

FIDC

Finance Industry Development Council

(A body incorporated as a Self Regulatory Organization for Registered NBFCs)
101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai – 400 077 (India)
Tel: 022 21029898/9820035553 • E-mail: maheshthakkar45@yahoo.in website: www.fidcindia.org

23rd April, 2019

**Mr. V G Kannan,
Chief Executive,
Indian Banks' Association,
World trade Centre Complex,
6th Floor, Centre 1 Building,
Cuffe Parade,
MUMBAI 4000 005.**

Dear Sir,

REQUEST FOR A ROUND-TABLE MEETING

Finance Industry Development Council (FIDC) is a Self-Regulatory Organization (SRO) cum Representative Body of NBFCs, registered with the Reserve Bank of India. FIDC was formed 15 years ago and is the recognized face of the NBFC sector. We have been engaged in regular interaction both with Reserve Bank of India and Govt. of India, which include pre-budget meetings and also important policy related meetings with RBI. Almost all the leading NBFCs and a large number of small and medium sized NBFCs are our members.

While banks continue to be the major source of traditional fund raising by NBFCs, over the years lot of new synergies have developed between banks and NBFCs, namely,

- ***Bilateral assignment of retail portfolio by NBFCs to banks*** - have provided liquidity and funding support to NBFCs. Such transactions have also facilitated banks to meet their priority sector lending targets.

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- **NBFCs acting as Business Correspondents to Banks** – the grass root level reach of the NBFCs have also incentivized banks to appoint some NBFCs as their Business Correspondents
- **Issuance of Co-branded Credit Cards**- with some of the NBFCs specializing in particular products and class of borrowers, issuance of co-branded credit cards by banks and NBFCs have catered to a targeted class of borrowers
- **Co-origination of Loans by Banks and NBFCs** – recently RBI has issued guidelines to enable co-origination of loans by banks and NBFCs. This has been a welcome move by the regulator leveraging on the strengths of both banks and NBFCs to develop long term business relations.

Post the IL&FS default, there was a sudden perceptible change in banks' stance towards NBFCs. While some of the concerns were natural, the negative media publicity created lot of undesirable and unfortunate apprehensions about the entire NBFC sector. Such a scenario, especially in view of the existing synergies between banks and NBFCs, demand a regular interaction between the two sectors. Considering this, we at FIDC Managing Committee is desirous of meeting and interacting with some of the leading bankers with IBA's help.

The Managing Committee Members of FIDC would like to organize, along with IBA, a Joint Round-Table Meeting with CMDs/EDs/CEOs of leading Banks - Public, Private as well as Foreign Banks with the CMDs/CEOs of key large NBFCs to meet and discuss the prevailing scenario and understand and address Bankers' key concerns. This will ensure a long-term mutually beneficial business relationship between banks and the NBFCs.

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We request you kindly consider our request for this joint meeting. FIDC would be happy to host this Meeting. Kindly indicate your willingness and possible dates. Kindly give at least 2 weeks prior notice, since many of our Committee Members would be travelling from outside Mumbai for this Meeting.

Looking forward to receive a positive reply from your end. Assuring of you of our full cooperation always and thanking in you in anticipation

Yours Faithfully,

For FINANCE INDUSTRY DEVELOPMENT COUNCIL

**MAHESH THAKKAR
DIRECTOR GENERAL**