

RBI governor meets NBFCs, assures help

ANUP ROY

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RBI governor Shaktikanta Das met representatives from non-banking financial companies (NBFCs) and housing finance companies to discuss the liquidity crisis in the sector and assured them of addressing genuine concerns.

A delegation of Associated Chambers of Commerce and Industry of India (Assocham) requested him to allow more leeway in fundraising by NBFCs. According to NBFCs, over-regulation is hampering the growth of the sector.

The delegation said NBFCs have a unique model of lending and that has to be recognised by the regulator, instead of over-regulating the sector. They suggested that the RBI should reduce the minimum holding period to 3 months for loans having maturity of 2-5 years, change MUDRA norms for refinancing NBFCs, and also allow systemically important NBFCs to accept public deposits.



RBI governor meets NBFC representatives

RBI GOVERNOR Shaktikanta Das on Friday met representatives of NBFCs to discuss liquidity and other issues facing the sector. A high-level delegation of Assocham met the RBI Governor here to highlight the issues on liquidity being faced by non-banking financial companies (NBFCs) and housing finance companies (HFCs), the industry chamber said in a statement. The industry chamber demanded permitting systematically important NBFCs to accept public deposits.

RBI Governor meets heads of NBFCs

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RESERVE BANK of India Governor, Shaktikanta Das met leaders of non-banking financial companies (NBFCs) on Thursday to understand the impact of liquidity crisis on consumers and on the balance sheets of NBFCs.

While the discussion also touched upon widening of bond market for resolving long term funding woes of NBFCs, the Governor is learnt to have told the players that RBI will proactively work towards resolving the same.

In a half-an-hour meeting at the RBI office in New Delhi, the Governor is learnt to have given a patient hearing to the industry players that included — Sunil

Shaktikanta Das is learnt to have told NBFCs that RBI will proactively work towards resolving issues

Kanoria, vice chairman, Srei Infrastructure; Kapil Wadhawan, CMD, Dewan Housing Finance Limited; Uday Kumar Varma, secretary general, Assocham; Mahesh Thakkar, DG, Finance Industry Development Council (FIDC) and Sanjay Chamria, MD, Magma Fincorp.

Since taking charge in December 2018, the Governor has met bankers, industry associations and financial sector executives. In Thursday's meeting, along

with the issues of consumers access to loans and impact on NBFCs finances, one of the participants also raised concern around fund raising for the long term and need for development of the long term debt market. In a press note issued after the meeting, Assocham said that the RBI Governor gave a very patient hearing to the delegation and assured to address the genuine concerns of industry. Kanoria said that the meeting was very productive, and the RBI Governor not only carefully listened to suggestions made, but also apprised the delegation of steps the Reserve Bank had taken in the recent past to ease the situation.

"We reiterated our concern that while the asset side of NBFCs is subject to regulation which has been harmonised with that of

banks, the liability side i.e. fund raising activity still remains highly restricted, thereby creating a liquidity crunch for the sector," said Kanoria. Some of the key issues and suggestions that were raised by the delegation included relief measures on liquidity; enhancing sectoral cap on mutual funds investing in NBFCs to 35 per cent, and an additional 15 per cent in case of HFCs; increasing the Life Insurance companies limit to BFSI portfolio including equity exposures; reducing risk weightage for NBFCs to 20 per cent for AAA, 30 per cent for AA in line with weightage to AFCs and IFCs among others. They also submitted that any application from NBFCs willing to convert to banks should be treated differently from other applications for banking licence.

Assocham meets RBI Governor on NBFC, HFC crisis

PTI ■ MUMBAI

Industry lobby Assocham Friday met Reserve Bank governor Shaktikanta Das and discussed the liquidity issues being faced by non-banking financial companies and housing finance players, and suggested some steps to ease the crisis.

Since taking charge on December 12, Das has met banks, both public and private sector and also NBFCs and MSMEs. This is the first meet-

ing the governor has had with an industry lobby, though.

The delegation, which met the governor in New Delhi, told him that over-regulation of the sector is hampering the growth of the NBFC model of lending.

The players requested the governor to maintain the existing asset liability mismatch (ALM) norms till the normalcy is restored.

The industry body said NBFCs need the regulator to also play the role of facilitator.