

State Level Bankers' Committee of the State of Madhya Pradesh



149th SLBC Meeting

Convenor - Central Bank of India

Minutes of the 149th SLBC Meeting

The 149th State Level Bankers Committee (SLBC) meeting of the State of Madhya Pradesh was held on the 8th of November in Hotel Jehan Numa Palace, Bhopal.

The meeting was graced by Dr. K C Chakrabarty, Deputy Governor, Reserve Bank of India and chaired by Shri M V Tanksale, Chairman and Managing Director Central Bank of India along with Shri R Parsuram, IAS, Chief Secretary, Government of Madhya Pradesh.

Shri Umesh Kumar Singh, Field General Manager, Central Bank of India /Convener, State Level Banker's Committee welcomed all the participants.

Shri Tanksale in his opening remark, applauded Government of Madhya Pradesh for the stupendous efforts in generating investment interest in the State of Madhya Pradesh leading to investment prospect of Rs.4.31 lac crore from approx. 850 companies in its two day Global Investor Summit held on the 28th and 29th October 2012.

Shri R Parsuram, IAS, Chief Secretary, Government of Madhya Pradesh, welcomed Dr. K C Chakrabarty, Deputy Governor, Reserve Bank of India and informed that the house is looking forward to his insights on matters important for overall development of the State. He thanked Shri Tanksale for his noteworthy remarks on the achievements of State in the two days Global Investor Summit and also thanked his team for the deliverables at the Summit.

Dr. K C Chakrabarty, Deputy Governor, Reserve Bank of India in his keynote address remarked that the State is a forerunner in implementation of various developmental schemes and is prominently placed amongst the States with a high growth rate. He stressed upon the fact that financial inclusion is a viable commercial proposition and banks should derive profit through it rather than repent later. He stated that banks should utilize this opportunity before other entities disintermediate and take it up. He further emphasized that banks should adopt inclusive banking as it would make them stronger and more profitable with less risk. He advised banks to move ahead in the next phase of financial inclusion by providing banking services in all the remaining villages irrespective of the population as per the policy guidelines set forth by the Governor, RBI. Banks were also advised to monitor the transactions in villages done through BCs. Dr. Chakrabarty, Deputy Governor, RBI clarified

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that even private sector banks need to actively participate in the FI implementation and branch expansion in underbanked and unbanked villages of the State.

He also stressed upon the need for focussed credit flow to MSME, Education loan and Agriculture sectors. He stated that both Government and banks share a mutual relationship and complement each other in their role. He opined that the actual progress in MSME sector is a reflection of the incremental increase in number of MSME units financed by the bank on year on year basis. He stressed upon the need for more coverage of MSME through CGTMSE especially for the smaller and micro enterprises.

He expressed concern on the low settlement ratio at R-Seti, sub-optimal performance of FLC besides slow pace in branch expansion by banks in the State. He advised banks to improve upon their performance so as to achieve the National efficiency barometer. The Deputy Governor stated that RSETIs need to plan and schedule their activities for the year which should thereafter be monitored closely. He emphasised upon the need to provide credit linkage to trainees who intend to be self employed after completion of training at RSETIs. He stated that banks need to scale up Financial Literacy efforts manifold by engaging their rural branches in conducting financial literacy activities at least once in a month.. Banks also need to review and build business models so as to generate revenue with their Financial Literacy efforts.

It was observed that the bulk of the disbursements under the Kisan Credit Card (KCC) Scheme had been made by the District Central Co-operative Banks (DCCBs) and the share of Commercial banks in the KCC scheme was not commensurate with their presence in the State. Dr K C Chakrabarty while appreciating the proactive role of DCCBs in catering to the credit needs of the rural segment stated that DCCBs in the State are sufficiently strong to render good banking services due to their historical presence and reach in the rural areas. It is therefore expected that DCCBs and commercial banks complement each other in providing KCC linkages to all eligible farmers in the State.

Smt. Aruna Sharma, IAS, Addl. Chief Secretary, Panchayat and Rural Development, Govt. of M.P. expressed concern about the slow progress in opening of branches by banks in villages having a population of over 5000. She highlighted the initiative taken by the State Government in ensuring mapping of all those villages where no banking outlet is available within a radius of 5 kms. through a combination of BC outlets and branches. She stated that EBT payments in Balaghat district has been streamlined wherein MNREGA wages are being paid within three days to the beneficiaries.

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In course of the agenda discussion, certain issues/impediments pertaining to CM Rural Housing Scheme and Education loan were raised by respective department. Deputy Governor advised banks to view C.M. Rural Housing Scheme as a business opportunity and derive maximum advantage of the inbuilt relaxations/ subsidies of the Scheme through a co-ordinated approach with the State Government. With regard to education loans, the Deputy Governor remarked that education loans may be sanctioned/ disbursed by banks in camp mode during the peak season so as to benefit all eligible beneficiaries under the scheme.

The house thereafter deliberated on agenda wise items with guidance from Deputy Governor, Reserve Bank of India on matters requiring attention.. **Agenda Item-wise discussion and action points are in the annexed Anneuxre-1**

In the end, Shri Potnis, General Manger and State Head, Bank of Baroda, while thanking Dr. K C Chakrabarty for consenting to grace the SLBC, assured Deputy Governor of vibrant role of all bankers in pushing up developmental banking in the State. He further assured for a more proactive role in implementation of Financial Inclusion plan in the State.

(Umesh Kumar Singh)

Field General Manager –Central Bank of India / SLBC Convenor-MP