

### Restrictions on PMC Bank extended

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India (RBI) has extended the restrictions imposed on Punjab and Maharashtra Cooperative Bank by another three months, till June 22. The bank was put under restrictions for six months on September 23, 2019. Deposit withdrawal was initially capped at ₹1,000 and later raised to ₹50,000 in phases. The RBI said it has been closely monitoring the situation and has held meetings with the Administrator and the bank's Advisory Committee. It added that it has also been discussing with "various authorities on expeditious sale of securities and recoveries of loans. Due to various factors, tangible outcomes are taking... time."

### ICICI Lombard rolls out cover for COVID-19

SPECIAL CORRESPONDENT MUMBAI

General insurer ICICI Lombard has rolled out a focussed 'COVID-19 Protection Cover' under the group insurance mode. This policy will pay 100% of the sum insured to a policyholder diagnosed as COVID-19 positive, irrespective of the hospitalisation expenses. "If a policyholder tests positive for COVID-19 at any of the government-authorised centres, the company will pay out the entire sum insured, in a lump sum in the event of the first diagnosis of COVID-19 during the policy period, subject to an initial waiting period of 14 days," the insurer said.

# Cabinet okays ₹48,000-cr. plan for electronics manufacturing

Three schemes for manufacturing, supply chain, infra to help create over 20 lakh jobs

SPECIAL CORRESPONDENT NEW DELHI

In a bid to boost large-scale electronics manufacturing in India, the Union Cabinet approved three schemes, including a production-linked incentive scheme, with a total outlay of almost ₹48,000 crore. "The three schemes together will enable large-scale electronics manufacturing, a domestic supply chain ecosystem of components and a state-of-the-art infrastructure for large anchor units and their supply chain partners," Minister of Electronics and IT Ravi Shankar Prasad said on Saturday. The schemes are expected to attract new investments worth at least ₹50,000 crore in the sector,



Union Ministers Ravi Shankar Prasad and Prakash Javadekar addressing the media in New Delhi on Saturday. • R.V. MOORTHY

while generating more than five lakh direct and 15 lakh indirect jobs. The production-linked incentive scheme aims to attract large investments in mobile phone manufacturing and specified electronic components, including assembly, testing, marking and packaging (ATMP) units, at a

budgetary outlay of ₹40,995 crore for five years. The scheme will offer an incentive of 4-6% on incremental sales of goods manufactured in India and is expected to create a total of 8 lakh jobs. "Domestic value addition for mobile phones is expected to rise to 35-40% by 2025

from the current 20-25% due to the impetus provided by the scheme," an official statement said. For the 'Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors' the outlay has been kept at ₹3,285 crore over eight years and is expected to create about 6 lakh jobs. The third scheme, Electronics Manufacturing Clusters (EMC) 2.0, aims at creating quality infrastructure with a minimum area of 200 acres along with industry-specific facilities such as common facility centres, ready-built factory sheds/plug-and-play facilities at an outlay of ₹3,762.25 crore over eight years. The scheme is expected to create about 10 lakh jobs.

### CIL's one-day output peaks at 3.17 MT

SPECIAL CORRESPONDENT KOLKATA

Coal India Limited (CIL) output peaked at a new high of 3.17 million tonnes (MT) on March 20, overtaking the 3.14 MT production recorded on March 25, 2019, according to an official statement. "3.17 MT is the highest-ever single-day production so far. In the remaining days of the month, we aim to better this figure and increase it further," said an official of the CIL. Two of the highest producing subsidiaries of CIL—Mahanadi Coalfields Ltd. and South Eastern Coalfields Ltd. — contributed 0.93 MT and 0.81 MT, respectively. "CIL's production started on a path of healthy recovery from October 2019 after a prolonged monsoon impeded its production tempo," said the statement.



HDFC Bank has temporarily halted foreign currency deposits at retail branches across the country. • AFP

## Virus hits NRI foreign currency deposits

Fear of contamination drives bank trend

NARAYAN LAKSHMAN CHENNAI

With the introduction of an increasing number of protocols to prevent the spread of the COVID-19 pandemic, major private sector banks are clamping down on retail offerings, including by stopping foreign currency deposits by NRIs over fears that transmission could occur via such notes. Speaking to *The Hindu*, an HDFC Bank official, who spoke on the condition of anonymity, said that after an audit call on Friday, there has been an internal advisory to temporarily halt foreign currency deposits at retail branches across the country, because "people have realised that it is very difficult to track where currencies have been." One customer told *The Hindu* that he had to retain the currency he had hoped to deposit, instead, issuing a cheque and seeking his relationship manager's help to get the same deposited at a city branch. So far, it appears that no measures have been taken to prevent NRI customers themselves from using banking services, despite questions about the risk of the virus passing from the notes to the bearer of the currencies. Nevertheless, private sector banks across States have, since last week, instituted hygiene and sanitation protocols at the branch level, including ensuring that all customers and officials use hand sanitisers vigorously before entering the branch — this is enforced by a security personnel at the entrance — and also the use of masks by all cashiers and others in customer-facing roles. Both at HDFC Bank and ICICI Bank, rotation of staff in shifts to minimise social contact in the work environment has been put in place and been in force for several days now. An ICICI Bank official added that while most customers were being encouraged to use online facilities and avoid entering branches, it was ironically the senior citizens, without easy access to net banking, who were found to be using branch services. The virus has, so far, proven to be far deadlier in terms of fatality rate, for old demographic cohorts. While some private sector banks have categorised cities such as New Delhi, Mumbai, Bengaluru, Kolkata and Hyderabad as 'red-alert' areas from the point of view of infection risk, Chennai does not yet appear to have been labelled as such.

### City Union Bank to open 200 branches in 4 years

Eyes ₹40-cr. investment for expansion

N. ANAND CHENNAI

Private sector lender City Union Bank Ltd. (CUB) is proposing to open 200 more branches over the next three to four years, with an investment of ₹40 crore, said a top official. "For the last few years, we have been opening 50 branches during the last quarter of a given fiscal," said N. Kamakodi, MD and CEO, CUB. "This month itself, we have opened 40 out of 50 branches [as also] the 700th branch at Chinna Kancheepuram on Friday." CUB will end the current fiscal with a total of 700

branches. It had invested about ₹10 crore in opening 50 branches this fiscal. Over the next three to four years, the bank plans to invest ₹40 crore for the proposed expansion activities, taking the total to 900 branches. About 25% of new branches would be in un-banked rural areas. "At the given run-rate, we might be opening 200 branches over the next three to four years. The investment per branch works out to ₹15-20 lakh in fixed cost. Each branch would hire about six people, including one manager and one officer," he said.

### CII bats for ₹2 lakh-cr. stimulus

Reserve Bank must consider relaxing NPA norms: Kirloskar

SPECIAL CORRESPONDENT MUMBAI

Vikram Kirloskar, president Confederation of Indian Industry (CII), has written to Prime Minister Narendra Modi amid the spread of COVID-19, requesting him to provide a fiscal stimulus of ₹2 lakh crore to needy citizens through Aadhaar-based direct benefit transfer (DBT). He also suggested the RBI consider relaxing the NPA recognition norms from 90 days to 180 days till September 30, 2020 to provide relief to the industry facing payment issues as well as banks which were under pressure on classifying loans as NPAs. "The government may

consider a strong fiscal stimulus to the extent of ₹2 lakh crore, to be given to the needy citizens through Aadhaar-based direct benefit transfer. An amount of ₹5,000 for each individual, especially the rural and urban poor and ₹10,000 for the most vulnerable section—the elderly, may be given," he said. These measures will help industry and economy manage the economic impact of COVID-19 and also help the banking sector tide over the stress of NPAs due to delayed debt servicing arising out of disruptions in business operations, the CII said. To help ease the cost of capital, the CII said the government could consider removing long-term capital gains tax of 10% and fixing the total dividend distribution tax at 25%.

GST payments The CII requested that GST payments should be based on collection of bills rather than on raising of invoices, to avoid liquidity getting locked, in case there are delays in payments. On monetary measures, the CII suggested a 50 basis-point-cut each in cash reserve ratio and the repo rate, to ensure that banks had enough liquidity to lend to industry.

### COVID-19

## INTERVIEW | VENKATRAM MAMILLAPALLE

# We see huge potential in rural areas

Industry hopes on BS-IV pre-buying belied: Renault India MD

N. ANAND

In the last eight years, Renault India, which says it has become the number one European brand in the country, says it sees high potential in rural markets. Last year, Renault India grew 7.9% even as the industry saw a slowdown. This year, the situation may change due to COVID-19, says Venkatram Mamillapalle, country CEO and MD, Renault India Operations in an interview:

How was the year 2019 for you in the backdrop of an economic slowdown? ■ Despite the challenging macro-economic environment, Renault was the only brand to grow in 2019 and in fourth quarter of 2019, we moved to the fifth spot of the automotive pie. With the launch of Tribler [an SUV] in 2019, Renault forayed into the largest and the fastest-growing segment of the Indian auto market. In 2019, Renault India sales rose 7.9% in a market that contracted 12.3%. This growth can be attributed to our product strategy, new launches, localisation and focus on quality.

What is your product line up for 2020? ■ With Tribler, we successfully launched a spacious, flexible and affordable alternative in the market and sold more than 33,000 units since launch. We will create a new segment again with the new products that we will launch this year. We will soon launch the Tribler AMT that was recently unveiled at the Auto Expo. AMT technology is becoming increasingly popular in India and we see good potential for Tribler AMT. We have action planned for H2 of 2020 and details will be shared closer to the launch date.

What about your sales network? ■ With a developing product portfolio, we have grown the Renault family to more than six lakh customers and we aim to keep increasing that number. We already have expanded our network reach to more than 370 sales and 450 service touchpoints. Our investments in new products that will be launched in 2020 and beyond, will create new segments. We are working towards doubling our sales volume in India in the mid-term. However, in the backdrop of COVID-19 and the widespread impact globally, we must look at business through a humane lens. The need of the hour is to come together, ensure the safety of our family and communities and recover from this pandemic as soon as possible. We can then assess the way forward, in terms of business objectives.

Which new markets will you be entering this year? ■ In addition to our domestic focus, we are also exporting to South Africa and the SAARC region. We exported more than 13,500 cars in 2019, that include Kwid and Tribler. We started exports of the new Kwid to South Africa in the fourth quarter of last year. Currently, our exports stand at about 15% of total sales

volume. India is a key market for Renault, and we have always focussed on being disruptive and innovative. In just eight years of our India operations, we have become the number one European brand in India. We see tremendous potential in the rural markets for our growth. Your exports grew 10% in 2019. Do you foresee similar growth given the current scenario? ■ Renault India, being a priority market for Groupe Renault, has formulated a strong India-centric product strategy. While we are strengthening our presence in India, we are starting to work closely with the government, suppliers and other partners, as we look to play a key role in the transformation of the Indian automotive sector into a global export hub. However, considering the prevailing challenging times, the global business outlook might have adverse ramifications. On BS-IV inventories... ■ We have already launched the BS VI-compliant models of Tribler, Kwid and Duster. Our BS-IV inventory was liquidated last month from the plant. We had started dispatches of BS-VI cars in January 2020 itself. As on date, many of our dealers have almost nil stocks of BS-IV versions. For the industry, initially, there was expectation of increased pre-buying of BS-IV variants. However, overall retail sales were much below expectation and the expected pre-buying for BS-IV stocks was not as forecast. Given the magnitude of COVID-19 globally, and its impact in India over the last few weeks, the industry will have to see how the situation pans out.

### DGFT relaxes pharma export curbs

SPECIAL CORRESPONDENT HYDERABAD

The Centre has relaxed the export restrictions it had introduced earlier this month on 13 active pharmaceutical ingredients (APIs) and an equal number of formulations made from them. In a notification, the Directorate General of Foreign Trade (DGFT) said all the formulations in the March 3 notification will be permitted for export under the advance licences issued on or before the date of notification. However, no enhancement of quantity will be permitted for import and export items in these Advance Licences. Another notification said as per SEZ Rules, the restrictions on exports do not apply to SEZs.

### BPM industry focussing on staff safety

SPECIAL CORRESPONDENT BENGALURU

The business process management (BPM) sector is facing a unique predicament: how does a BPM player ensure business continuity when the entire globe is simultaneously hit by COVID-19. "It is unprecedented. [The virus is] clearly getting governments across the globe to think differently," said Keshav Muruges, chairman, Nasscom. However, he said, the industry has been working to ensure safety of staff. "In WNS, we have rationalised work-from-home across locations," said Mr. Muruges, who is also group CEO at WNS. To ensure data security, employees are being given 'remodelled, cybersafe, secure' desktops to work at home.

It's practically this easy to stop the virus from spreading.

THE HINDU

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