

MINUTES OF 135th MEETING OF
STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH
HELD ON 02.03.2009 AT
CENTRAL BANK OF INDIA, ZONAL OFFICE, BHOPAL

The 135th meeting of State Level Bankers' Committee, Madhya Pradesh was held on 2nd March 2009 under the chairmanship of Shri Rakesh Sahni, IAS, Chief Secretary to Government of Madhya Pradesh in the Conference Hall of Central Bank of India, Zonal Office, Bhopal. Besides reviewing the progress of implementation of Special Package announced by the Government of India for MSME, Housing & Auto Sectors, the performance of Banks operating in the State of Madhya Pradesh for the quarter ended December, 2008 and status of various government sponsored schemes was also reviewed. The meeting was attended, amongst others, by Smt. Ranjana Choudhary, Additional Chief Secretary and Agriculture Production Commissioner, Shri I.S. Dani, Principal Secretary-Panchayat & Rural Development, Shri G.P. Singhal, Principal Secretary-Finance, Shri Pravesh Sharma, Principal Secretary-Agriculture & Cooperation, Smt. Pallavi Jain Govil, Director Institutional Finance,, Smt. Rashmi Arun Shami, CEO-NREGS, Shri Rajesh Verma, Regional Director-RBI & Shri S. Mohapatra, CGM-NABARD. A list of participants is attached herewith.

Welcome address by Convenor

Shri P.C. Tiwari, Convener, extended a very warm welcome to Shri Rakesh Sahni, IAS, Chief Secretary, Government of Madhya Pradesh and expressed his gratitude towards him for having spared his valuable time to chair the meeting and guide the Committee in its deliberations on various issues.

He also extended a hearty welcome to other government officials and senior executives from Reserve Bank of India, NABARD, Commercial Banks and other organizations.

Shri Tiwari stated that the performance of the Banking Sector during the first three quarters in the State indicates that Banks are well on course to achieve the targets under Annual Credit Plan and other Government Sponsored Schemes. However, he cautioned against any sort of complacency and urged banks to continue their focused efforts towards surpassing the goals with a good margin.

The Convener also underlined the importance of Special Package announced for MSME, Housing and Auto Sectors in the backdrop of economic meltdown and the efforts being put in by Central as well as State Governments to circumvent its ill effects. The Government of India has also directed SLBC to hold special monthly meetings to monitor the progress under the special package. In Madhya Pradesh, two such meetings have already been held on 22.01.2009 and 25.02.2009. The progress under the Special Package in Madhya Pradesh as of 31.01.2009 was as follows:

MSME SECTOR:

- New Working capital loans sanctioned to 4646 units (Total Rs.408.54 Cr.)
- Enhanced working capital sanctioned to 486 units (Total Rs.100.56 Cr.)
- Accounts of 2207 Units restructured, involving an amount of Rs.89.75 Cr.

HOUSING SECTOR:

- 1858 loans sanctioned for a total amount of Rs.119.56 crores, out of which 1046 accounts with an amount of Rs.31.52 crores comes under the category of loans up to Rs.5 Lacs.

AUTO SECTOR:

- 2412 accounts with a total amount of Rs.62.18 crores sanctioned by banks.

The Convener also mentioned the highlights of Banking Sector's performance in the State during the third quarter which were as follows:

- Performance under Annual Credit Plan clocked 74% of the target as of December, 2008 which can be considered as satisfactory and we can safely assume that Banks will surpass the annual target comfortably.
- Till 31.12.2008, the Banks have opened 225 new branches in the State in the current financial year.
- Aggregate deposits increased by Rs.10975 crores, from Rs.89604 crores as of March, 2008 to Rs.100579 crores as of 31st December, 2008, reflecting a growth of 12.24%.
- During the same period, total Advances increased by Rs.4266 crores, from Rs.60057 crores as on 31.03.2008 to Rs.64323 crores as of 31.12.2008, posting a growth of 7.10%.
- The Credit Deposit Ratio, which stood at 64%, continues to be well above the national norm of 60%. Notably, the C.D. Ratio in Rural & Semi Urban areas has increased to 76%.
- The ratio of Priority Sector advances to total Credit stood at 63% as against the National Norm of 40%. The share of Agricultural Advances stands at 38% as against the stipulated level of 18%.
- The advances to MSME sector registered a growth of 8.62%, with a net increase of Rs.498 crores over March, 2008.
- Advances to Weaker Sections constitute 14% of the total Advances, against the national norm of 10%.

Shri Tiwari concluded his address with an assurance on behalf of the entire banking fraternity that the Banks shall continue to make vigorous efforts for the economic development of the State. Thereafter, Shri Tiwari requested the Chairman of the SLBC to deliver his keynote address.

Key Note address by Chairman:

The Chairman, in his address, stressed the point that the Banks have a major role to play in the present time of economic meltdown, which may

continue for some time. Banks, as much as the Government, have to reckon with the reality seen in its totality and decide how best the situation can be dealt with. Referring to the financial crisis faced by certain Banks in USA and other Western countries, the Chairman stated that though risk takers may land into trouble at times, they are also the ones who achieve more prosperity and economic development and also bounce back quickly from bad times. By contrast, Indian Banks have had a conservative approach in lending which may have saved them from the repercussions of the present crisis, but a more liberal approach would have brought more economic prosperity in the country. He called upon Banks to shed their propensity to avoid risks and take calculated risks, as Banks in western countries do, and be pro-active in helping those sections of the economy which are critical to employment generation and sustaining the basic infrastructure of the country – those sectors which look after the poorest sections, particularly in the rural area. The Banks must be reasonable in extending the facilities that Government of India and Reserve Bank of India have asked them to provide.

He further mentioned that a lot of liquidity, to the tune of Rs. 3 lakh crores, has been made available to the financial system by the Government of India / RBI through the stimulus packages and reduction in SLR/CRR rates etc., However, the pace at which the money should be flowing in to the economy has yet to pick up for which he asked Banks to gear up, especially when it comes to those sectors of the economy having large employment potential. When the down turn in the essential sectors permeates down the line, it has a tremendous impact on the situation. That is why Government of India is very keen to address the issues of MSME, Auto and Housing Sectors. Housing being an infrastructure activity, can turn the corners in short time. The Government is looking for something which is better than very good. We have to really strain ourselves and lend a helping hand to even those people who in the normal course would not have been considered fit for any kind of indulgence. This is the purpose of release of extra funds in to the system by the Government of India/RBI. The pay revision for Government employees should also help the market in propping up demand. The inertia

that seems to envelop our system, with a distinct tilt towards holding on to money rather than spending it, can only be rectified by the Banks themselves. He further asked Banks to be more accommodative towards lesser income group and under privileged sections of the society. He also assured to the house that necessary assistance to Banks from the district level administration will be made available in assisting the banks in recovery of their dues. He expressed the confidence that Banks have the strength to deal with such situation.

The Chairman complemented Banks for the smooth implementation of Agriculture Debt Waiver and Debt Relief Scheme 2008 under which farm loan dues to the tune of Rs.2134.55 crores have been waived and relief to the extent of Rs. 1015.85 crores has been provided to the farmers of the State. He advised banks to extend fresh finance to all eligible farmers without delay.

As regard Financial Inclusion, he stated that those who are really in need of financial assistance should not be left out of the system. Banks may identify individual Blocks; and even Districts as a whole, for meeting complete financial needs at the lower end of the population. He also advised to extend the pilot project relating to IT enabled financial inclusion in other areas.

As regards NREGS payments through banks and post offices, he desired to have an innovative and secure system in place to distribute payments to beneficiaries of the Scheme. He also desired that distances between Panchayats to Banks and beneficiaries to banks should be reduced. He also requested banks to ensure achievement of the target of 3850 cases set under newly launched Prime Minister Employment Generation Programme (PMEGP) for current Financial year.

It was further mentioned that 25 RUDSETIs are to be set up by Banks in the State. He requested Banks to set up these Training Institutes at the earliest. Efforts for self employment opportunities will come to fruition only if there is high level co-operation and counseling by bank officials.

Referring to financing to the categories of SC, ST and Minorities, he stated that though special corporations are functioning for their welfare, Banks could play a larger role in this area. It is generally seen that by and large the extent of loan to these categories is limited to the exact proportion of subsidies that they get and projects with such kind of loan availability may not be viable. This is again linked to risk taking. Banks need to take care of the needs of these categories with great deal of empathy and understanding.

He also advised Banks to complete the exercise of restructuring all eligible accounts of MSME sector within the stipulated deadline.

While concluding his speech, Shri Sahni reiterated his advice that Banks should take risks and meet the financial requirements of needy constituents while also ensuring the long term health of their institutions. Though, this involves some tight rope walking, the accumulated experience over the years must be put to best use to accomplish the goals. He also desired that the targets for the Financial Year should be met on a month to month basis.

Thereafter, the agenda was taken up for discussion.

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE 134th MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 24.12.2008

As no amendments/comments were received from any member, the minutes of the meeting were confirmed and approved.

ITEM NO.2 FOLLOW UP ACTION ON DECISION OF EARLIER MEETING

Action Point 2.1:

Doubling of Agriculture Credit during 2008-09

Shri Pravesh Sharma, Principal Secretary (Agriculture), Govt. of Madhya Pradesh stated that the 'per capita investment' among borrower farmers in Madhya Pradesh continues to be low. The average credit per borrower farmer in the State is about Rs.2000/- whereas in other State like Punjab,

Haryana, etc. this average is much higher. Banks need to scale up credit to farmers to increase the average credit per borrower in the State to a satisfactory level when compared to other progressive states.

Progress was reviewed by the house.

2.2.1 Progress of issuance Kisan Credit Card in all District of MP

Banks have issued 355132 Kisan Credit Cards, of which 168346 by Commercial Banks, 69057 by RRBs and 117729 cards by Cooperative Banks during the quarter ended Dec. 2008.

Poor performing Banks were Andhra Bank, Corporation Bank, Vijaya Bank, United Bank, Bank of Rajasthan, Punjab & Sindh Bank, & Indian Overseas Bank. Representatives of these Banks assured to the house that their performances would be improve in the current year.

The representative of Agriculture Insurance Company informed that the insurance coverage obtained is much less than the crop loans sanctioned and disbursed by banks. It was resolved that bankers will ensure full insurance coverage for the KCCs issued by them under NAIS as far as possible.

(Action –Banks / DIF)

2.2.2 Issuance of KCC to Kotwars

Out of 28000 Sewa Bhoomi Kotwars, 14919 have already been financed under KCC scheme. DIF also mentioned that directives have already been issued to the District Administration to provide list of Kotwars in the district. It was resolved that banks will liaise with District Administration and obtain required list of Kotwars and ensure issuance of KCC to them by end of the current financial year.

(Action –Banks / DIF)

2.2.3 Financial Inclusion in 35 Districts of M.P.

The Chief Secretary expressed his concern over the slow progress of Financial Inclusion. 35 districts of the state were selected in September 2007 for the financial inclusion but only 4702 villages in these districts have been declared as financially included. Though the banks have opened 53 lakh NREGS accounts, the house felt that reporting of data by banks to SLBC is not proper and the data needs to be checked once again.

Regional Director RBI expressed his concern over the lack of coordinated approach by bankers in financial inclusion. He desired that the enumeration of indent of Financial Inclusion should be done district wise and DLCC should pay an active part in reviewing the position in the district. All the banks in district should furnish data to LDM relating to various components of Financial Inclusion such as issue of KCCS, GCCs, opening of No Frill accounts including NREGA a/cs etc. and reconcile the data with the number of eligible households in the districts. They should declare the district as fully included when all eligible households have been covered. Sub-Committee of SLBC should also review the district wise position in its meetings. It was further decided that the Sub-Committee will meet every month / at frequent intervals to review the progress.

It was suggested that for the verification of financial inclusion, no outside agency is warranted and banks can certify the figures of financial inclusion. DIF also requested Banks to come out with guidelines for opening the accounts of left out category of people, such as non job card holders and persons who have left villages in search of jobs elsewhere. Convenor suggested that all such matters will be discussed and resolved in the sub-committee meeting.

(Action –Banks / SLBC/DLCC)

2.2.4 IT ENABLED FINANCIAL INCLUSION PROGRAMME

The house was informed that the progress of different banks in this sector is not satisfactory. It was decided that bankers who have not started this exercise will take up the same on priority basis and achieve 100% IT

enabled financial inclusion in the block selected and allotted to them under pilot project and also expand this activity in other districts.

General Manager, Union Bank of India informed that, as per latest data, they have issued more than 10000 cards under IT Enabled Financial Inclusion.

Summing up the discussion on this agenda, the Convener stated that the farmers who are not included in NREG scheme should also get an opportunity to open the account.

He laid emphasis on the need to ensure that the issuance of cards is not only an issue but should also be operative and transaction should be routed through them.

CEO-NREGS informed that beneficiaries are facing problems in opening of their saving bank accounts under NREGS since they are not aware of RBI norms, KYC norms and the opening procedure of saving accounts etc. Director, Institutional Finance stated that people are not familiar with the norms for account opening; hence simplified procedure like Andhra Model could be adopted.

(Action all Banks)

2.2.5 Settlement of SLR Bonds

The issue was discussed by the House.

B. Discounting of SIDBI / IDBI bills

Progress was reviewed and discussed.

2.2.6 Rural Development and Self Employment Training Institutes (RUDSETI)

It was decided in last sub-committee meeting that the following banks will open RUDSETI in their lead district:

No	Name of the bank	Name of centre	Remarks
1	Allahabad Bank	Satna	-----
2	Bank of India	Badwani Khandwa Sehore	Will be opened in NV DA building ----- Already opened at Amlaha
3	Bank of Baroda	Jhabua	Will be opened in next F.Y. as sanction was not received from corporate office.
4	Bank of Maharastra	Betul	-----
5	Central Bank India	Hoshangabad Jabalpur Chhindwara Gwalior Ratlam Sagar	Opened on 22.12.2008 ----- Will be opened in rented govt. building in March09 Land has been allotted in the name of CEO Will be opened in rented building -----
6	PNB	Datia	opened
7	State Bank of India	Chhatarpur Katni Damoh Tikamgarh	Already opened at Amlaha in sehore ----- ----- -----
8	SB Indore	Guna Shivpuri	Being opened -----
9	Union Bank of India	Rewa Sidhi Singrauli	Opened on 30 Jan.09 In progress ---do---
10	3 Training Centres are already running		
	Total	25	

The Chairman mentioned that instructions have already been issued to the district administration to allot land to the Banks and if the same is not immediately available, then Banks should temporarily set up the Institute in rented buildings. He advised Banks to ensure that all the 25 RUDSETIs become functional by end of 31st March, 2009.

(Action by Banks/Distt. Administrator)

2.2.7 Drought Relief Measures –Payments of input subsidy for Kharif 2001 & 2002.

Convener requested bankers to submit the details of utilization at the earliest so as to enable the Convener to submit the utilization to the State Government and DIF.

(Action All Lead Banks)

2.2.8 AGRICULTURE DEBT WAIVER AND RELIEF SCHEME 2008

CDs for 8 districts to provide borrower wise, bank wise and branch wise data are yet to be received. The Convener requested the concerned bankers to expedite submission of CD at the earliest.

(Action by Banks)

ITEM NO.3:PERFORMANCE OF BANKING SECTOR IN MADHYA PRADESH AT A GLANCE

3.1 Branch expansion

There is a net increase of 225 branches of the banks during the period under review.

3.2 Deposit growth

During the period of review, the aggregate deposit of the banks in Madhya Pradesh has increased by Rs. 10975 crores from Rs.89604 in March 08 to Rs. 100579 crores as of December 08, thus posting a growth of 12.24%.

3.3 Credit Expansion

During the period under review, gross credit in the State has surged by Rs.4266 crores from Rs 60057 crores as of March 08 to Rs.64323 crores as of December 08 thus exhibiting a growth of 7.10 %.

3.4 Credit Deposit Ratio

3.4.1 LOW CD RATIO:

CD Ratio of 8 districts is below 40%. Agriculture Production Commissioner stated that most of such districts are tribal districts. The Government is providing substantial funds as subsidy to these districts in various schemes. The Convener requested the State Level Heads of all the banks to improve the CD Ratio in these districts to achieve at least 40%. Chairman also endorsed the same views.

(Action by Banks)

3.5 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh grew by Rs.3202 crores.

3.6 Agriculture Advances

The Agriculture Advances in the State during the review period have witnessed an increase of Rs.2279 crores from Rs.22441 crores as of March 08 to Rs. 24720 crores as of December 08 thus showing a growth of 10.15%.

Agriculture Production Commissioner desired that one seminar should be exclusively organized for Agriculture Credit.

3.7 MSME Advances

The advances to MSME sector during the period under review have registered an increase of Rs.498 crores from Rs.5773 crores as of March 08 to Rs 6271 crores as of December 08 thus showing a growth of 8.62%.

3.8 Advances to Weaker Section

During the period under review the advances to weaker section has increased by Rs. 1267 crores from Rs 7423 crores as of March 08 to Rs.8690 crores as of December 08 thus showing a growth of 17%.

3.9 Advances under Differential Rate of Interest.(DRI)

Convener requested banks to make special efforts in this regard so that DRI advances cross the 1% target of total credit. State Bank of India representative said that they are not getting application for the DRI loan because of other more attractive Government sponsored schemes.

ACHIEVEMENT VIS-A-VIS NATIONAL GOALS

Highlights

1. The ratio of Priority Sector Advances to total advances as of December 08 stands at 63% against National Goal of 40%.
2. The share of agricultural advances to total advances, as of December 08 is 38% against the National Goal of 18%.
3. The advance to weaker section constitutes 14% of the total advances against the National Goal of 10%.
4. The CD Ratio in rural & semi urban area is above the National Goal by recording at level of 76% as of December 08.
5. During the period under review, the DRI advances increased by Rs.10 crore in absolute terms. Bankers are requested to increase the DRI advances.

3.10 IBA Package on MSME, Housing & Auto Sector

As per instructions received from Ministry of Finance, Government of India, special monthly meeting of SLBC with special focus on the implementation of Special Package announced by Indian Banks' Association for MSME, Housing and Auto Sector to deal with the impact of global financial situation on these sectors was convened on 22.01.2009 and minutes of the meeting circulated vide letter No. ZO/SLBC/2008-09/289 Dated 6/2/2009. Subsequently, 2nd meeting has been held on 25.02.2009 wherein the

progress under the Special Package was reviewed. The special meeting will be conducted every month to review the implementation of the package, and this subject will also be a part of the agenda for the regular meetings of the SLBC Committee.

The Convener is required to submit a Report on Special SLBC Meetings by 15th of every month to Ministry of Finance, Government of India. The format has already been provided to all Banks (vide our letter NO.ZO/SLBC/2008-09.251 dated 14.01.2009). Banks were requested to ensure that desired information in the prescribed format is submitted to SLBC by 7th of every month so as to submit consolidated report to Government of India after compilation.

ITEM NO.4: RECOVERY

4.1 NPA Position

Convener informed that NPA level was the highest in PMRY scheme (28%) and in other schemes like SGSY (Group) 12%, SGSY (Individual) 15%, SJSRY 23%, Pratistha 21% and in Antyavyavsai 22% respectively. Recovery under Government sponsored schemes was very poor which a cause of concern to all Banks. Government machinery, particularly the concerned departments should assist banks in recovery of its dues.

(Action – All concerned Departments)

4.2 Year Wise Position of Write- Off Accounts

An amount of Rs 2417 Crores in 848839 accounts has been written off by the Banks till December 2008. Convenor stated that written off amount is a sacrifice of Banks' funds and is the last recourse resorted to by the Banks for reducing NPA level. DIF may issue necessary instructions in improving the recovery.

4.3 Implementation of MP Public Money Recovery Act /BRISC Scheme:

House was informed that all the Commercial Banks and Regional Rural Banks operating in the State are now members of the BRISC Scheme as per circular issued by the DIF. All banks should abide by the Rules and directives of the Scheme issued by the DIF from time to time. Bankers

expressed deep concern over poor recovery and requested DIF to issue instructions for improving the recovery.

The Convener stated that under ADWDR Scheme 2008, 18.34 lakh farmers have been benefited. The RRCs filed in the accounts of such farmers whose debts have been waived may be withdrawn from the Revenue authority so that the pending number of RRCs and amount involved may be reduced to a considerable extent. DIF informed that the Government of Madhya Pradesh has while issued directives for ADWDR Scheme 2008, it is clearly directed to withdraw RRCs in such cases.

ITEM NO.5: IMPLEMENTATION OF ANNUAL CREDIT PLAN 2008-09

The overall achievement under Priority Sector Lending under ACP 2008-09 up to December 08 was 74 % for all the banks, while for commercial banks, RRBs and cooperative banks it was 76%, 83% and 63% respectively. Some of banks like State Bank of Hyderabad (13%), United Bank of India (7%), Laxmivilas Bank (0%), IndusInd Bank (0%), Corporation Bank (1%), and MPSARDB (1%) were having very low achievement. Regional Director, RBI advised these banks to improve their performance and achieve ACP targets.

Convener informed to the house that Cooperative Banks could not disburse loans on the same scale as they did last year due to liquidity crunch and Agriculture Debt waiver and Debt Relief Scheme. It has affected the overall progress of ACP.

(Action – All Banks)

5.2 Doubling of Flow of Credit to SME's in 5 year finance to SME Sector

Under SME an amount of Rs.1036 crores was disbursed in 23875 accounts. Target for doubling of credit in 5 years has already been achieved well before the stipulated time period. Convener also informed the house that outstanding under SME has increased during the quarter under review.

(Action- All Banks)

ITEM NO.6: IMPLEMENTATION OF GOVT SPONSORED PROGRAMMES.

6.1 Prime Minister's Employment Generation Programme(PMEGP)

A new scheme PMEGP has been introduced and target of 3850 cases is fixed for the state for 2008-09. Banks were advised to ensure achievement of the target. A detailed circular issued by RBI has been circulated to all.

(Action- All Banks/ Departments)

6.2 Performance under SGSY 2008-09

Progress was reviewed by the house. Principal Secretary (Panchayat & Rural Development) mentioned that the progress under this scheme up to February 09 is 57.17% of the target, which is much less. The Convener assured that target will be achieved by Banks.

(Action- All Banks)

6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)

The progress of year 2008-09 was reviewed by the house. Convener informed the house that NPA level under this scheme is concentrated. He also requested the department to sponsor only bankable proposals.

(Action- All Banks/Department)

6.4 Scheme for Liberation and Rehabilitation of Scavengers (SLRS)

Progress was reviewed by the house.

(Action-MPSCFDC / Banks)

ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME

7.1 Self Help Groups (Under NABARD Scheme)

Progress under the Scheme was reviewed by the house. CGM NABARD requested all the Banks to credit link the groups already formed by the Banks.

7.2 Housing Finance

a) Direct Housing finance

Banks have disbursed Rs. 661 crore by the end of December 08, thereby surpassing the target of 3% incremental deposit amount of Rs.491 crores as compared to previous year.

b) Golden Jubilee Rural Housing Scheme.

During the year 2008-09 financial assistance of Rs. 7.51 Crores has been provided under this scheme to 375 beneficiaries. The poor progress is because of non-availability of title deed of land. In response to this point, the Chairman mentioned that in rural areas the title to land is either in the form of 'Bhu-Adhikar' or 'Khatauni'. Since the relevant document is issued by the competent revenue official in the rank of Naib Tahsildar/Tahsildar, it should be sufficient to establish the title to land for loan purposes. However, if the issue is related to creation of Equitable Mortgage, then it has to be looked into. The Chairman further stated that the focus should be on housing in urban areas where potential for employment generation is much more.

(Action- Banks/Rural Development Department)

7.3 & 7.4 Financial assistance to Minority Communities in Bhopal District

Bhopal is one amongst the 121 Minority Concentrated Districts notified by the Government of India, Ministry of Welfare. Progress was reviewed by the house.

7.5 Financial assistance to Schedule Castes and Schedule Tribes

An amount of Rs.2965 crores is outstanding in 951724 accounts under financial assistance to Scheduled Castes and Scheduled Tribes. The percentage of NPA's in Schedule Castes loans was 15.09% and Scheduled Tribes 12.45% over which house expressed its concern.

7.6 Swarojgar Credit Card (SCC)

Total 4052 cards were issued against the target of 15147 cards, amounting Rs 10.83 Crore. Convener mentioned that either progress is poor or non-reporting/incorrect reporting by the branches. All the banks were requested to report the correct figures to SLBC/NABARD.

(Action- Banks)

7.7 Artisan Credit Card

Against the target of 4010 cards banks have issued only 728 cards. 6239 cards have issued since inception of the scheme. The House showed concern over the poor progress.

(Action - Banks)

7.8 General Credit Card

Banks have issued 5183 cards during quarter against the self-set target of 12784. Total cards issued under the scheme since inceptions are 25449.

7.9 Education Loan

Banks have sanctioned 13519 education loans amounting to Rs. 364 Crores during the quarter ended December 08 of which Rs 71 crores have been sanctioned to 2782 girl students.

DIF informed the house that State Govt. is providing 3% subsidy on education loans provided to legitimate daughters of Class III and Class IV MP Government employees. Bankers should come forward and submit their claims for interest subsidy. The Chairman also endorsed the same. Convener informed the house that this is a very good scheme and bankers should pass on the benefit of scheme to the beneficiaries.

(Action – Banks)

7.10 Advances to Women Beneficiaries

An amount of Rs. 4210 crores is outstanding as advance to women beneficiaries which is 6.62 % of the total advances against target of 5%.

7.11 National Horticulture Board/Mission

Agriculture Production Commissioner urged the bankers to pay more attention towards schemes of Horticulture Department. Secretary, Horticulture, Government of Madhya Pradesh requested for reconciliation of sanctioned cases as there is a variation in the figures available with Government and SLBC. He also informed that under Back-ended Scheme, NHB has released part subsidy in many cases but certain cases are yet to be settled.

(Action – Banks)

7.12 Debt Swap

DEBTSWAP SCHEME FOR SMALL/MARGINAL FARMERS

Convenor requested that the banks have to earmark 3% of the target for financing under the debt swap scheme. Director-Institutional Finance also

mentioned that the Scheme is very important and requested Bankers to implement the scheme with a lenient view and approach.

(Action – Banks)

मद सं.—08 राजभाषा नीति का कार्यान्वयन

मध्यप्रदेश में 50 बैंकों में से केवल 37 बैंकों ने राजभाषा नीति के कार्यान्वयन संबंधित तिमाही आंकड़े भेजे थे अतः संयोजक ने शेष सदस्यों से अनुरोध है किया कि वे एस.एल.बी.सी. के प्रारूप में अपेक्षित आंकड़े समय से भेजना सुनिश्चित करें चूंकि सभी बैंकों को विवरणी प्रेषित करना है अतः समय पर विवरणी प्रेषित करने से अच्छी प्रगति परिलक्षित होगी ।

(कार्यवाही – बैंक)

ITEM NO. 9: OTHER AGENDA ITEMS

Supplementary Table Agenda Item as proposed by RBI

INCENTIVE SCHEME FOR QUICKER ADOPTION OF ELECTRONIC BENEFIT TRANSFER UNDER GOVERNMENT SCHEMES.

Regional Director RBI requested to include the above agenda in view of the DO letter dated 25.02.09 to the Chief Secretary from DG (UT), RBI. Issue relating to agenda item was discussed and State Government was requested to consider the proposal received from RBI.

Regional Director presented to the forum the new incentive scheme for quicker adoption of Electronic Benefit Transfer for Government Schemes as advised in the DO letter to Chief Secretary by DG Usha Thorat on the basis of recommendation by the high level Committee constituted by RBI. An approach paper detailing the modalities of EBT has been prepared for adoption by State Governments. As per the Scheme RBI has proposed to partially reimburse to banks (for a limited period) the cost of opening accounts with biometric access at the rate of Rs.50/-n per account in those States which are ready to adopt the scheme. The package would be dependent on the State Govt.'s agreeing to pay 2% of the value of transaction put through the accounts to the transacting banks. NREGA payment and payments of other Govt. benefits can be routed through the mechanism. The scheme is being piloted in the State of A.P. The proposal had not fully been examined by the Government. NREGA project

Coordinator conveyed that the proposal was not accepted during initial discussions by M.P. Government. Chief Secretary opined that the matter needs further examination in view of the fact that some States like Andhra Pradesh, Chhattisgarh etc. have accepted the same.

As per the agenda, the issue was discussed. Reply from the State Govt. is awaited.

(Action –DIF)

Vote of Thanks

While proposing vote of thanks to the Chair, Shri S. Raman, General Manager, Union Bank of India, stated that the timing of the meeting was very crucial in the backdrop of economic slow down. The Chief Secretary has set the right tone for the meeting by observing that Banks start taking risks and help the ailing economy to put back on the right track. The active co-operation of Government Departments is necessary for achieving targets. SLBC meeting provides an occasion to take stock of performance under different Schemes and discuss, in a focused way, issues which needs to be addressed on an urgent basis. On behalf of the entire banking fraternity, Shri Raman assured that Banks are putting their best foot forward in coming days up to the expectations of the Government. Considering the enormity of issues involved, what has been done is not enough. However, banks pro-actively take part in government schemes, notwithstanding the constraints faced.

Shri Raman also thanked Shri Tiwari, Convenor, SLBC for effectively projecting the issues of Banks. He also thanked Shri Rajesh Verma, Regional Director, RBI and Shri S. Mohapatra for their intervention and contribution in the deliberations on various issues before the forum. He assured RD, RBI that his point of concern regarding IT Enabled Financial Inclusion would be addressed by the Banks. He also assured that banks will not be lacking in efforts in developing the districts in a big way, including improvement of CD Ratio in districts with low CD Ratio.

At the end, the Chairman announced that the Committee will meet again in the first week of April, 2009 to take stock of the position.

राज्य स्तरीय बैंकर्स समिति की 135 वी बैठक दिनांक
02.03.2009 उपस्थिति पंजिका बैंक

Sr.	NAME OF THE BANK	Name of Participants	Post	Signature
1	Allahabad Bank			
2	Andhra Bank			
3	Bank of Baroda			
4	Bank of India			
5	Bank of Maharashtra			
6	Canara Bank			
7	Corporation Bank			
8	Dena Bank			
9	Indian Bank			
10	Indian Overseas Bank			
11	O.Bank of Commerce			
12	Punjab & Sind Bank			
13	Punjab National Bank			
14	Syndicate Bank			
15	Uco Bank			
16	Union Bank of India			
17	United Bank of India			
18	Vijaya Bank			
19	S.B. of Hyderabad			
20	S.B. of Mysore			
21	S.B. of Patiala			

22	S.B. of Travancore			
23	S.B.B. of Jaipur			
24	State Bank of India			
25	State Bank of Indore			
26	Bank of Rajsthan			
27	HDFC BANK			
28	ICICI Bank			
29	IDBI Bank Ltd.			
30	IndusInd Bank Limited			
31	Ing Vysya			
32	Karnataka Bank Limited			
33	Laxmi Vilas Bank Ltd.			
34	The Federal Bank Ltd.			
35	The J. & K. Bank			
36	The Karur Vysya Bank Ltd.			
37	The South indian bank			
38	Axis Bank			
39	Jhabua Dhar RRB			
40	Madhyabharat RRB			
41	Mahakaushal RRB			
42	Narmada Malwa RRB			
43	Rewa Sidhi RRB			
44	Satpura Narmada RRB			
45	Sharda RRB			
46	Vidisha Bhopal RRB			

47	M.P.Co-Operative Bank			
48	M.P.S.A.R.D.B.			