



Confederation of Indian Industry

12th BANKING COLLOQUIUM

TURNAROUND IN BANKING SECTOR

Commercial Feature

TURNAROUND IN BANKING SECTOR

The Indian Banking Sector Awaits Major Rejig Post the Upcoming Mega Mergers

The 12th edition of Banking Colloquium-Turnaround in Banking Sector organised by Confederation of Indian industry on Friday, September 20, 2019 in Kolkata witnessed a great confluence of regulators, bankers and industry. The deliberations of the conference assured the gathering that the banking sector is definitely on a revival trajectory.

THE KEY TAKEAWAYS

OPENING PLENARY



Dr. Bibek Debroy, Chairman, Economic Advisory Council to the Prime Minister, Government of India

- There is significant volatility in the rates of growth and one quarter of 5% growth in GDP does not change the trajectory: Dr Bibek Debroy, Chairman, Economic Advisory Council to the Prime Minister, Government of India

- Risk should be spread out in different sectors instead of loading the corporate sector. An industry specific exposure limit is required as a percentage of free capital and reserves for the bank: Mr Jyoti Ghosh, Director, LSI Financial Services Pvt Ltd and Former Managing Director, State Bank of Bikaner and Jaipur



Mr Dinesh Kumar Khara, Managing Director, State Bank of India

- The mega merger, announced by the Hon'ble Finance Minister, Government of India, is aimed at "creating a robust banking system with global reach" which will take the dream of a \$5 trillion dollar economy a step forward: Mr Dinesh Kumar Khara, Managing Director, State Bank of India

Report Release in Inaugural Session



(L-R) Mr Vijay Maheshwari, Chairman, CII Eastern Region Corporate Finance Taskforce & Director, Sumedha Fiscal Services Ltd; Mr Dinesh Kumar Khara, Managing Director, State Bank of India; Mr C S Ghosh, Chairman, CII Eastern Region & Founder, Managing Director & CEO, Bandhan Bank; Dr Bibek Debroy, Chairman, Economic Advisory Council to the Prime Minister, Government of India; Mr Debashis Sen, Addl. Chief Secretary, IT & E Department Government of West Bengal. & Chairman & Managing Director, WBHIDCO Ltd; Mr Jyoti Ghosh, Director, LSI Financial Services Pvt Ltd and Former Managing Director, State Bank of Bikaner and Jaipur; Ms Nita Karmakar, Regional Director, CII Eastern Region and North East

- The centre of gravity of finance is shifting from West to East as per a McKinsey Global report of 2012, which means that India would be a new financial hub by 2030 with Mumbai, New Delhi and Kolkata being the leaders: Mr Debashis Sen, Addl. Chief Secretary, IT & E Department Government of West Bengal. & Chairman & Managing Director, WBHIDCO Ltd

- The purchasing power of common people has not been affected much as the slowdown basically persists in the macro level but the micro level situation is not so grim: Mr Chandra Shekhar Ghosh, Chairman, CII Eastern Region & Founder, Managing Director & CEO, Bandhan Bank

- The long-term NPA problem is recovering gradually. According to the regulators, there has been a record recovery of over Rs. 4 lakh crore of bad loans through IBC in the last 4 years and provision coverage has been the highest in the last 7 years: Mr Vijay Maheshwari, Chairman, CII Eastern Region Corporate Finance Taskforce & Director, Sumedha Fiscal Services Ltd

The CII-LSI report on "Turnaround in the Banking Sector-A Fact Check" was unveiled on this day.

Technical Session: Emerging trends in Corporate Finance – Trends in Large Corporate Banking, Future of NBFCs and SME Finance



(L-R) Mr Devendra Kumar Vyas, Managing Director, SREI Equipment Finance Ltd; Mr Sujit Kumar Varma, Dy. Managing Director, State Bank of India; Mr Jyoti Prakash Gadia, Co-Chairman, CII NR Subcommittee on SMEs & Founder & Managing Director, Resurgent India Ltd; Mr K Paul Thomas, Managing Director & CEO, ESAF Small Finance Bank; Ms Abhishikta Roychowdhury, Deputy Director & Head, Economic Research Cell (ER), CII

- Product life cycle has been shortened. Social media and customer experiences are the key factors for sustaining in the market: Mr Jyoti Prakash Gadia, Co-Chairman, CII NR Subcommittee on SMEs & Founder & Managing Director, Resurgent India Ltd

- Better transparency and corporate governance will gradually help in clearing the slowdown, thus improving the situation: Mr Sujit Kumar Varma, Dy. Managing Director, State Bank of India

- It is unfair to term NBFCs as

pseudo-banks because they contributed around 18% of total credit in the economy; the new concept of co-lending is a thing of the future: Mr Devendra Kumar Vyas, Managing Director, SREI Equipment Finance Ltd

- There are 55 million SMEs present in the economy, contributing 29% of GDP and as a Small Finance Bank, ESAF is able to create the touch point with this vast sector and help to connect them with large corporates: Mr K Paul Thomas, Managing Director & CEO, ESAF Small Finance Bank

Panel Discussion: New Resolution Mechanism



(L-R) Mr Pradeep Goel, Chairman & Managing Director, Prudent ARC Ltd; Mr J K Shivan, Chief General Manager-Infra, Stressed Assets Resolution Group, State Bank India; Mr Bijay Murmuria, Co Chairman, CII Eastern Region Core Committee on Financial Market & Director, Sumedha Fiscal Services Limited; Mr Sapan Gupta, Partner & National Practice Head of Banking & Finance, Shardul Amarchand Mangaldas & Co

- Insolvency Code in its 33 months of existence has made significant progress in the corporate resolution process as the issues and challenges are getting addressed to improve overall recovery and its timelines: Mr Bijay Murmuria, Co Chairman, CII Eastern Region Core Committee on Financial Market & Director, Sumedha Fiscal Services Limited

- The first 33 months after IBC have been very hectic for the banking sectors with three consecutive amendments: Mr Sapan Gupta, Partner & National Practice Head of Banking & Finance, Shardul

- Amarchand Mangaldas & Co
- Insolvency & Bankruptcy Code (IBC) is one of the solutions to deal with NPA but not the only solution: Mr Pradeep Goel, Chairman & Managing Director, Prudent ARC Ltd

- Insolvency & Bankruptcy Code (IBC) has succeeded in recovering 45% of bad loans from the economy: Mr J K Shivan, Chief General Manager-Infra, Stressed Assets Resolution Group, State Bank India

Technical Session: Traditional vs New Vistas of Finance



(L-R) Mr Rakesh Kumar, General Manager, IIFCL; Mr Supratim Sarkar, Executive VP & Group Head of Infrastructure Group, SBI Capital Markets Ltd; Mr Rajesh Chura, Chairman, EIRC, The Institute of Company Secretaries in India; Mr Supriyo Gupta, Director, Head-Government & PSU Business, Deutsche Bank AG; Mr Akash Raghav, Zonal Head, Retail, West Bengal, ICICI Bank

- The private sector needs to come forward with more realizable projects because this section has only around 20% of contribution in doing projects. Non-Convertible debentures are a good option to raise capital for projects: Mr Supratim Sarkar, Executive VP & Group Head of Infrastructure Group, SBI Capital Markets Ltd

- IIFCL has introduced Takeout Financing Scheme which is a kind of long term finance which will be able to replace the short term interim finance: Mr Rakesh Kumar, General Manager, IIFCL

- In spite of low default rate the rejection rate in trade finance is quite high globally due to factors like improper KYC, low credit rating, basel regulatory requirements: Mr Supriyo Gupta, Director, Head-Government & PSU Business, Deutsche Bank AG

- While PayLater app by ICICI Bank is a unified platform for instant home loan, insta auto loan, GST overdraft etc, the Trade Online also is a unique digital platform for exporters and importers which help customers to easily access different ERP platforms through their bank accounts: Mr Akash Raghav, Zonal Head, Retail, West Bengal, ICICI Bank

- There is lack of awareness in charge creation among the financing entities and if the charges are not filed within timeline as per credit compliance ROC, then after 30 days and upto 90 days, 6 times of Normal Fee in addition to 0.05% ad valorem Fee on the amount secured by charge subject to Maximum Rs. 5,00,000/- would be payable: Mr Rajesh Chura, Chairman, EIRC, The Institute of Company Secretaries in India

Visionaries' Roundtable On Challenges, Risks & Opportunities In The Indian Banking Sector



(L-R) Mr Sunil Kanoria, Vice Chairman, SREI Infrastructure Finance Limited; Mr Sonjoy Chatterjee, Chairman & Co CEO, Goldman Sachs; Mr Tamal Bandyopadhyay, Consulting Editor Business Standard and Author; Mr C S Ghosh, Chairman, CII Eastern Region & Founder, MD & CEO, Bandhan Bank

- In the global markets, there is a tremendous growth opportunities: Mr Sonjoy Chatterjee, Chairman & Co CEO, Goldman Sachs

- Banks need to maintain good balance sheets, processes and there is a need for new players to come in to the market, especially the services sector: Mr C S Ghosh, Chairman, CII Eastern Region & Founder, MD & CEO, Bandhan Bank

- India's financial system is overly regulated. The regulations regarding merging and consolidations are limiting the decision-making power of the organisations: Mr Sunil Kanoria, Vice Chairman, SREI Infrastructure Finance Limited

- Negative wealth effect can be a reason for economic slowdown: Mr Tamal Bandyopadhyay, Consulting Editor, Business Standard and Author



Gold Sponsors



Technical Partner



Silver Sponsors



Corporate Sponsors



Merchant Banking Sponsor



Institutional Partner



Bronze Sponsor

