

# Info Capsule

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## INDIA-KOREA STARTUP HUB LAUNCHED<sup>1</sup>

India Korea Business Symposium was hosted by Invest India and Korean Chamber of Commerce and Industry (KCCI) in Seoul on February 21, 2019. The Symposium was organized to felicitate the Korean business community on their success in India and to present more opportunities for Korean business in India.

Prime Minister of India, Narendra Modi, addressed the business gathering on the way ahead to further strengthen bilateral ties between India and the Republic of Korea. Over 400 Korean business leaders, which included corporate groups like CJ Group, Hyundai, Youngone Corporation, Samsung, LG, Lotte Group, SK Group and Hyosung were present on this occasion.

To further strengthen the bilateral ties between India and Republic of Korea, Prime Minister, Narendra Modi, launched the India-Korea Start-up Hub and Start-up Grand Challenge. The Hub is hosted on the Start-up India digital platform, the world's largest virtual incubator with over 300,000 registered start-ups and aspiring entrepreneurs. The Hub will enable access to resources for market entry and innovation exchange between India and the world.

The Start-up Grand Challenge, on the India-Korea Start-up Hub, will channelize the entrepreneurial capacity between Indian and Korean Start-ups to work together and build solutions for the challenges facing the world. Initial challenges will be focussing on issues across the themes of Credit Rating, Predictive Analytics, Fraud Detection, Cyber Security, Primary/Secondary/Tertiary Healthcare. The State Bank of India and Mahindra Group of India will be mentoring, providing pilot project opportunities, and financial support of up to USD 50,000 to the winners.

The applications for the Start-up Grand Challenge are live on [www.startupindia.gov.in/korea](http://www.startupindia.gov.in/korea).

## PUBLIC SECTOR BANKS ARE LIFELINE OF INDIAN ECONOMY, SAYS THE UNION FINANCE MINISTER, SHRI ARUN JAITLEY<sup>2</sup>

*Rs 2.87 lakh crores have been recovered by the Public Sector Banks (PSBs): DFS Secretary*

The Union Minister of Finance & Corporate Affairs, Shri Arun Jaitley said the Public Sector Banks (PSBs) are the lifeline of Indian economy. He said that if their health is not good, then economy at large will also suffer. The Finance Minister, Shri Jaitley was speaking at the Conference on 'Reforms Journey for EASE in Public Sector Banks (PSBs)' which was organised by the Indian Banks' Association (IBA).

Talking about the reforms of Public Sector Banks (PSBs), he said that culmination of reforms was long overdue in the banking system. Shri Jaitley said that some reforms are born-out of compulsion while there are many others which are born-out of conviction. He admitted that for the Government, it was a combination of both. The growth of our economy depends on PSBs ability to flow credit to the market and maintain sufficient

<sup>1</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1566597>

<sup>2</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1566653>

liquidity. If that doesn't happen, the economy as a whole will shrink. To keep economy in good health, PSBs are simply necessary. The Finance Minister said that the worst in banking system is now behind us. Our fast growing economy needs to develop into a developed society and to do that, it is imperative that we must also be an ethical society. Shri Jaitley said with conviction that in evolution of India into a more ethical society, the last five years will go down in history as a turning point.

Talking about the success of Insolvency & Bankruptcy Code (IBC), Shri Jaitley said that everybody concedes that IBC is a success story. It has brought back close to Rs. 3 lakh crore back into the banking system. All institutions have played a role in the success of the IBC. He attributed the IBC success to the Government keeping an arm's length distance from the processes which various institutions and Committee of Creditors and others follow and allow their decision to be guided by merit and highest quality of professionalism. If there is one such interference, it is capable of discrediting the whole process and bringing a bad name to a wonderful reform, the Minister added.

On the issue of Non-Performing Assets (NPA), Shri Jaitley said that for the last two or three quarters, the NPA curve is going down. The NPA didn't go-up because banks made some strong decisions in the recent past. The NPA went-up because of truthful disclosure. There was no hiding under the carpet any more. Shri Jaitley expressed happiness over the fact that several banks were recently-out of the Prompt Corrective Action (PCA) norms. Shri Jaitley said he is sure other PSBs will also try and improve their measures too. Shri Jaitley reiterated the Government's commitment to support PSBs in order to have emergence of a much healthier banking system in years to come.

Praising the right environment for growth available with the PSBs, Shri Jaitley said that with the functional autonomy available with PSBs, the future years will see a far greater contribution by PSBs as far as the national economy is concerned. The PSB banks are now functioning under a competitive environment. From a commercial point of view, you are still bound by certain restrictions. Your public and social responsibility is much higher than what the private sector competitors have with them. And that is a responsibility naturally invested in you. PSBs don't enjoy the same level of freedom that private sectors banks enjoy. Despite these obvious restraints, these EASE norms will prove to be an important milestone as far as PSBs are concerned.

Earlier, giving an overview of the financial sector, Shri Rajeev Kumar, Secretary, Department of Financial Services (DFS), Ministry of Finance said that the entire banking system has been rebooted in the last few years. A system had to be developed to measure each bank on the Reform Agenda. The parameters of Customer Responsiveness, Responsible Banking, Credit Off-take, Support to MSMEs, Deepening Financial Inclusion & Digitalisation and HR reforms were introduced in the Banking System. These 6 Reform Agendas were further divided into 140 parameters on the basis of which deep assessment has taken place. Shri Kumar said that by the way of presenting the EASE Reforms Index, the Reform Agenda is institutionalised and it will function as the Report Card for PSBs.

Giving his assessment on the stress in the banking sector, Shri Kumar said that Gross Non-Performing Assets (GNPA) has already reduced to Rs 31,000 crores. This means that it has peaked. Simultaneously, close to Rs 2.87 lakh crores have been recovered by the PSBs of which Rs 98,493 crores have been recovered in First Three Quarters of FY 2018-19.

Shri Sunil Mehta, Chairperson, Indian Banks' Association (IBA), earlier in his Welcome Address said IBC has changed the way banks function now. IBC has changed the creditor-debtor relationship and banks position has changed from one at the receiving end to being at the delivery end. Shri Mehta said that now financial absconders want to pay after defaults rather than facing civil liabilities.

The Finance Minister was also joined on the dais by Shri B.P. Sharma, Chairman, Bank Boards Bureau (BBB) and Shri Saurabh Tripathi, APAC Leader - Financial Practice, BCG. Many leadership teams of different PSBs were also present at the Conference. The EASE Report and EASE Reforms Index is a result of IBA's partnership with the Boston Consulting Group (BCG) last year that aimed to identify parameters to be improved upon on the basis of PSBs Reforms Agenda.

The Union Minister for Finance & Corporate Affairs Shri Arun Jaitley gave away the awards in various categories to the best performing PSBs at the Conference.