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## FAST FACT

■ THE RESERVE BANK OF INDIA LEFT THE REPO RATE UNCHANGED AT 7.75 PER CENT AND DECIDED TO WAIT TILL THE UNION BUDGET.

# RBI MAINTAINS REPO RATE STATUS QUO

Given that the RBI had only last month announced a surprise rate cut of 25 basis points, it hasn't really come as any major surprise to the sector that it has decided to let the repo rate remain unchanged, a move that clearly is a wait-and-watch policy before the Union Budget

## QUICK BYTE

■ GIVEN THAT THE RBI LAST MONTH ANNOUNCED A SURPRISE RATE CUT OF 25 BASIS POINTS AFTER MAINTAINING A HAWKISH MONETARY STANCE FOR 20 MONTHS, ANNOUNCEMENTS OF RATE CUTS ARE NOT ONLY DURING POLICY REVIEWS; LOGIC SUGGESTS THAT THE RBI GOVERNOR WOULD WAIT FOR CUES FROM THE BUDGET PRESENTATION ON FEBRUARY 28 BEFORE ANY MAJOR RATE CUTS. HOME SEEKERS ARE NOT GOING IN FOR HOME LOANS RIGHT AWAY ON THE ASSUMPTION THAT INTEREST RATE WILL COME DOWN IN NEAR FUTURE, SINCE THE BENEFITS OF REDUCTION IN HOME LOAN INTEREST RATE WILL ALSO BE APPLICABLE TO EXISTING HOME LOAN SEEKERS, IT MAKES SENSE TO GO IN FOR A HOME LOAN AND BUY A HOME IN THE PRESENT TIME AS THE BENEFIT WILL ALSO BE APPLICABLE AS AND WHEN INTEREST RATES ARE LOWERED.

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With the Union Budget 2015-16, ahead in the next few weeks, the Reserve Bank of India (RBI) preferred to leave the ball in the court of finance minister, Arun Jaitley. The RBI's calculated move to keep the repo rate unchanged, was based on a couple of reasons. First, the apex bank had cut the interest rate by 25 basis points and then it wanted to see the tone of the Union Budget and the roadmap of the government before committing on further rate revision and hence, the bi-monthly policy review has been more about a routine exercise. The Reserve Bank of India governor, Raghuram Rajan, left the repo rate unchanged at 7.75 per cent and decided to wait till the Union Budget. The RBI, at the same time, indicated more liquidity coming in the market with cutting the SLR (statutory liquidity ratio) by 50 basis points to 21.5 per cent from 22 per cent. The RBI held out the prospect of more rate cuts but said that would depend on the government's efforts to reduce its fiscal deficit and fix the supply constraints that kept food and energy prices high. "Given that there was no development on the inflation or fiscal front since January 15, 2015, we have maintained the status quo on interest rates. The new GDP (gross domestic product) numbers will reflect a whole new view of what is happening in the Indian economy," Rajan said after announcing the sixth bi-monthly policy review. While the fiscal deficit target of 4.1 per cent of GDP for this financial year seems achievable, the central bank will keenly track whether finance minister, Arun Jaitley, sticks to the medium-term target of 3.6 per cent fiscal deficit for FY16 and three per cent the following year. The sector seems to have taken this quo status on rate revision with a sporting spirit. Anshuman Magazine, CMD, CBRE South Asia, maintains that this was largely expected by the industry, given that the RBI had already initiated rates cuts

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in early January. "I see this as a prudent move on the part of the central bank, to wait and watch for the market to react to the current positive macro-economic climate in the country," Niranjan Hiranandani, managing director, Hiranandani Constructions, takes a positive view of the RBI's stance but says it still remains the age-old debate - it is a toss-up between fiscal prudence to control inflation on one hand, and easing of rates to provide a boost to economic growth on the other. Economic data shows India has low inflation, and the policy rates in such a situation should come down. "Given that the RBI last month, announced a surprise rate cut of 25 basis points after maintaining a hawkish monetary stance for 20 months, suggests that announcements of rate cuts are not only during policy reviews; logic suggests that the RBI governor would wait for cues from the budget presentation on February 28, 2015, before any major rate cuts. Home seekers are not going in for home loans right away, on the assumption that interest rates will come down in the near future. Since the benefits of a reduction in

home loan interest rates will also be applicable to existing home loan seekers, it makes sense to go in for a home loan and buy a home in the present time as the benefit will also be applicable as and when interest rates are lowered," says Hiranandani.

Ravi Saund, COO, JMS Buildtech, says on a quest to freeze inflation, the RBI has slashed the SLR by 50 bps; a step that will encourage the bank to open their lending arms to productive sectors on competitive terms. "This move will invite investment in infrastructure and flush liquid money into the market that would lead to overall infrastructure growth, including real estate. The idea is to hold inflation and encourage the muted sentiments in the market by the apex bank and it is indeed a welcome move and a sign to consolidate the economy from the inflation crisis," says Saund. Shailesh Puranik, managing director, Puranik Builders, says, "The RBI has announced a cut in the SLR by 50 basis points this time and it will help in improving the liquidity in the market. Although the RBI's move may not help the real estate sector directly, it would strengthen the overall market

sentiment," says Puranik. However, expressing his strong disappointment at the RBI credit policy, CREDAI chairman, Lalit Kumar Jain, says, "Deliveries have been held up for want of funds and it is important that they get the monies fast. For a long time, the CREDAI has been demanding easing of funds released for the realty sector, to help rejuvenate the economy as it supports a couple of hundreds of other industries. The RBI and policy makers must realise that real estate, apart from addressing the basic need of housing, also handsomely contributes to the GDP. It is also important for the RBI to address the issues of liquidity crunch, restructuring of loans to real estate projects to make

business survive and prevent projects from getting delayed further," says Jain. There is a general feeling within the built environment that the RBI did its bit a fortnight ago and now it has left the ball in the court of the finance minister. The Union Budget 2015-16, will set the overall tone for the fortunes of the sector and its chances of turnaround.

After all, the government has to intervene since it has publicly declared its vision of Housing for All by 2022. Credit crunch and high rates of interest are the roadblocks which impede homebuyers and hence, the RBI has done the balancing act; leaving the rest to be done by the finance minister with the budget.

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REGISTRATION NO. MAHENG/2001/4179 VOLUME NO. 11, ISSUE NO. 59 PUBLISHED FOR THE PROPRIETORS, BENNETT COLEMAN & CO. LTD. BY R. KRISHNAMURTHY at The Times of India Building, Dr. D. N. Road, Mumbai 400 001 Tel. No (022) 6635 3535, 2273 3535, Fax - (022) - 2273 1144 and printed by him at (4) THE TIMES OF INDIA SUBURBAN PRESS, AKURLI ROAD, WESTERN EXPRESS HIGHWAY, KANDIVLI (E), MUMBAI - 400101.TEL.NO: 28872324, 28872930 FAX: (022) 28874230 and (2)THE TIMES OF INDIA PRINT CITY, PLOT NO. 4, T.T.C. INDUSTRIAL AREA, THANE BELAPUR ROAD, AIROLI, NAVI MUMBAI-400 708. TEL. NO. (022) 2760 9999; FAX: (022) 2760 5275. Editor: Jhumur Ghosh, (Responsible for selection of news under PRB Act).  
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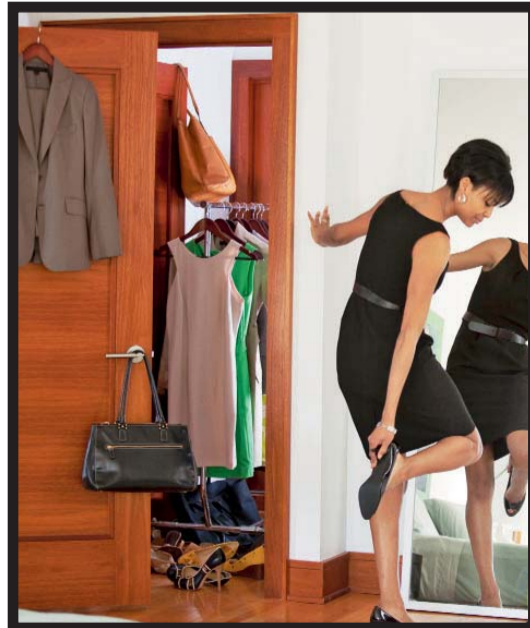
Wardrobe is an important feature in any bedroom and it has to be well-designed to keep clothes and accessories organised. Wardrobe fittings have to be aptly done for optimum comfort and functionality. Whether one stays single or with a family, one definitely needs a space to keep the clothes so that everything is sorted out and easily accessible. "Depending upon the user and his/her organisational skills, the size of the wardrobe could vary from (a regular 8 feet wide wardrobe running from floor to ceiling) to a small space of 4' X 4' with a 2' deep storage space," says Prashant Chauhan, creative director, "Zero 9 design firm".

An efficient wardrobe is where the sections to keep a particular thing are divided and are easy to access. Apart from the aesthetic appeal, the utility plays a very important role too, since it is something that is used on a daily basis. According to Chauhan, "While designing the closets, the most important aspect is the users' reach (height). Keeping that into consideration, the wardrobe can be then further divided into segments like lower half, upper half and middle segments which are usually kept as drawers for peripherals like handkerchiefs, socks, ties, belts, perfumes, etc." The upper half usually, is used for shirts and jackets in case of men and the lower half for trousers, whereas, the women wearing more of sarees and *salwar kameez* and dresses, can create a longer hanging segment which takes care of the dresses and separate stacking shelves could be organised for folded clothes. In this, a central segment can be dedicated to accessories. Some segments can also be provided for stoles and *dupattas*, etc. The bottom drawers can comfortably hold space for expensive shoes. The overhead storage can ensure that a lot of 'not to be seen' stuff is held away. To keep the room clutter-free, have lockers atop the wardrobes, they are the best space for empty luggage and dead storage (In other terms, items which won't be of use regularly).

## Wardrobe wonders

With appropriate planning, one can create a wardrobe space which can store most of one's clothes and accessories

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"The material to make a wardrobe depends upon the budget. Teakwood shutters, finished in hand polish and aluminium sliding shutter with back painted glass, are the premium options in trend these days. The inside of the wardrobe can be plywood finished in laminate," states Kaizad Dinshaw, founder and head of Nitido Design. Wardrobe shutters can be made of plywood and laminates. Intricate detailing, choice of vibrant colours can simply brighten up the wardrobe to blend with the theme of the room. Using back painted glass and mirrors over the shutters adds to the reflection quotient of the space and, hence, makes the space appear larger than what it is. Opt for wardrobe doors that are of sturdy material and that match with the décor. Sliding doors ensure space saving as they do not occupy space when the wardrobe is being accessed.

"Shelves are very important in a wardrobe as they help to organise all the material, one can customise it as per the requirement, but a comfortable shelf can be anywhere around 12" inches to 15" inches, while drawer depths can be around 6 inches to keep things like jewellery and watches," adds Dinshaw.

Keep in mind space constraints and optimise the space. For example, by including a mirror in the wardrobe itself, one can avoid a separate dresser. It works best for a lot of smaller apartments where space is luxury.

PIC: PAUL VIANT-GETTY IMAGES



Lockers can be installed and kept at an accessible height for easy functioning. Various sizes are available in the market with digital number locks as well as fingerprints.

Kids usually love their wardrobes like their secret chambers, hence, opening the doors of the wardrobe; they walk into their tiny little space which stores not only their clothes, but also their collectibles, toys, their cherished drawings, books, skates, etc. A good use of space is to use wardrobe shutters, for magnetic whiteboards, blackboards and/or soft boards.

Fix the hooks in the door of wardrobe to hang belts, or small purses.

Combine storage units to fit different needs; drawers for accessories, hangers for dresses, see-through boxes for neat storage of smaller things. Also, try installing a pull-out rack for socks and handkerchiefs.

Brighten up the wardrobe with a bulb inside. Infuse your wardrobe with scent (lavender, cedar, and rose) sachets, and drawer liners to add a wonderful smell to your clothes.

With planning, one can create an aesthetically appealing wardrobe for maximum storage and a de-cluttered and organised space.

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## Home décor tips for Valentine's day

This Valentine's day, follow these simple home décor tips and make this day special, with your loved ones

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Every year, February 14, known as Valentine's day, is the occasion to celebrate love. With growing awareness and global exposure, many residents prefer to go out for dinner with their loved ones. Here are some simple and inexpensive tips from our readers to create magic on this day at home. **Living room** - "Clean your home and make it clutter-free before you proceed to decorate it," states Ramola Karla from Powai. After you clean up, you can proceed to hang heart shaped cutouts on the walls. Tie red, white or pink balloons with matching ribbons, to adorn the walls. "Remove all old art work, frame family photographs or even your old wedding card in the photo frame. One can also create innovative wall hangings using heart shaped stones, paper cutouts to make a *toran* or curtain," suggests Vidhi Malhotra, a homemaker from Deonar.

**Dining table** - Whether it is a romantic meal for two or a lavish dinner for the whole family, using simple tips, it is possible to transform the ambience at home. "Use classic colours like red or pink liberally all over the house. Lay a red table cloth in silk instead of the regular one. A candlelight dinner is ideal," informs Janvi Sinha, from Mulund. "Choose red, pink or white flowers; arrange them in colour coordinated vases. You can also select a clear vase; add a few drops of pink food colour to make the water pink in colour. You can collect a few heart shaped lollypops, arrange them in a tall glass tied with a ribbon and place it on the centre of the dining table," states Abilasha Purohit, a talented homemaker from Navi Mumbai. Arrange lots of candles in positions of prominence. Tiny floating candles placed in glass bowls, are perfect. Ivory and red coloured candles of various heights can also do the trick.

**Bedroom** - Bedrooms must be done up in shades of pink and red. "Silk or satin bedsheds with heart shaped pillows, are a perfect way to show that you care," informs Poonam Lahiri, a working woman from Chembur.

## QUICK BYTE

■ ADD A FEW DROPS OF PINK FOOD COLOUR TO MAKE THE WATER PINK IN COLOUR. YOU CAN COLLECT A FEW HEART SHAPED LOLLYPOPS, ARRANGE THEM IN A TALL GLASS TIED WITH A RIBBON AND PLACE IT ON THE CENTRE OF THE DINING TABLE.