

IN BRIEF



IOB to offer repo rate linked loans from Oct.1

Public sector lender Indian Overseas Bank (IOB) has decided to link new loans to retail segment and micro and small enterprises to repo linked lending rate (RLLR). Henceforth, all the new loans under these categories will be offered with RLLR from October 1. The retail segment includes loans to housing, vehicle and education sectors. The new rates will be published on October 1, the bank said in a statement.

DHFL defaults on \$20.17 million ECB

Cash-strapped mortgage lender DHFL has defaulted on repayment of funds raised through external commercial borrowing, the company informed the stock exchanges. DHFL defaulted on \$20.17 million, payment for which was due on September 16 and 17. The company, which has already defaulted on commercial papers and non-convertible debentures, is negotiating with banks to implement a debt recast plan.

IL&FS, group firms to sell 494 acres of land

Cash-strapped IL&FS, along with its two arms, has decided to sell a total of 494 acre land parcels in three States in a bid to generate capital and pare debt. IL&FS, IL&FS Township & Urban Assets and IL&FS Engineering and Construction Co. currently hold 9%, 40% and 31% stakes respectively in Hill County Properties Ltd. (HCPL). IL&FS group said in a notice inviting expression of interest.

Federal Bank gets into expansion mode

Lender to open 32 branches during FY20; doorstep gold loans yield ₹100 crore revenue in 4 months

N. ANAND
CHENNAI

Aluva-based Federal Bank Ltd. plans to add at least 32 new branches during the current fiscal, said a top official.

"After a gap of four-and-a-half years, we have decided to expand our branch network," said Shyam Srinivasan, MD and CEO, Federal Bank Ltd. "During the current year, we will open over 30 branches in select locations which have strategic advantage and business potential," he added.

Between 2011-15, Federal Bank opened 600 branches in different parts of the country. The bank recruited relationship managers, added digital capabilities, went for product innovations and strengthened its "fleet on



Spreading wings: In Tamil Nadu, the bank plans to end the year with 150 branches, says Shyam Srinivasan. ■ BIJOY GHOSH

street" (marketing personnel).

'Keep PET bottles out of single-use ban'

SPECIAL CORRESPONDENT
CHENNAI

All-India Recycled Fibre & Yarn Manufacturers Association has requested the Centre to keep PET bottles outside the purview of single use plastic packaging material.

Association president B.P. Sultania has written in this regard to the Union Minister for Environment, Forest and Climate Change in the wake of the Centre proposing a ban on single use plastic bottles. He said PET bottles could be recycled.

The recycled polyester staple fibre (RPSF) industry was engaged in and committed to improving and sustaining clean environment.

street" (marketing personnel).

"Now that all these initiatives have started yielding positive results, we started branch expansion during the second quarter. Over the next five years, branch banking, per se, will not make any

sense as the number of people walking into branches will come down. So, the numbers (new branches) will be less. This calls for innovation and digital expansion," he said.

In the last few days, the bank had opened branches

at Karaikudi (Tamil Nadu), Guntur (Andhra Pradesh) and Velachery (Chennai). Plans are afoot to open four more branches by October end and 25 more in the second half of the current fiscal. "Tamil Nadu has 136 branches and we plan to end the year with 150 branches. "They would come up in Chennai, Salem, Erode and Coimbatore to name a few," he said.

"Our latest offering of providing hassle-free doorstep gold loans to customers has yielded a revenue of ₹100 crore in four months. Currently, it is being offered in Kerala, Karnataka and Tamil Nadu. Soon, the product will be introduced in Odisha and Surat," he added.

Mr. Srinivasan said Federal Bank was recently ranked

by Forbes Asia as one of the most respected companies in Asia having a sales of more than \$1 billion. From a list of 3,200 companies in APAC region, the list was narrowed down to 200 companies in Asia to 19 from India and then to two (Federal Bank being one of them) in the banking sector.

The companies were ranked on profitability, top-line growth, debt-equity ratio, governance, average sales, revenue growth and return on capital.

He also said the bank was planning to acquire a micro-finance firm with an asset base of ₹2,500 crore and had been in talks with eight to 10 companies.

To a query on loss-making branches, he said they were down to single digits.

Leather exports dip 4.90% in Q1

Recessionary trends, fierce price competition hit sector

SPECIAL CORRESPONDENT
CHENNAI

Exports of leather, leather products and footwear from India declined by 4.90% in the first quarter of the current fiscal to \$1.3 billion following recessionary trends and fierce price competition.

In rupee terms, the exports touched ₹9,071 crore against ₹9,159 crore for the corresponding period last year, according to the figures released by the Directorate General of Commercial Intelligence and Statistics.

Exports of finished leather products dropped by 30% in dollar terms.

"We have been facing challenges on the export front due to a combination of factors such as recessionary trends and fierce price



Panaruna Aqeel

competition. Consequently, exports from the sector declined during the first quarter," said Panaruna Aqeel, chairman, Council for Leather Exports.

"But this is only a temporary phenomenon and the sector has the potential to achieve double-digit growth levels in the coming months," he added.

Referring to the recent announcement of the Union Finance Minister about the new scheme of Remission of Duties or Taxes on Export Products (RODTEP), he said it would be introduced by January 2020. Till then, MEIS (Merchandise Exports from India Scheme) would be in force. RODTEP would more than adequately incentivise exporters than the existing schemes put together.

"This would help enhance our price competitiveness," he said.

He also said that easy and timely availability of credit at affordable interest levels was extremely important to the leather and footwear sector as this alone could help in tapping the huge opportunities available in the global market.

Improve wage offer, unions tell IBA

SPECIAL CORRESPONDENT
CHENNAI

The United Forum of Bank Unions (UFBU), the umbrella body of nine banking sector trade unions, has urged the Indian Banks' Association (IBA) to further improve its offer for officers and workmen to seal the 11th bipartite wage settlement.

At the 20th round of wage talks between IBA and UFBU, the former agreed to improve its offer on the pay slip cost from 10% to 12%. "The offer has to be at least more than 15% which was settled under 10th settlement (from 2012 to 2017)," said C.H. Venkatachalam, general secretary, All India Bank Employees Association.

Philips India keen on playing lead role in value-based healthcare

Huge gap in this market: Daniel Mazon

MINI TEJASWI
BENGALURU

Philips India, the Indian subsidiary of the Netherlands-based health technology major Royal Philips, said the company would play a lead role in the value-based healthcare segment in India as it sees a huge vacuum in this space in the country.

Daniel Mazon, managing director, Philips India said value-based healthcare was increasingly becoming an industry discussion across emerging economies, including India.

"Historically, healthcare has been more like: let me treat you because something has happened to you, also let me treat you as many times as needed. But how would a patient know all clinical interventions and diagnosis carried out on him/her are going to create value and good outcomes," he said.

Mr. Mazon asserted that there existed a huge gap in the healthcare market as hospitalisation and treatments, accompanied by all kinds of diagnosis and multiple clinical interventions, alone need not create value (proper healing) for the patients.

Real solutions

"The holistic piece in health care has been missing. That's why we have consciously made a decision to invest in healthcare and be very focussed on this space. We have moved away from mere products to real solutions. When I say value, we want to create good outcomes for patients after they are out of the hospitals. We are now more nimble-footed and are investing and inno-



Daniel Mazon

vating constantly to create technology and solutions to ensure better health," Mr. Mazon added.

It may be recalled that the €20 billion conglomerate Royal Philips had gone in for a major business restructuring in 2013 to become a healthcare technology solutions provider. It made 11 acquisitions to sharpen its focus on health-related technologies, in the last six years.

Philips now introduces some 15 to 20 new healthcare and wellness solutions and devices, ranging from smart water purifiers, breathing (sleep) machines to MRI equipment, in the Indian market every year.

Mr. Mazon further said, "India is a special market for us and we want to touch every Indian by directly contributing to his health and well-being. With our pre-Independence presence since 1930, we are a household name here. We are also part of the government's Ayushman project."

Post consolidation, Philips has been growing in double digits in India along with other emerging healthcare markets like China, Latin America, some countries in South East Asia and Africa.

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