

MINUTES OF 128TH MEETING OF
STATE LEVEL BANKER'S COMMITTEE, MADHYA PRADESH
HELD ON 28.06.2007 AT CENTRAL BANK OF INDIA
ZONAL OFFICE, BHOPAL

The 128th meeting of SLBC was held on 28th June 2007 at the Conference Hall of Central Bank of India, Zonal Office, Bhopal to review the performance of Banks for the quarter ended March 2007 under the Chairmanship of Shri K. Subbaraman, Executive Director of Central Bank of India.

Welcome address by Convenor

Shri P.C. Tiwari, Convenor, SLBC welcomed Shri K.Subbaraman, Chairman SLBC and Executive Director, Central Bank of India, Shri Pradeep Bhargava, IAS, Additional Chief Secretary/Development Commissioner, Shri Pravesh Sharma, IAS, Principal Secretary, Agriculture, Shri Ashok Barnwal, IAS, Commissioner-Institutional Finance, Govt. of M.P., Dr. K.V. Rajan, Regional Director, RBI Bhopal, Mrs. Renu Challu, CGM State Bank of India, Shri R.P. Tripathi, Dy. General Manager, Priority Sector, Central Bank of India, Central Office, Mumbai, and other senior officials from the State Government, RBI, NABARD, Commercial Banks and other Financial Institutions .

In his welcome address, citing that it was his first meeting in his capacity as Convenor of the Committee, Shri Tiwari sought the co-operation and support of all members in discharging his role.

Referring to the performance of banking sector during the period under review, Shri Tiwari informed that Banks operating in the State have surpassed targets under Annual Credit Plan 2006-07 including sub-targets for Agriculture. Banks have also done exceedingly well in the area of complying with Government of India's directives to double the flow of credit to agriculture sector as they have not only doubled the targets in two years, but achieved 264% increase by the end of 3rd year i.e. 2006-07. Simultaneously, the banks have also taken up another important mission, that of doubling of SME finance in five years. Banks have also achieved targets under SGSY and PMRY during 2006-07.

Shri Tiwari requested the member banks to ensure timely submission of SLBC data, with accuracy and consistency in data.

Key Note address of Chairman:

Shri K. Subbaraman, Chairman, in his key note address expressed satisfaction over the performance of Banks under certain parameters like Annual Credit Plan (surpassing the target by 18%), increase in C:D Ratio to 67%, doubling the flow of credit to agriculture sector (with an achievement index of 117%), financing to new farmers (118 per branch against the goal of 100 per branch) during the year under review. However, certain areas such as Recovery of Dues, Financial Inclusion, etc. were of concern.

Recalling his earlier addresses to the forum, Shri Subbaraman referred to the importance of spreading the concept of Micro Finance to rural areas. With a vast section of the State's population living in rural areas, and a sizeable number of this population yet to be brought in to the banking system, the Banks have an onerous task before them to reach out to this segment. With more and more Self Help Groups being formed, credit-linked and being provided marketing facilities of their products in the State, the benefits of this concept will definitely start showing results in the near future.

Shri Subbaraman referred to some important developments in the economy as follows:

- The economic scenario continued to be robust with GDP growth rate of over 9%. The Banking Sector was making a vital contribution in this growth story.
- With a view to further tighten the money supply in the economy, the Reserve Bank of India has increased repo rate by 25 basis points from 7.50 per cent to 7.75 per cent w.e.f. 28.04.2007.
- The Reserve Bank of India has revised the guidelines for Priority Sector Lending, based on the recommendations of an internal Working Group. The revised guidelines take in to account the definition of Small and Micro Enterprises as per the Small and Medium Enterprises Development Act, 2006.
- In order to give a boost to Small and Micro units, they have now been categorized as Small and Micro Enterprises (Manufacturing) and Small and Micro Enterprises (Services), with an investment of Rs.5 Crores and Rs.25 Lacs for Manufacturing and Rs.2 Crore and Rs.10 Lacs for Service Sector, respectively.

- In the 11th Five Year Plan, the target set for growth in agriculture sector is 4% from 2.37% at present. If the agriculture productivity increased, it would lead to increase in GDP and the per capita income. Thus attention should be paid towards agriculture production. The proposed plans by Government of India to earmark an outlay of Rs.225000 crores for development of Agriculture Sector during the year 2007-08 can open the window for bankers to embark on new financing avenues like Medicinal and Aromatic Plantation in the State. It is suggested that the Government of Madhya Pradesh sets up a suitable mechanism for marketing of these produce.
- As per RBI's modification of the 'Fair Practice Code for Lenders' now Banks and Financial Institutions will have to explain in writing, their reason(s), at least the major ones, for refusing any loan and credit card applications.

Shri Subbaraman also referred to certain developments that had taken place recently in the State:

- The official delegation led by the Hon'ble Chief Minister, consisting of senior Cabinet Ministers, government officials and representatives of Industry, had a fruitful visit to the UK and USA culminating in a number of MOUs and investment commitments by leading entrepreneurs and NRIs of those countries to set up units in the State. The proposed investments will definitely help in fueling economic growth of the State further.
- With Madhya Pradesh emerging as a hub for exporters, processors and retailers for products like Rice, Wheat, Pulses, Oil Seed and Seed Spices etc., the 'Agri-business Meet' held at Bhopal towards the end of May, 2007, after the 'Destination Madhya Pradesh meet at Khajuraho, is expected to give a boost to investment in the agriculture sector in the State. Also, cultivation of Jatropha (bio-fuel) is expected to be extensively taken up in the State as a sequel to this Summit.
- 13 more districts in the State have been included under National Rural Employment Guarantee Scheme (NREGS), benefiting the districts of Dewas, Harda, Rajgarh, Rewa, Anuppur, Ashok Nagar, Guna, Datia, Katni, Chhindwara, Panna, Damoh and Burhanpur.
- A new initiative in the form of 'Soochna Se Samadhan' has been launched in the State to address the queries of farmers by dialing a phone.

- An ambitious project for the alleviation of poverty in 14 districts in the State being implemented by the Madhya Pradesh District Poverty Initiatives Project (DPIP). The project has a holistic and alternative approach for livelihood and income generation by strengthening market driven process at the village level. Under the project, community based business concerns, with small and marginal farmers as members, and registered as Producers' Company are expected to play a key role to improve rural livelihood, by upward integration of their institutions with agri-business trade and industry. This gives an opportunity for the banks to reach out to the poor through a common framework of financing mechanism to such Producers' Companies.
- Federation for marketing the products of Self Help Groups is also in the offing – a further step towards aggregation.

Reviewing the performance of banking sector in the State during the financial year 2006-07, Shri Subbaraman stated that:

- The Banks in the State were ahead of National Goals so far as parameters like CD Ratio, Ratio of Priority Sector Advances to Total Credit, Agriculture Advances to Total Credit and Advances to Weaker Sections were concerned.
- Commercial Banks have opened 73 new branches in the State during the year under review.
- Aggregate deposits recorded an increase of Rs.11761 crores, from Rs.61468 crores as of March, 2006 to Rs.73229 crores as of March, 2007 reflecting a growth of 19.13%.
- During the same period, the Total Advances increased by Rs.10056 crores, from Rs.39050 crores to Rs.49106 crores, at a growth rate of 25.75%.
- Investments rose by Rs.1025 Crores, from Rs.2805 crores in March, 2006 to Rs.3830 crores as of March, 2007, registering a growth of 36.54% over the previous year.
- Credit Deposit Ratio has increased to 67%, as against 63% as of March, 2006.
- The ratio of Priority Sector advances to Total Advances was 60% as against the National Norm of 40%. The share of Agricultural Advances stood at 35% against the stipulated level of 18%.

- The Banks issued a total of 439187 Kisan Credit Cards in the State during the said financial year.
- M.P. is the first State in the country where two districts have been selected for 100% coverage under KCC. Based on the experience, 6 more districts have been identified for 100% coverage under KCC. Looking at the ample opportunities available, Shri Subbaraman suggested that all the Districts in Madhya Pradesh be taken for 100% coverage under KCC during the current financial year so that Madhya Pradesh becomes the first State in the country to achieve the distinction of 100% coverage under KCC by the end of this financial year. He was confident that the State would achieve the goal. The task is challenging, yet, with the joint action by the banks and the Government, it could be accomplished. A monitoring and redressal mechanism should be put in place at the State Capital to overcome any problem and to address the same.
- Similarly, He also suggested that at least one block in every District be taken up for financial inclusion during the year.
- The total number of minority concentrated districts in the country notified by Government of India now stands at 103 as against 44 earlier. However, in Madhya Pradesh no additional district, apart from Bhopal which was covered in the first notification, has been notified. Banks are already having sufficient number of branches in Bhopal District. However, possibility of adding more branches to the existing network may be explored.

While concluding his speech, Shri Subbaraman hoped that the State would receive good monsoon this season, which would help the agriculture sector to put up a good performance.

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

Shri Pradeep Bhargava, IAS, Additional Chief Secretary to Govt. of M.P. in his address thanked Shri Subbaraman for his cogent address. He expressed his happiness over the achievement of targets fixed for 2006-07 and stated that it is a combination of team work, efforts of Bankers and State Government, that has made it possible. He praised the role of Bankers for taking a lead role in this endeavour. Targets fixed for 2007-08 should also be achieved in the same manner. He also emphasized that the backlog, which already exists, should be minimized.

As far as State Govt. is concerned, thrust area is on priority sector lending. More credit should flow to Agriculture sector and rural areas and also movement under SGSY and Self Help Groups which seek livelihood opportunities for rural people. He emphasized the need to strengthen Self Help Groups movement by trying to federate them into legal entity; such as Producers' Company, making Society etc. Aggregation is important principal. Bankers find it difficult to get identification without proper address. If we can bring aggregation, we can make the solution task simpler.

An Agricultural Meet was organized by Department of Agriculture, Govt. of M.P. wherein MOUs were entered in to between Producers and Sellers. With Producer Companies and Business houses joining hands, Bankers are able to deal with these bigger entities. The Govt. of M.P. lays a lot of emphasize on extremely conducive environment for all Bankers in the State. This will help them to work smoothly and undertake their duties to work as successful individual financial entity, guided by RBI rules and regulations.

Government departments are taking great care that applications submitted to Banks by individuals are viable and feasible. If viable applications are financed, business should succeed and recovery is also possible. We are also assisting in recovery in MP and helping arrears collection. Government has assured to help the Banks in recovery in future also.

MP is an extremely big state in terms of geographical area. The level of development varies in many regions of the state. For example, Malwa region is developing in irrigation sector and doing extremely well. While targets are fixed for lending, it should be according to area specific and not on the basis of one size fit for all. If we do in such a manner, we can achieve a lot in terms of achieving the objectives.

Lastly, Shri Bhargava welcomed Shri Tiwari as Convenor of SLBC. Mentioning how difficult and thankless task it was for both Bankers as well as Government side, he wished Shri Tiwari all success.

Shri Ashok Barnwal, IAS, Commissioner, Institutional Finance said that recovery has crossed a billion mark. There is improvement of 20% as compared to last year level of recovery through the revenue machinery.

Shri Pravesh Sharma, IAS, Principal Secretary (Agriculture) appreciated the efforts made by the Banks for agriculture sector, particularly the work done in last three years, and achieving

national norms and targets under Annual Credit Plan. He expressed satisfaction on the level of financing by Commercial and Co-operative Banks. Spread of Kisan Credit Card is satisfactory. He also welcomed the vision of Mr. K. Subbaraman, Executive Director, Central Bank of India to cover 100% Kisan Credit Card in M.P. He said that every Friday, Standing Committee Meeting is to be conducted to review the progress. He also said that once in a month he would discuss with SLBC to monitor and review the progress and to take up the issues of general level as well as policy level.

Shri Sharma further stated that trends in Agriculture & Allied sector is good in all sectors, especially in Fisheries. Narmada Sagar project is coming up as largest reservoir of the country. It will fill up in this monsoon and having catchment area of 70 kms, creating good opportunities for commercial fisheries.

Learning from Agriculture Business Meet organized last month, all the major retailers are looking for MP as a production hub.

In order to encourage private irrigation facilities on farmers' field, Balram Tal Yojna has been launched. It is a more than farm pond, having 5 ponds in a farm. Average investment will be Rs.2 to Rs.5 lacs and Subsidy of 25% with a maximum amount of Rs.50000/-. The subsidy will be released on priority basis to Bank cases having taken targets of 1000 Balram Tal in the State. He complemented the Banks for good performance of rural branches of Banks and said that during 2007-08 the target may be set to twice/thrice the present figures.

Shri Sharma congratulated the Bankers on their good performance on the front of Rural C:D ratio. He also praised the work of Apex Bank..

Thereafter, the agenda items were taken up for deliberation:

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE 127TH MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 24.3.2007

No amendments/comments were received from any member. The minutes of the meeting were confirmed.

ITEM NO.2. FOLLOW UP ACTION ON DECISION OF EARLIER MEETING

Action Point 1 : Doubling of Agriculture Credit.

1.1 Progress in Doubling flow of Agriculture Credit upto March 2007.

Banks have disbursed an amount of Rs.8882 crores upto March 2007 against a target of Rs.7595 crores, of which Crop loan disbursement was Rs.6792 crores. Convenor informed that Banks have surpassed the targets of Rs.7596 crores with an achievement index of 117%.

Achievement of., State Bank of Patiala, State Bank of Saurashtra, Andhra Bank, Centurion Bank of Punjab, Laxmi Vilas Bank was zero against the accepted target under ACP 2006-07. Convenor requested RBI to take up the matter with the head office of these Banks.

1.2 Financing to New Farmers.

Commercial Banks have financed 122 new farmers per branch upto March 2007 against the target of 100 new farmers in a year while RRBs have financed 80 new farmers per branch. Chairman complemented the Cooperative Banks who have done a very good job by financing 142 new farmers per branch. Dr. K.V.Rajan, Regional Director, RBI said that Bank of Rajasthan's performance is poor and the data given by them does not reflect the growth. Shri Pravesh Sharma mentioned that the data of Bank of Rajasthan and Punjab & Sindh Bank should be rechecked. The Chairman stated that Banks have done a good job, but before submission, though progress is reflected in actual, it should be got rechecked.

1.3 New Investment Projects Financed

34926 new investment projects have been financed by 1643 rural and semi urban branches of Commercial Banks, which comes to 21 new projects financed per Branch whereas RRBs 5 per Branch, average 11 per Rural/Semi Urban Branch. Shri Tripathi, DGM, Central Bank of India pointed out that Union Bank of India has financed 160 project per branch, which is on a very high side and the data should be rechecked. The figure given by Allahabad Bank should also be rechecked. It is already clarified 2-3 times in earlier meetings.

Convenor requested that before submission of data, it should be rechecked. However, It would be 2-3 per Branch.

It was suggested to re-circulate the guidelines; so that banks could submit the data accordingly.

The Chairman of the meeting made a suggestion that Kisan Credit Card advance should not be classified as Term Loan or Investment finance for SLBC purpose. Some Banks are doing composite purpose loan. Banks should relook 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

Banks have financed three Agril graduates to the tune of Rs 7 lacs for setting up of Agril. Clinic/ Agril business.

Convenor informed that even after repeated efforts, graduates are not turning up. The Chairman informed that Banks are willing to give loan but Agricultural graduates are not coming forward.

1.5 Kisan Credit Card

Banks have issued 439187 Kisan Credit Cards, of which 192659 by Commercial Banks, 89022 by RRBs and 157446 cards by Cooperative Banks during the year March 2007.

Poor performing Banks were Bank of Rajasthan, Punjab & Sindh Bank, Bank of Maharashtra, Syndicate Bank. Heads of these Banks assured to improve their performance in the current year.

1.6 Relief Measures provided to Farmers

The House reviewed the progress which was found to be very slow and it was decided that Bank branches will provide the village-wise/area-wise list of written off/NPA borrowers under Govt. sponsored programme up to Rs.25000/- to respective ADO's of the block office. ADO's will contact the borrowers and pursue them for compromise based on the value of assets with borrowers.

Mrs. Renu Challu, CGM SBI informed that State Bank of India has done a lot in this scheme through Lok Adalats and a lot of cash recovery has been made.

Commissioner, Institutional Finance stated that actual progress is not getting reflected and Bankers should come forward and review their progress. He also wanted to know the reason for slow progress and suggested to launch a drive so that people should be benefited before the Rabi season.

Action Point No.2. Noting of Charge on Land in Government Records

Commissioner, Institutional Finance assured that revenue department would issue a circular to all collector directing them to ensure noting on agriculture land revenue records to obviate double financing by Banks on the same one piece of land. He informed that Commissioner, Land record will follow up the matter.

Action Point No.3 KVIC Margin Money

As per decision of last meeting, banks were advised to provide certificate for the evidence of establishment of unit based on inspection report whenever financial assistance was given. Banks were requested to come out with actual position.

Convenor, SLBC informed that Central Bank of India has submitted two cases. All the banks were requested to submit the cases to KVIC/KVIB.

(Action- All Banks, KVIC & SLBC)

Action Point No.4 Re-examining the cases of Waiver of Stamp duty on Golden Jubilee Rural Housing Finance Scheme (GJRHFS).

DIF informed that matter is under consideration and they will take up the matter. It is in process and government have to give their view.

Action Point No.5 Implementation of 100% Coverage of Kisan Credit Cards.

On successful implementation of 100% of KCC in Ratlam & Jhabua, the scheme was replicated in Sidhi, Anuppur, Umaria, Sheopurkalan, Narsinghpur and Guna districts in M.P. For this DIF vide their letter no.193 dtd.27.01.2007 issued instructions to Collectors of all these 6 districts by providing the Road Map. The work has started and information received from all the six districts is incomplete. The progress was slow. Respective bank Heads were requested to issue necessary instructions to their LDMS.

Shri Barnwal observed that Guna and Sidhi has come out with some progress. Shri Shailendra Joshi, Zonal Manager, Central Bank of India, Raipur Zone informed that in Anuppur District, basic list is not received from Collector. DIF informed that four D.O. letters have already been issued in this respect. The Chairman said that 100% coverage requires planning and lot of exercise.

Shri Subbaraman thanked Govt. Departments for their help and stated that almost all member banks are doing a remarkable job. Implementation of 100% KCC coverage in entire MP is really a challenging task but the bankers have to accomplish the task and claim the distinction of becoming first State in the country to achieve 100% coverage of KCC.

It was decided to form a sub-group, consisting of the following members, to ensure 100% KCC coverage in the State:

- a) Principal Secretary (Agriculture) or his representative.
- b) Commissioner-Institutional Finance or his representative.
- c) Reserve Bank of India
- d) Banks having Lead Bank responsibility in the State.
- e) Apex Bank
- f) ICICI Bank Ltd.

They would meet once in a month at a pre-decided center to review the progress and shortcomings in implementation of coverage and solution thereof.

(Action- All Banks and DIF)

Action Point No. 6 : Financial Inclusion in Ratlam & Jhabua district

- Though result of Jhabua and Ratlam districts were very satisfactory Dr. K.V. Rajan, RD, RBI disclosed that 8182 farmers were not being issued CKCC in Jhabua. Chairman of Jhabua/Dhar RRB informed that these farmers were either migrated or not interested.
- In Ratlam 1600 farmers were not issued CKCC by State Bank of Indore on the plea that their land is less than 0.5 hector. Leaving those 100% disbursements have been made to all eligible farmers. The left over farmers were either not interested or defaulters.

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

3.1 Branch expansion

It has been decided that all banks will submit their branch expansion programme with a list of centers where they proposed to open branches to SLBC and DIF.

3.2 Deposit growth

During the period under review, the aggregate deposits of Madhya Pradesh increased by Rs. 11761 crores, from Rs. 61468 crores as of March 06 to Rs. 73129 crores of March 2007, thus recording a growth of 19.13%.

3.3 Credit Expansion

During the period under review gross credit of the State surged by Rs 10056 crores, from Rs. 39050 crores as of March 06 to Rs. 49106 crores of March 2007, thus exhibiting growth of 25.75%.

3.4 Credit Deposit Ratio

CD Ratio increased by 4%, from 63% as at March 06 to 67% as of March 2007.

Commissioner, Institutional Finance observed that: there was Improvement in the position of Bank of Rajasthan and UTI Bank.

Responding to Bank of Rajasthan's plea that the position of their Bank in this respect should not be released to the press, the Chairman of the Committee asserted that proceedings are minutised but the discussions held are not released to Press. In the

month of March if large flow of Govt. deposit affects the CD ratio, the Banks should take appropriate care.

Convenor opined that increase in CD ratio is not a problem but if it decreases it is a matter of concern.

3.5 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh grew by Rs 5696 crores, from Rs. 23952 crores as at March 06 to Rs. 29648 crores as at March 2007, thus recording a growth of 23.78% as against an increase of Rs. 3813 Crores or 18.93% during the corresponding period of the previous year. The share of incremental advances during the period under review is 56.64%.

3.6 Agriculture advances

The Agriculture Advances in the State during the review has witnessed an increase of Rs 3412 crore from Rs. 13950 crores as at March 06 to Rs.17362 crore as at March 2007, thus showing a growth of 24.46 % as against an increase of Rs 1080 Crores or 8.39% during the same period of last year.

3.7 SSI Advances

The advances to SSI sector during the period under review registered an increase of Rs. 1392 crores from Rs. 2057 crores as at March 06 to Rs. 3449 crore as at March 07, thus showing a growth of 67.67% as against an increase of Rs 200 crores or 10.77% increase during the corresponding period of the previous year.

3.8 Advances to weaker section

During the period under review the advances to weaker section increased by Rs. 1720 crores from Rs. 4602 crores as at March 06 to Rs. 6322 crores as at March 07, thus showing a growth of 37.37%.

ACHIEVEMENT VIS-A-VIS NATIONAL GOALS

- The ratio of Priority Sector Advances to total advances as at March 07 stood at 60 % as against National Goal of 40%.
- The share of agricultural advances to total advances, as at March 07 was 35% against the stipulated level of 18%.

- The advance to weaker section constitutes 13% 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 70 % as at March 07.

ITEM NO. 4: RECOVERY

4.1 NPA POSITION

Convener informed that NPA level was highest in PMRY scheme 29% and in other schemes the same was SGSY (Group) 14%, SGSY(Ind) 20%, SJSRY 24%, Pratistha 23% and in Antyavavsai 7%. Recovery under Government sponsored scheme was very poor which was a cause of concern for all the Banks. Government machinery, particularly the departments concerned, should assist the banks in recovery of dues.

The State Government was requested to issue necessary instruction to the concerned departments implementing the scheme to cooperate with the banks in recovery of their dues.

Chairman observed that recovery has shown some positive input from State Govt. and suggested that:

- Identification of borrowers should be done in a thorough manner, then their chances of turning defaulters will automatically get reduced.
- BRISC should be activated further to do something more. Information in CD may be provided at earliest. Mechanism of recovery need to be further strengthened. If recovery is good, banks would be encouraged to undertake further lending.
- There is some improvement in recovery under Antyavasai Scheme.
- Shri Tripathi observed that in March recovery position is showing some improvement in Govt. sponsored scheme due to write off by Banks.

- Convenor informed that help is required from District Collectors in SERFASAI Act to acquire physical possession of securities. Filing of RRCs should not be insisted for extending help under the Act.
- Shri Barnwal informed that under BRISC scheme the State Government is trying to computerize the complete data. So far data has been received from 22 districts and it is awaited from the rest 26 districts. He requested Banks to submit CD of BRISC Data at the earliest and instruct LDM's under their control to submit before the end of June, 2007. After that they will not entertain any RRC by Tehsildar. As regards SERFASAI Act, they have noted and needful will be done.

4.2 Year Wise Position of Write- Off Accounts

An amount of Rs 1946 Crores in 777493 accounts have been written off till March 2007.

Convenor stated that written off of amount is a sacrifice of Bank's fund and is the last recourse resorted to by Banks for reducing NPA.

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

DIF informed that submission of BRISC MIS software is picking up at very slow pace. The last date for submission of soft copy of the BRISC data by Banks has been extended up to 30.06.2007.

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

The overall achievement for total priority sector under ACP 2006-07 up to March 07 was 118% for all the banks, while for commercial banks RRBs and cooperative bank it was 135%, 132% and 81% respectively. Some of banks like Andhra Bank (28%), Indian Overseas Bank (34%), State Bank of Hyderabad (24%), State Bank of Saurashtra (31%), State Bank of Patiala (29%), State Bank of Saurashtra & Hyderabad (24%), State Bank of Bikaner & Jaipur (18%), IDBI (10%), Indus Ind

Bank (8%), J&K Bank (17%), MPSARDB (13%) were having very low achievement. RBI advised these banks to improve the performance.

DGM, Punjab & Sindh Bank informed that due to some mistake in the preparation of data for the year 05-06 performance was good but this year's growth is more but due to allocation of higher targets from Head office growth is not reflected.

(Action – Banks)

5.1 Doubling of Flow of Credit to SME's in 5 year finance to SME Sector

Under SME an amount of Rs.802 crores disbursed to 39278 number of accounts, thus achieving a growth of 91%. Targets will be achieved in stipulated period.

ITEM NO. 6: IMPLEMENTATION OF GOVERNMENT SPONSORED PROGRAMMES

6.1 Prime Minister's Rojgar Yojana - P.Y 2006-2007

Shri D.S. Valre, Jt. Director, Directorate of Industry informed that even though the target of sanctions was achieved (106%) disbursement is only 53%(upto March 07).

In view of the unsatisfactory performance of the implementing banks of PMRY the Programme Year 2006-07 the Ministry of Agro & Rural Industries Govt. of India, has decided to extend the validity of sanction and completion of disbursement for the programme year 2006-07 to June 30, 2007. As such Reserve Bank of India vide their letter no. RBI/2006-07/316 dated 10.04.2007 have instructed all implementing banks to strictly adhere to this deadline and complete disbursement of sanctioned cases under the programme year 2006-07 by June 30, 2007 without fail, this period shall not be extended further

Convenor informed that this year targets under PMRY has been reduced to 47% of the last year targets, may be in the light of poor recovery performance of below 35% but guidelines have been revised with the increase in project cost so as to finance sufficient amount to the beneficiary. Only the need is to identify the right entrepreneur.

Mr. V.S. Valre, Joint Director, Directorate of Industries has assured to reallocate the revised targets district-wise/bank wise to all the District Industries Centres.

Chairman observed that due to poor recovery under PMRY the targets have been reduced as default rate is very high. All efforts should be made to achieve the targets i.e. complete disbursement of loan and subsidy by the end of March 2008. While processing fresh applications, the DIC's of the branch area may be requested to take into account applications already pending with them so that such persons are not required to apply afresh. For sponsoring and sanctioning of applications and disbursement of loans/ subsidies during 2007-08 the revised quarterly schedule should be followed.

Shri Tripathi suggested that while allotting targets figure should be actual it should not be increased. Submission of cases should be 125% of targets

(Action- All Banks and DIC)

6.2 Performance under SGSY 2006-07

Targets were achieved 103% in sanction and of disbursement 96.05% achieved.

Shri Barnwal said that Bank of Rajasthan and Punjab & Sindh Bank have shown poor performance. Chairman asked that figure should be rechecked.

(Action- All Banks and Rural Devp.deptt.)

6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)

The progress of year 2006-07 was reviewed by the house.

6.4 Scheme for Liberation and Rehabilitation of Scavengers (SLRS)

Convener informed that there was wide difference in data provided.

Shri S.R. Mohanty, MD, MPSCFDC informed that :

SLRS is renamed as SRMS. It is in the priority in Prime Ministers Programme, they are to rehabilitated before March 2009. Out of total 9185 Scavengers 1600 has already been taken during 2006-07. From remaining 7600, 3795 is the target of this year and remaining shall be covered in next coming year. There are only 16 districts under this scheme.

Targets are already passed on to the banks/ branches. Since the amount financed is very less, he requested that at least one lakh loan is to be given to each beneficiary with a subsidy of Rs. 20,000/- and loan components of Rs. 80,000/- Though recovery is improving, average per account loan should be Rs.1 lac. The scheme is announced by RBI and no security required for loan of Rs.1 lakh.

Vocational Training to each beneficiary should be provided since they are illiterate, less educated and bottom rank member of society.

Chairman opined that activity should be of such type that justify the requirement of assistance of one lakh rupees.

Shri Barnwal requested to circulate the scheme among bankers.

Shri Tripathi pointed out that there is much difference in the figure submitted by Deptt and by banks, The data should match and a mechanism could be devised so that data come under the dual signature of LDM and department officials.

Shri Mohanty stated that banks are under reporting, and the system of double signature should be implemented.

(Action- DIF)

ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME

7.1 Self Help Groups (Under NABARD Scheme)

Scheme was reviewed by the house and performance is satisfactory. Shri Pande, GM, NABARD requested all the banks to credit link the groups already formed.

7.2 **KVIC Margin Money Scheme.**

KVIB informed that targets were achieved under KVIB and KVIC schemes during the year 2006-07.

7.3 **Housing Finance**

a) **Direct Housing finance**

Convenor informed that Banks have crossed the set target of 3% of incremental deposits.

b) **Golden Jubilee Rural Housing Board**

During the year 2006-07 financial assistance of Rs 18 Crores has been provided under the scheme to 1212 beneficiaries. The poor progress is because of non-availability of title of land.

DIF informed that State Govt. is examining the proposal for waiver of stamp duty.

(Action- DIF)

7.4 & 7.5 **Financial assistance to Minority Communities in Bhopal District**

Bhopal is one among the 103 Minority Concentrated districts notified by Govt of India, Ministry of Welfare.

CIF pointed out that there is large variation in figures reported by LDM, Bhopal as total advances of Rs 5904.75 Crores were outstanding in 654940 accounts as of March 2007 whereas Rs.4230.40 were outstanding in 170440 accounts as of March 06. He asked LDM Bhopal should to check the figures and report the same to SLBC.

Shri R.P. Tripathi requested all the banks to make survey for opening of new branches in the unbanked area of Bhopal as per the directives of Govt. of India to have sufficient number of branches in Minority concentrated districts.

7.6 **Financial assistance to Schedule Castes and Schedule Tribes**

An amount of Rs.1968 crores is outstanding in 490666 accounts under financial assistance to Scheduled Castes and Scheduled Tribes. The percentage of NPA in Schedule Castes was more than Schedule Tribes over which house expressed concern.

7.7 Swarojgar Credit Card (SCC)

Total 10079 cards were issued against the target of 16305 cards, amounting Rs 19 Crore recording an achievement of 61%. Convener said that progress is poor because of non-reporting / incorrect reporting by the branches. All the banks were requested to report the correct figures to SLBC.

(Action- Banks)

7.8 Artisan Credit Card

Against the target of 1735 banks have issued only 774 cards. Since inception of scheme 3072 cards are issued. The House showed concern over the poor progress.

Financing of Handloom Weaver Group

Since 14 handloom/handicraft clusters have been identified by Directorate of Handloom in M.P., as such, bankers were requested to extend financial support to the beneficiaries of these clusters by issuing Artisan's Credit Card.

(Action-Banks)

7.9 General Credit Card

Banks have issued 7026 cards during the Financial Year 2006-07 against the self-set target of 10880. Total cards issued under the scheme since inception are 8708.

7.10 Education Loan

Banks have sanctioned 9431 Education Loans amounting to Rs. 225 Crores during the current financial year of which Rs 52 crores have been sanctioned to 2496 girl students.

7.11 Advances to Women Beneficiaries

An amount of Rs 3304 crores is outstanding advances to women beneficiaries which is 6.73% of the total advances against the target of 5%.

7.12 National Horticulture Board/Mission

Chairman stated that MP is highly suited for cultivation of horticultural crops. Therefore Banks should expedite all the cases received from NHM/NHB.

(Action : Banks)

7.13 Loans to Ex-servicemen (SEMFEX)

An amt of Rs 6 lacs is outstanding in 13 accounts up to March 07.

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ITEM NO. 9: OTHER AGENDA ITEMS**Timely submission of quarterly data**

Convenor requested all the Banks to submit SLBC data within 20 days from the close of the quarter.

(Action-All Banks)

ITEM NO. 10:**1. UNBANKED BLOCK**

As per decision of 10th Central Level Coordination Committee of SGSY, there should be at least one branch of Commercial Bank in each unbanked block within an agreed time period.

In Madhya Pradesh, all blocks are having branches of commercial bank except Kallod block in Khandwa (East Nimar Distt). It was decided that Bank of India, being Lead Bank in Khandwa Distt. will open branch in Kallod at the earliest. DGM Bank of India assured that they will take up the matter on priority basis.

(Action-Bank of India)

2. VILLAGE ADOPTION SCHEME

It was decided to adopt three villages in a each district. Out of three villages one to be adopted by DDM, NABARD and two by the Lead Bank of the District.

(Action-NABARD/All Banks)

3. CAPITAL INVESTMENT SUBSIDY SCHEME FOR CONSTRUCTION/RENOVATION/EXPANSION OF RURAL GODOWN

NABARD's circular regarding extension of the scheme up to 31.03.2008 was brought to the knowledge of the House. Accordingly all rural godown projects sanctioned on or before 31.03.2008 shall be eligible for subsidy.

4. REVISED GUIDELINES ON LENDING TO PRIORITY SECTOR

On the basis of revised guidelines on lending to priority sector, it was decided to revise the format of SLBC data from the next quarter in consultation with RBI.

(Action : SLBC/RBI)

5. REVIEW OF SAMIS

On the basis of guidelines sent by NABARD, all banks were advised to carry out trial run of revised LBR formats.

(Action-All Banks)

ITEM NO. 11: ANY OTHER AGENDA ITEMS WITH THE PERMISSION OF CHAIR**1. FINANCIAL ASSISTANCE TO KOTWARS**

It was decided to consider the loan proposals of village kotwars for issuance of Kisan Credit Card and other allied activities. DIF and banks will issue a circular in this regard to Collectors and banks/branches respectively.

(Action-DIF and All Banks)

2. M.P. VIDYUT YANTRA LTD.

The State Government was requested to do the needful in the matter of Canara Bank, Jabalpur branch which has an outstanding of Rs. 1.50 crores under Govt. guarantee scheme.

3. NON FOOD LICENCE FROM MUNICIPAL CORORATIONS FOR CARRYING BANKING BUSINESS

DIF assured the house that matter will be examined from legal point of view and solution will be sorted out in the case wherein bank branches have received demand letters from Nagar Palika Nigam office for deposition of licence fee.

(Action-DIF)

4. PUBLICITY

Four Banks viz. Vijaya Bank, HDFC Bank, Indus Ind Bank Limited & UTI Bank Ltd. were requested to remit their share immediately to SLBC for the expenses incurred on publicity of extension of time limit for settlement of NPA under Government Sponsored schemes upto Rs.25000/-.

(Action-Banks)

5. State Credit Plan 2007-08

Convenor informed that Annual Credit Plan of Rs.13355 crores has been prepared for implementation in the State for the financial year 2007-08.

The Meeting concluded with a vote of thanks by Shri J. Ramesh, DGM, Bank of Baroda, Bhopal.



**LIST OF PARTICIPANTS
OF 128th STATE LEVEL BANKERS COMMITTEE MEETING
HELD ON 28.06.2007**

SN	Govt. Deptt. /Bank/ Institution	Name	Designation
1	Central Bank of India	Shri K. Subbaraman	Executive Director
2		Shri R.P.Tripathi	D.G.M., (Priority Sector)
3		Shri P.C. Tiwari	DGM Bhopal & Convenor
4		Shri Shailendra Joshi	Zonal Manager Raipur Zone
5		Shri D L Khanijo	A.G.M. Bhopal Zone
6		Shri K.M. Banerjee	Chief Manager - SLBC
7		Shri Dilip Jaimini	Senior Manager - SLBC
8		Smt. Usha Fernandes	LDM Hoshangabad
9		Shri Rajeev Khandelwal	Asstt. Manager - SLBC

GOVERNMENT

10	Directorate of Institutional Finance	Shri Ashok Barnwal	Director
11		Shri Satish Gupta	Jt. Director
12		Shri R.N. Mishra	Jt. Director (BRISC)
13		Shri Sultan Ahmed	OSD
14	Agriculture	Shri Pravesh Sharma	PS Agril
15		Shri B.M. Khan	S.M.S
16		16 Shri H.P. Bamaniya	Jt. Director (Agril)
17	Urban Development	Shri A.S. Dangi	UAD
18		Shri Dinesh Jain	ASO
19	Rural Dev. Deptt.	Shri Pradeep Bhargav	Add. Chief Secretary
20	KVIB	Shri A.K. Dhameniya	Dy. Director
21		21 Shri P.K. Jain	Dy. Director
22	KVIC	Shri P.S. Vaid	Dy. Director
23		Shri Akhilesh Kumar	Nodal Officer, REGP
24	Industries Department	Shri D.S.Valre	Joint Director
25	Horticulture Deptt.	Shri R.K. Choudhary	SHDO (ADH)
26		Shri R.D. Yadav	General Manager
27	MPSCFDC	Shri S.R. Mohanty	MD
28		Shri O.P. Gupta	ADH
29	MPSEB JBP	Shri C.B. Choubey	A.O. (B & CM)
30	Revenue Deptt.	Shri M. Rafique	Under Secy.

RBI & Other Institutions

31	Reserve Bank of India	Shri V.K. Rajan	RD
32		Shri S.K. Sinha	DGM
33		Shri S.K. Dwivedi	AGM
34	NABARD	Shri S.N. Pandey	General Manager
35		Shri R.V. Vike	AGM
36	SIDBI	Shri K.V. Krishnakumar	Dy. General Manager

BANKS

37	State Bank of India	Smt. Renu Challu	CGM
38		Shri Arvind Sharma	Asstt.General Manager (LB)
39		Shri N.P. Shrivastava	Manager
40	State Bank of Indore	Shri V.K. Bansal	Dy. General Manager
41		Shri P.K. Saxena	Dy. Manager
42	State Bank of Travancore	Shri Manoj K. Dixit	DM (Adv.)
43	State Bank of Saurashtra	Shri A.K. Upadhyay	Dy. Manager

44	State Bank of Patiala	Shri Dalbir Singh	Branch Manager
45	Allahabad Bank	Shri L.N. Choudhary	Dy. General Manager
46	Bank of India	Shri D.K. Guha	Dy. General Manager
47		Shri N.P. Parhate	Chief Manager
48	Bank of Baroda	Shri J. Ramesh	Dy. General Manager
49		Shri F.B. Pinto	Chief Manager
50	Bank of Maharashtra	Shri Ajit Kishore	Regional Manager
51		Shri A.C. Bhalawe	Manager (Agri)
52	Canara Bank	Shri J. Venkatraman	AGM
53		Shri D.Y. Chhapargarhe	Officer
54	Corporation Bank	Shri Gokuldas Kamak	AGM
55		Shri Aijhaz	BM
56	Dena Bank	Shri G.P. Chakraborty	Manager
57	Indian Bank	Shri H.K. Dubey	Asstt. Manager
58	Oriental Bank of Comm.	Shri A.K. Tangri	Dy. General Manager
59		Shri Jagdish Gosain	Asstt. Regional Manager
60		Shri N.K. Raju	CM
61	Punjab National Bank	Shri C.K. Prabhakaran	Dy. Zonal Manager
62	Punjab & Sind Bank	Shri Gurcharan Singh	Zonal Manager
63		Shri Bishan Singh	Officer
64	Syndicate Bank	Shri M.P. Prabhu	Chief Manager
65	Union Bank of India	Shri V. Goel	Asstt. General Manager
66		Shri Mohan Rao	Chief Manager
67	United Bank of India	Shri Manas Choudhary	Chief Manager
68	UCO Bank	Shri Satish Gupta	Chief Officer
69		Shri M.D. Verma	Dy. Chief Officer
70	Vijaya Bank	Shri Prakash Kotwani	Manager

PRIVATE B A N K S

71	The Bank of Rajasthan	Shri B.K.Goyal	Regional Manager
72	The Federal Bank Ltd	Shri Rakesh Mathur	Chief Manager
73	ICICI Bank	Shri Sanjeev	Chief Manager
74		Shri Avinash Puri	Manager
75	IDBI Bank	Shri R. Venkatachalam	Asstt. General Manager
76	ING Vysya Bank	Shri Jai Rajnish	RM (SME)
77	UTI Bank Ltd.	Shri Sushil Barjatya	Asstt. Vice President
78		Shri K. Manish	Asstt. Vice President
79	J&K Bank	Shri R.A. Wani	Branch Manager
80	Karur Vysya Bank Ltd.	Shri K. Bhaskar	Officer
81	Centurian Bank of Punjab	Shri Pankaj Arora	Regional Coordinator (North)
82		Shri Gaurav Srivastava	Branch Manager

Cooperative Banks

83	Apex Bank	Shri S.K.Gupta	Dy. General Manager
84	MPSARDB	Shri B.S. Shukla	OSD

Regional Rural Banks

85	Vidisha Bhopal RRB	Shri S.P. Chiney	Chairman
86	Jhabua Dhar RRB	Shri Y.A.Vohra	Chairman
87		Shri R.K. Tiwari	GM (Admn)
88	Rewa Sidhi KGB	Shri H. K. Rohtagi	General Manager
89	Satpura RRB	Shri K.K. Singh	Chairman
90	Sharda RRB	Shri T.L. Bhaduri	AGM
91	Narmada Malwa RRB	Shri M.K. Par eekh	Chairman