

**Minutes of 127th Meeting of
State Level Bankers' Committee
Held on 24.03.2007 at Central Bank of India
Zonal Office, Bhopal**

The 127th meeting of SLBC was held on 24rd March 2007 at the conference hall of Central Bank of India, Zonal Office, Bhopal to review the performance of banks for the quarter ended December 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 Pradeep Bhargava, Additional Chief Secretary, Govt. of M.P, Shri Sumeet Bose, Principal Secretary Finance, Shri Ashok Barnwal, Director, Institutional Finance, Govt. of M.P., Ms. Rashmi Sharma, MD, MPVVN, Shri Satya Prasad, GM, RBI and other senior officials from the State Government, NABARD, Commercial Banks, RRBs and other Financial Institutions.

In his opening remark, he said that during this quarter submission percentage of slbc data though improved, yet accuracy and consistency in data still require further improvement, SLBC Cell has started sending of agenda notes through mail on the E-mail addresses available with department. It is also available on our website www.mp.nic.in/difmp/slbc.html

He requested all the bankers to ensure disposal of all the pending cases by the branches under all Govt sponsored schemes as March being the last week of the financial year .

Key note address of Chairman

Shri K. Subbaraman, Chairman of State level Bankers Committee extended a warm welcome to all participants and in his address said that this meeting of the Committee is taking place in the backdrop of certain important developments both at the national and the State level. At the national level, the Union Budget for the Financial Year 2007-08 has been presented to the Parliament by the Hon'ble Finance Minister. Two days prior to this, the State Budget for the next fiscal was also presented by the Hon'ble Finance Minister of Madhya Pradesh. These events were preceded by certain key monetary policy announcements by Reserve Bank of India aimed at containing inflationary trends.

Speaking on the recent developments in the Indian Economy and monetary developments, he highlighted the following developments that have a bearing on the economy and citizens in general and financial sector in particular:

Reserve Bank of India's policy announcements:

The measures announced by Reserve Bank of India to prevent overheating of country's economy and contain inflationary pressures without unduly impacting the growth momentum include:

- ◆ 50 basis points increase in CRR in two phases, from 5.50% to 5.75% w.e.f. 17.02.07 and from 5.75% to 6% w.e.f. 03.03.2007, which has resulted in the absorption of bank resources to the tune of Rs.14000 crores.
- ◆ 25 basis points Increase in the repo rate (from 7.25% to 7.50%) to control excessive money supply in the system.
- ◆ Payment of 1% interest on the CRR maintained by Banks with RBI.

Union Budget for the Fiscal 2007-08:

Rural Economy assumed the centre stage in the Union Budget presented by Hon'ble Finance Minister in the Parliament for the Financial Year 2007-08. The budget proposals underline Agriculture, Infrastructure, Health and Education as the thrust sectors. Rightly so, because the other key sectors, namely, Manufacturing and Service Sectors are showing a robust growth. Agriculture in particular has not kept pace with other key sectors in growth. Since Rural Economy is traditionally dependent up on Agriculture sector, the Budget proposals have set a goal of 4% growth in this sector in the Eleventh Five Year Plan as against 2.3% estimated during the Tenth Five Year Plan.

Encouraged by the performance of banks in the last two years in doubling the flow of credit to agriculture sector, the budget has set a target of Rs.225,000 crores for Farm Credit for 2007-08 with an addition of 50 lakh new farmers to the banking system. A special plan is being implemented over a period of three years in 31 especially distressed districts in four States involving a total amount of Rs.16,979 crores.

A weather based crop insurance scheme to be started by Agricultural Insurance Corporation on a pilot basis as an alternative to National Agricultural Insurance Scheme with an allocation of Rs.100 crores in 2007-08.

Cash withdrawals by Central and State Governments will now be excluded from the scope of Banking Cash Transactions Tax (BCTT). The exemption limit for individuals and HUFs will be raised from Rs.25000/- to Rs.50000/-.

State Government Budget for 2007-08:

The priorities underlined in the State Government budget are similar to those in the Union Budget, with special thrust being given to Roads, Irrigation, Power, Education and Health. Improved fiscal management has resulted in a revenue surplus of Rs.1763 crores in 2006-07 which is projected to increase to Rs.2006 crores in 2007-08.

It is heartening to note that the State Government has launched 'Gender Budgeting' for 13 departments in order to ensure empowerment and active participation of women in the development schemes of State Government.

Welfare measures like extension of 'Gaon Kee Betee' Yojna to provide for scholarship for all girls from rural areas passing the Higher Secondary Examination in First Division and pursuing higher education; extension of Free Bicycle Yojna to girl students of SC and ST of class 6th ; 'Apna Ghar' Yojna for homeless SC and ST families; implementation of 'Ladlee Lakshmi Yojna' covering girls born after 01.01.2006 with provision for cash deposits to be made in the names of girls, provision for incentive money and scholarships for education and a lumpsum payment of Rs. One Lac on attaining 21 years of age, etc. are laudable steps indeed.

The move to link all districts in the State through 'Agrinet' for disseminating information on various aspects relating to Agriculture and the reported decision to make available unused government land to unemployed and landless people for cultivation and other purposes on free license are welcome measures which will benefit farmers and weaker sections.

The Rural sector offers immense business potential for the banking sector. The proportion of rural households has gone down from two thirds in early 90s to 25 per cent currently and those with middle income from one third to 70 per cent. This represents increase of 50 million middle-income households in rural areas. As incomes increase, the demand for retail credit is growing in rural areas. The rural consumers represent more than 50 per cent of the country's 'consuming classes'. As Agriculture gets increasingly diversified, new avenues have been thrown open for financing activities such as floriculture, horticulture and other value added activities. All these factors augur well for the banking sector and a well thought

out strategy is needed to tap this potential. IT solutions can play an important role in taking banking to the remotest corners of the country.

Micro Finance is an important tool to spread the benefits of banking in the hinterland, with Self Help Groups playing a vital role. Banks are actively engaged in promoting SHGs, nurturing them and transforming them from micro finance to micro enterprises. Banks need to have the right staff with the requisite knowledge in rural areas to make this concept a success.

Coming to the performance of Banking Sector in the State during the quarter ended December, 2006, the following position has emerged:

- ◆ Commercial Banks have opened 29 new branches in the State during the nine months' period.
- ◆ Aggregate deposits have increased by Rs.5544 crores, from Rs.61468 crores as of March, 2006 to Rs.66912 crores as of December, 2006, reflecting a growth of 9%.
- ◆ During the same period, the Total Advances increased by Rs.6851 crores, from Rs.39050 crores to Rs.45901 crores, at a growth rate of 17%.
- ◆ Investments have shown a sharp rise, from Rs.2805 crores in March, 2006 to Rs.5061 crores, registering an increase of Rs.2256 crores i.e. a growth of 80% over March, 2006.
- ◆ Credit Deposit Ratio has increased to 68.60%, as against 63.53% as of March, 2006.
- ◆ The ratio of Priority Sector advances to Total Advances is 60% as against the National Norm of 40%. The share of Agricultural Advances stands at 35% against the stipulated level of 18%.
- ◆ Under Annual Credit Plan, as against the annual target of Rs.10548 crores, the achievement up to December, 2006 is Rs.9680 crores, an achievement index of 92% in the nine months' period. I am confident that the Banks will be able to surpass the annual target by a wide margin.

Some of the other points he highlighted are:

- ◆ Under the flow of credit to agriculture sector, 91% of the targeted level has already been achieved upto December, 2006. Therefore, the banks are set to surpass the annual target by a 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 December, 2006 comes to 94. The total number of new farmers financed is 352042.
- ◆ During the current financial year, Banks have issued a total of 360367 new Kisan Credit Cards in the State.

- ◆ Under National Horticulture Board Scheme, 1204 cases were received by Banks during the nine months' period, 849 cases were sanctioned and disbursement has taken place in 803 cases involving a total amount of Rs.40 crores.
- ◆ District Poverty Initiatives Project (DPIP) funded by the World Bank is under implementation in 14 districts in the State. Working under a 'demand based approach' the project's target group is the socially and economically disadvantaged groups, especially women and families of the Scheduled Castes/Scheduled Tribes and the marginal farmers. There is ample scope for Banks to explore linkage with beneficiaries of the project to help them realize their aspirations.

He requested the representative of DPIP to shed more light on the project during discussion on the related agenda item.

Address of Shri Pradeep Bhargava, Additional Chief Secretary, Govt. of M.P.

Shri Pradeep Bhargava , Additional Chief Secretary, Govt. of M.P. in his address appreciated the efforts made by the banks in respect of progress made during nine months of the financial year by achieving the national norms and targets under annual credit plan. The approach and priority of the State Govt. is to make the state as a profitable place for business for which State Govt. has taken various steps in the past and pursuing in the future also. Govt. will cooperate with the same speed in recovery also. State Govt. is also taking steps so that the cases forwarded/ sponsored to the banks under priority sector will also be bankable one. These two steps definitely will improve the environment in M.P. better than the other states and State Govt. wants to continue this environment. He thanked the bankers for the co-operation extended for the development of the state.

ITEM NO. 1 : CONFIRMATION OF THE MINUTES OF THE 126th MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 23.12.2006

The minutes of the meeting were confirmed as 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

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

Convener said CBs, RRBs and Coops has achieved 104, 92 and 77% of the targets respectively. However banks have already achieved the target of doubling Agri Credit in first 2 years of 3 years.

Commercial Banks have financed 93 new farmers per branch while coop and RRBs have financed 120 and 63 farmers per branch respectively.

Commercial banks have financed 12 new investment projects per branch up to December 06, which is quite satisfactory.

The progress under financing to ACAB, has not picked up despite of all out efforts made by all concerned. Principal subsidy and interest subsidy component has been introduced in the scheme as an incentive.

Shri Siddesh, GM, NABARD said that till date no subsidy claim has been received by NABARD though subsidy is admissible to agriculture graduates trained under the scheme on or after 01.04.2004.

Shri Subbaraman, Chairman said that the basic reason for poor progress under the scheme is that agri. Graduates are not inclined towards the scheme. Many banks and NABARD had also visited Agri and Veterinary Colleges/ university for addressing the graduates about the scheme.

On KCC issuance, Convener said that in our State against 66 lacs farmers banks have issued approx. 40 lacs credit card to the farmers. Further he added that Ratlam Distt has taken on pilot project and after all possible efforts made by the authorities maximum 80% farmers are covered. So on the basis of that we can assume that banks have to issue 14 lacs more cards to farmers who are still to be covered under the scheme.

In the matter Chairman said that it may possible that banks may not have infrastructure to cover all the farmers under the scheme.

Addl. Chief Secretary Mr. Bhargava told the Distt. Administration definitely help you out with the problem related to lacking in infrastructure .

On the issue of migrants the CIF informed that a lot of efforts made to cater the need of migrants and we should see that no migration should be there for non availability of bank credit to them. On the matter Shri Tripathi informed to the house that we had also organized special camp on the occasion of local festival when they came to their areas to avail the credit facility.

Convener has informed to the forum that this pilot project is being replicated in another 6 Districts in the state.

Action point no. 2 : Holding meeting of Banks with low C:D ratio by RBI:

Shri Satya Prakash, GM RBI (RPCD) informed the house that a meeting was convened on 20th of March 2007 to review the performance under four parameters i.e. CD ratio, achievement under ACP 06-07, Performance under Govt. sponsored scheme and issuance of KCC. The CD ratio of all banks was above 45% as on February 2007 leaving two banks namely Bank of Rajasthan and UTI Bank having CD ratio 26 and 24% respectively, which are under watch and RBI will have continuous meeting with these banks. Regarding ACP achievement, some of the private sector banks have surpassed the target while others have achieved 80% of target.

Shri Sumit Bore PS (Finance) decided not to keep the Government deposits in these two banks having low CD ratio. All private sector banks together have 86 branches of which only Bank of Rajasthan (8), HDFC (2), ICICI (1), IDBI Bank Ltd (7) and Indus Ind Bank (1) having semi urban branches and no bank have rural base branch.

Action point no. 3 : Noting of charge on land in Government Records :

Convener said that even after continuous persuasion from Govt and Banks, Tehsildar are not responding for noting of charge of Bank loan on Khasra/B1 resulting into multiple finance on a piece of land. This problem is being faced by all the banks in state. This issue become more important since service area has been done away. Shri Barnwal, CIF apprised the house that matter has already been taken with Commissioner Land Record and the problem lies at Patwari level as B1 is re-written and is a continuous process.

Shri Bhargava, ACS suggested to set up a monitoring system MIS at land record and solve the issue at an earliest by including this issue in the monthly meeting of Tehsildar.

Shri Bose, PS (Finance) assured of resolving the issue by convening a meet with ACS and revenue department wherein Convener SLBC will also be called of.

Shri I.S. Sisodia, AGM, State Bank of Indore raised the issue of non availability of complete record at sub registrar office due to which banks advocate are giving search report with a note that records not completed at sub registrar office and require updation. PS Finance said that the work of computerization is in progress at Registrar Office.

Action point no. 4 : Non availability of documents of the title in aabadi land

It was informed by revenue deptt. to drop the issue of providing documents of the title in aabadi land for time being as revenue deptt is carrying this exercise which will take 2 years to complete.

Action point no. 5 : KVIC Margin Money Scheme:

Shri Barnwal said that in the last meeting it was decided to give subsidy in all cases financed by the bank as such KVIC/KVIB should provide the same.

Shri Meena, State Director, KVIC said that these cases pertains to KVIB and financed 3-4 years back and not by KVIC and during inspection these cases were not found eligible/ not traceable.

The representative of KVIB said that though joint inspection was carried out by KVIB/KVIC and bank officials but joint committee report given by KVIC does not allow us to release the subsidy in these 150 cases. He confirmed that cases were sponsored by KVIB, financed by banks and the unit was established at that time.

Convener said that such surveying the unit after 4 to 5 years is not reasonable as during this period the borrower might have closed the unit for the one or another reason.

Chairman supplemented the statement of convener said that if the unit has become sick/ closed why department is not releasing subsidy. The matter will be different if the unit was not set up at that time. The unit may be closed for so many internal or external reasons.

Shri Meena, State Director, KVIC clarified that subsidy should have been released as soon as the unit was completed. As such banks have to sit together with KVIC/KVIB and as suggested by Chairman, banks have to provide the evidence of establishment of unit based on inspection report and was in operation when financial assistance

was given, might be closed afterward. Then the banks will be eligible for getting subsidy.

Shri B.P.Goel, DGM, Oriental Bank Of Commerce said that some accounts become NPA / defaulted on the account of non-receipt of subsidy.

As such it was decided that banks will provide certificate for their such cases and matter will be referred to apex level of KVIC/ KVIB for release of subsidy.

Shri Khanijo, Asstt. Gen. Manager, Central Bank of India referring to the discussions held in the meeting of KVIC in February.07 at Sehore said that the Chairperson of KVIC also assured banks to release the subsidy in such cases on merit.

(Action – All Banks, KVIC & SLBC)

Action Point 6 : Recovery of dues from State Government / Undertakings

Shri Barnwal, CIF advised all banks having Govt guaranteed accounts to approach State Govt./DIF for one time settlement as only few accounts with small loan outstanding are left except for Dena Bank, where figures appears to be incorrect.

Likewise MPSIDC has also offered a scheme to banks for settlement of dues in 23 accounts of which different banks in 10 accounts have accepted the formula for OTS and Govt. is going to settle their dues within next 2-3 days remaining 13 banks namely Canara Bank, Indian Bank, State Bank of India, Bank of India, Corporation Bank, State Bank of Bikaner & Jaipur, Syndicate Bank, Bank of Baroda, State Bank of Travancore, Punjab & Sindh Bank, State Bank of Hyderabad, State Bank of Patiala and State Co-op Bank. Principal Secretary (Finance) assured all the banks to settle their cases during this financial year only.

(Action –Banks/ DIF)

Action Point 7 : Re-examining the case of Waiver of Stamp Duty on Golden Jubilee Rural Housing Finance Scheme(GJRHFS) :

Shri Kaul, GM, NHB, New Delhi said that in the 125th SLBC he requested the State Govt. to pass the legislation as done by UP Govt. for mortgage of agri. land for construction of home may be treated for Agri. Purpose which will facilitate the agriculturist to construct home.

ACS assured of taking up the matter with revenue deptt and instructed DIF to solve the issue at an earliest.

(Action – DIF)

Action Point 8 : Evaluation Study on PMRY :

The recommendations of the group constituted for recommending the suggestions given by MPCON on evaluation study report were deliberated at length, Principal Secretary (Commerce & Industries) Shri D.P. Rawal and DIF. After deliberation the recommendations were accepted with certain modifications as under :

- Sectoral allocation for Industry will be 20% for first year i.e. 2007-08, 30% for 2008-09 and 45% for 2009-10.
- Sectoral allocation for service section will be 20% and 30% for 2007-08 and 2008-09 respectively
- Considering the fact that Industries with very small amount of Rs 2 lac will not be able to suddenly absorb credit of 45% of total target so in next three years step by step target of 45% in Industry and 30% in service sector would be achieved. These are indicative target.
- An incentive of 2% be given to borrowers by the banks who pays dues without default.
- Kirana shops will be reduced by 50% of March 07 position.
- Apart from above the DLCC level, forum should decide the bench mark for the number of applications sponsored under specific purpose.
- Sub committee has recommended that the target should not be increased at the District level. Further only 125% application over the target should be sponsored to the branches.
- Reasons of return should be recorded on the face of the application. The rejected cases should be kept in the branch.
- Area wise scope of the activities should be assessed and activities should be identified at the DLCC level.
- Looking to the misutilisation of the loan criminal action be initiated against the borrower. Police department be advised to register the FIR.

(Action- Banks/Industry deptt.)

Action Point 9 : Financial inclusion

Convener said that the performance under financial inclusion by way of opening no frill accounts and issuance of General Credit Card is slow and State Level heads to

issue instructions to all their branches falling under Ratlam and Jhabua to implement the same on a war footing basis.

(Action- Banks)

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

3.1 Branch expansion

The total number of branches operating in the State is 4735 as on Dec., 06. 20 Rural branches merged /closed while 3 Semi urban & 46 urban branches opened during the year.

3.2 Deposit growth

During the period under review, the aggregate deposits of the banks in Madhya Pradesh increased by Rs. 5544 crores, from Rs. 61468 crores as at March 06 to Rs. 66912 crores at Dec. 2006, thus recording a growth of 8.85%.

3.3 Credit Expansion

The gross credit in the State increased by Rs 6851 crores, from Rs.39050 crores as at March 06 to Rs. 45901 crores at Dec. 2006, thus exhibiting a growth of 17.54%.

3.4 Credit Deposit Ratio

During the period under review overall CD Ratio of Banks for the State of Madhya Pradesh witnessed an increase of 5.07% from 63.53% as at March 06 to 68.60% as at Dec. 06.

3.5 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh grew by Rs 3807 crores, from Rs. 23952 crores as at March 06 to Rs. 27759 crores as at Dec. 2006, thus recording a growth of 15.89%.

3.6 Agriculture advances

The Agriculture Advances in the State during the review period has witnessed an increase of Rs 2085 crore from Rs. 13950 crores as at March 06 to Rs.16035 crore as at Dec. 2006, thus showing a growth of 14.95 %.

3.7 SSI Advances

The advances to SSI sector during the period under review has witnessed an increase of Rs. 434 crores from Rs. 2057 crores as at March 06 to Rs. 2491 crore as at Dec. 06, thus showing a growth of 21.09%.

3.8 Advances to weaker section

During the period under review the advances to weaker section increased by Rs. 646 crores from Rs. 4602 crores as at March 06 to Rs. 5248 crores as at Dec. 06, thus showing a growth of 14%.

ACHIEVEMENT VIS-A-VIS NATIONAL GOALS

- The ratio of Priority Sector Advances to total advances as at Dec.,06 stands at 60 % as against National Goal of 40%.
- The share of agricultural advances to total advances, as at Dec., 06 is 35% against the stipulated level of 18%.
- The advance to weaker section constitutes 11 % of the total advances as against the stipulated level of 10%.
- The CD Ratio in rural & semi urban area is above the National Goal by recording a level of 71 % as at Dec. 06.

ITEM NO. 4: RECOVERY

4.1 NPA POSITION

Convener said that under PMRY (30%), Prathishtha (30%), SJSRY (26%) and SGSY(Ind) (24%) NPA is above 20% and State Govt. should issue necessary instruction to concerned department implementing the schemes to cooperate the bank in recovery also. The NPA in PMRY will be very high if we include the figures of write off also.

(Action- DIF)

4.2 Year Wise Position of Write- Off Accounts

An amount of Rs 1678 Crores has been written off in 695564 accounts since 2001 to 2007 (Dec 06) of which Rs. 133 Crores in 37821 accounts have been written off during current financial year.

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

Shri Barnwal, CIF said that BRISC cell is facing a lot of problem for computerization of data. There is a lot of difference in reporting of the actual recovery made and recovery reported to BRISC cell.

He requested all the banks to computerize the RRC work by the end of this financial year to facilitate to have factual position of RRC and take remedial measures.

From July 2007 the collectors will be advised to accept fresh RRC only with soft copy of pending RRC. He reiterated that computerization should have to be done at district level i.e. coordinator level and not at the branch level.

Convener informed that Central Bank of India has already gave data in soft copy of 28 districts. Till now the computerization work of all banks have been completed in Vidisha & Hoshangabad districts only.

Chairman said that a large number of RRC are pending and since the scheme is good and initiative are taken so the recovery should also be good but data reporting by banks is not proper as such recovered amount is very less.

Shri Barnwal, CIF said that a recovery of Rs 126 crores was made during last year and this year also we will cross this figure.

Chairman expressed concern over pendency of a large number of RRCs upto 3 years and more so State Govt should pay more attention on RRC pending up to 3 years. As such many cases can be covered under OTS scheme. Shri Barnwal CIF said that it is only possible if banks will submit soft copy of RRC filed. The last date for submission of soft copies has been extended upto 30th June so in the next SLBC, same could be discussed seriously .

Shri Guruchran Singh, Zonal Manager, Punjab & Sindh Bank raised the issue to filing of application under Securitisation Act. He said that collector Bhopal is pressing for filing of RRC in such type of cases and are also demanding BRISC commission on the amt of RRC filed instead of on the amt. of recovery actually made.

Convener clarified that it is not applicable in these cases in the first case and for second case Punjab & Sindh Bank was advised to ask DLCC to refer the matter through Convener to DIF immediately.

(Action- Banks)

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

Banks have achieved 91%, 41% and 109% of target under Agri SSI and OPS sector in ACP 2006-07 up to Dec. 06 while under SME banks have achieved 40% of target set for 5 years to achieve.

CAPITAL SUBSIDY SCHEME FOR TECHNOLOGICAL UPGRADATION

Shri Siddesh, GM, NABARD said this scheme is not picking up since last 4 years.

Shri O.P. Rawat, PS (C&I) said that their deptt. is taking advantage of the scheme and in Pithampur for auto service cluster Rs 75 crore is sanctioned to provide service to auto cluster & SSI. Similarly for engineering cluster for ancillary units of BHEL and other SMEs at Bhopal, Deptt. has already send a proposal and very soon will be sanctioned by GOI in the next financial year. Two more clusters in Jabalpur and Chhindwara has also taken by them for modernizing SME in that area. As such progress is there but people are not coming forward. Entrepreneur should be motivated to come forward.

ITEM NO. 6: IMPLEMENTATION OF GOVERNMENT SPONSORED PROGRAMMES

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

The progress was more i.e. 84% as compared to previous year, which was 83%.

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

Convener said that though the progress up to Dec 06 was less but field reports indicates that 100% sanction of the targets have been done by the time and disbursement is in progress.

Shri Bhargava said that at national level meeting the break up was decided for achievement of targets as 15, 20, 30, 35% should be achieved during 1st, IInd, IIIrd and IVth quarter.

6.2 Performance under SGSY

Shri Bhargava, Prin. Sec. (RD) said that against the target of Rs 200 Crore achievement is Rs 163 Crore i.e. 80% at the end of February 06 and hoped that banks will achieve 100% by 31.03.2007.

He further said a large amount of subsidy is pending with the banks branches and requested all controlling heads to instruct their branches to refund the same to district Panchayat immediately.

The CC limit should be released by the branches wherever revolving fund is given.

The zero performance of some bank branches is also a cause of concern and banks should look into it.

For 2007-08, department has fixed a target of Rs. 230 Crore.

At present the ratio of loan and subsidy is 1:2.31, therefore bank should raise it to 1:3.

Convener has drawn the attention of PS (RD) towards zero progress shown by Deptt in respect of Vidisha and Ratlam whereas the same is 50% and 93% respectively.

(Action Banks / Rural Development Deptt.)

6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)

Shri Dinesh Jain, ASO, Deptt. Of Urban Administration and Welfare informed that though the achievement up to February is 70% but pendency of applications is more in Morena, Jhabua, Guna, Harda, Burhanpur, Balaghat, Seoni. Convener requested State Level heads having lead district responsibilities in these districts to instruct their LDM suitably.

(Action- Banks)

6.4 Scheme for Liberation and Rehabilitation of Scavengers (SLRS)

Convener said that Central Govt. has assigned the target of rehabilitation of 3795 scavengers left outside for getting benefit of the scheme by introducing a new scheme named **self employment scheme for rehabilitation of manual scavengers.(SRMS)** but as for the target sent by MPSCFDC remaining Scavengers are 9185 and banks will get subsidy only for 3795 cases. Shri Bhargava, ACS said that rehabilitation of man

ual scavengers is a Prime Minister's Programme and is a national scheme and they will take up this matter with Govt. of India for increasing the target.

(Action- DIF)

ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME

7.1 Self Help Groups (Under NABARD Scheme)

Shri Siddesh, GM, NABARD initiating the discussion said that a number of SHGs are formed under different Govt deptt., apart from this NABARD is assisting many NGO'S for formation of SHGs. In October 06, NABARD has made an exercise and planned to set a target of credit linkage of 25000 SHGs for 2006-07 while the progress up to December 06 is only 4280. He requested controlling offices of banks to monitor the same at their level and report complete data.

(Action Banks)

TEJASWINI – A new scheme of SHGs by MPMVVN

Smt. Rashmi Sharma, MD, Mahila Vitta Vikas Nigam informed that a new scheme named TEJASWANI has been introduced in Panna, Chhatarpur, Tikamgarh, Mandla, Dindori and Balaghat for 12000 SHGs in 2004 villages. The focus of the scheme will be strong institution building. Deptt is also organising workshop for banks in these 6 districts. Nigam wants to link these SHGs with banks for credit. Nigam has faced difficulties in previous years in other schemes for getting finance. So at this preliminary stage she urged banks to make agreement for finance of these groups. SHG lending should be given special status. The scheme has four components. Internal lending, Credit linkages, Rural livelihood training and social development like literacy, child care, education, health, legal literacy etc. There is no subsidy component.

Shri Subbaraman, Chairman said that since the experience of banks with women SHGs is very good and the recovery is more than 90%, banks are eager to finance such strong groups and there is no reservation in credit linking these groups. She requested to include the same as a regular agenda item for SLBC and their deptt. will provide progress of the scheme in these districts every quarter to convener SLBC well in time for inclusion.

(Action- MPMVVN)

7.2 KVIC Margin Money Scheme.

Shri A. K. Dhamaniya, Dy. Director, KVIB informed that banks have disbursed a margin money of Rs 3.93 crores against the target of Rs.7.16 crores under KVIB cases and requested all banks to dispose of pending cases to achieve the targets and to send the returned cases to them.

Shri Meena, State Director, KVIC requested for distribution of quarter wise targets under the scheme and to dispose off pending cases under KVIC also.

(Action Banks)

7.3 Housing Finance

Convener informed that bank as a whole have achieved 131% of target set by Govt.

Golden Jubilee Rural Housing Finance Scheme

Under **GJRHFS** the progress is poor because of non availability of title deed for which DIF was requested to look into the matter.

(Action DIF)

7.4 Financial assistance to Minority Communities

An amt. of Rs 228.06 crores has been disbursed in 18393 cases during the current financial year whereas Rs 1476 crore is outstanding balance in 189918 cases.

In Bhopal which is a identified district for minority community Rs 226 crores is the outstanding in 17313 accounts as at the end of December 06.

7.5 Financial assistance to Schedule Cast and Schedule Tribes

Convener said that the progress under financial assistance to SC/ST is satisfactory but the NPA% is high as 18% and 16% in SC and ST respectively in terms of amount outstanding.

7.6 Swarojgar Credit Card (SCC)

Convener said that the progress is poor because of non reporting /incorrect reporting by the branches. He asked banks to issue a card wherever loan is given in any scheme covering the feature of SCC.

(Action -Banks)

7.7 Artisan Credit Card

Shri A.K. Bhatnagar, Jt. Director, Handloom said that the progress is slow and some banks are asking for collateral security. Shri Barnwal CIF said that Ujjain district is facing such type of problem. On allocating share under ACP for ACC, convener said that under ACP targets are broadly classified into 3 categories. However, convener has sent a letter to all state level heads of the banks to instruct the branches for disposal of pending cases.

(Action- Directorate of Handloom)**7.8 General Credit Card**

Banks have issue 4845 cards during the current financial year and 6088 cards since inception of scheme.

7.9 Education Loan

Banks have sanctioned 7727 cases amt Rs 182 crores during the current financial year of which Rs 29 crores has been sanctioned to 1266 girl students.

7.10 Advances to Women Beneficiaries

Mrs. Sharma, MD, MPMVVN said that the share of women beneficiaries should be increased to 30%. She said some target for women under each head should be given while convener and other banks were of the view that it can be raised in a phased manner. Shri Subbaraman, Chairman said that whatever cases are received of women should be disposed off and women can be made as co borrower. In education loan, whatsoever applications are coming, bank is financing them also it is only 15% of total cases. So 1% increase in target every year is reasonable because 1% of net advances is a very big amount to increase. He said that correct reporting is also very important.

Shri Siddesh, GM, MABARD said that to increase the flow of credit to women, women cell are created in RRBs, such exercise can be done at the level of commercial banks also. Convener and other banks informed that all banks are having women cell.

Shri Jain, GM, PNB said that PNB has introduced 'Kalyani Card Yojana' for rural and semi urban area on International women's day where limit of Rs 50000 is given irrespective of purpose to supplement the family income of the unit and to contribute to the society as a whole. He said other banks can also replicate the same.

Shri Tripathi, Convener said that 'Cent Kalyani' yojana specially designed for the welfare of women is under implementation in Central Bank of India where all types of loans are given at a concessional rate to women by all branches irrespective of Rural, Semi urban or Metro base.

Shri Subbaraman, Chairman said that every bank has scheme specially targeted for women, even then the %age comes to 7% in MP so only banks should look that

whether 1% of incremental growth of net advances to women is possible or not though there is no dispute that women is to be financed first. So in place of increasing share, banks & govt. deptt should talk about strategies first.

Shri Siddesh, GM said that NABARD will organize a workshop for inviting the ideas.

(Action- NABARD)

7.11 National Horticulture Board/Mission

Shri Bhargava, ACS said that MP is highly suited for horticulture with the establishment of horticulture mission. Banks should expedite disposal off all the cases received from NHM/NHB. Under National Rural Employment Act, wherein horticulture units are also taken up as such the cost of plantation can be reduced. This will reduce the borrowing also.

Convener said that previously a large number of cases were coming through agents also but with the introduction of new procedure and introduction of fee of Rs 100/- for preparation of case and 0.25% processing charges, only viable cases are coming.

Shri R.K. Nahem, representative, NHB Bhopal informed that new cases are coming with banks consent, so percentage of rejection of loan cases is very less. He requested all banks to claim final subsidy in cases where advance subsidy is released.

Shri subbaraman, Chairman said that horticulture is the area where women can be encouraged which will save both the purpose coverage of women and also under horticulture sector.

(Action- Banks)

7.12 Loans to Ex-servicemen (SEMFEX)

An amt of Rs 6 lacs is outstanding in 13 accounts up to December 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 हैं । 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 Siddesh, GM, NABARD said that even after preparing banking plan and availability of subsidy, banks are coming forward. He requested banks to submit data and wherever advance subsidy is taken and sanctions are not done the same can be returned to the NABARD.

Shri Pradeep Bhargava, ACS, said that National Rural Govt. Guarantee Act water harvesting structure for SC/ST is extended in 37 districts so SC/ST people will not go to nationalized banks for availing bank loan in these districts while in remaining 11 districts SC/ST people may go for NABARD scheme.

2. District Poverty Initiative Project

Shri Pradeep Bhargava ACS said that District Poverty Initiative Project, funded by World Bank was launched in 14 districts wherein common interest groups were created like SHGs. The only difference is that the minimum number of members are 5 instead of minimum 10 and are activity based. About 65 to 70000 groups have set up while the number of members are 2.5 to 3 lacs. Most of the people have been given subsidy of Rs 20000/- to each family in addition to that infrastructural support in terms of backward and forward linkages. Subsidy was demand driven for their livelihood. It was also tried to set up federation of these groups and 16 producer companies were set up and registered under Companies Act. Each company has 8000 – 10000 individuals. Their business planning was done by professionals. Now the opportunities lies with the commercial bank to lend to these companies. These co-operative entities are independent of Govt. without political interference. These CIGs has set up 'Apna Kosh' having fund with them.

He further informed that ICICI has taken Chhatarpur while Convener Bank i.e. Central Bank of India has taken 3 districts i.e Sagar, Narsinghpur and Raisen for providing assistance to these CIGs. The 1st phase is over and phase II will be implemented in 40 districts since 2008. He invites the banks to take this opportunity.

Convener said we had discussion with Shri Pastor, State coordinator for DPIIP and as these groups are hand held for last 5 years and since these are not new persons as such no nurturing is required and other support will be available for next 2 years, it was suggested that all banks to explore the possibility to lend to these CIGs.

(Action- All Banks)

- 2 **Permission for attachment order** – It was decided to deal this issue separately.

ITEM NO. 10: ANY OTHER OTHER AGENDA ITEMS WITH THE PERMISSION OF CHAIR

ONE TIME SETTLEMENT SCHEME

Shri Ashok Barnwal, Commissioner DIF said that this scheme has not been given proper publicity to reach to the grass root level as such small borrowers with very small default could not get benefit of the scheme and prevented from inclusion of banking services.

All banks are taking outstanding balance (Principal + Interest) less recovery in the formula. He emphasized the need for publicity of the scheme once again in simple local language so that small borrowers can get benefit of the scheme and exclusion from financial services can be avoided especially in the field of agriculture. He requested all the State Level Heads and PS (Agri) to circulate the same to branches and to Dy. Director (Agri) respectively to implement the scheme. In the same manner Principal Secretary (Finance) will issue letter to all Collectors. He requested to look into the RBI guidelines whether this relates to Govt. sponsored schemes or all small loans up to Rs 25000/-.

Shri Barnwal suggested to have a meeting of bankers in the first week of April 07 to overview the scheme and method of adoption of OTS by the banks. If it is not there, then a mechanism will be find out and will be circulated in local language to all branches by their heads the scheme has to cover over all small loans upto Rs. 25000/- alongwith Govt. sponsored scheme.

(Action –SLBC)

Minimum balance in old age pension scheme

Shri Barnwal, CIF, said that commissioner Panchayat has raised the issue of asking minimum balance in old age pension scheme by banks. Canara Bank replied that no frill account scheme has come so there is no need of minimum balance in such accounts.

(Action –SLBC)

Shri Jain, General Manager, Punjab National Bank extended Vote of Thanks.

