



Indian Chamber of Commerce

10th ICC Banking Summit 2018
“Indian Banking: Managing Risk, Increasing Return”

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Press Release

Kolkata, 24th August 2018 “Real-estate, agriculture and MSME are the most risk prone sectors in the economy with high capital risk outlay. In order to manage these --reforms need to be more inclusive. The systematic growth in the NPAs creating a discomfoting situation for the macro economic scenario of the Indian banking system. The current rage on digitalization has failed to consider the poor illiterate masses” --Dr. Amit Mitra, Hon’ble MIC , Finance, Industry, Commerce & Enterprises, Textile & MSME, Government of West Bengal

At the “10th ICC Banking Summit 2018” organized by the **Indian Chamber of Commerce** in Kolkata today, **Dr. Amit Mitra, Hon’ble MIC, Finance, Industry, Commerce & Enterprises, Textile & MSME, Government of West Bengal** expressed his concern on the deteriorating macroeconomic conditions of the country. He said that Bank’s NPA ratio rose from 4.4% at March 2014 to 11.6% at March 2018, a steadily rising graph. The upshot of this is many nationalized banks are put under Restricted Lending or Prompt Corrective Action by RBI. Referring to the 11 state-owned banks under Prompt Corrective Action framework the Minister said that they are having worsening experiences with their GNPA which has reached 22% of their Total Assets by July, 2018. .

And the effect of all these is being felt by MSMEs to whom loans are not being disbursed, squeezing the needed capital to help, run and grow and run businesses. As a result, the honorable Chief Minister of West Bengal and the Finance Minister are requesting Cooperative Banks to come to the rescue of cash strapped MSMEs who contribute to around 49% to the SGDP and also provides for higher employment opportunities (92% of total employment) than larger enterprises. Dr. Mitra went on to highlight the West Bengal Government initiatives in credit facilitation to the MSMEs of the state, which had been Rs 8387 Crore in 2011-12 and has increased to Rs 44059 Crore in 2017-18, under the current Government. The Government also has special focus on the agricultural sector within the state and along with the banking sector, the Government has put focus on the Kisan Credit Card, that has a current financial overlay of Rs 8313 Crore.

Speaking at the conference, **Mr. C.S. Ghosh, CEO & MD, Bandhan Bank** hailed the ICC for organizing the event. He observed that West Bengal has the highest number of MSMEs and agriculture serves as the backbone of the Bengal economy. The CEO of Bandhan Bank showed

concern over the subject of concentration risk that the bank faces as its operations are primarily focused on the east. Mr. Ghosh, put forward the growing importance of retail loans including micro loans, SME loans and small enterprise loans. The bank has identified newer areas like affordable housing, MSME and gold loans as future growth areas. According to him, the future for retail lending remains strong for banks as there is head room for growth.

Dr. Soumya Kanti Ghosh, Group Chief Economic Advisor, SBI, elucidated on the history of NPAs which has been plaguing the banking sector of the country. According to him, expenditure reforms along with the remodeling of the consumer driven growth model can provide effective solution for the same.

The conference also saw the signing of a MoU between the Indian Chamber of Commerce and NASSCOM 10,000 Startups, an ambitious undertaking by India's premier IT industry body – NASSCOM. This would help to promote the startup enterprises in India towards ensuring greater employment generation and all round socio-economic development of the country.

Other eminent dignitaries who graced the session were, **Mr. K.M. Nanaiah, MD and Country Leader, Equifax India, Mr. Ashok Purohit, Chairman, CS Institute** and **Mr. Vivek Iyer, Partner, PWC. Mr. Atanu Sen, Director, Punjab & Sind Bank, Trustee NPS and Advisor(Deloitte) and Head BFSI Committee**, who delivered the theme address for the conference while **Mr. Rudra Chatterjee, President, ICC** welcomed the guests, **Mr. Mayank Jalan, Sr. Vice President, ICC** delivered the formal concluding remarks for the session.

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