THE ECONOMIC TIMES

Covid-19 in India: Only basic payment, transfer operations at banks

BY ET BUREAU | UPDATED: MAR 23, 2020, 11.33 AM IST

Mumbai: Indian banking services, apart from basic payment and transfer operations, are likely to come to a halt as lenders impose restrictions on the movement of employees and their interaction with customers to protect them from Covid-19. Although banking is an essential service — key staff will be allowed to attend work during state-imposed curbs — new loans, project appraisals, negotiations for fresh terms for existing loans will have to wait.

“We request all our customers to bear with us as other non-essential services during this period may be suspended,” the Indian Banks’ Association (IBA) said in a note. “We will continue providing banking services to our valued customers. However, we appeal to everyone to visit branch premises only in case of absolute necessity. Our employees are also facing the same challenges that you are and so we are asking for your help too.”

The Reserve Bank of India (RBI) and lenders have activated business continuity plans that were put in place to cope with such emergency situations. While staff have been asked to work from home, essential bank workers are being split into various groups after identifying key areas.

“Working spaces are split and people are also working from home,” said Romesh Sobti, outgoing CEO of IndusInd Bank. “Our business continuity plans have been triggered — we are working out of three spaces and also working out of home. All linkages have been developed in the last week or so. Departments and functions have been split already.’’

The RBI has directed all lenders to make banking facilities available on their respective mobile applications to prevent any disruption in service.

“Public can use these modes of digital payment from the convenience of their homes through online channels and avoid using cash, which may require going to crowded places for sending money or paying bills,” the central bank said in a statement last week.

The regulator itself has made changes to its functioning.

Under the new minimum staffing norms — both for the RBI and service providers — two batches have been formed, with the second one kept on standby to take over when required. A backup replacement pool has also been drawn up. A team of 37 RBI officials was formed comprising key personnel from important functions such as debt management, reserve management, monetary operations etc.

The central bank is said to have rented a hotel near its primary data centre in downtown Mumbai to accommodate about 150 people. It also isolated about 69 hotel staff to serve the employees, all of whom will remain in isolation. They can leave in case of an emergency.

Lenders such as HDFC Bank, Kotak Mahindra Bank, Axis Bank, Bank of Baroda and State Bank of India said they have been sending advisories to customers to use mobile banking facilities as much as possible.

Banks called upon senior managers to ensure uninterrupted services across the country.

“We have an appropriate BCP (business continuity plan) in place in case of any eventuality. We will ask our employees engaged in administrative jobs to work from home if the situation warrants,” said Bandhan Bank managing director Chandra Shekhar Ghosh.

Meanwhile, the National Payments Corporation of India (NCPI) has embarked on a social media campaign to push for digital payments as a safer option than cash transactions. Banks sent advisories to customers to move to digital channels for their banking needs.

Until Saturday, branch employees were under pressure with an increase in the number of customers amid fears of increasing curbs.

“March sees a sharp rise in footfall at branches as there is a rush for investments to manage tax liabilities besides tax payments to meet the year-end deadline," said an executive at a south Mumbai SBI branch. "Many account holders still prefer doing their investments manually. There is talk that banks may seek extension of the March 31 deadline (for tax-related investments)."

(This story has not been edited by economictimes.com and is auto–generated from a syndicated feed we subscribe to.)