



Press Release

Webinar “Role of Banks in Atmanirbhar Bharat”.

Society for Empowerment has organized webinar on “Role of Banks in Atmanirbhar Bharat”.

Webinar on
ROLE OF BANKS IN
ATMANIRBHAR BHARAT
Date: 27 February, 2021
Time: 11 AM to 12 PM

Inaugural Address


Sanjay Mayukh
National Media Co-Head
Bhartiya Janta Party


Prof. Krishna Raj
ISEC, Bangalore


Prof. S. Narayan
Professor emeritus


A.K. Pandey,
IAS


Dr. Shiwani


Coordinator:-
CA Ashish Niraj

Organised By: Society for Empowerment
Live on Facebook and YouTube Page of Society for Empowerment

The programme was presided by Professor emeritus Chairman, Dr. S. Narayan and was inaugurated by Shri Sanjay Mayukh, National Media Co-Head, Bhartiya Janta Party. Professor Krishna Raj, Dr. A.K. Pandey, IAS and Dr. Shiwani spoke on the occasion.

Shri Sanjay Mayukh in his opening remark said that at global level there is a lot of talk about the Atmanirbhar Bharat. He told that when East India Company came to India, they have established Bank of Bengal in 1809, thereafter Bank of Bombay was established in 1840, Bank of Madras in 1843 and all these Banks were merged post 1857 after British Empire taken the reign. Post merger these Banks played an important role. He further, said that the Banks have important role in creation of wealth. Bank should give loans to common people for creation of employment resulting in capital formation and a rising self-sustainable Atmanirbhar Economy. Even in the Corona Pandemic, Government of India, RBI; through its fiscal and monetary package of Rs. 20 lakh crores has focused on wealth creation of common mass through disbursement of loan through banking and

financial institutions. The Atmnirbhar and resilient and emerging New India can be very well assessed by the role India has played in providing ppt kits, covid vaccine , spreading the support provided at global level to countries like Brazil, Nepal, Maldives , Srilanka etc.

Professor S. Narayan stated that Indira Gandhi government nationalized the 14 biggest commercial banks in 1969. The Bank nationalization impacted on savings, branches are opened in areas that were unbanked and the government itself borrowed from bank with increases in the statutory liquidity ratio. Bank nationalization succeeded in financial deepening because of the rapid spread of branches. Thereafter, the country in 1991 entered into a new era i.e. State of high degree of regulation to deregulation and liberalization after 1991. Visible structural changes and transformations during the past 20 years. Global financial crisis of 2008 showed that a threat to financial stability anywhere in the world is potentially a threat to financial stability everywhere.

Professor S Narayan further said that the Economic Survey expects the Indian economy to grow by 11% in real terms (adjusted for inflation) during 2021-22. This is close to the growth of 11.5% forecast by the International Monetary Fund (IMF). This is good news for our economy and the figures for the third quarter says that the Indian economy is out of recession and entering into the growth trajectory. Of the major sectors, this year agriculture sector is expected to grow by 3.4%. As the Survey points out: "The agriculture and allied sectors were the bright spot amid the slide in performance of other sectors."

Professor Narayan while addressing the webnair said that Economic growth is largely dependent on the timely flow of credit to different sectors of the economy. He further shed light on the classification of the migrant labour, their reason for migration and reverse migration in the Covid-19 scenario. He also said that labour has important role in the development of the country and they have also played active role in the Independence Movement. Gandhiji also started his Satyagrah in India on labour issue and involved labourers, in Champaran Movement and also in freedom movements. The migrant labours are returning back and those left behind are now looking forward towards banks for funding. Banks should come forward in funding the laborers by supporting self help groups and MUDRA scheme.

Professor S Narayan said that India 2020 population is estimated at 1,380,004,385 people at mid-year according to UN data. India population is equivalent to 17.7% of the total world population. India ranks number 2 in the list of countries (and dependencies) by population. 35.0 % of the population is urban (483,098,640 people in 2020) and the median age in India is 28.4 years. Given all this , India is a fit case for New India and Atmnirbhar India.

The Schemes Launched by Government of India to promote financial inclusion in recent past i.e. PMJDY (Pradhan Mantri Jan Dhan Yojana), Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana, Transformation of Aspirational Districts' programme which was launched in January 2018; focuses closely on improving people's ability to participate fully in the rapidly growing economy. The Jan Dhan Accounts, Aadhaar biometric ID and Mobile (JAM) are enablers which provide a unique opportunity to implement DBT in all welfare schemes across the country including States & UTs. The DBT has enabled efficiency, effectiveness, transparency and

accountability in all Government to Persons (G2P) transfers. He said that the Bank may extend the digital financial infrastructure to rural and tribal areas under the CSR activities of the Bank by adopting particular tribes in a given area will induced multiplier effect in economy.

Professor Krishna Raj is Professor of Economics at ISEC Bangalore and member of Economic Advisory Committee and Core member of Atmanirbhar Bharat. He stated that the Special economic and comprehensive package of Rs. 20 lakh crores given by Government of India is equivalent to 10% of India's GDP. This package tries to cater to various sections including cottage industry, MSMEs, labourers, middle class and industries. It is a **Bold reform** that will across sectors will drive the country's push towards self-reliance. It is time to become vocal for our local products and make them global.

IMF praised about "Aatmanirbhar Bharat" (self-reliant India) which is an important initiative bring back the economy from covid crisis. RBI has also given a stimulus of Rs 6 lakh crore. Despite all this the Bank's have parked Rs 8.5 lakh crores with the central bank and is not coming forward for lending. This shows that RBI has received more money back than what it has lent.

He further said that in a bank dominated financial system like India, the strength of the overall financial system depends highly on the soundness of banks. Indian Banking system proved to be strong and resilient during the global financial crisis of 2008. But of late, there has been increased concern about the continued deterioration in the stability of the banking sector.

Dr. A.K.Pandey, said that the India is on the verge of digitization revolution and the fruit of it has to be now spread across the society. The Atmnirbhar Bharat will give the trajectory to growth wherein the fruits of the last six year of hard work of the government in the financial digitalization will empower even a Kirana shop to sell and promote the financial literacy at the rural doorsteps. Dr.A.K.Pandey the patron of society said that the Society for empowerment, inspired by the concept of Government of India has launched VOCAL FOR TRIBAL AND RURAL INDIA (VRTI) wherein through this VRTI project, society endeavored to link the natural products of purity of tribal and rural India with the urban India. It is our experiment for a social and Atmnirbhar India.

Dr. Shiwani said that the recent Financial Stability Report of RBI talks about the silver lining i.e. consumer credit has shown significant growth in recent years. Consumer credit includes home loans, loans against property, auto loans, two-wheeler loans, commercial vehicle loans, construction equipment loans, personal loans, credit cards, business loans, consumer durable loans, education loans and gold loans. The housing market is gradually rebalancing and recovering from the trough into which it had plunged in Q1: 2020-21 Nevertheless, the growth in overall loan balances has moderated considerably after March 2020. In the wake of COVID-19 pandemic related disruptions, RBI permitted lending institutions to (i) extend moratorium on term loan instalments and interest on working capital facilities for six months from March 1, 2020 to August 31, 2020 in case of qualifying borrowers, without any impact on their 'standard' status; and (ii) restructure credit facilities meeting the prescribed criteria, without any consequent downgrade in asset classification. The 90 days past due (90+ DPD) position has remained stable but may not reflect the real vulnerability of the portfolio, in view of the regulatory reliefs granted following the pandemic.

Dr. Shiwani further said that concerted efforts are needed to ensure coordination among the ground level functionaries of the Banking structure i.e. Lead District Manager (LDM), District Development Manager (DDM) of NABARD, Lead District Officer (LDO) of RBI, District and Local administration, Block level officials, NGOs, SHGs, BCs, Farmers' Clubs, Panchayats, PACS, village level functionaries in promoting and conducting financial awareness programmes. As we all know that education is base for development, similarly financial education will support the Atmnirbhar Bharat programmes.

The webnair was coordinated with Shri CA Ashish Niraj.

The webnair ended with vote of thanks to the chair.

Secretary
Society For Empowerment
Patna