

**Minutes of 125<sup>th</sup> Meeting of  
State Level Bankers' Committee  
Held on 27.09.2006 at Central Bank of India  
Zonal Office, Bhopal**

The 125<sup>th</sup> meeting of SLBC was held on 27.09.2006 at the conference hall of Central Bank of India, Zonal Office, Bhopal to review the performance of banks for the period ended June 2006 under the Chairmanship of Shri K.Subbaraman, Executive Director, Central Bank of India. The Chief guest of the meeting was Shri Shivraj Singh Chauhan, Honourable Chief Minister of Madhya Pradesh. The list of participants is enclosed herewith.

**Welcome Address By Convener**

At the outset on behalf of Central Bank of India and all the members of State level Bankers Committee for Madhya Pradesh, Shri R.P. Tripathi, Convener SLBC welcomed Hon'ble Chief Minister of Madhya Pradesh in 125<sup>th</sup> meeting of State level Bankers Committee as Chief Guest. He also extended a warm welcome to Shri Pradeep Bhargava, principal Secretary and Dev. Commissioner, Panchayat and Rural Development, Shri Sumit Bose, Principal Secretary Finance, Ms Anshu Vais, Principal Secretary, Rural Industries, Shri Prashant Mehta, Principal Secretary ,Women and Child Development, Shri Ashok Barnwal, Director, Institutional Finance, Dr. K.V. Rajan, Regional Director, Reserve Bank of India, Shri A.K. Mathur Chief General Manager, NABARD and Shri S. Bhattacharya, Chief General Manager, State Bank of India.

**Welcome Address**

Speaking on the occasion, Shri R.P. Tripathi, Convener SLBC said that banks have played an important lead role in the economic development of Madhya Pradesh with mutual co-operation of the State Government. Banks are continuously implementing all development schemes in the state. He expressed hope that State Level Bankers Committee will get new direction with the valuable guidance and suggestions of Hon'ble Chief Minister of the State.

**Key note address of Chairman**

Shri K. Subbaraman, Chairman of State level Bankers Committee and executive Director of Central Bank of India extended a warm welcome to Honourable **Chief Minister, Madhya Pradesh, Shri Shivraj Singh Chouhan** and senior officials of State Government, banks, NABARD, RBI and senior executives from other banks to 125<sup>th</sup> SLBC meeting and said that State level Bankers Committee feels privileged by the presence of Chief Minister in the historic meeting of the SLBC.

In his opening remark he said that the SLBC was formed in the State in the year 1976-77 and Central Bank of India by virtue of its status as Lead Bank of the State, was designated as Convenor Bank of the Committee. As it meets for the 125<sup>th</sup> time today, the Committee can derive satisfaction from the fact that during its three decades of existence, it has built up a harmonious and fruitful relationship with the State Government agencies.

The SLBC has received excellent co-operation from the State Government in this enormous task for which it is grateful to all concerned.

He further said that the Self Help Groups have emerged as an effective supplementary credit delivery system for poor in general and rural poor in particular. The SHGs also offer business opportunities for tapping low cost deposits and micro financing. The banks are very enthusiastic about this concept in view of its distinct advantages like low transaction cost, effective monitoring/follow up and excellent recovery performance. The number of SHGs formed in the State by different agencies i.e. Government, NGOs, Banks etc. have grown manifold.

Commenting on present economic scenario, he said that floods have wreaked havoc in many parts of the country, including several parts of Madhya Pradesh, bringing in its wake untold miseries to a vast section of the population. The Reserve Bank of India has already come out with additional guidelines to deal with this natural calamity by providing relief in the form of converting short term loans to long term and giving need based fresh loans to the affected people. He was confident that all the banks have taken up this task in right earnest.

Emphasizing the contribution of Banks in the development of the state, he said that with a state-wide network of 4721 branches inculcating saving habits among the State's citizens and in bringing out socio-economic development needs no elaboration than the fact that the total business of banking sector in the State has grown to Rs.102575 crores as of June, 2006, with aggregate deposits at Rs.62196 crores and total advances at Rs.40379 crores. The lion's share of advances has gone to the Priority Sector i.e. Rs.25229 crores constituting 63% of total advances as against the national norm of 40%. Out of Priority Sector advances, Agriculture advances accounted for Rs.14851 crores i.e. 37% to total advances which is more than double the national norm of 18%. These figures bear testimony to the strong commitment of Banks towards this crucial sector of the State's economy.

The size of Annual Credit Plan of the State has seen a sharp rise over the past one decade. From a mere Rs.631 crores in the financial year 1994-95, the credit disbursed under ACP has touched the level of Rs.9437 crores during the financial year 2005-06. The increase in credit disbursement under ACP has been more pronounced during the last three to four years.

The Government of India has enacted the 'Micro, Small and Medium Enterprises Development (MSMED) Act, 2006' which will come into force w.e.f 2<sup>nd</sup> Oct 2006. As a result, most of the enterprises coming under this sector will see a shift in their classification.

Education loan is another sector very crucial to the progress of the country. Banks have been making all out efforts to meet the financial requirements of the students seeking higher education. They are also potential customers for future business. In the first quarter 990 cases amounting to Rs.33 crores have been sanctioned by banks.

Special Economic Zones (SEZs) are to act as growth catalyst. The incentives may be justified only if SEZ units ensure forward and backward linkages with the domestic economy.

Reserve Bank of India has constituted the 'Banking Codes and Standards Board' to monitor the services provided by banks to ensure that they follow certain minimum standards of banking practices while dealing with customers

Coming to the performance of banking sector upto June 2006 quarter, he said:

- the target for doubling of agriculture credit in three years has been surpassed by the banks in the State in two years' time. Banks have now launched the State Credit Plan 2006-07 with a projection of overall budget of Rs.10548 crores as against previous year's achievement of Rs.9437 crores.
- As per the directives of Government of India, the Commercial Banks have to bring 100 new farmers per rural and semi urban branch in their fold. In the year 2005-06, the average number of new farmers covered per rural and semi urban branches in the State is 126. In the current year, 71423 new farmers have been added in the first quarter. Banks will surpass the target during the current financial year, too.
- Aggregate Deposits of Banks have increased from Rs.61234 crores as of March 2006 to Rs.62196 crores as at the end of June 06 recording a marginal growth.
- Gross Credit reached a level of Rs.40379 crores as of June 2006 from the March 2006 level of Rs.38767 crores registering a growth of 4%.
- Priority Sector Advances recorded a growth of 8% over March 2006 level, from Rs.23952 crores to Rs.25229 crores in June 2006.
- Agriculture advances also increased from Rs.13950 crores to Rs.14851 crores in June 2006 over March 2006 with a growth of 6.5%.
- 83965 new Kisan Credit Cards with a total credit limit of Rs.1600 crores have been issued during the first quarter. The cumulative number of cards issued since inception of the Scheme in the State is 36.19 Lacs.

- In the last SLBC meeting, as per Reserve Bank of India directives, two districts in the State, namely, Jhabua and Ratlam were identified for 100% financial inclusion. The Banks have taken up this task in the right earnest. In Ratlam District, 50954 farmers have been identified for this purpose, of which 13584 farmers have already been covered. In Jhabua District, against 167152 farmers identified, cards have been issued to 13698 farmers. The SLBC is closely monitoring the performance of banks in these two districts under the above drive.
- Advances to SSI Sector recorded an increase of Rs.28 crores from Rs.2057 crores of March 2006 to Rs.2085 crores in June 2006

**This sector needs greater attention of the banks and the support of the State Government for accelerated credit flow to fulfill the target set by the Government of India to double the flow of credit to SME sector within 5 years i.e. by 2009-10.**

- The advances to weaker section increased by Rs.115 crores from Rs.4602 crores as at March 06 to Rs.4717 crores as at June 06 thus showing a growth of 2.5%.
- The advances to weaker section constitutes 12% of the total advances as against the stipulated level of 10%.
- 5091 new SHGs have been formed in the State during the first quarter, out of which 2541 accounts have been credit linked under NABARD pattern. The total SHGs credit linked under NABARD pattern in the State is 24872.
- Swarojgar Credit Card, Artisan Credit Card and General Credit Card are the other areas wherein 21795 cards have been issued by the banks since inception of the scheme. Banks have to make a lot of efforts to achieve the targets of 22172 set by NABARD for Swarojgar & Artisan Credit Card put together.

- The Annual Credit Plan for 2006-07 is Rs.10548 crores as against which the achievement during the first quarter is Rs.2955 crores i.e. 28% of the target. He assured Hon'ble Chief Minister that with the active co-operation of the Banks and the State Government, banks shall certainly surpass the target.

He concluded his speech by expressing gratitude to the Hon'ble Chief Minister for their esteemed presence in 125<sup>th</sup> SLBC meeting and trust that the excellent cordial relationship existing between the Banks and the State Government agencies will further strengthen in the coming days..

On the historical event of 125<sup>th</sup> SLBC, Hon'ble Chief Minister has launched the Website of State Level Bankers Committee. Which can be accessed through [www.mp.nic.in/difmp/SLBC\\_agenda.html](http://www.mp.nic.in/difmp/SLBC_agenda.html). Shri Tripathi, Convener while giving details of Website said that this Website has been prepared with the active cooperation of Directorate of Institution Finance wherein agenda, minutes, list of participating members and other important information related to SLBC is available. The members can send agenda item to SLBC Cell through this website.

Hon'ble Chief Minister also released a souvenir brought out on the occasion of 125<sup>th</sup> SLBC and Annual Credit Plan 2006-07 for MP prepared by SLBC.

Hon'ble Chief Minister also distributed BRISC award prizes, the detail of which is enclosed with the minutes.

### **Speech of Principal Secretary (RD)**

Shri Pradeep Bhargava, principal Secretary Panchayat and Rural Development first of all congratulated all banks for achieving the targets of doubling agriculture credit in two years in place of three years.

While congratulating banks for crossing the national norms for CD ratio of 60% during the quarter ended June 2006, he said that banks had to go ahead of this achievement also.

Speaking on the mutual cooperation of banks and State Govt. he said that under BRISC Scheme recovery of an amount of Rs.110 Crores during 2005-06 is a record recovery and banks will get encouragement by this and will provide more finance to the people.

He announced that State Govt has exempted stamp duty on loans given to SHGs financed under NABARD schemes.

He expressed **worry** over quality of finances while doubling agriculture credit. As per analysis reports with state Govt. Banks are concentrating more on tractor financing whereas attention should be given on overall development of agriculture sector. Commercial banks have to bridge the gap arises due to weak structure of some cooperative banks especially in the field of crop loaning, though efforts are being made for strengthening cooperative banks.

He said that under Govt. sponsored schemes particularly in PMRY banks are not making Cent percent disbursement in all sanctioned cases. This gap should also be minimized by the banks. Effort should be made by banks to credit link maximum SHGs under SGSY.

### **Speech of Chief Minister.**

Congratulating all BRISC award winners, Hon'ble Chief Minister during his speech said that banking operation can not run effectively without recovery and asked banks to take maximum advantage of the BRISC schemes and also emphasised the need for timely repayment of loans availed by borrowers for improving the pace of credit dispensation and recycling of fund in the state, which will ultimately provide benefit to the large section of the needy people. He assured banks to extend all possible assistance required by them to enhance recovery of their dues, which was 103 crores in 2005-06.

He quoted a couplet of Tulsi Das "सुर नर मुनि सब की यह रीति, स्वार्थ लागि करही सब प्रीति" meaning as such he is attending this meeting with his agenda for the benefit of the farmers. M.P. was a BIMARU state but now we are inching

forward to be a developed state. This is not the end but we have to do a lot of hard work to come in the category of developed state. The public welfare and development work is possible with the support of banks. He reminded the feelings of His Excellency the President of India that 37% population are living below the poverty line whose annual income is only Rs.1400/- which has to be raised to 30-40 thousand per annum. The main role of banks lies in the development of all people.

He complimented the banks for having achieved the target of doubling the flow of credit to agriculture sector in the state in two years period as against three years stipulated by Government of India. At the same time, the Chief Minister cautioned banks against over financing to farmers so that they do not find themselves incapacitated to repay loans.

Regarding the plight brought forward by farmers in recently held Kisan Panchayat, he said that to obtain 'NO DUES CERTIFICATE' one has to cough out Rs. 1500/- still he is not sure whether he could get loan. As such commercial banks are requested to adopt a system that no-dues charges are not to be borne by farmers.

Highlighting Khet Talab Yojna, he said this scheme was launched by the State Government to raise water level. He informed that in recently held Krishak Panchayat, it was announced that Rs.50,000/- subsidy would be given for bigger Talab. Earlier this subsidy was meager. At times farmers have no amount with them, hence apart from 50% subsidy, banks could give rest 50% as loan. In this way the scheme could be successful and, hence, proportionately the production capacity of the farmers would definitely be increased. Apart from this, Fishery and Poultry and other related activities need bankers support.

He also stressed the need to cover all the eligible farmers under Kisan Credit Card Scheme as till now only 36 lacs farmers have got KCCs and there are still 25 lacs farmers to get this cards. This scheme will relieve farmers from the clutches of Money lenders.

He congratulated bankers in as far as loaning facility is concerned and said that this area is free from corruption since a long time. Complaints are there regarding

KCC which could be correct or not correct. But needs bankers' special attention, Director, DIFC attention.

He also stressed the need to achieve the target of financing to 100 new farmers per branch by rural and semi urban branches of commercial banks.

While praising the banks for surpassing the national goal of credit deposit ratio of the state as a whole the Chief Minister pointed out that 11 districts continued to lag behind in this area and three districts viz. Sidhi, Umaria and Anuppur with very low C.D. Ratio require special attention.

Referring to the new industrial policy initiated by the State Government, the Hon'ble Chief Minister emphasised the need for accelerated lending to Small and Medium Enterprises (SMEs) under the ongoing drive for doubling the flow of credit to this sector in five years. The Hon'ble Chief Minister highlighted the role of Self Help Groups (SHGs) in strengthening the rural economy and advised banks to extend credit to such groups to uplift the poor. Banks were also advised to accord priority to issuance of Swarojgar Credit Card, Artisan Credit Card and General Credit Card since the poor section of the society is benefitted by these cards.

He said that for the empowerment of women the national norm of 5% to women beneficiaries should be thought for in the forum to bring it to 30%.

He announced that the State Government has decided to exempt loans upto Rs.10.00 lacs given to agriculture sector from the purview of stamp duty and hope that a large number of farmers and SHGs would be benefitted by this decision of state government.

Banks should come forward to extend loans in Food Processing Industry, the agriculture-based industry will be benefitted and economic status of farmers will rise. Keeping in view the importance of Agriculture, current year has been declared as Kisan year. It is therefore desirable that small and marginal farmers interest be kept in mind. Also banks should increase investments in agriculture sector.

He once again complimented banks for exemplary cooperation being given by banks in bringing state to a developing one.

While giving vote of thanks to Hon'ble Chief Minister Shri Tripathi, Convener, SLBC said that banks are doing whole heartedly for the development of State. He assured Hon'ble Chief Minister to give full cooperation for the development of State. The total budget under Annual credit plan 2006-07 is Rs.10500/- Crores of which Rs.7500/- Crores i.e. more than 70% of budget is allocated for agriculture sector. A Sub Committee and state level Heads of banks are monitoring the performance of 3 districts having CD ratio less than 40% which will definitely be brought over the level of 40% in near future. He assured the Hon'ble Chief Minister for taking up the issue of no dues certificate in the forum with concrete solution.

#### **ITEM NO. 1 : CONFIRMATION OF MINUTES**

The minutes of the 124<sup>th</sup> meeting were confirmed since no amendments/comments received from any member.

#### **ITEM NO.2 : FOLLOW-UP ACTION ON DECISIONS OF EARLIER MEETING**

##### **Action Point 1: Doubling Agriculture Credit-2006-07**

##### **Progress in doubling flow of agri credit upto June 2006**

Shri Tripathi, Convener informed that banks have disbursed Rs.2492 crores of which Rs.993. Rs.377 & Rs.1122 crores were disbursed by commercial, RRBs and cooperative banks respectively which comes to 29%, 37% and 33% of the targets.

The overall achievement was 33%. He said that banks will repeat the performance of past two financial years by comfortably achieving the targets during the current financial year.

**1.2 Financing to New Farmers** – Convener said that figures reported by cooperative banks as 4476 are seen to be on a lower side. He advised them to recheck the same and report the correct figures while submitting SLBC data for Sept,06 quarter.

Taking part in discussion Shri Pravesh Sharma, Secretary (Agri) said that there are 67 lakh agri holding in M.P. of which 61% farmers are Small Farmers. Cooperative banks are issuing 25% of the total card to this category. The position of commercial banks are also more or less same. Therefore, banks have to cover the left over small and marginal farmers under the fold of KCC.

He further said that investment per farmer in M.P. is Rs.4000 while in Punjab and Andhra Pradesh it is Rs.8000/- and Rs.16000/- respectively. This low investment is also reflected in low productivity. The requirement, risk factor and risk profile for farmers of different areas are different and banks have to access the financial needs of the farmers on these factors. Since two third of total farmers are small and marginal farmers therefore their needs should be fulfilled by Institutional Credit.

Sighting reference of different Survey reports, he said that at present Institutional Credit is in the reach of only 10-12% farmers of small and medium category and the needs of remaining farmers are fulfilled by money lenders who are charging interest @18% to 240%. These farmers are in need of not only loan but also financial services as suggested by NABARD.

Shri Bhargava, Principal Secretary (RD) said that the data of total land holding needs to be rechecked and correct data is available at their end from where data of SF / MF can also be sorted.

Shri Tripathi, Convener said that Ratlam and Jhabua districts of M.P. are identified for issuance of KCC to cent percent farmers under pilot project. As per list supplied by district authorities, out of total 50954 and 167152 farmers in Ratlam and Jhabua districts respectively only 20480 and 67896 farmers are eligible for KCC of which KCC have been issued to 13584 and 13698 farmers. These farmers include those having land holding less than 0.5% ha. of land holding also whose requirement cannot be fulfilled

by providing assistance of Rs.3000 – 4000/-. They need some productive endeavor like dairy, poultry for their lively hood.

BRISC award winner Shri Gupta, Collector Dhar who was present in the SLBC meeting informed that in Dhar out of total 1.25 lacs kisan credit cards, 92000 cards have been issued by Cooperative banks while commercial banks have issued only 25000 KCC therefore target of 400 cards / branches has been given to them to fulfill the backlog of last year.

Shri Tripathi, Convener, SLBC said that as per Government of India guidelines target of 100 cards / branches is given to every branch and it is not possible to issue 400 cards / branch. This will result in deteriorating the quality of loan and increase in NPA percentage.

Principal Secretary (RD) Shri Bhargava advised to wait till the release of reports of pilot districts i.e. Ratlam and Jhabua.

**Action Point 3 : Amendment in Revenue Act for Tenant Farmers:**

Shri Sumit Bose, Principal Secretary (Finance) informed that the matter is related to Revenue Deptt. and Department is examining the same.

**Action Point 4 : Noting of change of Agri Land in Govt. Record**

Convener said that noting of charge of land in Government record is not being done at many districts particularly in Gwalior, Bhind, Morena and Shajapur districts due to which financing is affected and cases are reported for dual financing on same piece of land by the branches of one or other bank.

Though Collectors have issued instructions to Tehsildars and other revenue officials but the ground realities shows that instructions are not under implementation.

Shri Ashok Barnawal, Commissioner, DIF said that he had a talk with Commissioner, Land Record on this issue and Commissioner Land Records has assured to monitor the same at their level so that instructions could be implemented at all districts.

**Action Point 7 : Drought Relief measures - Payment of input subsidy for Kharif 2001 & Kharif 2002**

Shri Barnawal, DIRECTOR,DIF informed that the matter has already been cleared by High Power Committee.

Convener said that DIF will provide subsidy alongwith list of borrowers to the banks and the expenses incurred on preparation of list will be borne by the banks receiving subsidy. This will be approximately Rs.1 to 1.50 per beneficiary.

**Action Point 9 : KVIC Margin Money Scheme**

Convener asked KVIC to supply the list of 77 borrowers whose cases were not found suitable by KVIC for sanction of subsidy during joint inspection. Since these cases were financed by banks between 2002 to 2005 as such it is strange to declare cases not found suitable after such a long period of 3-4 years.

Shri Bhargawa, Principal Secretary (RD) said that when KVIC had sponsored the cases they should give subsidy also. He has instructed KVIC & KVIB to sit together and solve the problem and place the position in the next SLBC.

**Action Point 11 : Low CD Ratio**

Convener informed that only 3 districts namely Sidhi, Umaria and Dindori is having CD Ratio less than 40%. The main reason for Low CD Ratio is low credit absorbing capacity of these areas, huge deposit of NTPC and no taker of big loans. He said that big loans given to these projects are only through metro branches of banks.

Shri Vijayendra,GM, Union Bank of India suggested to include notional credit figures for Sidhi district. However, it is not possible to have double counting of credit.

Shri Barnawal, DIRECTOR,DIF asked the reason for low CD ratio of some of the banks in the state as Indian Bank, Corporation Bank, Canara Bank and Vijaya Bank. The deposit of the banks have increased in comparison to last quarter while

advances have decreased. He requested RBI to hold a separate meeting of these banks and monitor the same.

Shri Rajan, Regional Director, RBI informed that RBI is convening meeting of banks where performance is poor on monthly basis and this month these banks will be called for.

**Action Point 12 : Discounting of SIDBI / IDBI Bills**

Convener said that the matter is pending since long and requested DIF to call a separate meeting to solve the issue.

**Action Point 13 : Recovery of dues from State Government / Undertakings**

Convener informed that most of the accounts having big amount have been settled by compromise and requested State Government to help in settling remaining accounts.

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

**3.1 Branch expansion**

Convener informed that 17 branches have increased during the quarter.

Shri Rajan Regional Director, RBI said that now banks board are free to open branches. RBI is doing only authorisation work.

Shri Bhargawa, Principal Secretary (RD) advised banks to open branches keeping in view the road connectivity of the villages.

**ITEM NO. 4: RECOVERY**

Principal Secretary (RD) said that recovery in SGSY (groups) is very good and the NPA percentage is only 12.14%, therefore it is beneficial for banks to have group financing only. He urged banks to increase financing in the fields where NPA is less.

**ITEM NO. 5: IMPLEMENTATION OF ANNUAL CREDIT PLAN 2006-2007**

Convener informed that the total share of crop loan target under agriculture is 70%.

The overall achievement under ACP 06-07 were 28% while under agriculture, SSI and OPS were 33, 14 & 16% respectively.

### **Doubling of Flow of Credit to SMEs in 5 Years**

During the review of SME sector, it was found that either some banks are not sending data at all, due to which actual growth in the sector is not reflecting in the figures. Convener requested all banks to report correct figures in SLBC format.

## **ITEM NO. 6: IMPLEMENTATION OF GOVERNMENT SPONSORED PROGRAMMES**

### **6.1 Prime Minister's Rojgar Yojana 2005-06**

Convener informed that the cut off date for lapsing of sanction and completion of disbursement of loans for the cases sanctioned under PMRY for the programme year 2005-06 has been extended upto 31.10.2006 for Madhya Pradesh, Andhra Pradesh, Assam, Chhattisgarh, Meghalaya, Mizorum and Nagaland by Government of India.

### **6.2 Performance under SGSY**

Shri Pradeep Bhargawa, Principal Secretary (RD) said that

- The target for credit mobilisation for first quarter was 15% of the total target of Rs.200 crores but the achievement was 8.86% only.
- Upto August 2006, banks have disbursed Rs.34.84 crores against sanction of Rs.44.58 crores.
- Banks should immediately refund the unutilised subsidy of last years to Zila Panchayats.
- Zila Panchayats have released Rs.40.98 crores to 56546 groups as revolving funds but banks have issued only Rs.57.99 crores to 35717 groups as CC limit. Remaining groups should be given CC limit immediately and it should be three times of revolving fund so that groups can start some economic activity.
- In Hoshangabad, Chhindwara, Sagar, Dindori, Badwani, Anuppur, Mandla, Khargone, Sheopur, Umaria and Satna district disbursement was less than

10% while no disbursement was reported in Betul, Burhanpur, Ratlam, Sidhi and Vidisha district.

- Banks should assist / involve themselves in grading of groups.
- Banks should disburse loan in full.
- Group should be financed more than once.
- Bank should inform the rate of interest charged to the beneficiaries.

### **6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)**

Shri Malay Shrivastava, Secretary and Commissioner Urban Administration and Development said that review of progress of the scheme should be done in second quarter instead of first quarter. In USEP upto Aug 06 banks have disbursed 370 cases against 800 sanctioned cases. He informed that during field visit of Katni district it was found that subsidy was kept unutilised in SBI branches for more than 3-4 years which includes subsidy for SC/ST beneficiaries also.

Shri Bhattacharya, CGM, SBI said that such instance of keeping subsidy pending is brought before him first time and neither in SLBC nor in DCC it was kept before. He had also not received any letter from Collector on this score. However, he assured to provide full facts within 7 days to concerned department.

Shri Bhattacharya said any irregularity found by Govt. Officials should be brought in the knowledge of higher officials so as to sensitise them. Sometimes Branch Managers posted are new to the branch. Enumerating the reasons for pending unutilized subsidy Shri Tripathi, Convener said that deptt. put pressure on branches for completion of targets by giving subsidy in advance at the fag end of the year after taking/without taking provisional sanction from the branch Managers. After closure of financial year due to non viability, non-completion of formalities by borrower, cases are not disbursed and unutilised subsidy become pending at branch level.

Convener requested departments to release subsidy only after disbursement of loan by bank branches.

It was decided that all the banks will collect data of unutilized subsidy and will place before next SLBC. All the concerned deptt. will also do the same exercise at their end.

Shri Barnawal said all banks to collect information of unutilized pending subsidy under all heads.

#### **6.4 (A) Scheme for Liberation and Rehabilitation of Scavengers (SLRS)**

##### **(B) Antyavayasayee Swarojgar Yojana**

Convener said that the difference in data of banks and deptt. is due to non submission of report having joint signature of LDM and District Officer by MPSCFDC. Shri O.P. Gupta, General Manager, MPSCFDC informed that they are collecting the data from their District officials. He said that the maximum limit under antyodaya Swarojgar scheme has been revised from Rs.35000/- According to New guidelines the banks will finance as per unit cost of the unit and the subsidy will be available as per previous norms i.e. 50% of loan only maximum upto Rs.6000/-.

#### **ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME**

##### **7.1 Self Help Groups ( Under NABARD Scheme )**

2541 SHGs were linked while 5091 a/cs were opened during first quarter of 2006-07 under NABARD scheme.

Shri Mathur, CGM, NABARD informed that in M.P. 5 lacs SHGs have been formed of which only 55000 SHGs have been credit linked. There is need to link remaining SHGs in place of formation of new groups because the process of linkage in the State is very slow.

Shri Bhargava, PS (RD) while discussing the same said that focused attention is required for category wise linkage of groups. He said that NABARD groups will be taken for linkage under SGSY.

Shri Barnwal, Director,DIF on non-reporting of targets under SHGs said that most of the banks are not reporting targets not only under one scheme but under all

govt. sponsored scheme also therefore the problem of uniformly in targets reported by deptt. and banks are coming. PS (RD) advised to put the target on website.

### **7.2 KVIC margin money scheme :**

Shri Meena, State Coordinator, KVIC informed that 23 cases amount Rs.66 lacs have been disbursed during first quarter of 2006-07.

### **7.3 Housing Finance**

(a) Direct Housing Finance – Banks have disbursed Rs.180.43 lacs in 6482 cases during the quarter ended June 2006.

#### **(b) Golden Jubilee Rural Housing Finance Scheme**

During the year 2005-06 financial assistance of Rs.22.80 crores has been provided under the scheme to 1285 beneficiaries. The poor progress was because of non-availability of title deeds.

### **7.4 Financial assistance to Minority Communities**

Shri O.F.Khatani, Secretary, State Minority Commission, said that the percentage of loan provided to Minority Community in comparison to total loans given to all in Bhopal district is only 3% which is quite on lower side. He also requested banks to increase credit flow to Minority community under Education Loan Scheme.

Supplementing the above views Shri Barnawal, Director, DIF said that the percentage of Minority Community in Bhopal district which is identified district by Government of India is 12 % therefore bank should increase advances to these communities in proportion to population.

Convener assured them to refer the matter to Bank of India, Lead Bank Bhopal to look into the matter of increasing flow of credit to minority community in Bhopal district.

### **7.6 Financial Assistance to Schedule Caste /Schedule Tribe**

Convener informed that the progress under this head is satisfactory but the percentage of NPA in advances to scheduled caste and scheduled tribe is 21.64% and 19.34% which is quite on higher side.

### **7.7, 7.8 & 7.9 Swarojgar Credit Card, Artisan Credit Card and General Credit Card**

Convener said that the performance of RRBs is good in comparison to commercial banks in issuance of these cards.

Shri Mathur, CGM NBARD said that some banks are reporting the progress or mixing the progress into other while it should be reported into one.

Convener, referring to the information sought by IBA informed the house that Kerala SLBC has proposed to have one card in place of three cards and based on this IBA has sought views of all other SLBCs on this issue. The purpose of issuance of all three cards are different so also the limit according to their requirement. The proposal for increase in limit of Rs.25000/- to Rs.50000/- could be sent to IBA.

Shri Bhargawa, Principal Secretary (RD) suggested for bringing the non farm cards on pattern of KCC for activities other than agriculture purpose.

The forum agreed with the opinion to have one card in lieu of three cards with the limit of Rs.2.00 lacs under which sub limit be fixed for different segment of people according to their requirement.

**7.10 Education loan** – Rs.33 Crores have been sanctioned in 990 accounts during first quarter of 2006-07.

**7.11 Financial assistance to women beneficiaries** – The percentage of advances given to women beneficiaries is 5.68% of total advances which is above the national norms of 5%. Shri Sumit Bose, Principal Secretary Finance said that all the loans given to family should be in the name of women and it should be

covered under advances to woman. To increase the norms of 5% to women, DIF will refer the matter to Govt. of India.

**7.12 Progress under National horticulture scheme** – The disbursement was Rs.8.39 Crores to 337 beneficiaries under this head during the first quarter of 2006-07. Principal Secretary (RD) said that there is huge scope and possibilities for development of horticulture in some pockets of M.P. and banks should tap the potential to utilise it.

### **मद संख्या 8**

राजभाषा नीति का क्रियान्वयन – संयोजक ने कहा कि बैंको का कार्य निष्पादन संतोषजनक है किंतु जो बैंक आंकड़े नहीं भेज रही है वे निर्धारित प्रारूप में आंकड़े भेजना सुनिश्चित करें ।

### **Other Agenda Items**

#### **1. Relief to flood affected farmers**

Convener informed that Master Circular and recent guidelines with regard to natural calamities have been sent to all banks which includes rephasing of term loan, reschedulement, conversion of short term loan to long term loan and giving need based fresh loan. Banks were advised to follow these guidelines.

#### **2. Charges for issuing no dues certificate by banks** – Convener said that reports have been received for charging different amount for issuing no dues certificate under priority sector and also for taking long time for the same. Hon'ble Chief Minister has also drawn the attention of house on this issue during his speech.

He clarified that in terms of Reserve Bank of India's instructions vide letter No. RPCD.PLNFS.BC.73/ 09.04.01/2001-02 dated 02.04.2002, a system has been advised to overcome the problem of no due certificate by which the concerning bank should send a speDirector,DIFic communication enclosing the list of applicants in duplicate requesting the other banks to send back the duplicate copy duly certified. The banks receiving the reference for verification should furnish the same or provide details of its dues within a maximum period of 10 days. If no response is received within 15 days of request for verification from any

bank, it may be presumed that the referred bank has no dues. Further, as inter bank exchange of information is on the basis of mutuality and reciprocity, service charges should not be an issue for furnishing 'No Due Certificate'

House agreed to the guidelines of RBI.

### **3 Extension of Time for Settlement of NPA of Small Loan Accounts Sanctioned under Government Sponsored Schemes up to Rs.25000/-**

The proposal for extending the period under one time settlement of NPA of small loan accounts sanctioned under Govt. sponsored schemes upto Rs.25000/- has been approved by the forum. As such the last date for receipt of application from the beneficiaries will be 28.2.2007 and disposal of cases will be 31.3.2007.

All the banks were requested to take a note of this..

Shri Bhattacharya, CGM, SBI proposed to make publicity of this through newspapers. As such Forum has decided to make vide publicity of this by giving advertisement in leading newspapers, expenditure of which will be shared by all the banks.

### **4 Re-examining the case of waiver of stamp duty on Golden Jubilee Rural Housing Finance Scheme (GJRHFS)**

Convener said that the main reason for poor progress under the scheme is due to non availability of title deeds for which SLBC is constantly requesting the state Govt. Shri P.K. Kaul, General Manager, National Housing Bank New Delhi said that as per ordinance passed by UP Govt, farmers can mortgage their agriculture land for constructing the house on agri land. This will be treated as agri. purpose. He requested M.P. Govt. to pass such legislation in M.P. so that advance can be incurred under GJRHFS. He said that this scheme is implemented in areas having population upto 50000, therefore all the housing loan given in such population area will be covered under the scheme. NHB has already provided the list of such areas to central offices of all the banks. The maximum limit of loan under the scheme is Rs.5.00 lacs. On reporting of data under the scheme, he clarified that advances made by KGB can be included for reporting purpose in the data of sponsoring bank. Shri Bhattacharya, CGM,

SBI said at present branch Managers are financing loans upto Rs.50000/- under the scheme, on the basis of Sarpanch certificate certifying that the land is inherited by the farmer. The loan amount more than Rs.50000/- require mortgage of land for which clear title deed is must, which is not available at present.

Principal Secretary assured to examine the issue of title deed at their end.

**5 Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Upgradation**

Shri Mathur, CGM, NABARD informed that all the proposal under the said scheme should be routed through their office only.

**6 Rainwater Harvesting scheme – CGM, NABARD informed that banks have claimed Rs.182.38 lacs of subsidy in 1865 cases against the target of 6000 cases under the scheme. Convener said that since Khet Talab yojna of state Govt. is under implementation due to which response to rainwater harvesting scheme of NABARD is poor.**

**Item No. 10 – Agenda with the permission of Chair.**

**Information of account of Rs.1 Crore and above**

Convener informed the house that Govt. of M.P. has sought information in respect of 83 accounts regarding their NPA position and suit file status. The list is being sent to all concerned banks by convener with the request to submit desired information within 7 days so as to enable SLBC to submit same to Govt. of M.P.

In the last Shri Tripathi, Convener expressed thanks to Shri S.Bhattacharya, CGM, SBI for his valuable Contribution to SLBC who was going to retire on 30.09.2006.

The meeting concluded with the vote of thank by Shri N.C.Jain, General Manager, Punjab National Bank, Zonal Office, Bhopal.

**LIST OF PARTICIPANTS  
STATE LEVEL BANKERS' COMMITTEE MEETING  
HELD ON 27.09.2006**

<b>S. N.</b>	<b>Govt. Deptt. /Bank/ Institution</b>	<b>Name</b>	<b>Designation</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Chief Guest</b>	Shri Shivraj Singh Chouhan	Chief Minister Madhya Pradesh
	<b>Chairman</b>	Shri K.Subbaraman	Executive Director Central Bank of India
	<b>Central Bank of India</b>	Shri R.P.Tripathi	D.G.M., Bhopal & Convenor
		Shri P.V.Raveendran	D.G.M. Raipur Zone
		Shri D.L.Khanijo	Asstt. General Manager
		Shri S.N.Mathur	Chief Manager - SLBC
		Smt. Usha Fernandes	Senior Manager -SLBC
		Shri Dhananjay Sharma	Senior Manager-RD
<b>GOVERNMENT</b>			
	<b>Finance</b>	Shri Sumit Bose	Principal Secretary
	<b>Rural Development Deptt</b>	Shri Pradeep Bhargava	Principal Secretary
		Shri N.K.Dubey	Jt. Commissioner
	<b>Directorate of Agriculture</b>	Shri R.S.Manral	Director
		Shri S.N.S.Mehra	Dy. Director
	<b>Directorate of Institutional Finance</b>	Shri Ashok Barnwal	Director
		Shri S.K.Gupta	Joint Director
		Shri R.N.Mishra	Joint Director
		Shri Sultan Ahmed	OSD
		Shri G.S.Dubey	Programmer
		Shri P.K.Chaturvedi	ASO
	<b>Rural Industries</b>	Ms Anshu Vaish	Principal Secretary
	<b>Industries Deptt.</b>	Shri B.P.Singh	Commissioner
		Shri D.S.Valre	Jt. Director
	<b>State Minorities Commission</b>	Shri O.F.Khatani	Secretary
	<b>MPCON</b>	Dr.P.K.Lahiri	Managing Director
		Sanjay Agrawal	Consultant
		Shri P.Markale	Mkt. _____
	<b>Office of IGR</b>	Shri Vinod Semwal	IG Registration
		Shri V.S.Mittal	D.R.
	<b>KVIC</b>	Shri J.L.Meena	Director

		Shri A.Singh	D.O.
	<b>KVIB</b>	Shri H.S.Shekhawat	Managing Director
		Shri N.R.Bele	Manager
		Shri R.S.Goel	Manager
	<b>MPSCFDC</b>	Shri O.P.Gupta	General Manager
	<b>MPBC &amp; MFDC</b>	Shri Sudhir Tyagi	Asstt. Manager
	<b>M.P.H.B.</b>	Shri D.K.Mohania	A.O.
		Shri S.K.Singhai	A.O.
	<b>Energy Deptt.</b>	Shri R.K.Katare	Dy. Secretary
	<b>MPSEB (Jabalpur)</b>	Shri C.B.Choube	A.O. (B&CM)
		Shri A.K.Chaturvedi	General Manager
	<b>Tribal Development</b>	Shri R.G.Choudhary	A.R.O.
	<b>Women Child Welfare</b>	Shri Prashant Mehta	Principal Secretary
	<b>Horticulture</b>	Shri Kamendra Singh	Dy. Director
<b>R B I &amp; Other Institutions</b>			
	<b>Reserve Bank of India</b>	Dr.K.V.Rajan	Regional Director
		Shri Satya Prakash	General Manager
	<b>NABARD</b>	Shri A.K.Mathur	Chief General Manager
		Shri A.S.Gogate	Asstt.General Manager
	<b>SIDBI</b>	Shri P.K.Saxena	Asstt. General Manager
	<b>A.I.C.</b>		
<b>B A N K S</b>			
	<b>State Bank of India</b>	Shri S.Bhattacharya	Chief General Manager
		Shri Deepak Sethi	Asstt. General Manager
		Shri V.M.Motiyani	Asstt. General Manager
	<b>State Bank of Indore</b>	Shri J.S.Dilawari	Asstt. General Manager
	<b>S. B. of Bikener &amp; Jaipur</b>	Shri K.Suresh	Manager
	<b>State Bank of Saurashtra</b>	Shri Prasad Kulkarni	Clerk
	<b>State Bank of Travancore</b>	Shri Manoj K Dixit	Asstt. Manager
	<b>State Bank of Patiala</b>	Shri Dalbir Singh	Branch Manager
	<b>Allahabad Bank</b>	Shri Rajesh Malviya	Asstt. General Manager
		Shri U.K.Solanki	Senior Manager
	<b>Andhra Bank</b>	Shri O.P.Narang	Dy. Manager
	<b>Bank of India</b>	Shri J.N.Patil	Zonal Manager

		Shri J.K.Dass	Dy. Zonal Manager
		Shri N.P.Parhate	LDM Bhopal
	<b>Bank of Baroda</b>	Shri S.K.Shrivastava	Dy. General Manager
	<b>Bank of Maharashtra</b>	Shri Ajit Kishore	Regional Manager
	<b>Canara Bank</b>	Shri Balbirchand	Dy. General Manager
	<b>Corporation Bank</b>	Shri S.S.Narayanan	Manager,ZO,Lucknow
	<b>Dena Bank</b>	Shri Dhananjay Kumar	Asstt. General Manager
		Shri G.P.Chakraborty	Manager
	<b>Indian Overseas Bank</b>	Shri P.K.Mohan	Chief Manager
	<b>Indian Bank</b>	Shri S.H.Kanchan	Chief Manager
	<b>Oriental Bank of Comm.</b>	Shri B.P.Goel	Dy. General Manager
		Shri N.N.Raju	Chief Manager
	<b>Punjab National Bank</b>	Shri N.C.Jain	General Manager
		Manmohan	Senior Manager
	<b>Punjab &amp; Sind Bank</b>	Shri Gurcharan Singh	Asstt. General Manager
		Shri Daljeet Singh	Senior Manager
	<b>Syndicate Bank</b>	Shri P.V.V.Kamath	Asstt. General Manager
		Shri Y.R.Reddy	Manager (RD)
	<b>Union Bank of India</b>	Shri K.R.Vijayendra	General Manager
		Shri Mohan Rao	Chief Manager
	<b>UCO Bank</b>	Shri S.H.Haider	Chief Officer
		Shri M.D.Verma	DCO(RD)
	<b>United Bank of India</b>	Shri Manas Choudhary	Chief Manager
	<b>Vijaya Bank</b>	Shri Prakash Kotwani	Asstt. Manager

## P R I V A T E   B A N K S

	<b>The Bank of Rajasthan</b>	Shri R.K.Mittal	Senior Manager
	<b>The Federal Bank Ltd.</b>	Shri Ashish Tiwari	Senior Manager
	<b>UTI Bank</b>	Shri Vikram Borade	Dy.Manager
	<b>Indusind Bank</b>	Shri Harish Kukreja	Chief Manager
	<b>ICICI Bank</b>	Sameer Mishra	Regional Head
	<b>Ing Vysya Bank</b>	Jairaj Rishi	Relationship Manager
	<b>United Western Bank</b>	Shri K.L.Subedhar	Senior Manager

<b>Karur Vyshya Bank Ltd.</b>	Shri L.Murali	Chief Manager
<b>IDBI</b>	Smt.S.Koshy	General Manager
	Shri Venkatachalam	Asstt. General Manager

### **Cooperative Banks**

<b>Apex Bank</b>	Shri S.K.Gupta	Dy. General Manager
<b>MPSARDB</b>	Dr.S.P.Mishra	Addl. M.D.

### **Regional Rural Banks**

<b>Narmada Malwa Gramin Bank</b>	Dr.S.L.Maheshwari	Regional Manager
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