

**Minutes of 126th Meeting of
State Level Bankers' Committee
Held on 23.12.2006 at Central Bank of India
Zonal Office, Bhopal**

The 126th meeting of SLBC was held on 23rd December 2006 at the conference hall of Central Bank of India, Zonal Office, Bhopal to review the performance of banks for the quarter ended September 2006 under the Chairmanship of Shri K.Subbaraman, Executive Director, Central Bank of India.

Welcome Address By Convenor

Shri R.P. Tripathi, Convenor SLBC welcomed Shri K.Subbaraman, Chairman SLBC and Executive Director, Central Bank of India, Shri Vinod Senwal, IG Registration, Govt. of M.P, Shri J.N. Kansotia, Secretary Horticulture and MD, Horticulture Board, Shri Ashok Barnwal, Director, Institutional Finance, Govt. of M.P., Ms. Renu Challu, CGM, State Bank of India, Shri Satya Prasad, GM, RBI and other senior officials from the State Government, Reserve Bank of India, NABARD, Commercial Banks and other Financial Institutions.

Shri R.P. Tripathi, Convenor while welcoming the participants said that though the submission percentage of SLBC data has improved but the accuracy and consistency in data still require further improvement. To have uniformity in the reporting system at district level, SLBC has prepared common format and agenda points for discussion in the DCC meetings and circulated the CDs of the same to all State Level Heads of Banks having lead district responsibilities after finalizing the format in the sub committee. SLBC is going to arrange a workshop of all Lead District Managers of State in the month of January 2007 for this purpose.

He drawn the attention of State Govt. towards submission of agenda items after distribution of agenda booklet which makes difficult to include and discuss the same in the meeting as the relevant data are not readily available either with State Government or Banks which restrict fruitful discussion. He, therefore, requested all authorities to send agenda items well in time before the finalization of agenda.

Key note address of Chairman

Shri K. Subbaraman, Chairman of State level Bankers Committee extended a warm welcome to all participants.

Speaking on the recent developments in the Indian Economy and monetary developments, he highlighted the following:

- ◆ The Country's economy continues to exhibit strong growth and the anticipated annual GDP growth is pegged at 9%. With all constituent sectors of the economy putting up a strong performance, this target appears quite realistic and realizable.
- ◆ Service sector remains the key driver of economic activity with a contribution of around 71% to overall real GDP growth, followed by Industry with a broad-based performance from the Manufacturing sector. Capital goods recorded an impressive growth of 19% during the first half year, the highest in the past one decade, reflecting strong investment demand in the economy. Corporate sales/profitability and tax collections are all at a record high. The indications point to investment demand beginning to drive the economy. The high retail credit and double digit growth in production of consumer durables denote a strengthening consumption demand.
- ◆ Agriculture Sector, which for long used to be the dominant sector of the economy has been overshadowed by the sterling performances by Service and Manufacturing sectors of late, showed some resilience in the first half year and is expected to maintain the growth trend.
- ◆ There is a growing mismatch in the incremental growth rate between bank deposits and bank credit, with the latter far outpacing the former. The demand for bank credit has been growing at above 30% for the third year in succession, whereas the growth in aggregate deposits has been around 21%. Housing, Commercial Real Estate and Retail Loans segments have witnessed high growth in credit extended by Banks.
- ◆ The proactive policies pursued by Reserve Bank of India have helped in keeping inflationary trends within manageable levels and mitigating the risk of overheating in the economy. Measures such as upward revision of Repo Rate and Cash Reserve Ratio are clearly part of a pre-emptive strategy.

- ◆ The benefits of accelerated economic growth have not reached the urban and rural populace in equal measure. Farmers are the worst affected when natural calamities strike. In order to mitigate the hardship faced by such farmers, the Reserve Bank of India has advised Banks to formulate a transparent policy for providing One Time Settlement (OTS) facility to those farmers whose accounts have been rescheduled/restructured due to natural calamities as also those who have defaulted on account of circumstances beyond their control. In line with a decision taken by this forum in the previous meeting, the OTS scheme for dues up to Rs. 25000/- has been extended up to February, 2007 and wide publicity has been given to this decision through the media.
- ◆ Reserve Bank of India has also advised that for opening small accounts, Banks need to seek only a photograph of the account holder and self-certification of address.
- ◆ There is a growing recognition of Micro Credit as an instrument of poverty alleviation. In our country, the micro finance movement has heavily relied on the banking infrastructure and Self Help Groups have emerged as the key link in this movement. However, a vast section of the poor in the rural areas are yet to reap the benefit of this movement. It is in this context that the Reserve Bank of India and a few major banks conducted a joint fact finding study and pointed out a few aspects that needed corrective action on the part of Banks, such as multiple lending and overburdening of rural households, MFIs supported by banks not engaging themselves in capacity building and empowerment of the groups to the desired extent, lack of cohesiveness in the groups formed by MFIs, adherence to best practice with regard to systems, practices and lending policies etc.

Highlighting the performance of Banking Sector in the State during the quarter ended September, 2006, he stated that:

- ◆ Commercial Banks have opened 16 new branches in the State during the first half of the year.
- ◆ Aggregate deposits have increased by Rs. 3256 crores, from Rs.61240 crores as of March, 2006 to Rs. 64496 crores as of September, 2006, reflecting a growth of 5.40%.
- ◆ During the same period, the Total Advances increased by Rs. 3556 crores, from Rs. 38771 crores to Rs. 42327 crores, at a growth rate of 9.20%.

- ◆ Investments have shown a sharp rise, from Rs. 2805 crores in March, 2006 to Rs. 4163 crores, registering an increase of Rs. 1358 crores i.e. a growth of 48.5% over March, 2006.
- ◆ Credit Deposit Ratio has increased to 65.63%, as against 63.30% as of March, 2006.
- ◆ The ratio of Priority Sector advances to Total Advances is 60.53% as against the National Norm of 40%. The share of Agricultural Advances stands at 35.27% against the stipulated level of 18%.
- ◆ Under Annual Credit Plan, as against the annual target of Rs.10548 crores, the achievement up to September, 2006 is Rs.5947 crores, an achievement index of 56%. He was confident that the Banks would be able to surpass the annual target. Districts with low C:D Ratio will have to be given special attention while drawing up the Plan for the year 2007-08.

Some of the other points he highlighted as under:

- ◆ Under the drive for doubling the flow of credit to agriculture sector, 60% of the targeted level has already been achieved up to September, 2006. Therefore, the banks are likely to surpass the annual target by comfortable margin.
- ◆ Similarly, as against the target of financing to 100 new farmers per branch in a year, the average new farmers financed per branch up to September, 2006 comes to 61. The total number of new farmers financed is 230227.
- ◆ During the current financial year, Banks have issued a total of 251855 new Kisan Credit Cards in the State.
- ◆ There has been good progress under National Horticulture Board Scheme. As against 603 cases received by Banks, 511 cases were sanctioned and disbursement has taken place in 463 cases involving a total amount of Rs.22.27 crores.
- ◆ Various agencies, government departments and banks included, together have formed more than 3,42,000 SHGs in the State. However, credit linkage of these groups has not materialized to the desired level, with only 27% of the groups credit linked. He hoped that the target of credit linking 25000 SHGs in the current year will be achieved by banks.

- ◆ A pilot project for 100% coverage of KCCs and Financial Inclusion is underway in Ratlam and Jhabua districts of the State. This is a good beginning with the efforts of all concerned by providing KCCs to all interested persons in both the districts. Under Financial Inclusion, 2450 'No Frill Accounts' have been opened in Ratlam District whereas 7700 such accounts have been opened in Jhabua district. Issuance of General Credit Card is yet to pick up though 97 cards have been issued in Ratlam District whereas in Jhabua no card has been issued as yet.

Before concluding, he drew the attention of the State Government towards certain issues that were pending for suitable decisions at its level since previous meetings and requested that decision on these issues may be expedited. He also reiterated requests for improving the recovery climate in the State, though the BRISC Scheme has been of some assistance to the Banks in this regard.

ITEM NO. 1 : CONFIRMATION OF THE MINUTES OF THE 125th MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 27.09.2006

The minutes of the meeting were confirmed with the following amendment in the 125th meeting minutes proposed by MPSCFDC.

On page no. 17 para 3 the amount of subsidy for Antyavyasai Swarojgar Scheme may be read as Rs. 10000/- in place of Rs 6000/-.

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

Action Point No. 1 : Doubling Agriculture Credit-2006-07

1.1 Progress in doubling flow of Agri. Credit up to June 2006

Banks have disbursed an amount of Rs 4582 Crores up to Sept 06 against a target of Rs 7595 Crores of which crop loan disbursement was Rs 3427 Crores which amounts for over 75%. Convenor said that with this pace of disbursement banks will achieve tripling of target within a period of 3 years in place of doubling agri credit within 2 years. However, the performance of some of the banks like Allahabad Bank (37%), Punjab & Sindh Bank (14%), State Bank of Indore (40%), Syndicate Bank (33%) and MPSARDB (9%) was not found satisfactory.

Some of the Banks like Andhra Bank, Corporation Bank, Indian Overseas Bank, The Bank of Rajasthan Ltd. SB of Hyderabad, SB of Saurashtra, SB of Travancore, IDBI, Indus Ind Bank, The J & K Bank and Karur Vysya Bank have accepted the target

under ACP 2006-07 but their performance was zero up to September 2006. Convenor requested RBI to take up the matter with the Head offices of these banks because the performance of these banks was same from last 3 years and there was hardly any improvement.

Shri L.N. Choudhary, DGM, Allahabad Bank informed that their performance has now improved.

- 1.2 Financing to New Farmers** – Commercial Bank branches have financed 56 new farmers per branch up to September 06 against the target of 100 farmers in a year. Convenor hoped to surpass the target within next 6 months.

Chairman complemented the Co-operative banks who have done a very good job by financing 80 new farmers up to September 06 and said that all banks should follow the same.

Shri Pandey, GM, NABARD has drawn the attention of house towards wide gap between Crop loan and term loan financing with a ratio of 75% and 25%. Convenor said that term loan disbursement is one time disbursement and require once for a length of time period while Crop loan requirement increases every time.

Shri Satya Prakash, GM, RBI added that this issue was raised in one of the meeting of empowered committee of RRBs and it was decided to study this variation in C/L and T/L jointly by NABARD and RBI in few selected districts. The study is under process and results will come soon.

Referring to the discussion held in the 125th meeting of SLBC Shri Barnwal, Director, DIF said that Banks should not put too much stress in tractor financing.

1.3 New investment projects

16721 new investment projects have been financed in first half year of 2006-07. Commercial banks have financed 9 projects per branch on an average.

Convenor appreciated good work done by Allahabad Bank (30/ branch) and Union Bank of India (54 / branch). He said that banks should re-look into data as per definition given by RBI for this purpose. Chairman said that the guidelines should reach at the ground level for correct reporting.

1.4 Financing to Agri. Clinic/ Agri. Business

Shri Pandey, GM, NABARD said that so far 438 agri graduates have been trained by MANAGE, of which only 69 candidates have received bank loan. Convenor said even after repeated efforts, graduates are not turning up. There is a huge demand of these persons in market job service and therefore these agri graduates are least interested in this venture. He cited the example of PMRY scheme where lot of youths are coming for taking loan but agri graduates are not coming forward for getting loan.

1.5 Kisan Credit Card

Banks have issued 251855 KCCs from April 2006 to September 2006 of which 107516 cards were issued by commercial banks, 56035 by RRBs and 88304 by co-operative banks.

Director, DIF requested all the banks to instruct their branch Managers to issue KCC to all the farmers coming to the branch instead of directing them to contact co-operatives for getting the cards.

On the large number of cards issued by Co-operatives, Shri Malay Shrivastava, Secretary, Urban Devp. said that since the base of co-operative for issuance of card is high therefore the percentage increase is small. With the acceptance of Vaidhyanathan Committee report co-operative are financing at 7%, as such lending by co –operatives will increase.

1.6 Relief measures provided to farmers

Shri Mohanti, MD, MPSCFDC Said that banks should be proactive in extending relief to farmers under OTS scheme because up to September 06 only 2967 farmers were covered under the scheme. Director, DIF wanted to know the reasons for slow progress. Shri Sanjay Singh, GM SB Indore said that banks are having sympathetic consideration and are doing aggressively. Convenor said that the scheme is in operation since last two years and maximum farmers have already been covered under the scheme. The date for getting the benefits of the scheme by the borrowers have already been extended up to February 06 and advertisement to this effect have been published in leading news papers also. In spite of these efforts the progress is slow because the takers of the benefit of the scheme are less.

Action Point No. 2 : Holding meeting of Banks with low C:D ratio by RBI:

Shri Satya Prakash, GM RBI informed that RBI have conducted two meetings of banks having low performance during last two quarters and the next meeting will be held in the month of January 07 on the basis of performance of December 06 quarter.

Action Point No. 3 : Amendments in the Revenue Act for Tenant Farmers:

Director DIF said that it may not be possible for the Govt. to make amendment in Revenue Act as such he requested to drop the issue.

Action Point No. 4 : Noting of charge on land in Government Records :

DIF said that Commissioner, Land Record will follow up the matter. He also suggested to start the procedure of keeping data base of all the loanee of bank at one point which can be started from the Hoshangabad district as this suggestion was received from Collector Hoshangabad. This will be helpful in knowing the position of double financing already done by the branches on same piece of land and also to prevent further financing.

Action Point No. 5 : Non availability of Documents to Title in Abadi Land:

DIF informed that revenue department has Carried out the exercise. However, the development will be informed in the next SLBC meeting.

Action Point No. 6 : Drought Relief Measures:**Payment of input subsidy for Kharif 2001 and Kharif 2002**

The subsidy is being released to the Banks by DIF.

Action Point No. 7 : KVIC Margin Money Scheme:

The representative of KVIC informed that verification has been made in 100% cases and subsidy is released in 769 cases. The list of 77 cases were given in the meeting.

Action Point No. 8 : Implementation of 100 % coverage of KCCs and Financial inclusion

On the basis of results received from Ratlam and Jhabua districts for 100% coverage of KCCs, it was suggested by Director, DIF to replicate the scheme in other districts. Convenor proposed to include 3 districts namely Sidhi, Umaria and Anuppur for this purpose where CD ratio is less than 40% and also to include three more districts namely Sheopurkalan, Narsinghpur and Guna, as suggested by the house. State

level heads of all the banks having branches in these 6 districts were advised to issue necessary instruction to their branches. DIF will also advise suitably to collector of these 6 districts.

Chairman said that the economic effects of the pilot project should be evaluated in pilot project districts by NABARD.

Convenor informed that the spadework for coverage for replication of pilot project in 6 districts will start immediately by conducting meetings and the project should target Kharif 2007.

Action Point No. 9 : Low CD Ratio

For improving the CD ratio in Sidhi, Umaria and Anuppur districts, 100 % coverage of KCC will be implemented from Kharif 2007 along with measures already under implementation in these 3 districts having low CD ratio. The Govt. should also gear up the machinery for providing infrastructure.

Action Point No. 10 : Recovery of dues from State Government / Undertakings

DIF informed that most of the cases have been settled in Govt. guaranteed accounts.

Action Point No. 11 : Publicity – Extension of time limit for settlement of NPA under Govt. sponsored scheme up to Rs. 25,000.

Convenor requested all the 16 Banks namely Andhra Bank (620), Bank of Maharashtra (9569), Corporation Bank (798), O. Bank of Commerce (3455), Syndicate Bank (2392), Uco Bank (8506), Vijaya Bank (532), S.B. of Patiala (443), Bank of Rajasthan (1949), HDFC Bank (975), ICICI Bank (620), IndusInd Bank Limited(443), UTI Bank Ltd. (443), Jhabua Dhar RRB (6999), Mahakaushal RRB (3721), Narmada Malwa RRB (17543), Ratlam Mandsaur RRB (3544), Rewa Sidhi RRB (7265), Sharda RRB (5227), Vidisha Bhopal RRB (2038) to send their contribution to the convenor towards their share in advertisement for giving wide publicity of extension of OTS scheme under Govt. sponsored scheme up to Rs 25000/-.

Action Point No. 12 : Re-examining the case of Waiver of Stamp Duty on Golden Jubilee Rural Housing Finance Scheme (GJRHFS):

DIF informed that the matter is under consideration.

Action Point No. 13 : Streamlining the reporting system at district level

Convenor informed that SLBC is going to arrange a meeting of all 48 lead district managers in the month of January 2007.

It was suggested by Shri Mohanti, MD, MPSCFDC to start on-line submission of agenda and data of SLBC. Convenor requested all the banks and Govt. Deptt to mail the agenda and data on the E-mail address of SLBC. He also informed that the agenda and minutes of the meeting can be down loaded by members by login the website of SLBC.

Action Point No. 14 : Follow up action on evaluation study of PMRY

A sub committee consisting of DIF, Industry Deptt & all state level heads having lead bank responsibilities and convenor SLBC was formed to study the evaluation report of PMRY. The members of the sub committee will consist of SBI, SB Indore, PNB, UBI, BOI, DIF and Commissioner, Industry.

ITEM NO. 3 : PERFORMANCE OF BANKING SECTOR IN MADHYA PRADESH AT A GLANCE**3.1 Branch expansion**

With a view to have equal distribution of work it was decided that all banks will submit their branch expansion programme with a list of centres where banks will open the branch to SLBC and DIF every month. DIF will provide about the feed back on govt. infrastructure facilities to the bank in advance.

3.2 Deposit growth

During the period under review, the aggregate deposits of the banks in Madhya Pradesh increased by Rs3256 crores, from Rs.61240 crores as at March 06 to Rs.64496 crores at Sept 2006 recording a growth of 5.40%.

3.3 Credit Expansion

During the first quarter, the gross credit in the State increased by Rs.3556 crores, from Rs.38771 crores as at March 06 to Rs.42327 crores at Sept 2006 exhibiting a growth of 9.20 %.

3.4 Credit Deposit Ratio

The banks having low CD ratio namely Union Bank of India, Oriental Bank of Commerce and Bank of Rajasthan have informed that CD ratio of their bank have increased at the end of 15th December 06 over September 06. The representative of IOB, Rewa Sidhi RRB and Sharda RRB were absent in the meeting whose CD ratio was also low.

3.5 Priority Sector Advances

During the period under review though there was growth of 7% over March 06 but some of the Banks namely Andhra Bank (24%), IOB (39%), BOR (33%), J & K Bank (15%), IDBI Bank (8%), Karur Vysya Bank (24%) and all subsidiaries of SBI except State Bank of Indore was having ratio of Priority Sector Advances to total Advances less than 40%. Reserve Bank of India advised them to increase the same by the end of December 06.

3.6 Agriculture advances

The Agriculture Advances in the State during the review period has witnessed an increase of Rs. 977 crore from Rs.13950 crores as at March 06 to Rs.14927 crore as at Sept 2006, showing a growth of 7.00 %.

3.7 SSI Advances

The advances to SSI sector during the period under review has witnessed an increase of Rs.165 crores from Rs.2057 crores as at March 06 to Rs. 2222 crore as at Sept, 06 showing a growth of, 8.10%.

3.8 Advances to weaker section

During the period under review the advances to weaker section increased by Rs.49 crores from Rs.4602 crores as at March06 to Rs.4651 crores as at Sept, 06 showing a growth of 1.10%.

ACHIEVEMENT VIS-A-VIS NATIONAL GOALS

- ◆ The ratio of Priority Sector Advances to total advances as at Sept 06 stands at 60.53% as against National Goal of 40%.
- ◆ The share of agricultural advances to total advances, as at Sept 06 is 35.27% against the stipulated level of 18%.

- ◆ The advance to weaker section constitutes 10.99% of the total advances as against the stipulated level of 10%.
- ◆ The CD Ratio in rural & semi urban area has achieved the National Goal by recording a level of 72.80% as at Sept 06 having made an increase of 3.14% in Sept 06 over March, 06.

ITEM NO. 4: RECOVERY

4.1 NPA Position

Convenor said that NPA level is highest in Antyavasayi Swarojgar Scheme (34%) followed by PMRY Scheme (32%), which is a cause of concern for all the banks. Govt. machinery particularly the department concerned should assist the Banks in recovery of dues. Shri Mohanti, MD, MPSCFDC informed that recovery under Prathishtha and Antyavasai Swarojgar Scheme has improved in Bhind and Sheopurkalan Districts in self financing scheme of Corporation. The main reason for low recovery and huge NPA of banks dues is due to fact that selection of beneficiaries was not proper and rational.

4.2 Year Wise Position of Write- Off Accounts

An amount of Rs 1618 Crores in 675574 accounts have been written off till September 2006. Ms Renu Challu CGM, SBI said that written off of accounts involves huge administrative cost and time.

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

Director, DIF have informed that apart from submission of CDs of information on RRC filed by Central Bank of India, Vidisha LDM has submitted details of all banks of Vidisha District.

State Bank of India has completed the work of compilation in 2 districts and remaining will be completed within next one month while Bank of India and Union Bank of India have also assured to complete the same within one month.

It was decided that no fresh RRCs will be registered from March 07 onwards if banks will not provide details of RRCs as required by DIF in soft copies.

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

The overall achievement for total priority sector under ACP 2006-07 up to September 2006 was 56% for all banks while for commercial banks RRBs and co-operative banks was 56%, 69% and 53 % respectively but some of banks like Allahabad Bank, Andhra Bank, Corporation Bank, IOB, P&SB, United Bank of India, State Bank of Patiyala, SB Saurashtra, SB Travancore, IDBI, Indus Ind Bank, J & K Bank, Karur Vysya Bank, MPSARDB were having very low achievement. Reserve Bank of India advised these banks to improve the performance by December 06.

Doubling of Flow of Credit to SMEs in 5 Years

Finance to SME Sector :

Under SSI sector banks have disbursed Rs.155.98 Crores to 4923 enterprises during the current financial year while the level of outstanding is Rs 2222 crores. Major Banks have disbursed Rs. 109.74 Crores to 6732 medium entrepreneurs, which has increased by Rs.-22.37crores over last quarter.

Directorate of Industry (SSI cell) has informed that amendment to the Industrial Promotion Policy 2004 is under consideration with State Govt. This revised policy includes suggestions received from various forum and industry associations. The revised policy will be more friendly to industries.

ITEM NO. 6: IMPLEMENTATION OF GOVERNMENT SPONSORED PROGRAMMES

6.1 Prime Minister's Rojgar Yojana - P.Y 2005-2006

Shri D.S.Valre, Jt. Director, Directorate of Industry informed that the achievement under the scheme for 2005-06 has touched 85%.

Prime Minister's Rojgar Yojana - P.Y 2006-07

It was pointed out by convenor that in many districts like Rewa, Khandwa, Ashok Nagar, Sagar, Indore, Barwani, Jabalpur, Betul, Ratlam, Bhopal, Datia and Jhabua, targets given by DTIC were more than the targets allotted to the districts by State Government and the submission of percentage of applications sponsored was higher than 125% of the target allocation in Rewa, Indore and Jabalpur district and requested DIF to interfere in the matter to make uniformity of target at district level by issuing suitable instructions to collectors so as to avoid unnecessary burden on branch managers. He also requested the concerned deptt. of State Govt to provide figures of recovery made with the help of their district authorities under the scheme from the next quarter along with progress under the scheme. Shri Balbirchand,

DGM, Canara Bank requested for data on functional units. Director, DIF requested all banks to instruct their branches to dispose off the received cases expeditiously.

6.2 Performance under SGSY

Shri Mohanti, MD, MPSCFDC reacting on the low NPA in group under SGSY them individual cases said that the department should concentrate on group financing and selection of beneficiaries for better results.

6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)

Convenor requested all the banks to send the details of subsidy pending and their utilisation position if any, immediately to the concerned department and SLBC.

6.4 Scheme for Liberation and Rehabilitation of Scavengers (SLRS)

MD, MPSCFDC informed that Corporation has not received subsidy under the scheme and decided to merge targets of Pratistha/SLRS with Antyavasayee Swarojgar Scheme for 2006-07.

ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME

7.1 Self Help Groups (Under NABARD Scheme)

Convenor requested all the sponsoring agencies to provide district wise location wise list of SHGs to SLBC and proposed to form a sub committee to suggest speedy linkage of these groups.

7.2 KVIC Margin Money Scheme.

172 cases have been disbursed and margin money scheme with the utilisation of subsidy and Rs. 5.48 crores up to September 06.

7.3 Housing Finance

Banks have achieved 60% of target set by RBI for finance under Direct Housing Finance.

7.4 Financial assistance to Minority Communities

The progress under financial assistance to Minority Community in MP State as a whole and Bhopal district in special as an identified district was found to be satisfactory up to September 06.

7.5 Financial assistance to Schedule Cast and Schedule Tribes

An amount of Rs 1321 and 705 crores was outstanding in 317608 and 188375 accounts under financial assistance to Schedule Cast and Schedule Tribes respectively but the percentage of NPA in Schedule Cast was more than Schedule Tribes over which house loan shown concern.

7.6 Swarojgar Credit Card (SCC)

Convenor informed the house that as per information received from IBA suggestion regarding having a common smart card. It is informed by IBA that the suggestion of having a common smart card in lieu of multiple cards was deliberated in detail at the meeting of the Standing Committee of Agro Business held recently. The Committee agreed with SLBCs suggestion and decided that instead of having multiple cards, only two types of cards viz., one card for farm sector and the other for non-farm sector may be evolved. Towards this, a Working Group has been constituted to study the operational issues to carry forward this suggestion. In the meanwhile, in order to give a final shape to the suggestion, IBA has request to offer concrete suggestions, proposals & the methodology of having two sets of card – for farm Sector and non-farm sector.

Director, Handloom complained of pending cases of Budani Tehsil for a long period with bank branches. Convenor suggested to solve the problem by meeting with the Zonal Manager of Bank of India having lead responsibility in the district and advised them to provide list of clusters and also of pending cases to SLBC if any in other district.

7.7 Education Loan

Director DIF have informed that State Govt of M.P. is going to introduce a interest subsidy scheme for the education loan provided to women beneficiaries. Convenor requested all the banks to send data to SLBC on the presented format sent to all banks on 15.11.06 so that consolidated data may be furnished to DIF. It is reveled from the data received so far that share of loan given to women is approximately 30%of the total Education loan.

7.8 Advances to Women beneficiaries

An amount of Rs 3118 crores was outstanding under advance to Women beneficiaries which constitute 7.4% of the total advances against the target of 5%.

7.9 Progress under National Horticulture Board Scheme

Shri Khare, M.D. Medical Plant Board said that Board is implementing schemes with bank loan and subsidy .The major area covered under the scheme is in Indore, Khandwa and 2-3 other districts. The unit cost of project is considered as per the cost approved and circulated by NABARD.

Shri S. Singh, G.M. State Bank Indore said that *safed musli* is having 25% market while 75% of market is covered by other crops.

Shri Khare informed that a quality testing laboratory is established in Barkheda Pathani in Bhopal, where testing and branding is done and 50% of the Market price of produce is given to the producer.

Shri Premnarayan, Asstt Director, National Horticulture Board said that their Head office has nominated their officer to attend the SLBC meeting.

For timely submission of agenda notes for inclusion in the SLBC meeting, Director, DIF advised all the distt of State Govt. to send agenda notes on II consecutive month of the each quarter i.e. in Feb, May, August and November through SLBC website or hard copy to Convenor SLBC and DIF.

7.10 Loans to Ex-servicemen (SEMFEX)

Banks have extended financial assistance of Rs 39 corers in 98 accounts as at the end of September 06.

मद सं.-08 राजभाषा नीति का कार्यान्वयन

मध्यप्रदेश में 50 बैंकों में से केवल 30 बैंकों ने राजभाषा नीति के कार्यान्वयन संबंधित तिमाही आंकड़े भेजे थे संयोजक ने सदस्यों से अनुरोध है कि वे एस.एल.बी.सी. के प्रारूप में अपेक्षित आंकड़े समय से भेजना सुनिश्चित करें ।

ITEM NO. 9: OTHER AGENDA ITEMS

1. Rain water Harvesting Structure (RWHS) scheme for SC/ST farmers.

Shri Pandey, General Manager, NABARD requested all member banks to lodge the claims for balance and of subsidy under the scheme if any.

2. Exemption of stamp duty and registration fee for Tiny and Small Scale Industries

Director, DIF said that it is difficult to exempt the stamp duty and registration fee for tiny and small state industries.

3. Non-Cooperation to RRBs by branches of State Bank of Indore

Chairman of the Jhabua Dhar RRB was absent in the meeting , Convener requested State Bank of Indore to resolve the issue by sitting together. Similar request was made for Khilchipur and Barwani branches of Narmada Malwa RRB.

ITEM NO. 10 : NOMINATION OF COORDINATOR OF BANKS

Director, DIF reported that some of the banks are having more than two/three zones in the State and DIF is facing problem for dealing the matter with so many zone as such one bank should have one coordinator only. Convener said that only Zonal Office situated at State Head quarter will act as a coordinator.

Fund Keeping :

Chairman Madhya Bharat RRB and AGM Dena Bank raised the objection over keeping the fund with some selected banks leaving their banks, though their banks are participating in Govt. programmes.

DIF assured them to look into the matter.

The meeting ended with the vote of thanks prepared by Shri J.K. Dass, Zonal Manager, Bank of India, Bhopal.

