

**Report on the Interactive Session with the Regional Director, Reserve Bank of India held on Monday, 9<sup>th</sup> November, 2009 the RBI Board Room of RBI between 4.00 – 6.00 p.m**

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BCIC organized an Interactive Session with Mr. B. Srinivas, Regional Director, Reserve Bank of India, Bangalore on Monday, 9<sup>th</sup> November, 2009 at the RBI Board Room. The Chamber was represented by Mr. S. Chandrasekhar, Past President, BCIC and Mr. H. Sudhakar, Chairman, Banking & Finance Committee, BCIC. Mr. B. Srinivas, Regional Director, Mr. A.K. Hirve, General Manager (DBS), Mr. A.K. Bhattacharyya, General Manager (RPCD) and Ms. Anita Bhattacharya, Deputy General Manager (FED) and other Senior Officials from RBI were present at the Interactive Session.



In his welcome address, Mr. A.K. Bhattacharyya thanked BCIC for initiating this Interactive Session and said that RBI Empowered Committee on MSME is regularly convening meetings every quarter and he is thankful to the Chamber for participating and providing valuable suggestions and inputs from time to time. He said that those meetings would create the necessary platform for both industries and Bank to understand each other and solve their problems smoothly on a regular basis.

In his welcome address, Mr. B. Srinivas, Regional Director, RBI said that the thrust of the Indian Government at present is for inclusive growth and economy is likely to register a GDP growth of 6.5% in the current financial year and the Government is targeting 8.5 - 9% GDP growth during the next financial year. He also advocated that necessary education needs to be imparted amongst

College students and educate them on the “**Financial Literacy**” and the Government should include the subject in the High School curriculum. He also mentioned about “**Business Correspondence Model**” where the Bank is contemplating to encompass more players – viz., Petrol Bunks, NSS agents, LIC agents etc. With this scheme, the Government is planning to cater to the financial requirements of all the villages with a population of 2000 per village by March 2010, he added.

With regard to available of liquidity to the Industry, he said that the Government is taking all steps to improve the liquidity position. He said that the RBI may ease the current monetary measures for free flow of funds to the industry soon. He said that the main concern of RBI is to ensure steady economic growth and take adequate measures to keep Inflation under check. He requested the participants to come out with “**Operational Issues**” and not with “**hypothetical ones**”. He then requested Mr. S. Chandrasekhar, Past President, BCIC to deliver his Address.

Mr. S. Chandrasekhar in his Address thanked RBI for giving the Chamber this unique opportunity to interact with Senior Officials of the RBI on one platform and that too in RBI premises which is first of its kind happening in the history of the Chamber. He complimented RBI and its team for its excellent handling of the economic situation through which India could withstand the economic turbulence and there have been little damage to the banking sector thanks to the robustness of our Banking system and credit in no small measure goes to the RBI for this. He expressed his concern on the Interest rate being offered by the Banks to the Industry and said that the rate of interest should come down to 10.5%-11% instead of 13% which is very high. Unless this improves, the situation of the Industrial climate will not go up to the desired level, he further added. He also highlighted on the following issues brought out by the Members, viz.,

- Easy access of credit to Large/Medium/Small Industries
- Opening of “Foreign Bank Branches” to attract more FDI
- Online Payment on duties/taxes
- Maintenance of Minimum Balance in Savings Bank Accounts
- Deposit Guarantee

Senior Officials from RBI including the Regional Director answered to several queries sent to them in advance by the Chamber on the following subjects as well as on other procedural and administrative issues :-

- Requirement of CA certificate on payments relating to imports and Requirement of CA certificate for effecting payments to non-resident
- Requirement of submission of physical (hard copy) Bill of Entry (BoE) of Exchange Control Copy for effecting payment towards imports
- Remittance to foreign collaborator approved under collaboration agreement
- Payment for import for materials not received into the country
- Payment of Research and Development Cess
- Settlement of foreign currency receipts and payments drawn for travel

Mr. H. Sudhakar, Chairman, Banking & Finance Committee of BCIC thanked the Regional Director and Senior Officials of RBI for giving the Chamber the opportunity of interacting with them and hoped that the Chamber will continue to work closely in tandem with the Officials of the RBI in future. On the whole, he expressed that the Interactive Session with RBI was extremely useful which would richly benefit the Members.

The meeting concluded with Vote of Thanks to the Chair.

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