

terview with SUNNY VERMA, he said the Reserve Bank of India (RBI) internal working group's recent suggestions of allowing higher promoter shareholding would strengthen banks, while any licences to corporate houses should be subject to greater supervisory regulations. Edited excerpts:

What is the situation for the financial sector now compared to March-April as there has been a threat of spike in non-performing assets (NPAs)?

Yes, this is a very challenging period on that front, no doubt. Now the moratorium period is over, but that also we saw the customer response to payment of instalments is very good. We are pretty much surprised on that, that day-by-day people understand that, okay, banking is part of life and that can help increase their income. They are coming to repay and, in this challenging period also, people like to continue their relationship with banks because they know that in times of crisis, banks can help. Otherwise, moneylenders charge very high rates from them. So, that realisation has helped at the customer level. Day-by-day repayments are improving. In couple of the corners of the states where local lockdowns are happening, even after that, collections are improving day-by-day. In that sense, compared to March, the situation has now become normal.



Chandra Shekhar Ghosh. *File photo*

impact in the rural economy. That can help the Indian economy become better and recover earlier than other countries.

The RBI working group's recommendation has suggested increasing the promoter holding in banks and conversion of NBFCs into banks. What impact do you see if these were to be implemented?

These are very good suggestions which have come and it can help the banking industry. For converting the NBFC into a banking company, like us also, there is an NOFHC (non-operative financial holding company), which is the promoter. Of course, in that time NOFHC had 100 per cent in this bank, which you see diluting from 100 per cent to 40 per cent is a very tough task.

It is not realistic to reduce it in a short period because that time you are also engaged in transformation of the bank, preparing the IT backbone of the bank, attracting the depositors, meeting compliance requirements of the

Are corporates coming forward for restructuring of loans under the new window, what kind of stress do you see?

If you see restructuring on my portfolio, typically not much (because we do not have heavy corporate exposure). Maybe couple of customers ask for additional one or two months, we can give that, that is not a problem. MSMEs are also there. Three or five people are asking on that. We can consider that. The ECLGS for 26 sectors is helping customers to meet their business needs without going for restructuring.

Do you see risk of another wave of Covid-19 infections affecting business?

No, we do not see in that way. There could be a couple of more months of (pain), but it could be in local areas, city-based, some city may recover and another city may see it rising. It may go on for another couple of months, but not till June, July or August. People are also now very much concerned.

What is your expansion