

MINUTES OF 145th SLBC MEETING HELD ON 19.12.2011

The 145th meeting of State Level Banker's Committee (SLBC), Madhya Pradesh was held on 19th December 2011 under the Chairmanship of Shri Avani Vaish, Chief Secretary, Government of MP and Shri M. V. Tanksale, Chairman and Managing Director, Central Bank of India at Conference Hall, Central Bank of India, Zonal Office, Bhopal.

List of participants is annexed.

Shri B. Mondal, Convenor, SLBC, MP & General Manager, Central Bank of India extended hearty welcome to Shri Avani Vaish, Chief Secretary to Government of Madhya Pradesh, , Shri M. V. Tanksale, Chairman and Managing Director, Central Bank of India, Shri P.K. Panda, Regional Director, Reserve Bank of India, Shri S. Akbar, Chief General Manager, NABARD, Shri Ajay Nath, Principal Secretary, Finance, Smt. Aruna Sharma, Principal Secretary, Panchayat & Rural Development Department, Shri Ashok Shah, Commissioner, Institutional Finance and other senior government officials and executives of RBI, NABARD, Commercial Banks and Financial Institutions.

Shri M. V. Tanksale, Chairman and Managing Director, Central Bank of India welcoming all the participants in this memorial meeting of SLBC on eve of Centenary year of Central Bank of India informed the house that Central Bank of India is convening the SLBC for more than 30 years in Madhya Pradesh and he has spent his academic and banking life in Madhya Pradesh particularly in Rewa, Jabalpur and Bhopal for 30 years.

He told that he is bound to make Madhya Pradesh a Model State for which he has passionately taken up the Financial Inclusion work which needs strong Business Correspondent (BC) system, Proper Identification of Field BC to have their sustainable long term livelihood. He emphasized the need of meticulous training to about 15000 Field BCs needed for financial inclusion of 55000 villages in Madhya Pradesh since Field BCs are final connect under Financial Inclusion process.

He appreciated e-payment supported by e-governance to avoid huge leakage of govt. fund and informed the house that in Madhya Pradesh 99 unbanked Centre with population 5000 – 9999 have been identified for opening Brick and Mortar branches which may act as base branch for Financial Inclusion which does not need RBI license. He requested the collectors to channelize the govt. payment through about 444000 smart cards already issued because Financial Inclusion is viable only when the state government utilises it for govt's payment.

He told that Central Bank of India has made some Headway in financing Chief Minister's Rural Housing Mission.

He requested state Govt. to establish separate MSME Deptt to create Industrial opportunity in Madhya Pradesh.

He expressed his happiness over State Govt.'s support through their guarantee for Education loan to poor meritorious student with quantum of loan more than Rs. 4 lakhs.

He assured the house that Web based programme would be made available to all FLCCs and Central Bank of India is creating a programme to capture Biodata of trained person from RSETI to track them and invited Branch Managers to get involved for the above.

He told that though State has marked for more than 60% CDR now but lending big projects in M.P.state by bank's branches of other state is problem for CD ratio in Madhya Pradesh. Hence, all such loan accounts with bank branches located out of Madhya Pradesh are to be brought to respective bank's branches located in Madhya Pradesh.

He told that Demand and supply gap of KCC/GCC be assessed and filled through the FI process which would create a healthy recovery environment in the state.

He appreciated the bankers specially Convener of SLBC for arranging LDM's workshop recently because LDMs are real institution for development for which Thorat committee prescriptions are measuring yard and requested convener SLBC to arrange workshop of LDMs on Half yearly Interval just before the respective SLBC meeting.

He shared his visit to village Sanghi Mohadi (Near Akola, Maharashtra) model of RRB Vidarbha and Central Bank of India and invited govt. officials to visit it where he has invited SHGs and Sarpanch on 21st Dec, 2011 i.e. Centenary day of Central Bank of India and would give snippets to Govt. officials.

He put an example of Rajnandgaon (Chhattisgarh) where Ms. Teja Bai created 2 lakh SHG and PNB branch is specially set to help these SHGs. He requested bankers to collect the best practices undertaken in other state and for it General Manager-Priority Sector, Central Bank of India would be available to SLBC.

Shri Avani Vaish, Chief Secretary, Govt. of Madhya Pradesh requested the Banks to rise on the occasion for enhancing Education loan scheme, improving the work of Financial Literacy and Financial inclusion and to increase the CD Ratio of the State. He also gave the best wishes to Central Bank of India on its Centenary year.

Shri P.K. Panda, Regional Director, Reserve Bank of India In his opening remarks thanked Central Bank of India for the invitation extended to him on the occasion of celebration of Centenary Year of Central Bank of India.

He stated the house that Reserve Bank has been taking active participation in the SLBC meetings. The Top management of RBI has also been attending the SLBCs in different states. RBI attaches great importance to financial inclusion and financial literacy measures and SLBC is the most important forum to monitor the progress under

financial inclusion and financial literacy drive to achieve the objectives of inclusive growth. He urged the banks that they have to play a proactive role in the development process and the banks should be active in the deliberations of SLBCs and DLCCs.

He pointed out following:

1. **On CD ratio:** He expressed concern over the issue that even the major banks have a CD ratio below 60%. He also observed that the CD ratio of *semi-urban areas may not be taking off due to lack of imaginative and aggressive planning and also due to not linking it with economic landscape of the State*. He suggested to take up research and studies to develop programs focusing on SME with linking forestry, agriculture and tourism.
2. **On Financial Inclusion:** He observed that RRBs are far away from the expectations.
3. **Financial Literacy:** He informed the house that since the Platinum Jubilee year, the Reserve Bank had been taking outreach visits to the villages with an intention to create 'model villages' where even the Top management had been visiting. As regards financial literacy efforts, he said that RBI Bhopal had conceptualized and created a DVD of the short play 'Paisa Bolta Hai' which covers various facet of financial literacy needed for the common person. He said that the DVD can be freely distributed to all the entities including State Government, if they wish so. He said that more number of FLCCs in the State would contribute towards creating more awareness and that the FLCCs should keep an arm's length distance from the bank/branch.

Mrs. Aruna Sharma, Principal Secretary, Rural Development and Panchayat, M.P. Govt. told that lead banks had to identify 14752 villages which are found completely in the shadow areas i, e. far away from bank branches where Post Offices/ cooperative Banks / Regional Rural Banks are not available. she suggested bankers that while opening branches in 303 targeted branches in MP, they should have a permanent structure located within the radius of 15 km from shadow villages so that BC/Kiosk etc. can have a better interaction and only for such new branches, the license should be given and agenda of DLCCs should have more space for Financial Inclusion.

She showed her concern on SBI restricting themselves in 13 districts under CM Rural Housing Mission only even after merger of State Bank of Indore in State Bank of India, and requested SBI to take care of all villages of erstwhile S.B.Indore

She thanked Central Bank of India for an excellent presentation followed by a meeting with Chief Minister and thereafter allowing zero accounting for all the panchayats in its two Lead Districts i.e. Balaghat and Hoshangabad Distt. for keeping the fund for Chief Minister's Rural Housing Mission where transaction would be made on pro-rata basis. She desired linking of the district of Bank of India to study the

software, where Central Bank of India is Lead Banks and requested other Lead Banks also to follow them in their respective districts. She complemented Central Bank of India for this initiative taken by them.

She told that M. P. has come up with a very strong model of the development in the villages where Panchayat from their own resources would spend not less than Rs. 1500 crores where, Govt. fund would directly be given to panchayats and the chairman of respective Zila Panchayat would come up with proposal to develop the model villages.

She assured Chairman & Managing Director, Central Bank of India that representative of Rural Development and Panchayati Raj Deptt. of M.P. Govt. would definitely visit the Sangali Mohali village to see the model village and would capture some good points of that village.

She emphasized the triggering of SHGs and reminded that in MP state we have a strong model of SHGs where SHG have been involved in mid-day meal scheme but there is some restriction in which needs to be overcome.

She expressed her satisfaction that in each SLBC meeting we are moving ahead with financial inclusion business and expected to have a fine tuning to finish Financial Inclusion works by March 2012 so to have excellent model with us where at minimal distance of 5 km there would be a complete financial inclusion with involvement of all banks.

Shri Ajay Nath, Principal Secretary, Finance, Govt. of M. P congratulated Central Bank of India on its Centenary year celebration and agreed with the views expressed above.

Mr. Ashok Shah, Commissioner D.I.F., M.P. Government told that even the major banks have CD Ratio below 60% which is a matter of concern.

Thereafter Convener initiated for agenda discussion

ACTION POINT NO.1: CONFIRMATION OF THE MINUTES OF THE 144th MEETING OF SLBC HELD ON 28Sept 2011

Minutes of the previous meeting was approved by the house since no objections have been received.

ACTION POINT NO. 2: ACTION TAKEN REPORT ON DECISIONS OF EARLIER MEETING

Action taken report was presented before the house for perusal and detailed discussion held which are put in different heads of Agenda points hereunder.

Chief Secretary suggested to have detailed discussion on agenda points in respective Sub- Committees of SLBC in future so that the gist of the discussion can be put on ATR in SLBC meeting. He further requested the Convener to discuss ATR at the last of the meeting if any point is not covered under any head.

It was also resolved that Convener will send D.O letter to those who could not submit their ATR.

(Action: SLBC)

ACTION POINT NO. 3: FINANCIAL INCLUSION IN MADHYA PRADESH

- **New Initiative by GOI, MOF, Department of Financial Services**

House overviewed the minutes of meeting of conveners of SLBC convened by MOF, Deptt. of Financial Services, GOI in New Delhi on 03.11.11 under Chairmanship of Shri D. K. Mittal, Secretary of Financial Services, GOI, New Delhi.

Convener made the house acquainted that 32 schemes are under implementation by the government for which Communication from DIF is awaited about The name of government department and name of bank to whom the fund would be transferred along with the details of beneficiaries name, Their a/c No. IFSC code etc. and invited remarks from the govt. side.

Mr. Shah, Commissioner, DIF suggested that it may be discussed at DLCC level where they can devise the plan ,andthere after monitoring can be done at state level .

CMD ,Central Bank of India appreciated it and told that SLBC minutes be sent to DLCCand where ever infrastructure is available to transfer the fund it should be routed through bank account He requested different Govt. departments to share the list of beneficiaries with all banks and it should be a permanent agenda at DLCC.

It was resolved that DLCC and District Administration at district level would take up the subject at District Level and SLBC would monitor at State Level.

(Action:LDM,Collector,SLBC)

Convener referring the letter of Secretary, Financial Services, GOI informed the House that now the service area of the bank would be in terms of Gram Panchayats in place of village so the conversion of service area from village to gram Panchayat has to be done, from next financial year i.e. year 2012-13 on basis of Gram Panchayat based service area allocation which would be done at DLCC Level.

Convener put the issue of "one BC – one Panchayat" and EBTand told that a person having an account with a Bank need not open new account and scholarship payment may be made through parent's account.

Regional Director, RBI clarified that a person with Savings account can open loan account/any other account than Savings account.

CMD, Central Bank of India suggested to identify the activities which could have been done outside the branch to enable the branch to concentrate more on extension work and to avoid un-necessary cluttering at the branch thus the problems like pending loan applications under different government schemes etc. would be solved **It was resolved that Panchayat based Service Area would be finalized in D.L.C.C.s where Representatives from RBI, NABARD and Lead Bank of the district would be present.**

(Action: LDM, NABARD, RBI, Lead Bank)

Providing Banking Services in villages having population of 2000 and above:

Convener informed that against the target of 2736 villages, 1495 villages have been covered up to Sep-11.

Shri. S.K. Gupta, General Manager, APEX Bank informed that they have covered all their 15 villages allotted to them for FIP through their PACS which are acting as their BC in above districts and PACs perform all the works like deposit and lending.

Principal Secretary, Rural Development and Panchayat, Mrs. Aruna Sharma concluded that PACs would act as BC in the allotted villages of APEX Bank doing all the transactions like bank. So, this has been taken into account.

CMD, Central Bank of India assured that SNKGB would cover all the allotted villages well in time and requested other sponsor banks to ensure that their respective RRBs complete the exercise well in time.

Shri Tarun Kochar of Union Bank of India assured that Rewa-Sidhi RRB would cover its entire allotted villages in time.

Regional Director, RBI attached the responsibility of sponsoring banks for completion of FI work of their RRBs in time and Axis bank, Corporation Bank, Dena Bank, IDBI bank, Indian Bank, Punjab National Bank, State Bank of Bikaner and Jaipur have also been told to complete the FI work well before March-2012 because they did not even start the work of FIP.

It was resolved that sponsoring Banks of RRBs would ensure timely completion of Financial Inclusion work of their RRBs and Axis bank, Corporation Bank, Dena Bank, IDBI bank, Indian Bank, Punjab National Bank, State Bank of Bikaner and Jaipur would complete Financial Inclusion work well before March 2012.

(Action: sponsoring Banks of RRBs / and Axis bank, Corporation Bank, Dena Bank, IDBI bank, Indian Bank, Punjab National Bank, State Bank of Bikaner and Jaipur)

- **Progress in Smart Card Project under EBT Scheme**

Convener informed that 430865 Smart cards were issued up to 30.09.2011 and Claim from different Banks under EBT would be resolved soon by DIF. It has been also discussed and decided to expedite the work to cover all the govt. payments through the smart cards.

Chief secretary, informed that for CBS of APEX Bank they are preparing Road Map for FIP and registrar is likely to issue instructions to all cooperative banks to outsource the data entry by putting data entry operator temporarily into the service NABARD told that they have started the Core banking process of DCCB but data have not been tallied since last many years so it would take some time.

Convener suggested that cheque payment should be stopped completely because most of the beneficiaries already have bank accounts, banks are also opening the account and all banks except cooperatives are on CBS.

It was resolved that Directorate of Institutional Finance would instruct District Authorities to ensure payment through EBT ONLY if Smart card has been issued or beneficiaries have bank account with branch and all banks would ensure issuance of smart cards to all beneficiaries of their allotted villages for F.I.

(Action: DIF./State Head of concerned Banks)

- **FI Progress**

Convener informed that there are 7481402 no frill accounts, 6765529 KCCs and 37528 GCCs upto Sep-11

CMD, Central Bank of India clarified that opening of branches/appointing of BCs or making other point of service available in village means villages are covered for providing banking service in village under Financial Inclusion plan and requested SBI representative to take ownership of State Bank of Indore and look into the problem of erstwhile State Bank of Indore emerging after merger of it with State Bank of India

CMD suggested the formation of small committee by Regional Director, RBI before the house with representatives of all banks in state having their RRBs in MP for monitoring the process under FI.

Mrs. Aruna Sharma Principal Secretary, R.D. and Panchayat suggested the name of Shri Brijesh Kumar, Additional Secretary, Govt. of MP, who is monitoring the entire financial inclusion work. Representative from NABARD has also been included in above committee.

CMD Central Bank of India suggested a strong BC model, for which sustainable and regularly available person needed in field on ongoing basis from those villages for which these person should have attachment for the villages to stay there and have a desire to serve the villages. He asked State Govt. to support the banks in giving good

BC agents and House Agreed with suggestion and recommended CEDMAP to provide this kind of training to 15000 BC if developed in consultation with Banks.

RD, RBI appreciated the above training scheme and suggested that the modules of CEDMAP is prepared which may have a trainer and should have a good exposure potential for regulatory and supervisory issues.

CMD told that money lender should not play a role and requested to flag it up to higher authorities of banks and let the District Collector be sensitive to such issues. Principal Secretary, Rural Development further told that State Bank of India have maximum number of branches hence has more shadow area villages and service area villages in state. Hence requested State Bank of India for coverage of the Shadow Areas. State Bank of India assured that wherever banks have branches they would be doing it.

It was resolved that RBI would form a sub- committee with representatives of all banks in state having RRBs in MP, Shri Brijesh Kumar, Additional Secretary, Govt. of MP, and Representative from NABARD. SLBC would call CEDMAP to have discussion to finalize training module.

(Action: All RRBs sponsoring Banks in MP/DIF/, Shri Brijesh Kumar, Additional Secretary, R.D. Department, Govt. of MP, / NABARD/ CEDMAP)

- **Outreach Visit by Banks Executive**

Executives of different banks, NABARD and RBI are undertaking outreach visit to the villages. RD, RBI has informed the house that high officials of RBI including Shri Chakrabarty, Dy. Governor are making it all over the country.

- **Branch Expansion Plan 2011-12**

Convener informed that out of 47 Member banks of SLBC only 26 have submitted their Branch Expansion Plan up to 30.09.2011 for opening 303 branches but most of them are not in shadow area. He requested to all above 26 Banks to open Branch as per above Plan by March-12 and to all left over banks to submit their Branch Expansion plan immediately. He informed that all RRBs are now on CBS platform and Central Bank of India is opening 14 branches on 21st December 2011.

UBI informed that 4 branches are left to be opened which would be opened soon.

Shri M. V. Tanksale, Chairman and Managing Director, Central Bank of India informed the house that in Madhya Pradesh 99 unbanked Centre with population 5000 – 9999 have been identified for opening Brick and Mortar branches which may act as base branch for Financial Inclusion, for which RBI license is not needed.

Mrs. Aruna Sharma, PS, RD and Panchayati Raj Deptt., M.P. Govt. suggested that if the branch opening should be matched with some of the 14752 shadow villages identified under service area concept.

Mr. Ashok Shah, Commissioner, DIF told that all the private and other banks which are in urban area have to give plan for opening branches in rural area.

CMD requested the private sector banks who are very aggressive in grabbing business opportunity in urban area not to ignore their commitment and to give a plan to open branches in rural areas. He also requested district machinery, who are eager to respect their eagerness on strength of technology of private bank, to demand from the private banks what the district machinery wants and should demand full participation by private bank, both under rural lending, FIP and all govt. sponsored scheme.

Chief Secretary assured the house that they would not allow private banks to play in such a way.

CMD Central Bank of India asked convener to get the centers mapped through this small committee of RBI quickly and this small committee should look after branch expansion.

Convenor told that most defaulters are from private sector banks and we have 303 centers most of them may be common to list of 14752 villages which would be reconciled.

Mrs. Sharma Principal Secretary RD and Panchayat mentioned that many RRBs have shifted their branches to new places Semi Urban/Urban areas rendering the previous village unbanked and continued to be rural branch in records.

CMD advised to change the license for new place which RD, RBI accepted and list of such shifted branches be shifted before the house. House was of the opinion that Banks who have shifted Branches, should make efforts to re-open the branch in original centre.

IT was resolved that 26 banks which have submitted their Branch Expansion Plan would open branches up to 30.09.2012 and rest 21 banks including private Banks would submit their Plan urgently to SLBC. Further, Branch opening plan should include 14752 shadow villages identified for mapping under service area concept.

RRB which have shifted from any village it would ensure FI of the previous village, the list of such village would be prepared by SLBC.

(Action: All banks/RRBs/Private banks)

- **Financial Literacy and Credit Counseling Center (FLCC)**

Convenor informed the house that 44 Centres have been opened by respective Lead banks in their District by Sep-2011, and requested Bank of India, state Bank of India and Allahabad bank to open FLCCs in their left over districts.

Shri P.K. Panda, Regional Director, Reserve Bank of India assured house to provide the recording of Drama played in Bharat Bhawan on Financial Literacy to interested one He requested sponsoring banks not to have organic linkage of FLCC .

CMD, Central Bank of India also assured to make Web based programme available to all FLCCs.and reminded Mr. Panda, RD, RBI to provide CD of skit played at Bharat Bhawan in presence of Dr. K. C. Chakrabarty recently which can be used through CD exhibit in villages through some media like TV etc

Madam Aruna Sharma, Principal Secretary, Rural Development, M.P. Govt.assured to allot place for FLCC.

Convener asked the banks to appoint the counselor of FLCC soon.

Convener reminded to put forth the Financial Inclusion and Financial Literacy subjects incurriculum of schools by the State Governmentin the 2012-13.

It was resolved that Bank of India, state Bank of India and Allahabad bank would open FLCCs in their left over districtsRBI would provide recording of Drama played in Bharat Bhawan on Financial Literacy to interested one, Financial Inclusion and Financial Literacy subjects would be putin curriculum of schools by the State Governmentin the 2012-13.

(Bank of India, state Bank of India and Allahabad bank/RBI/DIF/Department of Education)

- **Rural Self Employment and Training institute(RSETI)**

Convener informed the House that Vijaya bank in Indore and Canara and Syndicate Bank in Bhopal and Lead banks in their lead Districts have opened RSETIs, but they are not functioning effectively.

CMD, Central Bank of India informed that Central Bank of India is creating a programme to capture bio data of trained person from RSETI to track them so that funds from Govt. of India, State Govt. and Banks may not go waste. He also invited the Branch Managers to get involved for the above.

Shri Ashok Shah, commissioner, DIF told that out of 24735 beneficiaries trained through RSETI only 1088 have been provided with financial assistance. Hence, requested banks to ensure financial assistance to the trained beneficiaries.

It was resolved that RSETI sponsoring Banks would effective functioning of their RSETIs, Central Bank of India would create a programme to capture bio data of trained person from RSETI, beneficiaries trained through RSETI would be provided with financial assistance

(Action: RSETI sponsoring Banks/ Central Bank of India)

ACTION POINT NO.4 : Review of Annual Credit Plan 2011-12 of Madhya Pradesh ;

Convener informed the House that Commercial Banks have achieved only 35% of the targets where as it should have been at least 45%.

CMD told that only 4 banks have achieved their target upto September 2011 against ACP hence DLCC should decide the potential for agriculture in their district after examining it.

CGM, NABARD requested for structured agenda so that sector-wise/activity-wise/bank-wise disbursement against their Targets be reviewed to have real picture for achievement under ACP.

Principal Secretary, Industrydept. complemented the bankers for achieving target under MSME during past years and hope that target would be achieved current year also.

He informed that they have plan to create new industrial areas in state for which 2000 hectare of land has been identified and as soon as Industries Department would have State Govt. approval for annuity payment etc, hopefully this month, they will approach commercial bank and during next 3-4 years take off in Industrial Finance should be substantial for new industrial areas, up-gradation of industrial infrastructure and MSME etc. with appropriate financing.

ACTION POINT NO.5 : Performance of Banking Sector in Madhya Pradesh

It has been resolved that Banks would play proactive role to check the declining position under DRI.

(Action:All Banks)

- **Branch Position**
Convener informed that there are total 5641 branches with 3033 ATMs in Madhya Pradesh State up to Sep-11 of which 66 are Specialized SME branches.
- **Deposit Growth**
HOUSE TOOK NOTICE OF Rs.164439 Cr deposit with 8.10 % growth over March 2011 with the Banks.
- **Credit Growth**
Convener told the house that Banks have Rs. 102387 Cr credit with 11.89 % growth over March-11.
- **Credit- Deposit Ratio**

Credit –Deposit Ratio was 62.26 % as on 30.09.2011 against the target of 65 % by March-2012.

CMD, Central Bank of India told that some of the districts may not be up to mark to achieve 60% of CD ratio but bench marking of ACP in line with PLP is right way to monitor this problem. He further told that state with low CD Ratio has to create credit absorption potential by improving economic activities.

Principal Secretary Industries Department told that for CD, substantial improvement in the infrastructure is essential for which they have approval and are going to be put before the cabinet soon.

Representative from Corporation Bank told that large amount of transactions are taking place off the records hence borrowers did not submit document. So there is need of counseling from the government side also so that people should become eligible for finance.

Chief Secretary told that he is not sure of that really happening and assured greater effort on part of State Government and bankers to cooperate to link the people in other social sector schemes and linking them with commercial loan.

It has been resolved that Banks would benchmark ACP in line with PLP and would make *imaginative and aggressive planning linking it with economic landscape of the State* focusing on SME with linking forestry, agriculture and tourism, particularly in Semi Urban Area and Government would make substantial improvement in the infrastructure

- **Low Credit Deposit Ratio**

There are 6 Districts having low CD Ratio less than 40 % and during discussion Singrauli and Alirajpur also appeared to be in the category of Low CD Ratio districts. The concern Lead Banks have been requested to revive Sub- Committee on CD Ratio with specific Agenda and specific target to achieve for increasing the CD Ratio of the District. In sub- committee meeting of SLBC on CD Ratio held on 10.12.2011, it was decided that LDM would convene Monthly Sub- Committee meeting under Chairmanship of District Collector in which Branch Managers of Branches with CD Ratio lower than average CD Ratio of District, DDM NABARD, District Coordinator of the Banks, head of line Deptt in district would participate to chalk out fortnightly plan to improve CD Ratio and review of the same on monthly basis of the District. In above meeting the achievement against Annual Action Plan of each branch would also be discussed.

Chairman, Central Bank of India requested that loan accounts with bank branches in other States to be brought to respective bank branches located in Madhya Pradesh for the industries running in Madhya Pradesh.

Convener clarified that our Annual Action Plan is based on PLP, the achievement is more than 90% during last 3 years despite that our CD ratio is coming down, it is a matter of concern whether State Government can give us the projects or schemes outside PLP which bank can finance and some increase in CD ratio may be there.

Regional Director, Reserve Bank of India observed that problem of unorganized and unauthorized financial intermediaries and lack of add on programme for Semi Urban area are to be solved to increase CD ratio.

Regional Director, RBI appreciated the move of opening of new SME department by the state government.

Convener informed that Advances under Priority Sector is Rs 59133 Cr including Rs.35646 Cr under agriculture, Rs.12261 Cr under MSME and Rs. 11226 Cr under Other Priority Sector advances.

- **Agriculture Advances**

HOUSE observed a growth of 3.65 % only under Agriculture over March-11 and YOY growth of 18.58 %.

- **Micro, Small and Medium Enterprises**

HOUSE noticed 8.34% growth over March-11 under MSME and there is YOY growth of 21.15 %.

Mr. Param Siwam, AGM, Canara Bank informed the house that DTIC is not issuing NOC to sale the leased land of borrower to recover the dues.

Principal Secretary, Deptt. Of Industries told that the leased land cannot be sold rather it can be transferred to another party who is willing to purchase the machinery etc. established already by borrower/ defaulter of the bank on above leased land and bank can recover the dues from above borrower with the help of DTIC out of sale proceeds of machineries etc.and DTIC have very flexible role for the transfer of land for rehabilitation of such sick units for support and transfer of the lease deed to new entrepreneur .

CMD, Central Bank of India told that if bank have prospective buyer, bank need NOC from DIC and friendly approach from the DTIC would help in recovery from the bank side.

Convener put the MSME achievement as on 30.09.2011 as 40%ofthe target fixed for year 2011-12 and expected more thrust in MSME sector after establishment of MSME department by the State Government.

**It has been resolved that if bank have prospective buyer, DTIC would help in recovery from the bank side by issuing NOC and providing friendly approach
(Action: DITC)**

- **Advance to Weaker Section**

House noticed a critical growth of 0.76 % over March-11 and YOY growth of 1.32 %only.

DRI Advance Convener reminded for special credit camp for improvement under DRI. Which has shown a **negative** growth of 17.60 % over Sep-10

Mr. Shah, Commissioner, DIF pointed that on DRI this forum is a little bit sensitive since the achievement under DRI is only 0.027% of total target under DRI whereas this loan goes to the poorest among poor for rural as well as urban areas. So bank should sanction the loan under DRI.

Mr. C. M. Tripathi, DGM RBI informed that, no state has achieved this benchmark of 1% of the net bank finance and replied that the required eligibility income level under this scheme has been raised, Hence now cases should be available to the banks.

Principal Secretary, Finance Deptt, M.P Govt. expressed his anxiety over year to year declining trend of DRI in M.P.

- It was resolved to arrange area specific camps by the Bankers.

- **Achievement in respect of Salient parameter vis-a-vis National Goals**

Though, Madhya Pradesh has achieved all the salient parameters against the National goals for each except DRI advances but under Priority Sector, Agriculture and Weaker section it has shown a **negative** variation over March-11.

- **Recovery**
- CMD Central Bank of India enquired about the recovery position of sponsored schemes and asked convener to discuss the position of recovery also under govt. sponsored schemes.
- Convener informed that banks have around 30% NPA in these schemes but information on recovery in specific district is not available.
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He told that There is high percentage of NPA in every Sector and scheme but it is alarming in case of PMEGP (32%) SGSY Group (18%), SGSY Individual (21%), KVIC (12%), SJSRY (33%), SRMS (26%) and Antvyvasi (28%) and hence requested the State Government to assist the bank in improving the recovery.

Chairman SNKGB raised the issue of recovery under RRC and pointed out that 80% of NPA advances are from Agriculture sector only, in which the recovery depends on RRC only. He told that SNKGB through its nodal branches forwarded *large number ** cases of RRCs to District Administration of which only in 3 cases the recovery has been done. So he apprehended the survival of RRBs in such a recovery situation particularly when system generated NPA would come in force.

Chief Secretary replied that District Administration is assisting in recovery of dues but that does not mean that the burden has been passed on to the District Administration.

- **BRISC**

Convener informed the house that There is high number of **pending RRCs** at start of Quarter Sep-11 numbering **958549 amounting Rs.2479 Cr** whereas **only 3401 RRCs** for **Rs 21Cr** has been **disposed off** at the same time under **Web Enabled RRC filing 78855** RRC cases filed by Bank branches, against which **only 20894 cases** have been **allotted** to revenue officers by District Administration for recovery and **only in 259 cases the recovery have been effected** since inception of the scheme. Though district wise Annual target have been communicated to respective District Collectors by State BRISC Cell, DIF, Bhopal.

Mr. Ashok Shah, Commissioner, DIF requested bankers to implement the decision of Sub-committee meeting held on 31.10.2011 to that all the pending RRC cases before 1st April,2010 must be put on Web Enabled RRC system by 31st Dec,11 by the banks and thereafter issuance of RRC through physical form would be discontinued and all such cases would be closed by recovery officers.

CMD, Central Bank of India suggested that target for recovery under BRISC should be regularly monitored by District Collector and the District Administration in association with LDMs and requested the Lead Bankers to direct LDMs to form sub-committee for recovery monitoring and follow up.

Chairman SNKGB told that bankers are sharing the burden of revenue authorities for recovering the dues under RRC for which Branch Managers visit the revenue officer, requesting them to just to issue demand notices and to just accompany Branch Managers to the defaulters thus bankers are taking their steps.

CMD told that if the lead banker and district administration sit together, the matter would be resolved.

Chief Secretary told that in his video conference with collector he instructed collectors to cooperate and they would meet again.

(Action: DIF/LDM/COLLECTOR/ALL BANKS)

ACTION POINT NO.6 : Performance/Progress of Banking Sector under Various Govt. Sponsored programs in Madhya Pradesh

Various Govt. sponsored scheme have been discussed in the house and it was found that quarterly targets are not being achieved by the various Banks.

- **Prime Minister Employment Generation Programme**

Convener informed that against the **target of 3695 cases, only 1016 cases** have been **sanctioned** by the banks to utilize the margin money of Rs. 32.18 Cr against the target of Rs. 51.73 Cr for margin money utilization whereas KVIC vide letter nmp (pmegp/2010-11/4881) dt.14/15.07.2011 informed that **2011-12 is the last year** of PMEGP implementation. No additional funds will be allotted other than this year's allocation. **Hence Banks should ensure to claim subsidy for all sanctioned cases and to ensure receipt of all claimed subsidy by 31.12.2011 under this scheme.**

Mrs. Rashmi Arun, Commissioner, Deptt. Of Industries reminded the decision of last meeting for disposal of pending cases by 31.10.2011 against last year's target and it was clarified that scheme is not to be discontinued hence, cases may be sanctioned as usual.

She further told that government has started allocating target/budget on quarterly basis and the departments are supposed to give utilization certificate after utilizing the subsidy every quarter. So she requested bankers to allocate their branches with quarterly target.

CMD informed that entire banking industry is working not on quarterly but on monthly target, all the bank branches has to answer their controlling offices the progress made against their monthly target for micro lending, banks have to attend the cases within 30 days, all branches are to maintain the 'application received and disposal register', to maintain the date of disposal and to return the applications not eligible. He requested to flag off the issue in DLCC and to take necessary action against erring Branch Manager because every bank is looking for credit creation. He requested the representatives from different banks to give timelines to the branches by 31.12.12 and thereafter no applications be kept pending either they should be sanctioned or be return back as per merit for which they should at least call the concern sponsoring agency and show them the problem due to which the loan cannot be sanctioned.

Mrs. Rashmi Arun, Commissioner, Deptt. Of Industries told that disbursement of margin money under Prime Minister's Rozgar Srijan Scheme and Pariwar Moolak is lower.

CMD, Central Bank of India replied that since subsidy utilization is linked with sanction Disbursement hence the moment loan gets sanctioned by Dec. 2011, it would be solved. She pointed out zero progress districts i.e. Bhind, Guna, Datia and Chhatarpur under PMEGP, Dindori, Neemuch, Chhatarpur and Singrauli. Under 'Pariwar Moolak' and Datia, Bhind, Guna, Vidisha and Chhatarpur under KVIB schemes.

CMD, Central bank of India requested the govt. department to give list of defaulter banks of above district to convener, SLBC and advised Convener SLBC to write the letter to all state heads and if warranted CMD would write letter to Chairman of concerned banks. He reminded to maintain the time line fixed for 31.12.11 for disposal of all the cases received prior to 1st December 2011.

CMD, Central Bank of India expressed his feeling and told that as and when bank disburse the loan, income through interest start accruing.

It was resolved that Banks should ensure to claim subsidy for all sanctioned cases and to ensure receipt of all claimed subsidy by 31.12.2011 under this scheme... Government Departments of above zero performer Districts would give the list of poor performer bank under above schemes to SLBC, Convener, SLBC to write the letter to all state heads and if warranted CMD would write letter to Chairman of

concerned banks, Bank would maintain the time line fixed for 31.12.11 for disposal of all the cases received prior to 1st December 2011.

(Action:KVIC/kVIB/Industries Department/All member BANKS/ Government Departments of above zero performer Districts)

Performance under SGSY

Convener informed the house that the banks like Syndicate bank, PNB, Canara Bank, Central Bank of India and BOM have only made more than 40% disbursement under this scheme. Whereas **ICICI bank and LDB performed zero**. The scheme is going to be replaced shortly by National Rural Livelihood Mission. Hence all the pending cases is to be disposed of before 31st Dec, 11.

- **Performance under Swarn Jayanti Shahri Rozgar Yojna**

Convener informed as follows:

- **Under USEP** the physical achievement have been only 46.06 % and Financial 21.41 % against previous year achievement as of Sep-10 68.04 % and 19.79 % respectively.
- **Under UWSP** 5 % physical and 2.21 % financial achievement has been made during Sep-11 half year.
- **CM's Cycle Cart and Cycle Rickshaw Scheme:** Under Chief Minister Cycle Cart and Cycle Rickshaw Scheme only 654 cases have been disbursed and huge number 2768 cases are pending with the bank branches.

Shri Sanjay Kumar Shukla, Commissioner, UAD Deptt. Drew the attention of house towards poor achievement of target under SJSRY's USEP and UWA, DWCUA programmes as the progress is only 20% and 2.2% respectively despite the comparatively good recovery percentage. He informed that MP State has better repayment than nation's average repayment under this programme.

It was resolved that State Heads of the Banks would ensure that targets are achieved in time in all above schemes.

(Action: State level Heads of all banks)

- **Antyavayawsayee Swarozgar Yojna**

Convener told that Under this scheme against the target of 10000 cases, 2024 cases have been sanctioned of which only 501 **cases** for Rs. 1.99 Cr have been disbursed and large no of cases 9407 are lying pending at bank branches which needs early disposal.

It was resolved that State Heads of the Banks would ensure that targets are achieved in time in all above schemes.

(Action:State level Heads of all banks)

ACTION POINT NO.7 : Performance/ progress of banking sector under various SPECIAL FOCUS Programmes as decided by NABARD/State Government/Government of India.

- **Kisan Credit Card**

In Compliance to Action plan circulated by Deptt of Financial Services, GOI vide their Lt 1(4)/2011-c Dt.19.08.2011 the Sub-committee meeting on Agriculture has discussed on common Crop loan format on 10.09.2011 and approved it on 14.09.2011 which has been adopted by SLBC in this meeting. Above Action Plan and Common Application Format is being enclosed. The following points have been adopted by the house:

- ❖ State Govt. would issue direction to Dist. Administration to collect Factual figures of left over farmers for Kisan Credit Cards and to be reviewed in DCCs.
- ❖ **Commissioner ,D.I.F. Govt. of M.P.showed their inability to get the above format printed and supplied to each Distt. Agriculture officer in each Distt of Madhya Pradesh.Hence, banks would do it.**
- ❖ The field functionaries of State Govt. would collect the applications from the beneficiaries and would submit the same to each service area bank branch of concerned village.
- ❖ Banks would not charge any fee for Crop loan which include documentation fee, inspection feeand renewal fee.
- ❖ Advocate fee would be charged as per guidelines of RBI and for the loan above Rs.1 lakh Advocate fee would be decided by corporate offices of the concerned banks.
- ❖ Banks to sanction Cash Credit limit and should be renewed each year on the verification of land holding.
- ❖ There will be no requirement of getting no dues certificate but affidavit to this effect would be taken.

In Madhya Pradesh out of 73.60 lakhs landholding 66.54 lakh KCC have been issued up to June-11 and Up to Sep-11, 272298 fresh CKCC have been issued against the target of 1008011, hence the above gap can be filled up through above process.

It was resolved to act in above lines.

(Action:DIF/Banks/LDMs/DistrictAdministration)

- **Self Help Group**

Convener informed that In Madhya Pradesh 164663 Saving accounts have been opened under NABARD scheme for different S.H.G.s but only 31880 S.H.G.s could be credit linked with the banks during the half year ended Sep-11.

CGM, NABARD, Shri S.Akbar made the house aware of the communication from GOI for PublicSector banks and told that CC limit only would be allowed to all the SHGs and all **existing term loan account of SHGS should also be converted into CC limit accounts before 31st Dec, 11** to reduce the interest burden and providing flexibility in

transactions in SHGs accounts. The copy of which was circulated in the house for ready reference.

He told that it is based on the suggestion from SHG federation from all over India and is to be deliberated in DLCC meetings and CMDs of all banks would be issuing instructions as early as possible .It was also resolved to credit linked all the SHGs having Saving account with banks as per merit.

CMD clarified that it is corporate level issue and every CMD is addressing ,Central Bank of India has also taken a decision but for it banks would **require compatible technology to suit the product**.Hence system should support as once a cash credit limit is opened the withdrawal may go wrong.He informed the house referring Finance Minister's review meeting of eastern area at Kolkata (West Bengal) in which issue was flagged by Mr. Mittal, Secretary, Banking GO and told that bankers are agreed in principle and all are working on that whereas Central bank of India has already issued the circulars.

Principal Secretary Aruna Sharma also supported above and told that it would be helpful as NLRM is going to be implemented soon and this type of mechanism would really support SHGs in big way because the entire decision making of disbursing loan would lie within the SHGs and they keep on drawing and keep on paying.

CMD ,Central Bank of India further clarified the position that through this system, SHGs would draw and repay back whenever and whatever they need thus reducing the unnecessary interest.

Sh.A.K .Verma, General Manager, Bank of India informed the house that they have received these guidelines already which they would put up in next DLCC meeting among the bankers to discuss and to confirm as having they received guidelines from their respective head offices.CMD told that banks are committed to do it and they are looking for the time.

It was resolved that all banks would allow Cash Credit Limit to all Self Help Groups after having developed required compatible technology to suit the product and after receiving instructions from their Corporate Offices.

(Action:All Banks)

- **Housing Finance**

Convener informed the house as follows:

- **Direct Housing Finance:** Under Direct Housing Finance 8952 cases have been disbursed during half year ending Sep- 11.
- **Golden Jubilee Rural Housing Finance:** Under this scheme due to unavailability of proper title deed in rural area the progress is very poor i.e. only 72 dwelling units could be financed during half year Sep-11 with the tune of Rs. 1.76 Cr.
- **Chief Minister Rural Housing Finance:** Taking a lead Central Bank of India has signed MOU with MPRRDA during Year 2010-11 and decided target for 50 cases per district during the year 2011-11 and for year 2011-12 Central Bank of

India has to achieve target of financing 25 beneficiaries from service area villages per month per branch and up till now 2149 applications have been sanctioned and 1762 applications have been disbursed. Other banks like SBI and BOI have also signed the MOU above.

Principal Secretary, Rural Development and Panchayati raj has also requested other banks to come forward to sign MOU with MPRRDA for Financing this poor mens' scheme.

Shri Tirky, CEO, MPRRD told that Principal Secretary has already made a remark on progress made in this scheme and put his observation as follows:

1. We have already decided that the Nationalized Banks should come up and sign an MOU under this scheme but except Central Bank of India, Bank of India, State Bank of India the other bank still has not come up with an MOU and of course Union Bank of India and Bank of Baroda after the 3 did come for which we have already sent the MOU draft to the government but important banks like Punjab National Bank. Bank of Maharashtra, UCO Bank etc. and so many of them need to come up with MOU draft.
2. RRBs should also come up under which a lead has already been taken by Satpura Narmada RRB and rate of interest what they have quoted is acceptable and government's approval is awaited.
3. 41379 completed cases have been sent to the banks but the sanction received from the banks i.e. from Central Bank of India, Bank of India, State Bank of India is just 6033.cases against the target of 1 lakh units this year. He told that the issues raised by Banks on improper documentation they have already instructed CEO, Zila Panchayat, Collectors etc. to solve them. Even having bankers feel that their concerns have not been adequately processed/ addressed by them, they may visit to MPRRD, Bhopal, where it would be traced out.
4. He referred message from Central Bank of India Betul in last week on improper documentation which they acted with CEO, Zila Panchayat and found all the documents for 3000 cases in order. Hence, he requested to hasten up this very important campaign and expected from State Bank of India working in just 13 to own up the other districts as well.

Sh. Ajay Tirky, CEO, MPRRDA told that during last meeting chaired by Principal Secretary, Rural Development and Panchayat raj issue was raised by the State Bank of India and was clarified that "BhooAdhikarPramanPatra" is the document which banker can take it as good as for that equitable mortgage

Principal Secretary, Rural Development told that they have clarified and other banks have recognized "BhooAdhikar" but the legal dept. of State Bank of India have some queries, so dept. have to get it endorsed again from Revenue Deptt. and to send it back to banks.

CEO, MPRRDA told that State Bank of India have 163 sanctions only which is quite low in comparison to the largeness of the branch

On this Mrs Kidwai, DGM, SBI told that they are already following it up and assured that in next 2-3 months through campaign they would complete it before 31.03.2012.

Since they have already sent instructions to the branches and given target for 40000 units. She informed that on merger of State Bank of Indore with State Bank of India, the additional 6 districts have been added to the list State Bank of India as lead district.

Principal Secretary, Rural Development, MP Government Smt. Aruna Sharma clarified that by and large what agreement the Govt. had with State Bank of India, the same had been circulated to all but banks are still finding fault with it and so every time they had to go to Finance Department

She told that Punjab National Bank seems to be having a lot of enquiry and that still the correspondence is going on between Punjab National Bank and the Department without any result.

Chief Secretary suggested that whatever query is there, department should handle just now and there should be a detailed discussion to clear the actions of department and banks within limited time to finalize and act accordingly to avoid complication later. Since this is a systemic problem and the Bank should not request beyond the format of MOU and in future MOU between Govt. and Bank must have agreed in format including what sort of document and formalities are needed.

Hence it was concluded that other Nationalized Banks and RRBs should come up and sign an MOU under this scheme with State Government on finally decided draft on the subject, Bhoo Adhikar Praman Patra as document for equitable mortgage be endorsed from Revenue Deptt. and to be sent back to the banks and SLBC and all the pending applications would be disbursed by sorting out the problems solved through Collector and CEO, Zila Panchayat or MPRRD.

(Action: All Banks/CEO, Zila Panchayat/**Collector/MPRRD**)

Urban Housing Schemes: Shri Shukla, Commissioner, Urban Administration and Development informed that Prime Minister is going to set up a Risk Guarantee Fund for Rs. 1000 crores and 60000 dwelling units are under construction in Madhya Pradesh of which about 15000 dwelling units are now ready for possession but loan has been sanctioned for 500 units only so he requested other banks to support.

He also informed about another scheme like **JNURM for 4 cities like Jabalpur, Bhopal, Ujjain, Indore** and about Integrated Housing and Slum development programme in another 34 towns where there are 22000 houses are under construction.

He explained that market value of these units are around Rs. 3 lakhs to 8 lakhs and land has been given free of cost by state government, 70% of cost of construction met by Govt. of India and State Govt. Thus banks have to finance 30% only which **remains Rs. 50000 to Rs. 1 lakh only**, where full rights on dwelling unit, legal construction and proper location are safety features for financing exist.

Shri Shukla explained that this scheme has been taken up with Mr. A. K. Mishra, Secretary, HUPA who promised last month and at state level he is in touch with Shri Mondal, Convener SLBC who has been kind enough to support and circulate the material, they have also discussed with different banks and PNB has come forward with two of its branches and with local consultation Urban Administration and Urban Development has prepared 8 documents required and circulated the same to all the districts but still the banks are not coming forward.

CMD Central Bank of India cleared the modalities of approval before the house that the scheme is approved at SLBC and then respective bank send it to their head offices for approval and then only it is circulated to respective branches through its corporate offices i.e. Priority Sector Department otherwise branch Manager can not sanction the schematic loan cases. Hence, he requested to act in above line and if needed he may write to corporate offices of the banks.

He asked Mr. Mondal, Convener to send them the approved scheme for corporate approval and requested all the bankers to pick up this scheme and refer to their head offices for their approval.

Sh. A.K.Verma, ZM, Bank of India told that soon he would get the approval from Head Office, he would send the instruction to his branches within 3 days for its implementation.

Chief Secretary termed this scheme as more attractive proposition for the banks than rural housing because this has built houses altogether.

It was resolved that All State level Heads of Banks to send the above approved schemes for corporate approval of their respective Banks and after approval would send to their branches for implementation.

(Action:All Banks)

- **Financial Assistance to Minority Community**

Convener informed the house that 10755 units have been financed for Rs. 201.48 Cr during half year ended Sep-11 and 340951 beneficiaries of different minority communities have availed the loan facility for Rs.5162 Cr.so far .

- **Data on Minority Community in identified District i.e., Bhopal**

In Bhopal Distt 72354 beneficiaries have availed Rs. 1051.16 Cr of different minority community which is only 4.6 % and 8.23 % of total advances in terms of number of beneficiaries and amount advanced respectively.

- **Financial Assistance to Schedule Caste/Schedule Tribes**

House has been informed that 8044 Scheduled caste beneficiaries have been disbursed loan for Rs. 67 Cr during half year ending Sep-11 with outstanding loan amount of Rs. 2214 Cr for 602189 beneficiaries of which NPA is at high side i.e. 19.06 % and 5994 Scheduled tribe beneficiaries have been disbursed loan Rs. 42 Cr during half year ending Sep-11 with outstanding loan amount of Rs. 1490 Cr for 384864 beneficiaries of which NPA is at high side i.e. 15.70 %

It has been noticed that for Scheduled caste members NPA has increased whereas for Schedule tribe member it is constant.

- **Swarozgar Credit Card (SCC)**

Convener stated that Co-operative banks have performed better and , Commercial banks have performed poor in issuance of Swarozgar Credit Card.

- **Artisan Credit Cards**

Some banks have reported Zero progress in this scheme, hence banks should plan appropriate strategy and organize campaign for issuance of ACC

- **General Credit Card (GCC) Scheme**

Since inception 37528 GCC have been issued by the banks but it needs more effort to support those people who are landless and aspiring for small venture for their livelihood.

- **Education Loans**

Convener presented the position of education loan position before the house and informed that Central Bank of India has organized Education Loan camp recently in big way and requested all banks to conduct credit camp for education loan at college level.

He told that Under **Interest subsidy scheme** for Education loan of Govt. of India, Canara bank is the nodal bank. The information is not regular from them on the progress of the scheme. Total education loan disbursed have been 7069 students for Rs. 89.05 Cr during half year ended Sep-11 against the target of 60000 accounts. Whereas Bank wise and District wise targets is allotted. The outstanding balance is Rs. 1530.26 Cr for total 77614 accounts.

He further informed that Under **Govt. guarantee scheme** for Higher Education: Govt. of Madhya Pradesh has **guaranteed 12 cases amounting Rs. 1.02 Cr only** against the fixed **target of 200 cases** for which In sub- committee meeting of SLBC on Education loan held on 31.10.11 it was decided to give wide publicity of the scheme through banks and Govt. Departments and bank branches would issue "**in principal sanction letter**" to the State Govt.

Convenor added that at the time of counseling student should be made aware of scheme and provided with the name of educational institution and name of bank together.

Director, Technical Education, MP Govt. informed the house that only Central Bank of India could arrange camps in the professional institution
CMD Central Bank of India told whatever bankers do their best during this **financial year** they do but in next financial year, during the Months of **April – June** arrangement of **camp** at Universities and sort of campaign at professional colleges

for providing the education loan be made and for that **spadework** should start now with sufficient arrangement to link the people i.e. student to the Bank and Education Department, Govt. of M.P should support banks to link the students with Banks

CMD Central Bank of India asked Medical/Technical/Higher Education Department to **collect data** on number of students taking admission in different colleges in the state under different streams like Engineering, Medical, MBA etc. to fix the target for Education loan.

Regional Director, Reserve Bank of India invited attention of United Bank of India, which sanctioned for 1 account of Rs. 3 lakhs only and no loan to girl was disbursed.

Convener clarified that disbursement amount is more than sanction due to disbursement of loan out of previous year's outstanding sanctioned loan.

Reminding the speech of Dr. K. C. Chakrabarty, Dy. Governor, Reserve Bank of India Chief Secretary told that on issue of education loan The Dy. Governor invited us to write to RBI in case banks are not taking interest to his expectation and our expectation. So perhaps now we will definitely draw the attention of RBI to this issue because Chief Minister, RBI Governor are emphasizing But still it is a system problem.

Mr. Akbar Ali, CGM, NABARD told to bring out the names of bankers who **underperformed**, discuss it and bring it to the records which would help **us analyzing the problems to correct the things for future**.

Chief Secretary has told that this is the right time to know the reasons for poor performance of banks under Education loan.

CMD, Central Bank of India asked Convener to **provide the list of defaulting bank to write the letter to all Chairmen of defaulting banks**. whereas performance of Bank of India, Bank of Baroda, Corporation Bank, Punjab National Bank be appreciated, which performed well suggested that target and performance should come together along with **name of the bank which has wonderful** performance.

Shri. Ajay Nath, Principal Secretary, Finance Department added that poor performers should also be highlighted.

Regional Director, RBI invited suggestions from Bank of India, Bank of Baroda, Corporation Bank which have performed well.

Sh. H. S. Shah, Dy. Zonal Head, Bank of Baroda told that in the month of **May- June- July** and August they have arranged campaign in major places in Bhopal, Indore, Gwalior, Jabalpur etc. and they have canvassed 255 applications out of which they sanctioned 235 so they have disbursed Rs.9.50 Cr up to September 2011.

CMD Central Bank of India informed that IBA has brought out a very friendly education loan scheme, where the repayment schedule is pretty extended and tracking the students on post completion of the education is easy to recover the

dues to keep account performing ,which has been adopted by the respective boards of the Bank and asked convener to give a copy of model education loan scheme to banks in MP..

He told that beneficiary of Education loan are the future client for the bank and requested **convener for having some proactive programme** with a **small committee** to attack this issue collectively Shri Shah Commissioner DIF commented that when applicants approach to one bank branch they simply pass on the work to another bank branch and are asking for no dues certificate

Sh. Shah suggested that since we are doing web-based counselling so while filling the form for admission the student can show their choice whether they want education loan or not and thus we can chase the figure

Chief Secretary appreciated such initiative and suggested that when admission takes place in all the leading colleges, **the top institutions call the banks to open their 3-4 desks at the point of admission.**

Representative of Deptt. Of Industries, Govt. of M.P told that we should take proactive attitude for that we should have a **calendar from govt. colleges, education board and as per calendar we should arrange desk for the students** for some weeks.

CMD Central Bank of India commented over it that he would like to **reflect the process and systemic** issue on education loan as education loan is pretty simplified process where only the guarantee of the parents office the loan upto Rs. 4 lakhs. and for loan above Rs. 4lakhs the collateral security is asked for. He appreciated the support of State Government which is giving guarantee to the poor students for education loan of more than Rs. 4 lakhs to meritorious poor students.

It was resolved that Under Govt. guarantee scheme for Higher Education of Govt. of Madhya Pradesh, bank branches would issue "in principal sanction letter" to the State Govt.

Convener SLBC would provide the list of defaulting bank to CMD ,Central Bank of India to write the letter to all Chairmen of defaulting banks, Medical Education/Technical Education/Higher Education Departments would collect and provide data on number of students taking admission in different colleges in the state under different streams like Engineering, Medical, MBA etc. Convener SLBC to fix the target for Education loan Bankers would do their best during this financial year they do spade work for next financial year, during the Months of April – June they would arrange camps at Universities and short of campaign at professional colleges for providing the education loan with sufficient arrangement to link the people i.e. student to the Bank and Education Department, Govt. of M.P should support banks to link the students with Banks for Education loan.

(Action: **Medical Education/Technical Education/Higher Education Departments/DIF/All Banks/SLBC**)

- **Advances to Women beneficiaries**

Convener informed that Advances to women beneficiaries stood at Rs 6301.97 crores which is 6.63% of the total advances and well above the target of 5%.

- **Progress under National Horticulture Board Scheme**

- Principal Secretary Horticulture informed that there are 2 schemes in Horticulture for credit linkage with the bank i.e. one for the protected cultivation and other for micro irrigation and had discussion with Shri Mondal, Convenor, SLBC and also with some banks who have been identified for this to whom target would be given which should be completed by end of the March 2012.
- Under this scheme Rs. 1.98 Cr has been disbursed to 57 beneficiaries and 6 cases are lying pending with NHB. 131 LOI have been placed before the board and 107 cases have been approved by the board. Financing through this scheme would improve the CD Ratio as well as Agriculture Credit.

Principal Secretary, Horticulture requested that before target is given to bank, potential should be assessed because bankers are under pressure to perform and create those assets.

Director, Horticulture assured that they would work out.

CGM NABARD appraised the house that DDM of NABARD visits district to identify the potential for horticulture and informed that in previous SLBC, meeting the Principal Secretary, Finance told that during 2009-10 per head agriculture credit of MP was only 40% of National average.

- **Farmers' Clubs**

CGM, NABARD highlighted the need of farmers' club for which NABARD provides assistance Rs. 10000 per club per annum for a period of 3 years but no significant achievement has been made. DDM NABARD and LDM of all the 50 Districts in Madhya Pradesh should campaign to start farmers club

- **Other Agenda Item**

CMD, Central Bank of India emphasized to use DLCC forum to call the erring Branch Managers and try them for default in the disposal of loan application under different schemes and suggested Banks to develop some internal mechanism for disposal of pending applications. He told banks to introduce web-based programme to monitor the progress through their controlling offices as every bank is on CBS platform now. He asked government departments to provide the list of pending applications to the banks by reviewing and following up the pending cases regularly to have a positive analysis on 'Reasons for pendency' because bank's heads are crying for credit growth.

Mrs. Rashmi Arun, Commissioner, Deptt. Of Industries suggested bankers to undertake district-wise quarterly review or monthly review while reviewing Corporate's quarterly progress.

Shri P K Gupta, Chairman, SNKGB requested to give branch level pending position to DLCCs for more effective follow-up.

Mrs. Aruna Sharma, Principal Secretary, Rural Development, advocating the strength of DLCC, drew the attention of house towards declining importance of DLCC meeting since long for which now SLBC has started insisting upon for its strengthening since last couple of months. Hence, she requested that people who understand the concern here i.e. one representative each from RBI, from NABARD and from Lead Bank's head quarter must attend the DLCC to set the agenda of SLBC in straight way because in some places LDMs have taken the initiatives but in many districts it is lacking.

Chief Secretary suggested to activate DLCC where the issues at branch level should be monitored so that collectors review may be made by the collectors as to what is happening. He told the lead bankers for various districts need to release on DLCC agenda very strongly including a mechanism of sorting out Patta issues and other documentation where there should be committee which go through regularly in cases referred to the branches.

*.It was resolved that lead Banks would activate and monitor DLCCs of their Lead Districts

*one representative each from RBI/ NABARD and Lead Bank's state Headquarter must attend the DLCC to set the agenda of SLBC in straight way.

*Controlling Offices of banks would undertake district-wise quarterly review or monthly review of their branches while reviewing Corporate's quarterly/monthly progress

Banks would develop some internal mechanism for disposal of pending applications by introducing web-based programme to monitor the progress through their controlling offices

Government departments would provide the list of pending applications to the banks and a positive analysis on 'Reasons for pendency' would be made by Banks.

Sub-committees of SLBC would function for follow up on the points deliberated in SLBC.

(Action: lead Banks /LDMs/**All Banks/RBI/NABARD/DIF/SLBC**)

Sanction of loans by Certain banks on the basis of unduly stamped document.:

Shri A. P. Singh, Inspector General of Registration of MP raised the point that they are studying the documents under Agreement to Sale, development agreement and contract agreement for which stamp duty payment has got reduced drastically. He illustrated the names of SBI, AXIS Bank, ICICI Bank, HDFC Bank where documents were not properly stamped, thus creating a case of loss of revenue to the state and bank both because documents which have not been properly stamped would not stand as an evidence in legal cases in court of law for recovery against the borrower. He informed that the officer is in bound to send the same to collector for being properly stamped. He further requested bankers that his department would

bring the cases in court of law against them and requested SLBC to issue instructions that the loan cases looked into carefully.

Particularly in big districts like **Bhopal, Indore, Jabalpur, Gwalior, Sagarrand Devas. Chief Secretary concluded it that it is a serious point.**

CMD, Central Bank of India told with due respect to all bankers to obey the law and told that bankers are not able to value the document and requested IG Stamps to circulate the information once more to all the banks. He clarified on behalf of bankers that by tax evasion or stamp duty evasion bankers are not gainers because customer pays for that and he could not think that any branch manager would connive with the borrowers to save his stamp duty unless it is a big game which he cannot deny.

He further clarified to IG, Revenue that banks circulate the stamp duty requirements as per the act; If it is central act as per information from the corporate office but if it is state act then accordingly the circulars are given to branch managers. **He reiterated that he believes that banker would not do it deliberately.**

CS also agreed to the views of CMD, Central Bank of India.

It was resolved that if govt. feel that the stamp duty is only on account of certain interpretation IG Revenue must come out with certain guidance to Banks i.e. IG stamp's circular must be explicit what it should be and should be brought to the notice of SLBC which would be discussed and be circulated to all banks for taking preventive measure by the banks.

Chief Secretary, in his concluding remark, told that since last six months the role that the banking sector is playing for the development of Madhya Pradesh are very enthusiastic including the visit of RBI Deputy Governor, the figures seem to say moving on but at the same time we must confess that this meeting is losing just a little bit the undertaking given to RBI Dy. Governor as the branch expansion plan is still lagging, on credit plan we are not meeting the targets particularly in education loan. but we must hope to do better.

He further added **that we agree to number of things but small committees are not functioning for follow up on these points**, banks to send circulars to education institutions about the education loan so that they can take care of it. He gave a note of concern of above and hoped to have improvement next time.

He clarified that this is not blame game because we all are equally partners to this some defaults are there on both sides but we must hope to move on.

He also told that how we **monitor the DLCC's functioning**, as whether there is meaningful discussions, where they are attended by right people,, DLCCs are properly functioning. for which we have a report of alternate meeting at least He appreciated some DLCC which have done good work and asked convener to invite collector and LDM in next SLBC meeting so that a presentation here particularly from

6 districts with poor CD ratio like Umariya etc. so that they tell us the problems face to face so as this meeting may be made meaningful as per policy guidelines.

CMD presented vote of thanks on behalf of all the bankers and committed to hasten up the various developmental activities which are committed by us, nevertheless as State Level banker and responsible body for development of the state the activities would be monitored by him with the respective chairman or chairperson of the bank.

He told that he has rightly identified the various problems because it is necessary for us not to play blame game, but to have critical analysis and try to address the causes of problem at the grass root level.

He appealed all the lead banks to play their lead responsibility and he would write to respective bank's Chairman after going back to Mumbai and would receive entire feedback from Mr. Mondal, Convener, SLBC.

He further requested to use this forum to make Lead Districts really activated and to get most of the problems resolved by it.

He thanked all for a very interactive contribution and progressive meeting which evolved many commitments which would certainly be fulfilled particularly we have made in meetings to Governor, Dy. Governor, RBI and we stand by for it. Thus the process should be taken up.

LIST OF PARTICIPANTS
145th STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON 19.12.2011

S. N.	Govt. Deptt. /Bank/ Institution	Name	Designation
G O V E R N M E N T			
1	Govt. of Madhya Pradesh	Shri Avani Vaish	Chief Secretary
2	Agriculture Deptt.	Shri M. M Upadhayay	Principal Secretary
3	Finance	Shri Ajay Nath	Principal Secretary
4	Medical Education	Shri I.S. Dani	Principal Secretary
5	Rural Development	Ms Aruna Sharma	PS & Dev. Com.
6	MPPRDA	Shri Ajay Tirkey	Chief Executive Officer
7	Land Registration	Sh. K.P.Singh	I.G
8		Sh. V.S.Mittal	S.D.R
9	MNREGS	Sh. Rajeev Saxena	Joint Commissioner
10	Cooperation	Shri J.P.Gupta	Joint Director
11	Industries	Smt. Rashmi Arun Shami	Commissioner
12	Institutional Finance	Shri Ashok Shah	Commissioner
13		Shri. S.K.Gupta	Joint Director
14		Shri Sultan Ahmed	OSD
15	Urban Administration Development	Shri Sanjay Kumar Shukla	Commissioner
16		Shri. P.N.Pandey	Joint Director
17	MPSCFDC	Smt. Saleena Singh	Managing Director
18		SH. S.M.Kale	General Manager
19		SH. Anoop Hinoj	MAnager
20	Milk Federation	Smt. Sudha Choudhary	Managing Director
21	Mahila Vitta Vikas Nigam	Shri D. D. Agrawal	Managing Director
22	KVIC	Sh. Veerpal Singh	Nodal Officer
23	KVIB	Shri S. D. Sharma	Dy. Director
24	DTA	Sh. Varun Verma	Addt. Director
25	AIC of India Ltd.	Sh. Tarun Kumar Singh	Administrative Officer
26	MPH & ID Board	Sh. M.K.Trichal	DHC
27	M.P Govt	Sh. R.C Kuril	Joint Director
28	Animal Husbandry	Shri. Dr. R.K.Rokde	Director

29	Public Relation	Shri. Ashok Manwani	PRO Mantralya
CONVENOR BANK - CENTRAL BANK OF INDIA			
30	Central Bank of India	Shri M.V.Tanksale	Chairman & Managing Director
31		Shri B. Mondal	Convenor/ General Manager
32		Shri C. Lakshmi Prasad	Dy. General Manager
33		Shri P. K. Singh	Asstt. General Manager
34		Smt. R.K.Pippal	Chief Manager-SLBC
35		Shri Dhananjay Sharma	Senior Manager-SLBC
36		Shri Prem Shankar Sharma	Asstt. Manager - SLBC
R B I & OTHER INSTITUTIONS			
37	RBI	Shri P. K. Panda	Regional Director
38		Shri C.M.Tripathi	Dy. General manager
39		Ms. Rani Durve	Asstt. General Manager
40	NABARD	Shri S.Akbar	Chief General Manager
41		Shri S. Selveraj	General Manager
42		D.V. Ramana Rao	Asstt. General Manager
43	SIDBI	Shri G. Sampathkumar	Dy. General Manager
STATE BANK GROUPS			
44	State Bank of India	Shri S.C.Joshi	Dy. General Manager
45		Smt. Manideepa Kidwai	Dy. General Manager
46		Shri M.R.I Siddiqui	Chief Manager
47	State Bank of Hyderabad	Shri M.K.Mewa	Manager
48	State Bank of Mysore	Shri Manish Saxena	Dy. Manager
49	State Bank of Travancore	Shri B. K. Garnaik	Chief Manager
50	State Bank of Patiala	Shri. Alexgender B.	Branch Manager
OTHER NATIONALISED BANKS			
51	Allahabad Bank	Shri Saranaman. A	Sr.Manager
52	Andhra Bank	Shri S. R. Satpathy	Sr. Branch Manager
53	Bank of Baroda	Shri H.S.Shah	Dy.Zonal Head
54	Bank of India	Shri A. K. Verma	Zonal Manager
55		Shri U.P. Singh	Chief Manager
56	Bank of Maharashtra	Shri R.K.Tarana	Chief Manager
57		Shri Abhishek Kumar	Dy. Manager
58	Canara Bank	Shri M. Paramsiwam	Asstt.General Manager

59		Shri S.K. Tiwari	Manager
60	Corporation Bank	Shri V. Walia	Dy. General Manager
61		Shri S.K.Tiwari	Manager
62	Dena Bank	Shri Susheel Kumar	Regional Manager
63		Shri R. P. Shrofi	Manager
64	IDBI	Shri Shashank Dixit	Dy. General Manager
65		Shri B. K. Modi	Asstt. General Manager
66	Indian Overseas Bank	Shri P. K. Garg	C. R. M.
67	J&K Bank	Shri Mohan Lal	Associate Executive
68	Oriental Bank of Commerce	Shri B.S.Jaitawat	Asst. General Manager
69		Shri V. S. Thakur	Asst. Regional Manager
70	Punjab National Bank	Shri P.K.Gupta	Chief Manager
71		Smt. Avanti Shyam	Senior Manager
72	Punjab & Sindh Bank	Shri Y. K. Verma	Asstt. General Manager
73	Syndicate Bank	Shri N. Hariharan	Dy. General Manager
74	UCO Bank	Shri B.R.Sawant	Dy. Zonal Head
75	Union Bank	Shri Tarun Kochhar	Dy. General Manager
76	Vijaya Bank	Shri Shiv Prasas Hedge	Chief Manager
PRIVATE B A N K S			
77	Axis Bank	Shri Kant Gupta	Sr. Managar
78		Shri Dinesh Rathore	D.M
79	ICICI	Shri Sanjeev Varshney	Chief Manager
80		Shri Vikram Dewan	Regional Manager
81		Shri Naveen Pradhan	Regional Manager
82	Karnataka Bank Ltd.	Shri Vinay Kalgutkar	Sr. Branch Manager
83	Lakshmi Vilas Bank	Shri Manas Tiwari	Officer
84	Indsind Bank	Smt. Swati Mishra	AVP
85	South Indian Bank	Shri Prashant Dubey	Officer
86	Federal Bank	Shri Regi Thomas	Senior Manager
87	HDFC Bank	Shri Rakesh Kumar Relan	Zonal Head
COOPERATIVE BANK			
88	Apex Bank	Shri R.B.Vatti	Managing Director(IC)
89		Shri S.K.Gupta	General Manager
REGIONAL RURAL BANKS			
90	Madhya Bharat Gramin Bank	Shri Sudhir Nayak	Chief Manager

91	Mahakaushal Gramin Bank	Shri A. K. Sharma	General Manager
92	Narmada Malwa Gramin Bank	Shri R. M. Prasad	Chairman
93	Sharda Gramin Bank	Sh. A.K.Gupta	Sr.Manager
94	Vidisha Bhopal RRB	Shri R.S.Gupta	General Manager