

State Level Bankers' Committee of the State of Madhya Pradesh



150th SLBC Meeting

Convenor - Central Bank of India

Minutes of the 150th SLBC Meeting

It was glorious chapter in the history of State Level Bankers Committee of the State of Madhya Pradesh completing its 150th successful journey of the SLBC on the 7th of March 2013, wherein in conclave of Government Officials, Bankers, officials from Insurance Companies and various stake holders came together to ponder and share thoughts on creating a more vibrant Madhya Pradesh.

The occasion befittingly was graced by Hon'ble Chief Minister of Madhya Pradesh Shri Shivraj Singh Chauhan along with Shri Kailash Vijayavargiya, Minister of Industries and employment, who together applauded the role of the bankers in the progress of the State, yet looked forward to further nurturing this harmonious relationship to set examples to other states in terms of all round progress.

Hon'ble Chief Minister reposed faith in banking system and expressed confidence that together banks and Government officials can work wonders for the state and become the most developed state of the Country. In his own words " he is a Sapno Ka Saudagar" who dreams big and then make efforts to realize dreams.

Hon' ble Chief Minister desired that he wants that banking facility and credit linkages should reach to the nook and corner of villages and impart training in their skills, which will benefit these to open their trade in villages rather than migrating to cities. He also called upon bankers to support the new scheme of the namely "Mukhyamantri Yuwa Swarozgar Yojana" which is aimed young entrepreneurs of the State " The Future of the State". He categorically informed the house that much brain storming has been done in developing the above scheme and whole heartedly support this scheme in creating a pool of young entrepreneurs, which is the need of the hour.

He requested banks not to disburse money but to lend money for trade/business and handhold them at each level.

The tone of the meeting was truly set by the opening remark of Chairman and Managing Director of Central Bank of India Shri M V Tanksale and also the Convenor of SLBC, who requested that the Annual Action Plan for the Financial Year 2013-14 should approved by April End of 2013, so that bankers can then start focusing their energy on progressive development.

Since quarter on quarter progress needs to be monitored effectively, it was suggested by Shri Tanksale that various sub-committees should closely monitor the progress and provide action plan and directions for development in the State. Moreover, if the sub-committee is unable to hold its meeting due to non-availability of Chairman of the Sub-Committee, he requested that an alternate Chairperson be nominated which will allow the sub-committee to hold regular meeting at any cost.

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He expressed his satisfaction to the achievement of the State @ 72% achievement of the ACP of the State as in his words real progress in banking parlance starts effectively from third quarter of the year with culmination in the final quarter i.e. January – March period and hence he is confident that banks will be able to clock 100% of the achievement of ACP.

Since the process of new session for colleges / higher education shall begin from April end 2013, he requested banks to prepare a road map in coordination with State Government for fulfilling dreams of these aspiring students by providing education loan support. He in his opening remark suggested that federation of SHGs' be converted into corporate BC for creating vibrancy in the Financial Inclusion plan of the State. has now be made so that banks can focus on this segment from it was requested by Shri Tanksale to make road map strategy is the focus area across all

In sync with the thoughts of the Co-Chairman Shri Tanksale, Chief Secretary Shri R Parsuraman craved for the additional support of the bankers as in his opinion a long distance is yet to be covered in terms of progress of the State. An analogy of the progress made by the Tamil Naidu State vis-à-vis MP, reflected upon his sentiments, wherein the economic survey indicates that Tamil Naidu with similar profile has outclassed progress of MP State.

Though conveying his happiness the way ACP for FY 12-13 has progress, yet he was very vocal on the role of R-Seti's and FLCC. In his opinion, bankers are giving step motherly treatment to R-Seti's and FLCCs and young entrepreneurs in the state are devoid of skill generation through this segment. He earnestly requested banks to energize the R-Seti's and FLCC and should start identify these breed of people, provide necessary training and thereafter handhold them till the finality. R-Setis should become creators of young entrepreneurs, who inturn will fuel economic growth of the State.

Additional Chief Secretary Shri P K Das, informed the Committee that government has unveiled this new product "Mukhyamantri Yuwa Swarozgar Yojana" taking a cue from reluctance of bankers to provide financial assistance with collateral and inability of entrepreneurs to offer collateral to banks, resulting in a no lending proposition. He said that the scheme will bridge this drawback and also provide interest subsidy as it is desired by Government that Government jointly with banks handhold these entrepreneurs of the State and make them successful in their trade.

He informed the Committee that Central Bank of India has executed the Agreement with Government and urged all banks to follow the path. He requested banks that there should be no unnecessary delay in execution of MOUs, which will defy the very purpose of the scheme

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Shri Tanksale as the Convenor of the SLBC volunteered to write to Chairman and Managing Director of all banks requesting them to execute the MOU with Government at the earliest.

Smt. Alka Updhayay, Secretary informed the house about the progress made in the flagship scheme of the Government, which did not perform in its initial stage but now has gathered momentum. She requested for support of Regional Rural Bank and support from banks in few districts, wherein progress is a cause of concern.

She also informed committee that Government wishes to increase the loan component under this scheme from present Rs.70,000.00 to Rs.1,50,000.00 while pegging the Government subsidy at the same level and requested banks to provide inputs on it. She further informed that the next year target of Government is to provide assistance under this flagship scheme to 2,00,000 dwellings and hence imperative for banks to put systems in place.

Shri Ashok Shah, Commissioner, Directorate of Institutional Finance highlighted the progress made by the banks in providing educational loan assistance. Further in order to allow aspiring students to seamlessly apply for education loan, a web portal was launched by the Government. The purpose of this portal is to facilitate students to apply online for education loan duly traced by Government and bankers at all level.

Shri Tansale on apprehensions of Government officials that Branch Managers are reluctant in sanctioning education loan, informed the Committee that no Branch Managers have got the right to reject any education loan and rejection, if any has to be done at one level higher than the sanctioning authority. However, with this system in place, he expressed that such apprehensions will automatically cease to exit.

Students who had applied online through this portal were given sanction letter along with the loan amount through the hands of Hon'ble Chief Minister. It was informed to the Committee that Central Bank of India was the first banks to sanction loan using this web portal facility.

Shri Sanjay Kumar Shukla, Secretary, Urban Administration and Development, highlighted progress under the Rajeev Awas Yojana and expressed his concern as the progress under the scheme is far from the expectations of the Government. He requested all banks to whole heartedly support this scheme and also requested banks to claim subsidy where ever applicable.

Shri Shukla, considering the slow progress, sought views of bankers for execution of MOU under this scheme in similar line with the other scheme MOUs.

Towards the end of the meeting, Shri Tanksale requested Government to adopt the practice followed by Central Bank of India, wherein all Lead District Managers across PAN India are called upon for a conclave and strategies made therein for upliftment of the district. He also

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informed that Government of India has praised this practice and has now been adopted by all banks.

He requested Shri Parsuraman to depute Smt Aruna Sharma, Additional Chief Secretary, Rural Development in one such conclave, expected to be conducted in May 2013.

He also informed Shri Parsuraman and Smt. Ajeeta Bajpai, Additional Chief Secretary, Skill Development that Central Bank of India shall sponsor the award instituted for best trainee this year, which will give fillip to R-Setis and FLCCs.

Shri R Ravimohan, Regional Director, Reserve Bank of India informed that Governor Reserve Bank of India has applauded the efforts of Government under Financial Inclusion, a process well appreciated even at International forum.

He further informed the Committee that Reserve Bank of India shall arrange for training with the officials of CTGMSE, to facilitate better understanding of the Scheme.

In the end, Shri Potnis, General Manger and State Head, Bank of Baroda, while thanking Hon' Chief Minister, Minister of Industries and employment, thanks Shri Parsuraman and expressed confidence that the bankers collectively will do wonders for the progress of the State. He expressed more proactive role of bankers in all round development of State.

(Umesh Kumar Singh)

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