IST

0  
Comments



A majority of them pertained to cheque bounce cases.

NEW DELHI: [HDFC Bank](#) and other lenders are using [WhatsApp](#) and email to pin down [defaulters](#) of various kinds, especially those who could slip through the cracks when more traditional means are employed. Such summons are being served through digital means following a judgement earlier this year.

The post can get unduly delayed and addresses keep changing but phone numbers, [WhatsApp IDs](#) and email addresses are more constant, making digital notices less

easy to dodge. And those two blue ticks, showing that a WhatsApp message has been read, make receipt almost impossible to deny. However, disabling 'read receipts' in the settings is one way of avoiding this.

HDFC Bank has already got 214 court summonses served through WhatsApp and email in the last two months, according to officials. These were served through courts in Tamil Nadu, Gujarat, Punjab, Haryana, West Bengal, Rajasthan, Assam, Uttar Pradesh and others.

A majority of them pertained to cheque bounce cases. The notices can be sent by the court or the bank. The method is highly effective, said a bank executive. "For long, our cases have been getting delayed simply because defaulters managed to evade receipt of summons," he said.

### Bombay HC Ruling

"Not only has this expedited service of summons but it has had a positive impact on the overall litigation." HDFC Bank and other lenders didn't respond to queries. The Bombay High Court had ruled in June that banks can send legal notices to defaulters through WhatsApp. Justice GS Patel's June 11 ruling was made in a case between SBI Cards & Payments Services Pvt and Rohidas Jadhav over outstanding credit card dues. Since SBI had Jadhav's mobile number, it had sent a message through WhatsApp informing him

Start An SIP With As Low As ₹100 Today!

INVEST NOW

Are you an Advertising & Marketing Agency?  
Get Your Listing on Economic Times

CREATE FREE LISTING

Most Read | Most Shared | Most Commented

[Missed the income tax return filing deadline? Here's what you can do](#)

[6 mistakes that small investors make when stock market is doing well, interest rates are rising](#)

[What happens if you miss today's ITR filing deadline](#)

[When should investors sell their mutual fund holdings?](#)

[Realty Hotspot Series: Why property demand will increase in this Navi Mumbai locality](#)

[More »](#)

## Personal Finance Trending Terms

[Banking Fraud](#) | [ITR filing deadline extended](#)  
[Kerala flood donation tax benefits](#)  
[Aadhaar card Date of Birth Update](#)  
[Aadhaar-Mobile Number Linking](#)  
[How to update or correct Aadhaar details](#)  
[How to change your address on Aadhaar card](#) | [Pan Card](#)  
[Aadhaar](#) | [Update Pan Card](#)  
[How to link Aadhaar with PAN](#) | [Aadhaar card Download](#)  
[Link Aadhaar with Airtel Mobile Number](#)  
[HDFC FD Interest Rate](#) | [PAN](#) | [PF contribution](#)  
[Where to Invest Money](#)

about the next date of hearing.

"For the purposes of service of notice under Order XXI Rule 22, I will accept this," Patel said. "I do so because the icon indicators clearly show that not only was the message and its attachment delivered to the respondent's number, but that both were opened." The court said delivery of summons, a notice to appear before a court of law, is governed by the Code of Civil Procedure, 1908. Under Order V, Rule 9(3) of the said law, a summons has to be delivered through registered post with acknowledgment due. However, if the summons cannot be delivered through post because of unavoidable circumstances, the law allows this to be done by any other means of transmission of documents, including fax and email.

In this specific case, the Bombay High Court interpreted the notice issued through WhatsApp as coming under other means of transmission of documents. Separately, a Delhi court in March had allowed a woman complainant to serve summons on her estranged husband in Australia through WhatsApp, text message or email. Mohan Jain, senior Supreme Court lawyer and former additional solicitor general of India, welcomed the move. "This is a welcome change. It is common knowledge that defaulters evade the law by using various loopholes. Making use of technology to foster the smooth process of law is not only beneficial but is also needed at a time when cases are piling up in the courts." [Delhi High court](#) lawyer Sanjoy Ghose urged some caution.

"Like any other system, this too has its share of imperfections. This can be a complete success in a system which is fully digital. For instance, in the case of corporate entities, if the contract does not clearly spell out to which email the summons is to be served, the service will remain a matter of dispute," he said. "The same will hold true for someone who is not tech savvy. However, digital is clearly the future and one should look forward to making amends than picking unnecessary holes in it."

0  
Comments

#### Read more on

WhatsApp

Delhi High Court

WhatsApp IDs

Defaulters

Mumbai High Court

Hdfc Bank

#### Also Read

[WhatsApp to train users on dangers of fake news](#)

[Is WhatsApp alone to be blamed for lynchings?](#)

[Supreme Court notices to WhatsApp, Indian authorities](#)

[WhatsApp Payments hit office hurdle](#)

[Facebook faces delay to WhatsApp Payments in India](#)

#### From Around The Web

Sponsored by



Summer Sale on Rado watches - upto 80% off  
Swiss Watches



एक महिला ने इस फल के साथ अपने शरीर को बदल दिया  
Health News 24/7



Identify your potential Audience with Native Ads  
Colombia



1 Secret Method Exposed of Internet Millionaires  
Times99

#### More from The Economic Times



### Why Ford India needs a tie-up with M&M

Why Indians are swiping left on desi dating apps

The J&J hip-implant mess needs a closer look

GO TO ET PRIME →



By a 99.3% verdict, demonetisation was a farce



Supreme Court notices to WhatsApp, Indian authorities




SBI may kickstart setting up AMC for loan resolution




WhatsApp to train users on dangers of fake news


More from our Partners



4 things that go into the making of an Eco-Friendly brand



False income tax refund claims could attract these penalties



Extraordinary bungalow that can blow your mind off

Get a Quote


Get Quote

Browse Companies

ABCDEFGHIJKLMNOPQRSTUVWXYZ | 123456789


Browse Mutual Funds

ABCDEFGHIJKLMNOPQRSTUVWXYZ



ECONOMICTIMES.COM

Stay ahead in your business.  
With business news that matters.



Subscribe to ET's Newsletter

SUBSCRIBE NOW

Powered by

Live Market

News

Portfolio

Mobile

Live TV

Biz Listings

Industry

Newsletters

Commodities

Speed

Blogs

RSS

About Us

Create Your Own Ad

Advertise with Us

Terms of Use & Grievance Redressal

Privacy policy

FOLLOW US

Download it from

APP STORE

Download it from

GOOGLE PLAY

Download it from

Windows Store

Other Times Group news sites

इकनॉमिक टाइम्स | ईकोनॉमिक्स टाइम्स | Pune Mirror | Bangalore Mirror | Ahmedabad Mirror | ItsMyAscent | Education Times | Brand Capital | Mumbai Mirror | Times Now | Indiatimes | नवभारत टाइम्स | महाराष्ट्र टाइम्स | ವಿಜಯ ಕರ್ನಾಟಕ | Go Green | AdAge India | Eisamay | IGN India | NavGujarat Samay | Times of India | Samayam Tamil | Samayam Telugu | Miss Kyra | Bombay Times | Filmipop | Games App

Living and Entertainment

Timescity | iDiva | Entertainment | Zoom | Healthmeup | Luxpresso | Gadget Reviews | Titanium & Platinum Credit Card | Online Songs | MensXP | Hotels | Travel Destinations | Cricbuzz | Recipes | Gaana | Happytrips | Getsmartapp

Interest Network

itimes

Hot on the Web

Share Market | GST | Income Tax Slabs | Aadhaar Card | IFSC Code | Mutual Funds | Top ELSS Funds to Invest | How to save Income Tax | Sensex Today | Nifty Bank | How to earn money | Income Tax Calculator

Services

Book print ads | Online shopping | Matrimonial | Astrology | Jobs | Tech Community | Property | Buy car | Bikes in India | Free Classifieds | Send money to India | Used Cars | Restaurants in Delhi | Remit to India | Buy Mobiles | Listen Songs | News | TimesMobile | Real Estate Developers | Restaurant Deals in Delhi | Car Insurance | Gadgets Now | Free Business Listings | CouponDunia | Remit2India | Techradar | AliveAR | Getsmartapp App | ETMoney Finance App | Feedback | Auto

In Case You Missed It

- LTCG Calculator

How to apply Pan Card

HRA Calculator

How to update Aadhaar

How to file ITR

Sukanya Samridhi Yojana Calculator
- ITR Filing

How to link Aadhaar with mobile number

PF Balance Check

How to link Aadhaar with Pan

Calculate Gratuity

IFSC Code