

**MINUTES OF 162nd/163rd MEETING OF
STATE LEVEL BANKERS' COMMITTEE,
MADHYA PRADESH
HELD ON 04.03.2017 AT BHOPAL**

The 162nd/163rd meeting of State Level Bankers' Committee, Madhya Pradesh for September & December 2016 quarter was held on 04.03.2017 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the Co-Chairmanship of Shri Basant Pratap Singh, IAS, Chief Secretary, Govt. of Madhya Pradesh and Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India.

Ms. Anjuly Chib Duggal, Secretary, Department of Financial Services, Government of India attended the meeting as member SLBC.

Senior officials from the Govt. of Madhya Pradesh, Regional Director, RBI, Chief General Manager, NABARD, State level heads of Commercial Banks and officials from other related agencies also attended the meeting. A list of the participants is annexed hereto.

At the outset, Shri Ajay Vyas, Convenor, SLBC & Field General Manager, Central Bank of India welcomed all the participants.

Thereafter, Shri Rajeev Rishi, CMD, Central Bank of India addressed the house. Shri Rishi touched upon the latest scenario in the economy and the progress of schemes under implementation in brief. He also touched upon the need to hold regular meetings as per schedule prescribed by RBI.

Ms. Anjuly Chib Duggal, Secretary, DFS, Govt. of India subsequently addressed the house. She commented on the low achievement of ACP during the current year and stressed upon the need to achieve the same. Referring to the stress in banking industry on account of disproportionate rise in NPA, Ms. Duggal requested the State Government to step up its support to the banks for recovery of dues and timely disposal of cases filed under Section 14 of SARFAESI Act.

Shri Basant Pratap Singh, Chief Secretary in his address stated that data on branch expansion shows that the thrust of the banking sector is towards opening of branches in urban centres whereas need of banking services is more in the rural and semi urban areas. RBI has categorized Madhya Pradesh as under-banked state and out of 51 districts, 45 districts have been categorized as under-banked districts. There is a need of special focus on opening of bank branches in these areas to improve reach of formal banking sector to rural populace.

He also mentioned that there are 47 unbanked villages having population more than 5,000. These villages were allotted by the SLBC to various banks to open a brick and mortar branch. Target date for opening of these branches was fixed as 31st March, 2017. He remarked that most of the private sector banks are not inclined to open the branch in these centres. GoMP is getting request from the MPs and MLAs regarding opening of branches in such centres. Such requests are not being considered favorably and banks are stating non-feasibility/viability as a reason. He also commented that initially some branches may not be viable in 2-3 years, but subsequently it may be a viable centre and hence, he opined that feasibility cannot be assessed at this juncture. All banks need to open the branches as per norms prescribed by RBI for rural areas. He also raised the issue of opening of 5 bank branches in LWE Balaghat district wherein the District Collector had identified sites for opening branches and requested banks to open the branch as identified by the Collector.

The Chief Secretary, however, expressed concern over non-achievement of target under Agriculture sector, despite that the State's economy being primarily an agrarian economy. He mentioned that the growth in agricultural output in the State has been in double digit for the past few years. Banks could achieve only 53% of the ACP target under Agriculture during the first three quarters. RRBs & Co-operative Banks are the drivers of agricultural credit in the State but during the first three quarters of FY 2016-17, their performance was far from satisfactory. CMPGB, MGB, NJGB & Co-op Banks recorded only 38%, 24%, 43% & 51% achievement respectively. He requested banks to give a serious thought to the issue and scale up finance to agriculture sector.

Action: RRBs & Co-operative Banks

As regard CD Ratio of the State, he mentioned that the overall CD Ratio has decreased drastically by 6.72% during 3rd quarter as compared to 2nd quarter. The main reason of reduction might be demonetization. As on 31.12.16, there were 11 Districts having CD Ratio of less than 40% as against the minimum norm prescribed by the RBI. Umaria, Shahdol, Tikamgarh, Mandla and Dindori districts are having low CD ratio historically, whereas Satna, Sagar, Jabalpur, Panna, Chhatarpur & Bhind were new additions of late. If the situation continues in March-2017, then these districts may also be reviewed by the Sub-Committee on Low CD Ratio.

Action: Concerned lead Banks & LDMS

As regard State Government's Sponsored Schemes, he stated that Government is getting complaints from beneficiaries that the banks' branches are insisting upon collateral security/equitable mortgage of the property and/or fixed deposit from the borrowers' inspite of the fact that there is a provision in the scheme that banks will not ask for collaterals from the borrowers. GoMP is also reimbursing fee payable to CGTMSE for guarantee cover to the bank. He mentioned Punjab National Bank have taken the collaterals in 40 cases. In respect of Central Madhya Pradesh Gramin Bank, he mentioned that as per RBI guidelines, collaterals are not required for loans to MSME segment upto Rs. 10 lacs which were not adhered to by them in 73 cases. He appealed all banks to

comply with the provisions of the schemes and guidelines of Reserve Bank of India. Similar position might be in other banks also. All banks should ensure that the collateral security should not be demanded.

Action: PNB, CMPGB & All other banks

On the matter of MUDRA loans, he stated that progress under MUDRA loan is very low at 44.83% of the target. GoI had set target of Rs. 4930 crore for the banks operating in MP whereas GoMP had set target of 5 lakh cases to be considered under this scheme. It has been observed that there is data inconsistency between the data submitted by the banks and data available on the MUDRA website. As per MUDRA website, progress for FY 2016-17 as on 24th February, 2017 was Rs. 6193.89 crore in 22.04 lakh cases. Secretary, DFS, GOI clarified that data shown in MUDRA web portal may include the figure of NBFCs and MFIs also.

He also stated that participation of the private sector banks in MUDRA scheme was also not satisfactory. HDFC Bank, Axis Bank, ICICI Bank, Karnataka Bank and RBL Bank were reporting cases under MUDRA while others having zero report.

Action: All concerned Pvt. Banks

As regard complaints received through CM Helpline, banks are not resolving such complaints in time. He advised that banks should be proactive in resolving the complaints and avoid the complaints reaching the last level.

Action: All Banks

On the issue of NPA of banks, the Chief Secretary stated that he is very conscious of the issue and assured full co-operation of the State Administration to banks in reducing NPA as the Government also does not want loans to go bad. District Collectors have been again advised to help banks in enforcing SARFAESI Act and other cases.

Thereafter the agenda items were taken up for discussion:

Item No.1 : Adoption of the minutes of the 160th /161stSLBC meeting held on 11.08.2016:

The minutes has already been circulated to members and published on the websites of DIF, GoMP & SLBC. Since no suggestions/amendments were received, minutes were treated as confirmed.

Item No.4: Review of Banking Developments in M.P. in Q-3 of FY 2016-17

- Total business growth is 6.84% over previous quarter. While growth in Deposits was 11.18% over previous quarter due to inflow of funds during demonetization period, growth in advances was only 0.85%.

- Settlement of Agriculture insurance amount of Rs. 4400 crores also impacted the outstanding agriculture credit.
- Education loans of the banks declined by Rs. 167 crores over previous quarter. It was clarified by Convenor that Syndicate banks had wrongly reported Rs. 179.53 crores outstanding under education loans in Sep 16, which was reduced to Rs. 19.66 crores in Dec-16 quarter.
- As regard the MSME advances, it was stated that cash received during demonetization in operative loan accounts affected the growth. Further, bankers' could not attend to fresh disbursements during the exercise.
- Loans outstanding under Social Infrastructure sector also declined by Rs. 3 crores over previous quarter. Convenor stated that this sector was added in the year 2015 under priority sector. Appropriate classification of advances and data cleansing are required as banks have already been financing education institutions, hospitals etc. which come under social infrastructure but are not getting reflected in their data.
Action: All Banks
- Performance of banks vis-à-vis RBI Norms was also explained before the house. Being agrarian state, priority sector advances of banks crossed from 40% benchmark and reached 64.49% in Dec 2016. However, advances to micro sector under MSME need to be picked up, which was 7.19% of total advances against the RBI Norm of 7.5%.

Action: All Banks

Item No.5: Cashless Economy in M.P.

- Demonetization impact on the deposits and PMJDY accounts was discussed and noted. As regards impact on Digital Payments, the Secretary-DFS stated that BHIM app is fast, secure and reliable cashless payment through mobile phones and also interoperable with other Unified payment Interface (UPI) applications and bank accounts. Banks should encourage people to do transactions with this app.
Action: All Banks
- During the discussion, the Secretary-DFS advised the Regional Rural Banks (RRBs) to update their technology for mobile banking and other applications with assistance from sponsor bank.
Action: All RRBs
- Non-availability of PoS machines and Mobile Banking in the rural sector was pointed out by the government officials. Chairman-CMPGB, replied that none of the RRBs got permission from RBI for installation of PoS machines and for giving Mobile Banking service. The Secretary, DFS, GOI advised to take up the matter with RBI through their Sponsor Banks to resolve the issue. The Chairman also added that there was mismatch in demand and supply of PoS machines also which was causing delay in increasing the number of PoS machines in the market. She

also advised Banks to explore m-POS & virtual POS which are more economic and easy to implement. **Action: RBI**

- CGM NABARD informed that it will provide a grant of Rs. 228 crore for deployment of two lacs POS machines in one lac villages and procurement of EMV based debit cards for farmers across the country. He also informed that NABARD will extend support to banks for deployment of two POS machines per village in one lac villages of Tier 5 & Tier 6 areas having population of upto 10,000. He also said that the scheme was available for RRBs & rural Co-operative Banks.
- CGM NABARD also mentioned that they have released Rs.17.73 crs to 6 Commercial Banks for V-SAT installation in SSA having connectivity problems in MP.

Item No.6: Unveiling updated and revamped website of SLBC, MP
www.slbcmadhyapradesh.in

A new revamped website of the SLBC-MP was inaugurated by Ms. Anjuly Chib Duggal, Secretary, DFS, GOI. Features of the new website were explained to the forum. The Secretary, DFS, GOI advised that a link to the DFS website may also be provided for effective use of data. The new website was well received.

Item No.7: Review of Performance under Annual Credit Plan (ACP) FY 2016-17 up to 31st Dec-16

- The performance under ACP during the FY 2016-17 and in the third quarter of the current FY was reviewed.
- On account of low progress (only 56%) achieved under Priority Sector in December, 2016 quarter, the Chief Secretary said that banks should not lag behind in achieving the targets.

Action: All Banks

- MSME sector has been always playing a leading role in priority sector target achievement due to various supporting schemes of GoMP & GOI. Upto Dec-16, achievement under MSME was 76.10% which was higher than achievement in other segments.

Action: All Concerned Banks

- Performance of RRBs is required to be geared up as ACP achievement is not satisfactory. CMPGB, MGB & NJGB achieved only 33.92%, 28.77% and 42.12% of the targets respectively.

Action: RRBs

- The Chief Secretary stated that the Government is making all out efforts for creating demand in agriculture, MSME and other priority sector. Therefore, the issue needs to be looked into by all concerned. All banks to ensure that targets planned for the State should be achieved.

Action: All Banks

- It was informed by SLBC Convenor that a web interface for submission of data by LDMs is under preparation and would be live shortly. All LDMs would be provided login ID & password and they have to fill the data for their respective district through web portal only. The LDMs would have to submit the data for FY17-18 based on which the State Annual Credit Plan for FY 2017-18 would be finalized. In future data would be accepted through the web interface only.

Action: All LDMs & Lead Banks

Item No.8: Doubling Farmers' Income by the year 2022

- CGM, NABARD pointed out that share of RRBs needs to be picked up. Increase in agriculture term loan for capital formation is essential to boost the agriculture. He advised that matter of agriculture should be discussed vigorously in the SLBC Sub Committee on Agriculture and strategies should be devised.

Action: SBI & RRBs

- The Secretary, DFS, GOI advised NABARD to provide model schemes in Horticulture to banks for financing under this sector.

Action: NABARD

- Shri Prem Chand Meena, ACS & Agriculture Production Commissioner, GoMP informed that the State Government has taken up Agro Forestry & Micro Irrigation on Mission mode to boost the agriculture and incomes of farmers. He said that the Government has formulated area specific plans for each district. He requested NABARD to develop suitable and bankable schemes for Agro Forestry. Banks requested the State Govt. to share such plan with SLBC to find the scope of financing.

Action: Govt. of M.P.

- It was advised that “Doubling Farmers Income” should be regular agenda of every DLCC meeting.

Action: All LDMs

Item No. 9: Credit Deposit Ratio:

- The data was presented and noted. Banks were advised to improve the ratio. Lead Banks & GoMP to take up special analysis for improving CD Ratio in four chronic districts. In respect of new entrants under low CD Ratio districts, it was observed that it is mainly due to sudden increase in deposits in the months of November & December 2016. It was advised that a special committee of DLCC should discuss ways to improve the ratio.

Action: All Banks & LDMs

Item No. 9: Youth Empowerment Mission:

- Shri V.L. Kantha Rao, Principal Secretary (MSME), Govt. of M.P. informed that for the year 2017-18, the State Government has targeted 15 lakh youth of Madhya Pradesh to be provided employment and self-employment through central and state Government schemes. 7.50 lakh youth would be provided employment through skill development and 7.50 lakh would be self-employed by availing loans from the banks.

- SLBC approved the target of 7.5 lakh beneficiaries for FY 2017-18 under Mudra, Standup India, PMEGP, MMYUY, MMSY & MMAKY.

Action: All Banks

- Shri R. S. Julania, ACS, Panchayat & Rural Development, GoMP advised banks to target skilling centres and initiate convergence approach for self-employment taking into accounts State Government/Central Governments/Banks Schemes.

Action: All Banks

Item No. 10 : Govt. Sponsored Schemes:

- (i) ***Mukhya Mantri Yuva Udyami Yojana***
- (ii) ***Mukhya Mantri Swarojgar Yojana***
- (iii) ***Mukhya Mantri Arthik Kalyan Yojana***

- Shri V.L. Kantha Rao, Principal Secretary (MSME) appreciated banks for supporting above three flagship schemes of the State Government. Up to 3rd quarter of current financial year around 75% of the targets were achieved by banks. He was hopeful that banks would achieve 100% targets by the end of current financial year.

Action: All Banks

- The Principal Secretary (MSME) also suggested that banks should have real time data on the loans sanctioned and disbursed, which at present was not available in

banks. If the banks can incorporate a field for State Government schemes in their CBS, real time data can be generated. He said that some banks have already product codes in their CBS. Remaining banks should create product code in CBS for proper monitoring of the schemes.

Action: Concerned Banks

(iv) Pradhan Mantri MUDRA Yojana & Stand up India Programme

- The progress was reviewed. Secretary-DFS expressed her displeasure in negligible participation of Private Banks under Mudra & Stand-up India scheme. They were advised to improve their position by March 2017.

Action: Private Banks

- Chairman, CMPGB stated that RRBs do not have MLI status and hence, were not getting coverage under CGTMSE. Secretary, DFS, GOI said that RRBs are eligible for guarantee coverage through NCGTC Ltd. (National Credit Guarantee Trustee Company Ltd.) under Mudra scheme.

Action: RRBs

- Secretary DFS mentioned that the data of MUDRA beneficiaries was being captured by Credit Information Companies which would enable beneficiaries to improve their credit history and take higher quantum of loans as and when they grow.

(v) PMEGP:

The progress was reviewed.

(vi) Chief Minister's Rural Housing Mission (CMRHM):

- The Chief Secretary informed that the State Government is going to bring "Awas Guarantee Scheme" to provide shelter to all households.
- Shri R.S.Julania, ACS, Panchayat & Rural Development informed that some branches of RRBs & SBI are not releasing final installment in CMRHM, creating dissatisfaction among the borrowers. He said that last installment can be released after obtaining completion certificate from Sarpanch/Block Officials. He requested Convenor SLBC to advise all participating banks suitably.

Action: All Participating Banks

- The Chief Secretary advised to expedite sanction and disbursement of loans to beneficiaries.

Action: All Banks

(vii) *National Rural Livelihood Mission (NRLM) & NULM:*

The progress was reviewed.

(viii) *Prime Minister's Awas Yojana-Urban/Credit Linked Subsidy Scheme*

The progress under this scheme was not found satisfactory. Shri Vaibhav Ramteke, representative of NHB informed that many branch managers are not aware of this scheme. Banks informed that sufficient number of applications have not been received at their end and requested to Govt. sponsor more cases. Banks were advised to improve the awareness among their Branch Managers through training/FAQs in the scheme.

Action: All Bank/GoMP

(ix) *Weavers Mudra Yojana*

The Textile Ministry, Government of India has formulated a new model scheme under MUDRA for providing credit to Handloom Sector. The new model combines elements of concessional credit such as margin money; interest subvention and credit guarantee cover. In Madhya Pradesh, a target of 17027 beneficiaries has been fixed to be achieved by 2019. During current financial year 125 cases have been sanctioned against submission of 243 cases. Principal Secretary, Cottage Industries informed that cluster approach is required to finance the weavers.

Action: All Banks

(x) *Pradhan Mantri Credit cum Scheme for Power loom Weavers*

Shri V. L. Kantha Rao, PS, MSME informed that GOI has decided to launch PM Credit cum Scheme to meet the credit requirement of Weavers/entrepreneur in the decentralized power loom sector under PMMY & SUI schemes. Office of the Textile Commissioner is the implementing agency. Salient feature of the scheme were informed to the house, the attraction being margin money & interest subvention support.

Action: All Banks

(xi) Progress under Custom Hiring Scheme

Shri P. C. Meena, APC & ACS mentioned that the progress under this scheme has not been satisfactory and requested banks to expedite processing of sponsored proposals under this scheme.

Action: All Banks

Item No. 11: Roadmap for opening Brick & Mortar Branch in villages with 5000 or more population without branch of a Scheduled Commercial Bank:

- It was informed that although 47 centres were identified and allotted to different banks in March 2016 and the banks were required to open the branches by March 31, 2017 but the progress in this regard is far from satisfactory as only 4 branches have been opened till 22nd February 2017.
- Many banks expressed the difficulties in opening of branches due to non-viability and other reasons and therefore they had approached for change of centres.
- Secretary, DFS, GOI stated that everybody has to share the responsibility in development of the country. If there is any issue regarding security, the same should be raised and sorted out at state government level. She has categorically stated that original allotment of centres will not be changed and every bank has to open their branch at the earliest at centres allotted to them. However, in specific genuine cases, the change of center may be considered.

Action: All Concerned Banks

Item No.12: Progress under Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Bank wise progress was reviewed. The Secretary-DFS, advised all the banks to achieve the target given by DFS for Aadhaar seeding/Mobile seeding by 22nd March 2017. State Government Officials raised the issue of difficulties faced by PMJDY account holders. She mentioned that this was due to opening of “Small Accounts” where one of the valid six Officially Valid Documents was not produced by the account holders. It was advised to obtain any one of the OVDs and convert the “Small Accounts” into BSBD Accounts.

Action: All Banks

- Shri R. S. Julania, ACS, Panchayat & Rural development, GoMP informed that many consent forms for Aadhaar seeding are still pending at branches which needs to be attended immediately. It was further pointed out that some bank branches are asking PAN card for withdrawal of money. The Secretary, DFS said that in some cases PAN number is mandatory due to FIU requirement of Revenue Department. She also advised Banks to seed Mobile Numbers also simultaneously.

Action: All Banks

- The Secretary, DFS, GOI stated that State administration and District administration should organize camps to reach out to a large number of people and educate them about cash-less transaction and activation of RuPay cards. State Govt. informed that from 14th of April 2017 they are going to schedule program for the same in which each gram panchayat will be included.

Action: Govt. of M.P.

Item No. 13: Non-Performing Assets

As regards cases pending under SARFAESI Act with district administration for physical possession of properties, the Secretary, DFS, GOI requested the State Government to look into the matter and take up the matter with concerned District Collectors individually for early action in pending cases. The Chief Secretary assured that the State Government would support in recovering banks' dues. He advised banks to put up granular information on pending cases.

Action: Concerned Banks & Govt. of M.P.

Item No. 14: Rural Self Employment Training Institutes

The data was presented before the house.

Item No. 15: Any other issue with the permission of Chair:

(1) Difficulties faced by banks in registration of Police complaints in matter relating to frauds:

A matter on facing challenges in registering Police complaints in Shahdol, Bhopal, Hoshangabad, Mandsaur, Gwalior, Raisen, Jabalpur & Mandla districts was raised. The Police do not accept the complaints ab-initio filed by the bank, citing various reasons, even in the cases where Bank/Customer have suffered actual financial loss. The State Government assured banks to help in this regard.

Action: Govt. of M.P.

(2) Trade license for registration of Bank's Charge at RTO on vehicles

- It was informed that Indore RTOs has made "Trade License" mandatory for vehicle finance companies including banks. It has been reported that same has been done to avoid malpractices while registering vehicles. The cost of procuring the trade certificate from RTO for banks is reported to be around Rs. 12000/- per bank branch every year. It was represented by banks that they are regulated by strict law of the Government & Reserve Bank of India and there

are strong mechanisms to monitor the activities and compliance of the norms in all aspects of banking. Hence, GoMP was requested to waive the charges for the banks for obtaining such license. The Commissioner, Directorate of Institutional Finance, GoMP assured the banks to look into the matter.

Action: Govt. of M.P.

(3) Sharing of expenses for printing of Folio under Pradhan Mantri Fasal Bima Yojana

The Govt. of India has decided to provide a folio to farmers containing information on the Pradhan Mantri Fasal Bima Yojana (PMFBY) in current Rabi 2016-17 season. The cost for printing of the folios for Commercial Banks will be borne by the concerned banks. The folio shall be printed by the SLBC convener on behalf of banks. A tender has been floated by Central Bank of India. The house decided that expenses shall be borne by the concerned banks in the ratio of their number of folios requested by individual banks.

Action: All concerned Banks

Item No. 16: Proposed SLBC Calendar for Financial Year 2017-18:

The house approved the proposed SLBC meeting calendar for FY 2017-18 as under:

Meeting Number	For the Quarter	Proposed Date
164 th	Mar-17	15 th May 2017
165 th	Jun-17	11 th August 2017
166 th	Sep-17	10 th November 2017
167 th	Dec-17	9 th February 2018

Vote of thanks:

The meeting ended with a vote of thanks to the Chair by Shri L.K. Malhotra, General Manager, Punjab National Bank. While thanking all the participants, he hoped that more progress will be visible after the day's deliberations.

(Minutes approved by the Chief Secretary)
