

## MINUTES OF THE 147<sup>th</sup> MEETING OF STATE LEVEL BANKERS COMMITTEE, MADHYA PRADESH

Held on 06.06.2012 (Wednesday)  
at Zonal Office,  
Central Bank of India,  
9-Arera Hills, Bhopal

The 147<sup>th</sup> meeting of State Level Bankers' Committee, Madhya Pradesh was held on 6<sup>th</sup> June 2012 under the Co-chairmanship of Shri R. Parasuram, IAS, Chief Secretary to Government of Madhya Pradesh and Shri M.V. Tanksale, Chairman and Managing Director, Central Bank of India at Bhopal. The meeting was attended, amongst others, by Shri P.R. Ravi Mohan, Regional Director, RBI, Bhopal, Shri M.M Upadhayay, Addl. Chief Secretary/Agriculture Production Commissioner, Smt. Ajita Bajpai Pande, Additional Chief Secretary, Technical Education & Skill Development, Smt. Aruna Sharma, Principal Secretary, Rural Development and Panchayat Department, Shri S. N. Misra, Secretary, Finance, Shri Manish Rastogi, Commissioner, Institutional Finance, Smt. V.R. Iyer, Executive Director, Central Bank of India and other senior officers from the State Government, RBI, NABARD, and banks.

### List of participants annexed.

**Shri Shashank Saxena**, Director, Deptt. of Financial Services, Govt. of India New Delhi, who is nodal officer designated by Government of India (for Madhya Pradesh) was present in the initial part of SLBC through Video Conferencing from Delhi.

All the dignitaries present were welcomed by Shri Umesh Kumar Singh, Convener SLBC & General Manger of Central Bank of India.

**Shri M.V. Tanksale**, CMD, Central Bank of India, in his opening address, thanked the fellow bankers for achieving the target under financial inclusion of unbanked villages with population 2000 and above by March 2012 through which more than 12 lacs smart cards have been issued and also for their achievement of 102%, 144% and 120% of the target under ACP, MSME and KCC respectively.

He highlighted the following points in his welcome address:

- M.P. pioneered for organizing a half yearly workshop of LDMs which has been appreciated and institutionalized by Govt. of India throughout the country. He also appreciated the efforts of the banks' support of the State

Government for making recovery through web-enabled R.R.C. filing under BRISC, for better results.

- Process of engaging BCs through a common RFP has been initiated. Pre-bid meeting has been held and the SLBC convener personally monitor for its success.
- CMD requested the banks to give more impetus on Branch Expansion and also to ensure adequate staffing of the branches for FI to fulfill the commitment.
- Except 8 banks, other banks are yet to enter into MOU with State Govt. for implementation of CM Rural Housing Mission Scheme. A reminder may be sent by SLBC convener requesting state level heads of respective banks for signing the MOU.
- There is improvement in CD ratio from 60% to 63% during 2011-12. However the commitment of 65% and bringing the CD ratio above 40% in 8 tribal districts could not be achieved. Bankers were requested to make area specific plan & ensure that this year the commitment is achieved.
- It was suggested that to have effective role of DLCC at grass root level for growth of CD ratio, delivery of quality services through FI and ultra-small branches is more essential. It was also reiterated for strengthening of the DLCC forum would deliver fruits more effectively.
- It was informed to the house that the State Government has agreed to support for providing important links likes free space, electricity, connectivity and other facilities to the banks for opening of Ultra Small Branch in the identified shadow area villages.
- It was emphasized that tracking of the persons trained through RSETI is necessary and to reach to a logical conclusion, it would be essential that the data of settlement of the trained person should be collected by RESTI.
- Default under different Govt. sponsored schemes the avenue for borrowers for further financial access to the banks getting minimized. It was advocated for data base for borrower and their tracking for smooth recovery System so that in a process to check/arrest of multi-financing from different bank branches for small loans. Banks should approach defaulters, motivate them to pay, even partially and get finance to run activity and repay loans back.
- The State Govt. Deptt. to provide Distt-wise / quarter wise/Scheme wise targets after accessing the capacity of each district to produce the quality loan applications and convey the target to each Distt accordingly. DLCC should allocate these targets to various banks branches.

CMD requested Chief Secretary to instruct all the Distt. Collector to ensure the conducting of DLCC in time as per scheduled of calendar for DLCC.

**Shri R. Parsuram, IAS**, Chief Secretary, Govt. of M.P. thanked all the banks, RBI, NABARD and State Govt. Officials for their support in successful implementation of bankable government sponsored schemes for the welfare of downtrodden especially since last three years, by the time, when he got associated with the SLBC.

He highlighted the following points:

- The growth rate in Bihar was @ 11% and in MP it was @ 9.6%. He emphasized the need for energized effort to better results. The Agriculture output in MP was better during last year but we would like not only to sustain on agriculture but to build on it for which big time investment is to be done in Agriculture sector i.e. big investment is financed by the banks with support of state Govt.
- Instead of looking for beneficiary link schemes, we should look for investment based schemes.
- M.P. has high growth rate than many states, but constant low CD ratio in 8 Districts is a cause of anxiety which need to be improved and advised the banks to trace the units which are offering goods and services from outside the state and to finance small business and services so as to meet the demand of the state.
- Opening of more and more Brick and Motor branches and Ultra Small Branches in rural areas would give last mile connectivity to reduce the cost and time of transaction for which Govt. is committed.
- In many districts, RSETIs are not doing well and banks are confined to Rural Development Department of State Govt. only due to some unintended reasons whereas it is needed to develop RSETIs for the vocational skill development and to create awareness about presence of RESTI in the Distt, since skill to handle and utilized the loan properly would result in to a good recovery.
- He requested the Convener, SLBC to give bank-wise presentation on performance of each RSETI, and call technical education and skill development Deptt. in next SLBC Meeting.
- He informed that for short term loan, APEX bank has made good recovery without any linking scheme (i.e. the dues not recovered from the sale proceeds of crops, but farmers pay their dues on their own) due to good follow up system of APEX Bank. Hence, commercial bank should also develop their extension mechanism and find institutional/basic solution for good

recovery. He told that Govt. has energized its system for recovery and DLCC should spend time on it. He further mentioned that commercial banks are doing well under Term Loan financing and they should start with positive note.

**Dr. Shashank Saxena**, Deptt. of Financial Services Govt. of India addressed the forum through video conference. He requested as under:

- Campaign to ensure that each family has at least one account in the rural areas.
- Progress in urban financial inclusion by way of opening accounts of migrant labourers and facilitate remittance.
- Coverage of Micro insurance (Both life and non-life), Micro Pension for which Insurance companies are to be invited in SLBC meetings.
- E.B.T. would save money as it avoid expenses on cheque and save wastage of papers.
- He requested to discuss the following Agenda items:

**Financial Inclusion:**

- Progress in extension of banking facilities as per Financial Inclusion Plan.
- Progress in opening of branches in under-banked and other districts as per strategy and guidelines on Financial Inclusion issued by the department.
- Progress in establishment of Ultra Small Branches in all FI villages (visits, identification of space for Ultra Small Branches, provision of Laptop, connectivity etc.).
- Convergence of insurance facilities with the FI initiatives.
- Creation/release of On-line charge by banks on land holdings.
- Progress in establishment of Currency Chest and Clearing Houses.
- Progress in GIS data entry.
- Progress in SHG bank linkage programme.
- FLCC activities.

**CD Ratio:**

- Progress in issuance of KCC cards under the new scheme and GCC to all eligible persons.
- Creation/release of On-line charge by banks on land holdings.

- Housing loan, agriculture loan and education/skill loan.
- SME clusters.

### **Electronic Benefit Transfer :**

- Progress in Electronic Benefit Transfer.
- E-payment: Installation of ATMs, issuance of Debit Cards, installation of PoS devices at Merchant Establishments.

**Shri P.R. Ravi Mohan**, Regional Director, RBI, Bhopal emphasized for EBT payment, Quality improvement of B.C. Systems, taking F.I. as income generating systems, solving the problem of low C/D Ratio especially in eight low C/D ratio districts (less than 40%) hence he told that concerted efforts is to be made to fulfill the commitment given to Governor RBI for improving CD Ratio. He appreciated Co-Operative Banks for achieving more CD ratio target than commercial Banks. Hence, it must be a factor for commercial banks to improve the CD ratio in those districts which are lagging behind and should fix a strategy for improvement.

After the opening remarks of above dignitaries, Convenor S.L.B.C. presented the agenda points before the house for discussion, as under:–

### **PART I REGULAR AGENDA ITEM:**

#### **1. Confirmation of the Minutes of the 146<sup>th</sup> meeting of State Level Bankers' Committee held on 21<sup>st</sup> March 2012**

The Minutes of 146<sup>th</sup> Meeting of SLBC held on 21<sup>st</sup> March, 2012 was circulated vide Convener Bank's letter No. ZO/SLBC/MP/11-12/ dated 10, April, 2012 to all member of the SLBC and has been uploaded on website of SLBC ([www.slbc-mp.co.in](http://www.slbc-mp.co.in)) and DIF's website ([www.dif.mp.gov.in](http://www.dif.mp.gov.in)).

Minutes of the previous meeting were approved by the house with following three amendments:

- i. Common Education Loan Application format devised by DIF, SLBC and selected banks as circulated to all member banks and concerned on 12.05.2012 was adopted.
- ii. Managing Director, M.P. Scheduled Tribes Finance and Development Corporation, Govt. of M.P. requested to form a sub- committee to discuss the agenda for Scheduled Tribes wherein MP Scheduled Tribe constitutes 14.48% of total population. House agreed to form separate Sub Committee to discuss the agenda for Scheduled tribes.

- iii. Smt. Kanchan Jain, Principal Secretary, Rural Industries, Govt. of M.P. requested for allocation of quarterly targets to the banks instead of yearly target to dispose off the loan applications under Govt. Sponsored Schemes as per quarterly target to be fixed by DLCC. House agreed to allot quarterly targets to the banks and sponsored agencies would sponsor the loan application as per targets each quarter and banks would dispose off the applications to achieve the allotted target every quarter.

**Agenda Point No. 3      Financial Inclusion Plan in Madhya Pradesh:**

**Agenda Point No. 3.1- Branch Expansion:**

Out of 357 Branches proposed by banks to be opened during 2011-12, only 260 branches opened as under:

| Action   | Rural | Semi urban | Urban | Total |
|----------|-------|------------|-------|-------|
| Proposed | 144   | 133        | 80    | 357   |
| Opened   | 86    | 100        | 74    | 260   |

CGM, NABARD told that some branches of Land Development Bank have been closed because they have become defunct. State bank of India also closed three branches due to non-viability to run it.

It was decided to open Brick and Mortar branches at every center with population of 5000 and above in unbanked districts and with population with 10000 and above in other districts during this year. Allotment of 91 such centers among various Banks has already been done.

As per decision 146<sup>th</sup> SLBC meeting the concerned bank, to whom above centers have been allotted have to submit their road map date-wise to SLBC, by 15.04.2012, but still it is awaited. SLBC Secretariat would follow up with the banks and get plan prepared immediately.

Banks were advised to submit their branch expansion plan for the financial year 2012-13 including the above urgently, so that branch can be opened during current year.

Principal Secretary, Panchayat & Rural development, M.P. Govt. has requested the Banks and RBI to ensure that at least 100 Brick and Mortar branches i.e. 1/3

of total Branches proposed should be opened in rural areas as against the provision made by Panchayat & Rural development, M.P. Govt. for opening 300 branches in the state during 2012-13, for which Regional Director, RBI informed that though the licenses are not required for opening the branches in these areas, but after opening of branches they have to submit the report on branch opening to RBI regularly.

### **3.2 - Providing Banking Services in Unbanked Villages with population 2000 and above:**

All the **2736** villages identified by DLCCs with population 2000 and above under Financial Inclusion Plan have been covered by banks. Banks may be advised to improve the quality of coverage by introducing various financial services being provided by them in these villages which would increase the transaction and make the BC model viable.

### **3.3 - Setting up of Ultra Small Branches (USBs):**

About 14767 villages falling in the unbanked (shadow) areas have already identified. The mapping exercise would confirm the location and village where USB is to be setup. Proper & effective monitoring by banks should be ensured. Setting up of structure of USBs will facilitate banks to have better and effective monitoring of FI implementation. It was informed by PS-RD that under MP model all the 14767 shadow area villages would be provided with one point i.e. ultra-small branches, at 5 KM distance from unbanked shadow area villages. This innovative model of Rural Development Deptt. of MP Govt. has been accepted by Govt. of India.

It was decided that all the USB points should be mapped for different bank branch in each district as such, Lead District Managers would call special DLCC meetings between 05/06/2012 to 15/06/2012 to allot Ultra Small Branches (USBs) to bank branches of their districts and all banks would open USBs on their allotted centers by 15/08/2012 positively on minimum space of 100 Square feet in Panchayat Bhawan to be provided by MP Govt. on priority basis in such a manner, that the banking services are made available in a cluster of every 5 Km.

### **3.4 - Providing Banking Services in Unbanked Villages having population between 1000 to 2000 by September 2012**

The resolutions of the previous SLBCs were re-confirmed that 5,000 (out of 10,130) villages having population between 1,000 to 2,000 would be covered during 2011-12 and the balance would be covered during 2012-13. Agenda point discussed and reviewed the progress by the house.

### **3.5 - Widening of coverage and payment system-opening of SB accounts Publicity campaign under FIP:**

SLBC has sent the Publicity material in the form of DVD to all LDMS and advised districts to popularize the campaign with regard to opening of more number of SB accounts.

State Heads of Banks having Lead Bank responsibility would instruct their LDMs to popularize 'Swabhimaan' by way of effective campaign.

### **3.6 - Green Initiative e-payment under Govt. sponsored scheme:**

Banks would ensure that payment to beneficiaries be made electronically i.e. through EBT and not through cheques since State Govt. has already issued directives to district administration for ensuring 100% e-payment target.

Banks would ensure payment for all schemes through Smart Cards.

### **3.7 - Financial Literacy and credit counseling centers:**

FLCCs have been opened only in 44 districts up to 31.03.2012. SBI (5) and Allahabad Bank (1) yet to open FLCCs in their lad districts. They were advised to open the remaining 6 FLCCs at the earliest.

The recommendation of sub-committee on FLCC to have contributory model of charge Rs. 1000/- per branch per month for meeting the expenses of FLCC was not accepted by the house as lead bank has to bear the expenses as per FLCC model.

### **3.8 - Rural Self-employment Training Institutes(R-SETIs):**

Though in all the 50 districts of Madhya Pradesh, R-SETIs have been opened but only 31 RESTIs have imparted training to 15200 persons of which 834 persons got employment, i.e. only 5.5% settlement ratio is there, against the all India settlement ratio of 35%. Sponsoring banks of leftover R-SETIs were advised to start training. Lead Banks should advise their LDMs to form a committee chaired by Distt. Collector to review the progress of RSETI.

Mrs. Ajita Bajpai Pande, Addl. Chief Secretary, Deptt of Technical Education MP Govt. informed that in state level meeting of all above committees scheduled during this month, Distt. Collector should be requested to take the RESTIs of their district under above committee for its regular monitoring and due support.

She added that 20 thrust areas i.e. high growth area should be concentrated and certified training by RESTI be provided, for which RESTI to integrate with

concerned Govt. Deptt, to develop standard curriculum for training with cost effective methods are needed so that trained person may be developed as Franchisee for the big players in their business.

#### **4: Resolution/Recommendation to re-constitute of various Sub-Committees**

As per decision taken in 146<sup>th</sup> meeting, a meeting of group comprising Convener of SLBC, DIF and RBI was held on 26.04.2012, and following Sub-committees of State Level Bankers Committee were constituted with representatives from RBI, DIF & Convener Bank as permanent member of each Sub Committee:

##### **A. Sub-committee on Agriculture and allied activities:**

**Chairman** - Agriculture Production Commissioner, Govt. of M.P

**Convenor** – State Bank of India (State Head)

**Members** –

1. Principal Secretary, Deptt. Of Farmers' Welfare and Agriculture Development, Govt. of M.P
2. Principal Secretary, Deptt. of Cooperation, Govt. of M.P
3. Director, Directorate of Farmers' Welfare and Agriculture Development, Govt. of M.P
4. Registrar, Cooperative Societies
5. Representative, Reserve Bank of India
6. Managing Director, Apex Bank
7. Chairman, Satpura-Narmada, Gramin Bank
8. State Head, Union Bank of India
9. State Head, Bank of India
10. CGM, NABARD
11. Regional Manager, Agriculture Insurance Company of India
12. Director, Horticulture
13. MD, Dairy Federation

##### **B. Sub-committees on Industries**

**Chairman** – Additional Chief Secretary, Deptt. Of Commerce, Industries and Employment, Govt. of M.P

**Convenor** – Punjab National Bank (State Head)

**Members** –

1. Commissioner, Directorate of Industries, M.P.
2. Secretary, Deptt. of Forest, Govt. of M.P.
3. Managing Director, TRIFAC
4. State Head, Allahabad Bank
5. State Head, ICICI Bank
6. Secretary, Deptt. Of Energy, Govt. of M.P.

7. State Head, State Bank of India
8. State Head, Bank of India

**C. Sub-committee on MSME / RSETI**

**Chairman**- Principal Secretary, Deptt. Of Kutir and Gramodyog , Govt. of M.P

**Convener** –Bank of India (State Head)

**Members –**

1. Reserve bank of India
2. Secretary, Technical Education, Govt. of M.P
3. Director, Rural Employment, Govt. of M.P
4. Commissioner, Industries, Govt. of M.P.
5. State Director, KVIC, Govt. of India
6. Managing Director, KVIB, Govt. of M.P.
7. Managing Director, Deptt. Of Handlooms, Govt. of M.P.
8. State Head, SIDBI, Indore
9. Director, Deptt, of MSME, Govt. of India, Indore
10. Secretary, Deptt. Of Forest, Govt. of M.P.
11. Secretary Deptt. Of Energy, Govt. of M.P.
12. State Head, Bank of Baroda
13. State Head, Axis Bank

**D. Subcommittee on Financial Inclusion/ FLCC**

**Chairman** - Principal Secretary, Deptt. Of Panchayat and Rural Development, Govt. of M.P

**Convener** –Union Bank of India (State Head)

**Members –**

1. Representative, Reserve Bank of India
2. Secretary, Information Technology, Govt. of M.P
3. General Manager, BSNL, Govt. of India
4. Chief Executive Officer, M.P.Rural Employment Council, Govt. of M.P.
5. Commissioner, Deptt. Of Social Justice, Govt. of M.P
6. Commissioner, Deptt. Of Panchayat, Govt. of M.P
7. Commissioner, Deptt, of Urban Administration & Development, Govt. of M.P.
8. State Level Heads of banks having Lead Bank responsibilities in M.P.(State Bank of India, Bank of India, Union Bank of India, Bank of Baroda, Punjab National Bank, Allahabad Bank)
9. Chairman, Narmada Malwa Gramin Bank
10. Regional Manager (Marketing), LIC of India
11. State Head, New India Assurance Co.

**E. Sub Committee on Improving Recovery System****Chairman** - Commissioner, Deptt. Of Institutional Finance, Govt. of M.P**Convenor** –State Bank of India (State Head)**Members** –

1. Reserve Bank of India
2. Chairman, Madhya Bharat Gramin Bank
3. State Head, Union Bank of India
4. State Head, Allahabad Bank
5. State Head, Bank of India
6. State Head, Punjab National Head
7. National Information Center

**F. Sub Committee on Self Help Group/ Joint Liability Group****Chairman** – CGM, NABARD**Convenor** –Allahabad Bank (State Head)**Members** –

1. PCCF (Joint Forest Management/Forest Dev. Agency), Govt. of MP
2. State Head, Indian Bank
3. State Head, Oriental Bank of Commerce
4. State Head, Syndicate Bank
5. State Head, Bank of Maharashtra
6. Managing Director, Apex Bank

**G. Sub Committee on Education Loan****Chairman** – Principal Secretary, Deptt. Of Finance, Govt. of M.P**Convenor**–Canara Bank (State Head)**Members** –

1. Director, Deptt. Of Medical Education, Govt. of M.P.
2. Director, Deptt. Of Technical Education, Govt. of M.P
3. State Head, Indian Overseas Bank
4. State Head, State Bank of India
5. State Head, Punjab National Bank
6. State Head, Bank of India

**H. Sub Committee on Improving Credit Deposit Ratio****Chairman** – Commissioner, Deptt. Of Institutional Finance, Govt. of M.P**Convenor** –Union Bank of India (State Head)**Members** –

1. Reserve Bank of India
2. State Head, Dena Bank
3. CGM, NABARD

4. State Level Heads of banks having Lead Bank responsibilities in M.P.(State Bank of India, Bank of India, Union Bank of India, Bank of Baroda, Punjab National Bank, Allahabad Bank)
5. Chairman, Rewa Sidhi Bank
6. Chairman, Narmada Satpura Gramin Bank

**The terms of reference and periodicity of subcommittee meetings have been decided and detailed there against as under:**

For all sub committees the meeting would preferably be held in last week of 1<sup>st</sup> month of every quarter or first week of 2<sup>nd</sup> month of the quarter on any date to be decided by the Convener of respective subcommittee.

Representatives from Central Bank of India and DIF would be the members of all the committees.

The subcommittee would submit its recommendation to SLBC within a week's time after its meeting each quarter.

Sub committees may call representatives from Institutions concerned with the issues arising in their subcommittee meetings as special invitee

The recommendations of following existing sub Committees which was part of agenda items & as discussed by house are as under.

#### **Action Point No 5: Annual credit plan for state**

##### **5.1 Sector / Agency wise review under ACP 2011-12**

It was resolved to make granular analysis (Sector / sub sector wise) of the achievement against their respective targets.

##### **5.2 Sector / Agency wise ACP 2012-13**

State, Annual Credit Plan prepared on the basis of District Credit Plans, of all the 50 districts based on of PLPs of NABARD for each Distt. with estimated credit flow of **RS 42,027.73 Crore under priority sector for the year 2012-13 detailed hereunder, was put before the house for approval.**

| S.No. | Sector   | Financial Projections |
|-------|--|-----------------------|
| 1     | Short Term Credit for Production and Marketing and Food Security | 22,249.07             |
| 2     | Agriculture Term Credit for Food Security                        | 10,534.67             |
| 3     | <b>Total Credit - Agriculture and Allied Activities</b>          | <b>32,783.74</b>      |
| 4     | Non-Farm Sector  | 3262.20               |
| 5     | Micro Credit   | 288.62                |
| 6     | Other Priority Sector  | 5,693.17              |
|       | <b>Total Priority Sector (3+4+5+6)</b>                           | <b>42,027.73</b>      |

The house approved the ACP subject to the following conditions to be taken into consideration by the lead Banks of the concerned Distt which would revise the ACP of their Lead Distt. after reviewing the credit absorption capacity of the Distt and would sent the revised ACP for their Lead Distt. to Convener, SLBC immediately :

- 20% growth under MSME over the achievement of 2011-12 for all the Distt.
- Micro enterprises sector would be assigned targets separately so that Micro enterprises become 60% of share in outstanding balance of MSME as on March 2013.
- In the Districts having less than 40 % CD ratio, ACP would have to be such that it would improve the CD ratio up to 40% and above as on March 2013.
- While estimating the CD Ratio, the growth in deposit to be taken as 18%.

## **6: Performance of Banking Sector in MP at a Glance**

### **6.1 Deposit Growth:**

*Reviewed and noted.*

### **6.2 Credit Growth:**

*Reviewed and noted.*

### **6.3 Credit Deposit Ratio:**

CMD, Central Bank of India has informed the house that there is good improvement in CD ratio by achieving 63% during 2011-12 as against the 60% of

last year 2010-11, but it is still below the 65 % i.e. below the commitment made to Governor RBI by the bankers.

Principal Secretary had remarked that CD ratio of the state has increased due to higher CD ratio of Co-Op Bank, and due to low deposit level in rural branches.

CMD, Central bank of India has also stated that still there are 8 Distt. having the CD ratio 40 and below, which banks need to look forward this year.

**Districts having CD Ratio less than 40% are as under:**

| S.N. | Name of District | Lead Bank             | Position as on 31.03.2012 |
|------|------------------|-----------------------|---------------------------|
| 1    | Umaria           | State Bank of India   | 23                        |
| 2    | Tikamgarh        | State Bank of India   | 35                        |
| 3    | Sidhi            | Union Bank of India   | 32                        |
| 4    | Rewa             | Union Bank of India   | 31                        |
| 5    | Mandla           | Central Bank of India | 35                        |
| 6    | Anuppur          | Central Bank of India | 22                        |
| 7    | Shahdol          | Central Bank of India | 29                        |
| 8    | Alirajpur        | Bank of Baroda        | 29                        |

CMD, Central Bank of India, advised LDMs of low CD ratio Distt. to improve their CD ratio by making a specific plan by ascertaining real credit needs and credit absorption capacity of the common people, ancillary units of big projects, Service sector and transporter keeping the new schemes coming in the Distt. in view. It will also add to improve the CD ratio of the state.

Representative of lead banks assured for improvement in CD ratio for the year 2012-13 of their Distt.

LDM Singrauli presented the strategies and techniques adopted by them to improve the position of CD ratio in Singrauli Distt before the house, and clarified that improvement is shown by taking the amount of credit, extended by branches functioning outside the MP to units running in Singrauli Distt. into account. House did not agree for such manipulated reporting hence, it is observed that CD Ratio of Singrauli to be reworked & steps to be taken to bring it above 40%, if it is below 40%.

CMD Central Bank of India told that, lead banks would ensure microanalysis to prepare the profile of their lead district /districts.

**6.4 Priority Sector Advance:***Reviewed and noted.***6.5 Agriculture Advances***Reviewed and noted.***6.6 Micro & Small Enterprises (MSE) Advance:***Reviewed and noted.***6.7 Advances to Weaker Section:***Reviewed and noted.***6.8 DRI Advance:**

In light of discussion held in LDM Workshop dated 29.05.2012, RBI was requested to revisit the maximum income criteria for selection of beneficiaries under DRI from Rs. 18000 Per annum in rural and 24000 Per annum in SU/Urban areas to increase suitably. It was agreed that it will be taken up at apex level by the CMD, CBI, it was also decided to have a common application form for DRI loans.

Training programme for eligible persons under DRI would be conducted regularly at RESTIs to develop the skill for undertaking lively hood business with bank's loan.

**6.9 Achievement in respect of salient Parameters vis-à-vis National Goals***Reviewed and noted.***6.10 Education Loan****IBA Model Scheme:**

|          | Disbursement 2011-12 |        | Outstanding Balance Mar-12 |         |
|----------|----------------------|--------|----------------------------|---------|
|          | No.                  | Amt.   | No.                        | Amt.    |
| March-12 | 17666                | 230.36 | 80699                      | 1591.04 |

Under Education loan a target of 30000 has been allotted to the banks, for the year 2012-13 and bank wise target has been conveyed to all Banks by SLBC.

The details of MP Govt. Education Loan Guarantee Scheme and Govt. of India Interest Subsidy scheme were discussed.

It was decided to popularize these schemes in the masses. DIF has already launched an awareness campaign.

From next SLBC banks will provide data on Education loan in the following format.

| Balance as on<br>31.03.2012                  | Loan Disbursed during<br>2012-13                        |     |  |     | Amt<br>recovered<br>during<br>2012-13 |     | Intt<br>charged<br>during<br>2012-13 |     | Intt. subsidy<br>Recd<br>Under Govt<br>of India Intt<br>Subsidy<br>Schemes |     | O/Standing<br>as on end of<br>reporting<br>Quarter |     |
|--|---|-----|--|-----|---------------------------------------|-----|--------------------------------------|-----|--|-----|--|-----|
|  | Out of loan<br>sanctioned<br>on or before<br>31.03.2012 |     | Out of loan<br>sanctioned<br>during<br>2012-13 |     |                                       |     |                                      |     |  |     |  |     |
|  | A/Cs  | Amt | A/Cs   | Amt | A/Cs                                  | Amt | A/Cs                                 | Amt | A/Cs   | Amt | A/Cs   | Amt |
| IBA<br>Scheme/Direct<br>Education Loan       |   |     |  |     |                                       |     |                                      |     |  |     |  |     |
| Intt. Subsidy<br>Scheme of Govt.<br>of India |   |     |  |     |                                       |     |                                      |     |  |     |  |     |
| Loan guarantee<br>scheme Govt. of<br>MP      |   |     |  |     |                                       |     |                                      |     |  |     |  |     |

Canara bank requested to all the member banks to claim supplementary interest subsidy before 30.06.2012, directly from head office of Canara Bank.

### 6.11 Housing Scheme

#### (a) General Housing Scheme:

*Reviewed and noted.*

#### (b) CM Rural Housing Mission:

Only 8 Bank signed the MOU with Govt. of MP **Under Chief Minister Rural Housing Mission Scheme**, whereas following banks informed the house that they have taken up the matter with their Head Offices for obtaining their approval for signing the MOU.

- Allahabad Bank
- Punjab National Bank
- Rewa Sidhi RB

- Sharda RB
- Jhabua-Dhar RRB
- Bank of Maharashtra.

The MOU is delayed broadly due to demand of Back-end Subsidy/Upfront Subsidy and Rate of Interest.

Chief Secretary appreciated the rate of interest offered by Central Bank of India. State Bank of India informed that they expect to receive the decision of their Head office soon on revised MOU to cover all the districts of MP.

It was decided to disburse all the eligible sanctioned cases before 15.06.2012 and to allot bank wise target for year 2012-13 which are to be honored by DLCC.

CMD Central bank of India, requested all the leftover member banks to join the scheme by 30.06.2012, thereafter SLBC would follow up with the leftover member banks and would report the name of banks which do not sign MOU by 30<sup>th</sup> June, 2012 to CMD Central Bank of India to take up with CMDs of these banks.

Mrs. Alka Upadhyay C.E.O. MPRRDA Govt. of MP, informed the house that good repayment has been noticed in this scheme, she requested the banks to ensure that they have log in the product code by 30.06.2012 in the system.

On the information of C.E.O. MPRRDA Govt. of MP, that some banks are charging very higher amount for the legal search of properties, CMD Central Bank of India told that bank would ensure that penal Advocate are charging reasonable fees for conducting search/ scrutiny of land records of the beneficiaries

### **(c) Interest Subsidy for Housing Urban Poor (ISHUP)**

Under ISHUP the Branch Managers would be made aware of the scheme by DUDA through workshop at district level and due coordination and follow up would be done by the LDMs in their Districts.

## **7: Performance of Various Special Focus programme**

### **7.1 Kisan Credit Card (KCC):**

*Discussed as Theme Agenda*

**7.2 Self Help Group (SHG):**

Chief Secretary Govt. of MP desired that, Self-help group should be linked to the groups of marketer/ consumers/ producers- both formal and informal concerned with specific products what SHG can produce for sustainability of SHG.

**7.3 Financial Assistance to Minority Communities:**

*Reviewed and noted.*

**7.4 Data on Minority Communities in identified Districts I.e. Bhopal:**

*Reviewed and noted.*

**7.5 Financial Assistance to scheduled Cast / Scheduled Tribe:**

*Reviewed and noted.*

**7.6 Swarojgar Credit Card (SCC):**

*Reviewed and noted.*

**7.7 Artisan Credit Card Scheme (ACC):**

*Reviewed and noted.*

**7.8 General Credit Card Scheme (GCC):**

*Reviewed and noted.*

**7.9 Advance to Women beneficiaries:**

*Reviewed.*

**7.10 Progress under National Horticulture Mission & NHB Scheme:**

*Reviewed and noted.*

**7.11 Weavers Card:**

For weaver card, Department of Handloom / NABARD would provide cluster data of Weavers to SLBC, and Banks would make finance to the cluster of weavers through credit camp approach.

Presently, the LDM Khargone would go for Maheshwar cluster and LDM Guna would go for Chanderi cluster and result would be conveyed to Convener SLBC before next meeting of SLBC.

Chief Secretary Govt. of MP asked the lead bank of the above Districts to identify the participating bank branches and convey the same to SLBC.

Smt. Meenu S.K, Chief Enforcement Officer Deptt Of Handloom, Govt. of India requested the Govt. of MP to sign the MOU urgently on which it was decided that, Khadi and Village Industry, Govt. of MP would get it sign by 30.06.2012.

### **7.12 Foot Path Vendor:**

Identification of 100000 street vendors has been done to provide loan facility under C.M. Foot path vendor scheme.

### **8. Progress under Govt. Sponsored Schemes:**

- For every scheme banks have to fix quarterly targets to be focused for quality achievement.
- Sponsoring Department of Different Govt. Sponsored Schemes would send the branch wise / scheme wise details of cases pending for disbursement to DLCC.
- At DLCC the target under Govt. Sponsored Schemes would be decided and allotted accordingly to different bank branches for its quarter wise achievement.
- Govt. Departments sponsoring the loan application under different schemes would send sufficient number of quality loan applications as against the target of each quarter, for which different Deptt. at state level would replicate the yearly targets quarter wise and District wise.

### **8.1 Prime Minister's Employment Generation Program me (PMEGP)**

Managing Director congratulated the bankers for achieving 100% target under PMGP 2011-12 and requested to support during 2012-13 for implementing the scheme successfully, through achieving the quarterly target in each quarter. He informs that KVIC has doubled the margin money for this year ie 2012-13 under the scheme, hence bank has to make extra efforts to achieve the same.

CMD Central bank of India asked the Bank to ensure that their Nodal Branches are not keeping subsidy pending received for year 2011-12 and their branches are not keeping sanctioned cases pending for disbursement.

It has been decided that Bank would sanction the pending cases of year 2011-12 treating the same as new cases for the year 2012-13.

## **8.2 Performance under SGSY:**

Under SGSY 95 % cases have been sanctioned of which 60 % have been given credit limit. Bank would disposed of pending cases

|          | Target | Sanctioned | % Achievement |
|----------|--------|------------|---------------|
| March-12 | 397.05 | 377.95     | 95%           |

Principal Secretary Panchayat& Rural development , informed the house that a new scheme “National Rural Livelihood Scheme” is going to be implemented in our state from 2012-13 and requested the banks to implement the Scheme

## **8.3 Swarna Jayanti Shahri Rozgar Yojana (SJSRY):**

*Reviewed and noted.*

## **8.4 Antyavayawsayee Swarozgar and Kapildhara Yojna**

Banks have to dispose off all the pending cases under different schemes like Kapildhara, Pariwarmoolak etc.

## **9. Overdue / NPA Position**

### **9.1 NPA position:**

BLBC forum would take the target achievement, and recovery performance matter seriously for its discussion and conclusion, and for it Bank would ensure the attendance of their officers in the BLBC is regular.

NPA under different Govt. Sponsored schemes are very high hence sponsoring agency of Govt. Deptt. would send the NPA position of their scheme to convener SLBC well before next SLBC.

To avoid NPA in fresh accounts under Govt. Sponsored Schemes, bank should make due diligence of the borrowers and Govt. Official would support in identifying them.

DLCC would also discuss the recovery position on top priority.

CMD Central Bank of India, told that to affect the recovery of bank dues from the sale proceeds out of wheat procurement from the farmers in which proceed go through their bank accounts, he told that the Punjab Model can be discussed by the bankers with Govt. officials.

For Recovery of dues through sale proceeds of wheat through bank accounts bio metric of the borrowers is needed to ascertain the right account of the borrowers , which would be solved through e-procurement .

CMD Central bank of India told that DLCC to Coordinate with Distt Collector seriously during these 2 to 3 months, since data of wheat procurement are there with collector .

Agriculture Production Commissioner, assured for close follow up with Distt Collector for smooth recovery of dues.

**9.2 Web enabled BRISC software application for automation of Revenue Recovery Certificates (Madhya Pradesh Lokhdhan (Shodhya Rashiyon Ki Vasuli) Adhinyam, 1987(BRISC)):**

*Reviewed and noted.*

**10: Implementation of Official Language Policy:**

*Reviewed and noted.*

**Part II: SPECIAL THEME AGENDA :**

**(A)**Convener SLBC suggested to adopt Uttar Pradesh Model of Kisan Credit Card for 100% Coverage, with following features

1. Loan Application for Kisan Credit Card would be collected by District Administration in coordination with LDMs and Bank Branches.
2. Organizing Camp at village level.
3. Patwari, CEO Janpad and all concerned would provide necessary documents for processing application on the spot.
4. Application is sent to Bank Branch for sanction and disbursement suitably.

**(B)** CGM NABARD suggested adopting Andhra Model for financing tenant farmers, oral lessees and sharing cropper, under which Licensed Cultivator's

Eligibility Card (LCEC) to facilitate the tenant farmers, oral lessees and share cropper, to avail credit facilities are issued by State Govt.

(C) Agriculture Production Commissioner /Additional Chief Secretary Agriculture Deptt. Govt. of MP told Convener SLBC to get the date decided for sub Committee on Agriculture and allied Activities at the earliest

### **PART III : OTHER AGENDA ITEM**

#### **NABARD**

##### **Handloom Package:**

NABARD is implementing the handloom package of GOI to assist weaver sector in the State. Detailed instructions in this regard have already been issued to all the banks. Banks would act as per above instruction.

##### **Dairy Development Scheme**

In response to the issue put by Managing Director, Dairy Development Corporation MP Govt, it was reiterated that under dairy development scheme of NABARD, the time gap of conveying sanction, claiming subsidy, remitting subsidy ,disbursing loan, utilizing subsidy would be reduced reasonably for quality lending.

##### **Service Area Monitoring and Information System (SAMIS)**

For digitalization of M.I.S, vendor has been finalized by group comprising of Lead Banks, DIF, RBI and S.L.B.C. and once the customized programme would be made available by the vendor, approval from the bankers, RBI and DIF would be obtained.

After finalization of Programme for digitalization of M.I.S. the proper and accurate Data would be fed into the system. CMD Central Bank of India told that, in next SLBC meeting, parallel run of new MIS system and existing system would prevail for data collection.

Member Banks would ensure regular participation of their Branch Manager in BLBC and providing data to LDM timely and regularly. Half Yearly Workshop of LDM held on 29.05.2012, and proceeding has been sent to all the members of lead banks and LDMs.

##### **Financial Services Plan (District Financial Services Plan):**

Meetings of State Financial Services plan have been convened by SLBC and it was observed that the insurance company – Life & Non-life, have no offices for

Micro Insurance in every district of M.P. and due to absence of these offices in each district , the District Financial Services plan cannot be drawn-up. A committee should be constituted comprising of DIF, NABARD, Lead Bank and Insurance Companies as its members

CMD Central bank of India told that he would take up the matter with head offices of Insurance Company.

### **Common Request for Proposal (RFP) for Business Correspondent:**

Common Request for Proposal from different organizations to act as B.C. has been called through website of SLBC and pre-bid meeting has also been conducted in presence of all lead Banks and bidders on 01.06.2012.

### **Geological Information System (GIS) under Financial Inclusion**

MOF, GOI has launched software for capturing Geological Information System (GIS).

SLBC has advised Lead Banks to get the information for their Lead Distt, updated on GIS portal through respective LDMs and to inform SLBC accordingly.

- Annual Credit Plan for 2012-13, launched by Chief Secretary Govt of MP, Regional Director RBI Bhopal and CMD Central bank of India.
- Books on RESTI developed by convener Bank and books on SHG and financial inclusion developed by NABARD were also released on this occasion

On concluding remarks, Smt. V.R. Iyer, Executive Director, Central Bank of India assured the house that banks would give focused attention to take action on above points in time. She thanks all the participants and the dignitaries from Banks, NABARD, RBI, Govt. of India and State Govt. for their active participation and valuable suggestion for the development of the state through banking, and hope that member would take appropriate action on different action points resolved in the meeting.

Various other agenda items which were put up only for information are as under:

- 1. Reserve Bank of India**
  - A Forged Indian Currency Note (FICN)
- 2. NABARD**
  - A Implementation of revised Kisan Credit Card Scheme
  - B Handloom Package
  - C Training to BCs, BF's & BCAs

- D Support to commercial banks under Financial Inclusion Fund (FIF)
- E Rural Infrastructure Development Fund (RIDF)
- F Service Area Monitoring and Information System (SAMIS)

**3. Govt. of India**

- A State Financial Services Plan (District Financial Services Plan)
- B Left Wing Extremism (LWE) Scheme
- C Common Request for Proposal (RFP) for Business Correspondent
- D Geological Information System (GIS) under Financial Inclusion

**4. Govt. of Madhya Pradesh**

- A Agenda from MNREGS
- B Kutir and Gram Udhog Department
- C Department of Industries
- D Mahila Vitta Ekam Vikas Nigam
- E M.P.K.V.I.B.