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Banking, financial sector hope govt will stay true to its promises

Though reforms have been undertaken, the Budget should start focussing on their implementation, feel experts

OUR BUREAU

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Indian banking and financial services sector, along with new-age financial technology companies, are expecting the government to take some pro-active measures to implement and execute some of the reforms that were announced last fiscal.

During a panel discussion, Countdown to Union Budget 2018, organised by *The Hindu BusinessLine*, at the National Stock Exchange here on Friday, experts unanimously echoed this sentiment and stressed that enough reforms have been undertaken and the upcoming Budget



From left: KP Nair, Deputy Managing Director, IDBI Bank; Ashish Agarwal, Chief Risk Officer, YES Bank; Rajesh Mokashi, MD & CEO, Care Ratings; Radhika Merwin, Deputy Chief of Research Bureau, BusinessLine; Rishi Gupta, MD & CEO, Fino Payments Bank; and Naveen Surya, Chairman, Payments Council of India, at a panel discussion SHASHI ASHIWAL

should start focusing on implementation and also resolve issues involving the bankruptcy laws, insolvency, digital payments, lending or for that matter bringing in some clarity around digital currencies.

Incentives

The government, in the last 12-14 months, has brought several initiatives in the

banking sector, including the demonetisation exercise followed by GST and Insolvency and Bankruptcy Code (IBC).

On the panel were Rajesh Mokashi, MD and CEO, Care Ratings; IDBI Bank Deputy Managing Director, KP Nair; Ashish Agarwal, Chief Risk Officer of YES Bank; Fino Payments Bank CEO Rishi Gupta; Payment Council of India

Chairman Naveen Surya; and Suryoday Small Finance Bank MD & CEO, Baskar Babu R.

On IBC, Mokashi said he expects the government to make some changes to the bankruptcy law and fix some pressing issues to make it even more effective.

“Domestic acquisition financing by banks, specifically for cases under IBC, should



be allowed and incentivised, given that the alternate foreign source of capital is far more expensive, and therefore, potentially could result in higher haircuts for lenders,” added Ashish Agarwal of Yes Bank.

IDBI Bank's Nair said despite facing the bad loans issue, banks are ready to lend if promoters put forth bankable proposals.

On expectations from the Modi government's penultimate Budget session, Rishi Gupta of Fino Payments Bank said the government should give more push to improve the digital banking

infrastructure and incentivise banks to push micro ATMs and recyclers instead of investing in ATMs.

He also added that the “government should ensure that physical cash replaces digital cash by improving access to infrastructure and that cannot be done through cashbacks”.

Naveen Surya of Payment Council also stressed on the fact that the government should bring in some discipline and let the customers decide their way of making transactions and also spoke about the need to recognise cryptocurrencies.

Baskar Babu said: “What is more important today is the need to develop the whole ecosystem and not intervention. The Indian banking and financial services sector along with the new age financial technology companies are expecting the government to take some pro-active measures to implement and execute some of the reforms that were announced last fiscal.