



## Foreword

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Tamal is a prolific writer and writes well. He has a unique ability to be witty, pithy, sharp and tongue-in-cheek—all at the same time. Because of this, for a long time he has kept his readers hooked. He is a mythical bowler who can bowl left-handed, right-handed, fast, leg spin, off spin, googly, and every variation in between. His ability to dig for facts while leveraging his deep pool of contacts amongst business, government and regulators gives him a unique credibility.

This book covers a range of topics that spans what can be termed as the modern-day history of the Indian financial services industry. To see how far we have come, you need to only read Part I of the book, which gives a reference point starting fifteen years back. While reading the book for this Foreword, I felt as if I was on a voyage in time. It was almost as if the author took me back into time and then forward again.

The Lehman days were indeed frightful in the Indian context. It was not because we did something wrong, but because the market would hold us accountable and responsible for someone else's sins. The judgement was not just limited to the market! To make our case to all stakeholders and at the same time to hold on to our ratings, required vast pools of energy and self-belief. It was a belief that we had not done anything wrong. In all this turbulence, the government and the regulator took steps, to help, facilitate and handhold, Indian business and banks.

Financial inclusion was a subject which I felt very strongly about very early in my career. It was a horizon for growth. The intersection of demand and technology appeared to make the task not so difficult. Unfortunately, the technology available then was not adequate. There were other challenges too that the industry was facing, all of which have been brought out very well by Tamal.



Why this industry will thrive has also been argued well. Measures like Jan-Dhan, Aadhaar and the criss-crossing of even more advanced technologies, reach, cost of transaction, data analytics, artificial intelligence, and the continuing demand for credit have opened up a new chapter in this business.

Tamal has covered public-sector institutions in detail. They have done the common man a lot of service under challenging conditions. These institutions face difficult times for a variety of reasons. How they and the majority shareholder navigate through these times will be the subject of yet another book on the fast-moving Indian financial sector. At this juncture in India's economic development, these institutions are critically important and hence it is imperative that they remain strong and healthy.

A large number of Tamal's essays cover the issue of bad loans. This is an extremely vast and complex subject. Loans go bad for a variety of reasons. Remember the 'stranded assets' that were talked of a few years back; or the microfinance crises; or the retail lending issues, about ten years back. If loans go bad, the challenge is to have resolution mechanisms in place.

While a series of steps have been taken in the last few months, what is needed is quick resolution. Non-performing assets (NPAs) sitting in the books and no growth in fresh lending is a lethal combination for banks. It is especially troubling if in such cases, lending rates are in the teens. It will take only six years for the principal amount of NPA to double at 12 per cent interest rate.

Tamal writes about the relationship between the policymakers in government and the regulatory set-up. Indeed, there is a need for harmony to ensure that the opportunities at hand are seized and India grows at its full potential.

Demonetization, I believe, is the single biggest, boldest and broad-reaching step taken by any government in India. The courage to take this step and to drive it is beyond imagination. The speed, agility and precision with which this was driven point to the fact that if we, as a nation, set our mind to a task, we can deliver. The fruits



of demonetization will be harvested, that is for sure. And the harvest will be rich.

As one reads through history, and indeed to me this book is history, untainted and as it happened, one cannot but ponder what next. That there will be change is certain. This change will be breathtaking, as technology challenges all the paradigms that we have known so far. This technology will drive us to a new tomorrow. And Tamal, I am sure, will chronicle it.

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