

आंका/एसएलबीसी/08-09/

दिनांक: 04.10.08

एसएलबीसी के सभी सदस्य

प्रिय महोदय/ महोदया

विषय : मध्यप्रदेश राज्य स्तरीय बैंकर्स समिति की 133 वीं बैठक का कार्यवृत्त ।

हम इसके साथ दिनांक 23.09.08 को भोपाल में सम्पन्न मध्यप्रदेश हेतु राज्य स्तरीय बैंकर्स समिति की 133वीं बैठक का कार्यवृत्त भेज रहे हैं ।

अनुरोध है कि आप उक्त बैठक में लिये गये निर्णयों पर यथाशीघ्र कार्यान्वयन करें ।

सधन्यवाद,

भवदीय,

समन्वयक

राज्य स्तरीय बैंकर्स समिति भोपाल

संलग्न : यथोक्त

ZO/SLBC/(MP)/08-09/

Date :04.10.2008

ALL MEMBERS OF SLBC.

Dear Sir /Madam

Sub: Minutes of the 133rd Meeting of SLBC - Madhya Pradesh.

We are sending herewith the proceedings of 133rd Meeting of SLBC for Madhya Pradesh held at Bhopal on 23.09.08

We would request you to please implement the decision arrived at in the aforesaid meeting at an early date.

Thanking you,

Yours faithfully,

CONVENOR
S L B C-BHOPAL.

Encl: As above.

MINUTES OF 133rd MEETING OF
STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH HELD ON
23.09.2008 AT CENTRAL BANK OF INDIA ZONAL OFFICE, BHOPAL

The 133rd meeting of State Level Bankers' Committee, Madhya Pradesh was held on 23rd September 2008 at the Conference Hall of Central Bank of India, Zonal Office, Bhopal wherein performance of the banks during the quarter ended June, 2008 was reviewed. Shri K. Subbaraman, Executive Director Central Bank of India presided over the meeting. The meeting was attended, amongst others, by Shri Ashok Das, Principal Secretary, Finance, Shri Pravesh Sharma, Principal Secretary, Agriculture & Cooperation, Shri I.S. Dani, Principal Secretary, Panchayat & Rural Development, Shri M.K.Roy, Principal Secretary, M.P. Backward Classes & OBC, Smt. Rashmi Sharma, Principal Secretary & MD, Mahilla Vitt Evam Vikas Nigam, .Smt. Pallavi Jain Govil, Director, Institutional Finance, Shri S.C. Arya, Senior Research Officer, Ministry of Finance (Banking Division), Government of India, New Delhi, Shri Rajesh Verma, Regional Director RBI & Shri S. Mohapatra, CGM NABARD. Top executives of Government Departments, Banks and NABARD were present in the meeting. A list of participants of the meeting is enclosed.

Welcome address by Convenor

Initiating the proceedings, Shri P.C. Tiwari, Convenor, SLBC & Zonal Manager, Central Bank of India welcomed Shri K.Subbaraman, Chairman SLBC and Executive Director, Central Bank of India, Shri Ashok Das, Principal Secretary Finance, Shri Pravesh Sharma, Principal Secretary, Agriculture & Cooperation, Shri I.S. Dani, Principal Secretary, Rural Development, Shri M.K.Roy, Principal Secretary, M.P. Backward Class & OBC, Smt. Rashmi Sharma, Principal Secretary & MD, Mahila Vitt Evam Vikas Nigam, .Smt. Pallavi Jain Govil Director, Institutional Finance. Shri S.C. Arya, Senior Research Officer MOF, New Delhi. Shri Rajesh Verma, Regional Director, RBI & Shri S. Mohapatra, CGM NABARD and executives from Government Departments, Banks and all the dignitaries .He stated that the Convener Bank has been stressing the need for submission of accurate data to SLBC in time, so that the actual position is reflected before the house for meaningful deliberations and planning future strategies. He informed that over 15 Lac accounts have been opened by banks under NREGP alone, but this is not reflected in the

data concerning Financial Inclusion. He requested the bankers to revisit the figures and submit accurate data.

He further informed that despite being busy with implementation of ADWDR Scheme, the overall performance of the banking sector in the State during the first quarter has been noteworthy over the performance in the corresponding period during last year. He requested all the bankers to work with same vigor and spirit for setting a new yardstick during this financial year.

Regarding Agriculture Debt Waiver and Debt Relief Scheme, during the process of implementation, three meetings were convened to disseminate guidelines as well as to clarify queries related to the implementation of the scheme. Field visits were also undertaken for on the spot assessment of implementation of the scheme. The smooth implementation of the scheme is yet another milestone in the achievements of this Committee and its members.

Key Note address of Chairman:

Shri K. Subbaraman, Chairman, in his key note address, congratulated all the implementing agencies of the Agriculture Debt Waiver and Debt Relief Scheme, 2008 in the State for implementing the Scheme within the stipulated time fixed by Government of India. Madhya Pradesh was one of the few States to have submitted the data pertaining to the Scheme to the Government of India before the due date. This would not have been possible but for the wholehearted support and co-operation received from all quarters – Reserve Bank of India, NABARD, State Government and the implementing agencies. He expressed sincere thanks to all concerned on behalf of the Committee.

The Scheme benefited a total of 18,34,309 farmers in the State, involving a total amount of Rs.3150.40 crores. 12,86,786 'small and marginal farmers' were found eligible for waiver of dues to the tune of Rs.2134.55 crores, whereas 547523 farmers in the category of 'other farmers' benefited in the form of relief in debt involving an amount of Rs.1015.85 crores.

Referring to the recent developments on the economic front, Shri Subbaraman stated that there has been obvious concern in all quarters about the unabated increase in inflation rate that had threatened to cross the 13% mark. Both the Government of India as well as the Reserve Bank of India came out with various measures to address the problem and also to check the rising prices. The Cash

Reserve Ratio (CRR) and Repo Rate were revised upwards more than once and both these rates now stood at 9%. Consequently, the Banks also revised their interest rates upwards, leading to further apprehension that the hardening interest rates would result in a slow down in the economic growth. Fortunately, the Crude Oil prices, which had shot up steeply and triggered the rise in inflation, have now eased to a considerable extent. The inflation rate has now been contained and has started coming down.

The Agriculture Debt Waiver and Debt Relief Scheme could not have been implemented at a better time than this as rising prices as a result of inflationary pressures had severely dented the consumption capacity of a vast section of the population, especially the vulnerable sections. Besides waiver and relief in debts, the Scheme entitled the beneficiaries for fresh loans from the lending institutions which would have come as a great relief for them to undertake productive activities and improve economic conditions. It has also enabled the Banks to augment their lending to agricultural sector in the country.

The improvement in the efficiency of the Indian banking sector, the higher pace of investment, which had a share of 38% of GDP in 2007-08, through higher household, public sector and corporate savings, and the formidable task ahead for the financial sector, all find a mention in the statement of Dr. D. Subbarao, the new Governor of Reserve Bank of India. Another area that has been stressed is the promotion of inclusive growth through efficient and easily accessible financial services.

This SLBC had taken a pro-active step in identifying 35 districts in the State for Financial Inclusion in 39870 villages. The data available with SLBC shows that 2180 villages have been financially included so far. The figure could be higher as 15 Lacs accounts are reported to have been opened under NREGP only for job cardholders but this might not have been properly reflected in the reporting.

The process of financial inclusion could be expedited with 100% coverage of eligible farmers under Kisan Credit Card scheme for which the Committee had initiated a similar move to cover the entire State. This work appears to have picked up of late, with 29 districts having distributed list of farmers among bank branches. With the implementation of ADWDR Scheme, even the accounts of farmers subjected to regular write off as well as prudential write off, are also eligible for fresh financing. As such, most of the farmers in all the districts are eligible for KCC and other

agricultural activities. This has increased the scope of issuing KCC to all the eligible farmers. Banks should come out with a well planned strategy so that maximum farmers are benefited.

Banks have already expressed their willingness to set up RUDSETI type institutes at 13 centers across the State, in addition to the existing ones. Skill up-gradation of youth in the formal and informal sectors is a priority area for the Government. At present there are about 100 RUDSETI type training institutes operating all over country and 500 more are proposed to be set up in the next two years to cover all the 600 districts of the country. The Hon'ble Chief Minister of the State has announced in the Maha Panchayat on SGSY held recently at Bhopal that half an acre land at each centre would be made available free of cost to Banks for setting up such Institutes in the State. He requested the concerned Government Department to expedite allotment of premises and land to the banks so as to set up the Institutes. Once these Institutes become functional, the rural segment is expected to get a fillip in development which is the avowed goal of all government sponsored programmes.

Regarding performance of Banking Sector in the State during the first quarter Shri Subbaraman stated that:

- ◆ Performance under Annual Credit Plan clocked 24% of the target as of June, 2008 which can be considered satisfactory considering the fact that banks and financial institutions are usually pre-occupied with statutory audit, budgeting exercise, working out strategies etc. during the first quarter of a financial year.
- ◆ Banks continued their network expansion in the State with 44 new branches being added during the period under review. The number of specialized SME branches has also increased from 27 in March, 2008 to 33 as of June, 2008.
- ◆ Aggregate deposits increased by Rs.4012 crores, from Rs.89604 crores as of March, 2008 to Rs.93616 crores as of 30th June, 2008, reflecting a growth of 4.48%. While the rural segment remained almost static, the Semi Urban and Urban centres accounted for the incremental growth. The growth is higher when compared to the growth recorded in the corresponding period a year ago.
- ◆ Total Advances increased by Rs.1829 crores, from Rs.60057 crores as on 31.03.2008 to Rs.61886 crores as of 30.06.2008, posting a growth of 3%. Here

also the growth rate is higher as compared to the corresponding period in the previous year.

- ◆ Credit Deposit Ratio, which stood at 66%, continues to be well above national norm of 60%.
- ◆ The ratio of Priority Sector advances to Total Credit stood at 62% as against the National Norm of 40%. The share of Agricultural Advances stands at 38% against the stipulated level of 18%.
- ◆ MSME (Micro, Small and Manufacturing Enterprises) Advances have shown a marginal decrease of 5.68%, from Rs.5773 crores as of March, 2008 to Rs.5445 crores as at June, 2008 this is attributable to lower availment of limits by seasonal Agro-based industries.
- ◆ Advances to Weaker Sections constitute 12% of the Total Advances, against the national norm of 10%. The revised income criteria and higher loan ceilings under DRI scheme should result in further improvement in this area.
- ◆ SME sector continues to get due importance. During the first quarter, 8483 new units have been financed involving a sum of Rs.366 crores.
- ◆ Issuance of General Credit Card (GCC) has fallen short of expectations as only 1348 cards were issued during the period under review against a target of 13437 cards.
- ◆ During the first quarter, the Banks sanctioned 2060 Educational Loans, involving a total amount of Rs.61 crores. Of this, girls numbered 401 with an amount of Rs.8.14 crores.

While stating that Banks have done quite well in certain areas, Shri Subbaraman pointed out that in a few areas more attention is required to be paid. He said that almost seven months' period is with the Banks to achieve all the parameters with the help of Govt., RBI and NABARD.

Address by Shri Pravesh Sharma, Principal Secretary – Agriculture & Co-operation.

The Principal Secretary in his speech stressed upon the following three points: -

- 1 The growth in the first quarter appears to be very sluggish when compared to the last year that showed an achievement of 39% in Annual Credit Plan whereas this year the achievement is only 25%. So far as cooperatives are concerned, there is a problem of liquidity. As against crop loan of 46% last year, this time only 24% could be achieved in the first quarter. Half the crop season is over. This is a macro issue before the house to deliberate and come out with concrete suggestion. He urged Public Sector Banks to put in more efforts toward crop loan in coming Rabi season.
- 2 Targets of 100% coverage of KCC are not as per set down procedure. There is a challenge before us to increase it with desired pace. Due to Agri. Debt Waiver and Debt Relief, number of farmers has increased. Special efforts are required to address the issue.
- 3 Northern part of the State, particularly Rewa, Sagar, Gwalior and Chambal Divisions of the State, has received good monsoon this year whereas these areas had witnessed drought during last three years. This offers huge potential for Rabi season. Banks have to make special efforts for providing assistance to farmers during Rabi season in this area. He suggested that an interim meeting be convened in October & November to review the progress.

Address by Shri Ashok Das Principal Secretary – Finance.

The Principal Secretary supplemented the points raised by Mr. Pravesh Sharma and called for appropriate measures. He also urged upon bankers to gear up for Rabi season. Regarding progress in financial inclusion, he reiterated the point raised by the Chairman. Out of 39870 villages only 2180 villages are covered, as such there is a huge gap, even if 15 lakh accounts opened under NREGP are taken into account. As regards K.C.C., the progress was reviewed in the Sub Committee meeting but actual progress is not getting reflected. He also urged upon bankers to create Central Pension payment set up in the state.

ADDRESS BY SHRI RAJESH VERMA, Regional Director, RBI

Shri Verma stated that the Agenda shows several gaps that warrant immediate remedial action. He specifically mentioned about:

- 1 **Kisan Credit Cards** - Growth is not reflected that needs concerted efforts to gear up.
- 2 **Financial Inclusion and IT enabled Financial Inclusion** - Desired progress is not observed. Out of 39,870 villages, only 2180 villages have been covered which is very minuscule progress. It is a matter of great concern. All the banks are advised to put more efforts towards this task. He requested Chairman to look into the matter particularly for Central Bank of India and State Bank of India, the major banks.
- 3 Drought relief scheme is successfully implemented in the State in scheduled time frame. He showed his satisfaction on this score.
- 4 Regarding CD Ratio of MP, Shri Verma said that in addition to 6 districts mentioned in the Agenda, two more districts, i.e. Jhabua and Mandla are also having CD Ratio below 40%. Effort is required for improvement of CD Ratio in these districts.
- 5 Progress under Swarn Jayanti Gram Swarajgar Yojna in the first quarter is not up to mark. He expressed his concern on this score and advised the bankers to increase the SGSY Finance.

The Chairman Shri Subbaraman asked the bankers to come out with any ground level problem that they may be having, so that the same could be discussed in the House for obtaining help of Government Authorities in solving the problem.

Shri Ashok Das stated that for RUDSETI, ITI and Polytechnic Centres can be used for afternoon session, though the Hon'ble Chief Minister has already announced in the Maha Panchayat that ½ acre land will be provided for RUDSETI.

Shri Das further mentioned that there are various incentive schemes being implemented for up-liftment of SC/ST, backward classes, Durgawati Yojana, etc. There are provisions of Interest Subsidy. He urged bankers to take advantage of such schemes and help State Government in its efforts to uplift economic status of these categories.

Thereafter agenda-wise deliberations were held.

ITEM NO.1 CONFIRMATION OF THE MINUTES OF THE 132nd MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 27.6.2008

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

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

Action Point 2.1:

Doubling of Agriculture Credit during 2007-08

Progress was reviewed by the house.

2.2.1 Progress of issuance Kisan Credit Card in all District of MP

Banks have issued 84231 Kisan Credit Cards, of which 37588 by Commercial Banks, 12931 by RRBs and 33712 cards by Cooperative Banks during the quarter ended June 2008.

Poor performing Banks were Bank of Rajasthan, Punjab & Sindh Bank, & Indian Overseas Bank. State heads of these Banks have assured to improve their performances in the current year.

Shri Gupta DGM, Apex Bank informed that due to Agriculture Debt Waiver and Debt Relief, their recovery is badly affected and they are lagging behind in financing crop loans by Rs.700 crore this year. Several borrowers are not traceable. Last year the recovery was 70% compared to this year's 47%.

The Convenor stressed that due to ADWDR all the farmers have now become eligible for crop loan and banks should take steps to disburse the crop loan to all eligible farmers. In this Rabi season, the target is fixed at Rs.1200 crores. All eligible farmers in M.P. should be covered through 100% KCC Scheme.

Shri S. Mohapatra, CGM NABARD reiterated the instructions that 150 new farmers are to be covered under KCC by every Rural / Semi Urban Branches in the current financial year.

Shri Tiwari informed the house that in Central Bank of India, instructions have already been issued for financing 250 new farmers under KCC by all Rural / Semi-Urban Branches in the State. In this way targets should be achieved

very easily. Chairman Shri Subbaraman suggested that fellow bankers may issue similar instructions.

He also emphasized that the volume of Insurance Coverage in KCC is very low; only 46% coverage is there. He requested the fellow bankers to take necessary steps to increase the Insurance coverage in all eligible crops under NAIS.

2.2.2 Issuance of KCC To Kotwars.

Progress was reviewed by the house.

State Bank of Indore requested for the list of Kotwars areawise / District wise. DIF has assured to provide the same District wise. As per instructions from the Hon'ble Chief Minister, all eligible Kotwars with Seva Bhoomi in the State should be provided KCC. As per reports available, out of 28000 Sewa Bhoomi Kotwars, 13000 have already been financed under KCC scheme.

2.2.3 Financial Inclusion in 35 Districts of M.P.

Convenor expressed his deep concern over low progress in Financial Inclusion. Regional Director, RBI enquired whether Ratlam and Jhabua have already achieved 100% KCC coverage, for carrying out survey by RBI.

Convenor informed the house that issuance of KCC was 100% completed in both the districts. Convenor requested RBI to carry out the survey so that banks may fill up the gap, if any.

Shri Verma insisted that the first aim should be for 100% Financial Inclusion in Ratlam and Jhabua Districts, while remaining 33 districts of the State should also continue their efforts.

Though the banks have opened 15 lakh NREGP accounts, the House felt that reporting of data by banks to SLBC is not proper and the data needs to be checked once again. Reporting system should be strengthened.

2.2.4 IT ENABLED FINANCIAL INCLUSION PROGRAMME

The Convenor expressed concern over the progress of different banks in this sector. Although the detailed discussion have taken place at R.B.I. and in the

sub committee meetings on the importance of the IT enabled financial inclusion, the progress is still unsatisfactory. Convenor again requested those bankers who have not started this exercise to take up the same on priority. The banking mantra is 100% financial inclusion. All the member banks were again requested to fulfill this mission wholeheartedly.

Shri I.S. Dani, Principal Secretary, Panchayat & Rural Development stated that NREGS accounts are to be opened in phased manner. First priority is to be given to the villages in the radius of 5 KMs. Then it can cover the villages beyond 5 KMs to 10 KMs, and next beyond 10 KMs. All payments of wages under NREGP are to be paid either through Bank account or through Post Office from 1st Oct. 2008. No cash payment of wages will be allowed. Initially NREGP Scheme in M P was confined to 31 Districts, having 30 lacs job card holders living below poverty line. Now the scheme covers entire State (50 Districts), with 44 lacs job card holders. Banking system of the State is to be geared up to open 24 to 25 lacs accounts through which Rs.2400 crores will be pumped in.

The Chairman informed the house that each of the 5000 branches of all the Banks has to open approximately 700 accounts. In case district-wise data is made available to the banks, the exercise will be more smooth. Shri Dani informed that online data is available. The Chairman requested the bankers to download the data and prepare the strategy to open the accounts. He also stressed for formation of a sub committee and to get the data from the website.

Shri Ashok Das, Principal Secretary, Finance, stated that IT enabled Financial inclusion work is not picking up at desired pace. Despite regular follow up by RBI for last 6 months, we are still piloting the scheme.

Smt. Pallavi Jain Govil, Director-Institutional Finance, stated that banks at ground level are refusing to open the NREGS and No Frill Accounts which they are expected to do. It is a very serious matter and needs to be dealt with firmly by State level executives of banks. Government is giving incentive for opening of accounts for the BPL families. Pamphlets have been prepared by DIF and have been circulated. She urged upon the Banks to be sympathetic for opening these accounts.

Regional Director, RBI desired that bankers should ensure that work on IT enabled financial inclusion is implemented successfully.

Shri Guha DGM, Bank of India requested the State Government to instruct District Collectors to provide list of job card holders whose accounts are to be opened, so that accounts could be opened. They require list of Panchayat officials who can help the bankers. Multiplicity of accounts can also not be ruled out.

The DIF informed that for such problem, DLCC is the appropriate forum. However, if needed, instructions will be issued for providing list of beneficiaries on priority basis. She also enquired from bankers about the support for any particular scheme as there are numerous Govt. schemes.

IT enabled Financial Inclusion is totally technology driven. It should streamline activities and also finalise the accounts.

DIF also stressed for opening of accounts of Non Job Card Holders and left out persons not linked to Financial Services. Bank should give guidelines for financial Inclusion of this segment.

Summing up the discussion on the topic, the Convenor stated that the farmers who are not included in NREGP scheme should get opportunity to open the account. RM / ZM of all the banks are required to form a team to help the bank branches whose staff strength is quite low, for opening no frill accounts at an early date.

DGM State Bank of Indore, Shri Kodjhire stated that Panchayat people are not cooperating. They have been apprehending losing of control over the payment system. He clarified that account opening forms have been supplied by Service Provider/Business Facilitators to Panchayat Karmis. 700 to 1000 such accounts are to be opened. They have already opened 6200 accounts but payment has not been routed through such accounts. He requested for Government intervention.

General Manager, Union Bank of India informed the House that Banks have started the work and will pick up by next month. He also requested support from the Panchayat office.

Shri Subbaraman informed that in Central Bank of India, Vendor is finalized. He also enquired for any system to be involved to have a centralized system of dissemination of data for opening of accounts.

Shri Dani Principal Secretary Rural Dev. informed the house that from 1st October 2008, there will be no option but to channelize the wages through bank account only.

DIF reminded that in meetings with some banks on IT enabled financial services, bankers were requested to come out with cost sharing formula at village level. She requested to expedite action on this since all funds will flow through banks from 1st October 2008

RD RBI stated that all the Banks who have already launched the Pilot Project would have by now gained sufficient experience and should therefore make attempts to upscale the coverage to more areas and the banks who have not launched the projects in their allotted districts may do so at the earliest.

(Action all Banks)

2.2.5 . Settlement of SLR Bonds

State Government was requested to settle the same.

B. Discounting of SIDBI / IDBI bills

Progress reviewed and discussed.

2.2.6 Rural Development and Self Employment Training Institutes (RUDSETI)

Chairman informed that atleast 15 RUDSETI are to be established in MP in this year with the help of State Government by March 2009. Hence all concerned should take appropriate steps in this regard.

Convenor informed the house, that Central Bank has already applied for land to Govt. Other Banks were also requested to write to Govt. for allotment of land.

Shri Das stated that, for RUDSETI, ITI and Polytechnic Centres can be used for afternoon session. Though Honourable Chief Minister has already announced in Maha Panchayat that ½ acre land will be provided for the

purpose, till such time infrastructure and other facilities are put in place, ITI and Polytechnic institutions can be considered for undertaking this activity. Shri Subbaraman agreed with the suggestion. RD, RBI also endorsed the views of the Chairman. DGM State Bank of Indore informed that based on his experience at Nalgonda District in Andhra Pradesh the RUDSETI of the Bank will be inaugurated by 01.01.2009.

2.2.7 Drought Relief Measures –Payments of input subsidy for Kharif 2001&2002.

Convenor requested the Heads of Allahabad Bank, Bank of India, Punjab National Bank, State Bank of India, State Bank of Indore, and Union Bank of India to either refund the amount or provide certificate to SLBC that Banks have credited the subsidy into beneficiaries' accounts at the earliest to enable the Convenor to submit full details to D.I.F.

DIF informed that no information is received from SBI, PNB and Union Bank of India. Convenor requested them to submit at the earliest.

Shri Das desired that this work should be completed before closing of this Financial year. Convenor told the house that the subsidy pertains to Kharif 2001-2002, which was received during 2007.

(Action All Lead Banks)

2.2.8 AGRICULTURE DEBT WAIVER AND RELIEF SCHEME 2008

The scheme benefited a total of 1834309 farmers in the State, involving a total amount of 3150.41 crores. 1286786 "Small and marginal farmers" were found eligible for waiver of loans to the tune of Rs.2134.55 crores, whereas 547523 farmers in the category of "Other Farmers" have been benefited in the form of relief in debt involving an amount of Rs. 1015.85 crores.

The ADWDR Scheme 2008 announced by the Union Finance Minister had been successfully implemented in MP with the unparalleled support and involvement of all the lending institutions in the State and with the high level of guidance and boundless support from the Regional Office of Reserve Bank of India (RBI), NABARD and the State Government. It was a stupendous task to complete every aspect of implementation of the scheme in State. The Convenor extended whole-hearted gratitude to all the members of SLBC.

DIF stated that some District Collectors are raising queries regarding various matters. However they have been given proper clarification. Convenor informed that redressal of grievances can be made at any time.

Shri Subbaraman informed the house that on all India basis only few complaints are coming. However he requested the bankers to verify correctness of the data provided.

Shri Mohapatra, CGM NABARD stated that banks have to submit audited claims. Simultaneously if grievances are coming those should be redressed. Narmada Malwa Gramin Bank has submitted audited claims. Chairman informed the house that the time limit for submission of claim has been enhanced up to 30th October, 08. Till that time grievances are to be redressed.

Lastly, the Convenor informed that the figures under every parameter have shown increasing trend on year to year basis which needs to be recognized by the House. The Chairman suggested to DIF to introduce a rolling trophy for the best performer out of the banks. Principal Secretary Mr. Das agreed to introduce the same for the IT enabled services also.

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

3.1 Branch expansion

There is net increase of 440 branches of the banks during current financial year.

3.2 Deposit growth

During the period of review the aggregate deposits of the bank in Madhya Pradesh increased by Rs. 4012 crores from Rs.89604 as of March 08 to Rs. 93616 crores as of June 08 thus posting a growth of 4.48%.

3.3 Credit Expansion

During the period under review gross credit in the State has surged by Rs1829 crores from Rs 60057 crores as of March 08 to Rs.61886 crores as of June 08 thus exhibiting a growth of 3.00 %.

3.4 Credit Deposit Ratio

During the period under review overall CD Ratio of banks for the State of Madhya Pradesh remains at 66%.

3.4.1 LOW CD RATIO :

CD ratio of 6 districts Dindori, Anuppur, Umaria, Shahdol, Sidhi and Rewa were found below 40% in the State of M.P.

Convenor stated that in Colliery areas the deposits are more which is the reason for low CD ratio. Though the targets under ACP of the districts were achieved, even then CD Ratio is less than 40%. Convenor requested to improve the CD ratio by financing in other parameters besides agriculture advances.

DIF pointed out that in Sidhi, Umaria and Rewa districts, the CD ratio has further come down.

RD RBI suggested that in the agenda Annexure showing district wise CD ratio should be annexed.

Convenor SLBC requested the State Level Heads of the Banks having Lead Bank responsibilities in above districts to take suitable measures to increase the CD Ratio at par with other districts. Director institutional Finance stressed for a micro study at District level for comparison on direct Agriculture credit / Priority sector advances/per capita credit.

(Action – Banks)

3.5 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh grew by Rs.1281 crores.

Agriculture Advances

The Agriculture Advances in the State during the review period has witnessed an increase of Rs.912 crores from Rs.22441 crores as of March 08 to Rs.23353 crores as of June 08 thus showing a growth of 4.06 %.

MSME Advances

The advances to MSME sector during the period under review has registered decrease of Rs.328 crores from Rs.5773 crores as of March 08 to Rs 5445 crores as of June 08 thus showing a decline of 5.68 %.

3.8 Advances to Weaker Section

During the period under review the advances to weaker section has increased by Rs. 32 crores from Rs 7423 crores as of March 08 to Rs.7455 crores as of June 08 thus showing a growth of 0.43 %.

ACHIEVEMENT VIS-A-VIS NATIONAL GOALS

Highlights

1. The ratio of Priority Sector Advances to total advances as of June 08 stands at 62% against National Goal of 40%.
2. The share of agricultural advances to total advances, as of June 08 is 38% against the National Goal of 18%.
3. The advance to weaker section constitutes 12% of the total advances against the National Goal of 10%.
4. The CD Ratio in rural & semi urban area is above the National Goal by recording a level of 72% as of June 08.
5. During the period under review, the DRI advances increased by Rs.1 crore.

ITEM NO.4: RECOVERY

4.1 NPA POSITION

Convener informed that NPA level was highest in PMRY scheme (27%) and in other schemes like SGSY (Group) 9%, SGSY(Ind) 21%, SJSRY 24%, Pratistha 22% and in Antyavavsai 19% respectively. 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.

(Action – Banks/DIF)

4.1 Year Wise Position of Write- Off Accounts

An amount of Rs 2367 Crores in 821026 accounts has been written off by the Banks till June 2008. Convenor stated that written off of amount is a sacrifice of Bank's fund and is the last recourse resorted to by the Banks for reducing NPA.

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

The House resolved that all the commercial banks and Regional Rural Banks operating in the State will be members of the BRISC Scheme provided they abide by the Rules and directives of the Scheme issued by the DIF from time to time. To expand the ambit of incentive scheme a separate software will be put in place for M.I.S.

The DIF also informed the house that responsibility of Lead Bank for Alirajpur and Singroli has been given to Bank of Baroda and Union Bank of India respectively. A new Division viz. Narmadapuram Division comprising of three districts Betul, Harda and Hoshangabad, has come in to existence in the State.

Evaluation of role & responsibilities of SLBCs

Chairman informed the house that as per the report of the committee formed by Ministry of Finance, Govt. of India to evaluate the performance of SLBCs and review the Lead Bank scheme, SLBC Madhya Pradesh is reckoned as one of the best SLBCs, keeping in view the quality of deliberations and high level of coordination with the State Government.

ITEM NO.5: IMPLEMENTATION OF ANNUAL CREDIT PLAN 2008-09

The overall achievement under Total Priority Sector under ACP 2008-09 up to June 08 was 24% for all the banks, while for commercial banks RRBs and cooperative bank it was 23%, 27% and 24% respectively. Some of banks like Andhra Bank (6%), State Bank of Hyderabad (3%), Axis Bank (0%) United Bank of India (2%), Laxmivilas Bank (0%), Mahakaushal RRB 3%, IndusInd Bank (9%), J&K Bank (4%), IDBI (0%), Corporation Bank (1%), and MPSARDB (1%) were having very low achievement. RBI advised these banks to improve the performance.

(Action – Banks)

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

Under SME an amount of Rs.366 crores was disbursed in 8483 accounts, Targets will be achieved within stipulated period. Convenor informed the house that outstanding under SME has declined during the quarter due to poor credit off take by Agrobased Industries.

ITEM NO. 6: IMPLEMENTATION OF GOVERNMENT SPONSORED PROGRAMMES.

6.1 Prime Minister's Rojgar Yojana - P.Y 2007-2008

Progress was reviewed by the house. This scheme is abolished now. Instead of PMRY new scheme PMEGP has been set in.

(Action- All Banks)

6.2 Performance under SGSY 2008-09

Progress was reviewed by the house. Convenor expressed his concern over poor achievement and requested fellow bankers to issue necessary instructions to field functionaries to boost up SGSY advances. In this quarter progress is comparatively very slow During last three years targets were achieved by more than 100%.

(Action- All Banks)

6.3 Swarna Jayanti Shahari Rojgar Yojana (SJSRY)

The progress of year 2008-09 was reviewed by the house. Mr P.N.Pandey joint Director of Urban Institutional Deptt. informed the house that target for 2008-09 has been revised to 26413 cases. So far department has sponsored 4979 cases to Banks and they have sanctioned only 421 cases, out of which 156 have been disbursed.

Convenor informed the house that maximum NPA is concentrated in this scheme. He also requested the department to sponsor only bankable applications.

(Action- All Banks)

6.4 Scheme for Liberation and Rehabilitation of Scavengers (SLRS)

Progress was reviewed by the house.

Mr. M.K. Roy, PS & MD Backward Classes, informed about a new scheme in the offing for the welfare of Backward Classes and Minorities in the State. Though the scheme is yet to be finalised but in brief he informed the house about the scheme.

(Action-MPSCFDC / Banks)

ITEM NO 7: IMPLEMENTATION OF SPECIAL FOCUS PROGRAMME

7.1 Self Help Groups (Under NABARD Scheme)

Scheme was reviewed by the house and found that performance is not satisfactory. C.G.M. NABARD requested all the banks to credit link the groups already formed. SHG is a tool for financial inclusion. He also stressed that banks have to take care while submitting the data to reflect the factual position. In Southern states the scheme has been working well. He also told that all groups may not get subsidy and in that case, banks should sanction under NABARD scheme. Jila Panchayat can help in the matter and groups can be formed under NABARD Scheme. In SGSY programme subsidy can be linked for SHG Linkage group also which are formed as per NABARD Scheme for BPL families.

7.2 KVIC Margin Money Scheme.

Progress was reviewed by the house

7.3 Housing Finance

a) Direct Housing finance

Banks have disbursed Rs.165 crore by the end of June08.

b) Golden Jubilee Rural Housing Scheme.

During the year 2008-09 financial assistance of Rs. 4.24 Crores has been provided under the scheme to 190 beneficiaries. The poor progress is because of non-availability of title of land.

NHB Regional Manager, Mr. V. Vaideshwaran, requested to cover housing finance under Indira Awas Yojana, where bank can finance up to Rs.20000/- under DRI (differential rate of interest).The Govt.of India also urged upon the Banks in this regard.

(Action- Banks/Rural Dev. Deptt)

7.4& 7.5 Financial assistance to Minority Communities in Bhopal District

Bhopal is one amongst the 121 Minority Concentrated districts notified by Govt of India, Ministry of Welfare. Progress was reviewed by the house. It has increased from 7% in 2007 to 8% in the year 2008.

7.6 Financial assistance to Schedule Castes and Schedule Tribes

An amount of Rs.2659.17 crores is outstanding in 660961 accounts under financial assistance to Scheduled Castes and Scheduled Tribes. The percentage of NPA in Schedule Castes loans was more than Scheduled Tribes over which house expressed its concern. Convenor requested Principal Secretary, Shri Roy to elaborate different schemes for Minority Community and Backward Classes run by the corporation. Shri Roy elaborated that under Rani Durgawati scheme for SC / ST, sanction limit is up to Rs. 25 lacks. In Mukhyamantri Pichda Warg Swarojgar Yojana scheme both capital subsidy + Intt. Subsidy are available. (30% of the total project cost). Shri Das Principal Secretary requested the bankers to take up this scheme in order to arrest NPA.

7.7 Swarojgar Credit Card (SCC)

Total 1206 cards were issued against the target of 18035 cards, amounting Rs 29.51 Crore

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/NABARD.

(Action- Banks)

7.8 Artisan Credit Card

Against the target of 3150 cards banks have issued only 249 cards. 5252 cards are issued since inception of the scheme. The House showed concern over the poor progress.

Mati Kala Board is constituted for Pottery Industry and economic up-liftment of potters from their present status. CEO Mati Kala Board informed that the scheme is being examined by the State Government and Mati Kala Board comes under Khadi Gramodyog.

7.9 General Credit Card

Banks have issued 1348 cards during the 1st quarter of current fiscal against the self-set target of 13437. Total cards issued under the scheme since inceptions are 22704.

Convenor requested the Banks to provide assistance under G.C.C.as per requirement of beneficiaries after opening of no frill accounts, being a part of Financial Inclusion. In Central Bank of India, Janta Credit Cards are also popular which is GCC Scheme.

7.10 Education Loan

Banks have sanctioned 2060 education loans amounting to Rs.61 Crores during the quarter ended June 08 of which Rs 8.14 crores have been sanctioned to 401 girl students.

Chairman said that time of admission is over. Convenor informed that in MP in professional colleges counseling is still going on.

DIF informed that due to increase in fee structure of Engineering and Medical Colleges, banks should provide supplementary loans to students for which banks have agreed.

DIF informed the house that they are providing 3% subsidy on educational loan provided to daughter of Class III and Class IV MP Govt. employees. Bankers should come forward and submit the claims. So far only Bank of Baroda has submitted the claims. All the bankers are requested to submit the claim at the earliest. Chairman suggested that scheme should cover all the girl students, inclusive of Class III and Class IV State Govt. employees.

(Action – Banks)

7.11 Advances to Women Beneficiaries

An amount of Rs. 3803 crores is outstanding as advance to women beneficiaries which is 6.14% of the total advances against the target of 5%. Mrs. Rashmi Sharma MD Mahila Bal Vikas Nigam suggested to revise the target . Convenor told that this 5% target is fixed as per Govt. of India instructions. In case title of land is in the name of female members of the family, the advance to women will automatically increase. Chairman suggested for more finance to women entrepreneurs.

7.12 National Horticulture Board/Mission

Progress was reviewed by the house

7.13 Advances under Differential Rate of Interest.(DRI)

Convenor requested banks to make special efforts in this regard so that DRI advances cross the 1% target of total credit. The representative of Ministry of Finance, Government of India Shri S.C. Arya, informed the house that with increase in income criteria and amount of loan under the scheme banks should achieve the targets. He further stated that all Chief Executive Officers of the banks have been advised that physical targets under DRI will be 10 loans per branch per quarter to achieve the targets. For Minority Communities and achieving 1% target, housing finance can be made for Indira Awas Yojana under DRI Scheme.

मद सं.-09 राजभाषा नीति का कार्यान्वयन

मध्यप्रदेश में 50 बैंकों में से केवल 40 बैंकों ने राजभाषा नीति के कार्यान्वयन संबंधित तिमाही आंकड़े भेजे थे अतः संयोजक ने शेष सदस्यों से अनुरोध है किया कि वे एस. एल.बी.सी. के प्रारूप में अपेक्षित आंकड़े समय से भेजना सुनिश्चित करें चूंकि सभी बैंकों को विवरणी प्रेषित करना है अतः समय पर विवरणी प्रेषित करने से अच्छी प्रगति परिलक्षित होगी ।

(कार्यवाही - बैंक)

ITEM NO. 10 : OTHER AGENDA ITEMS

FAREWELL TO SHRI K. SUBBARAMAN, EXECUTIVE DIRECTOR, CENTRAL BANK OF INDIA AND CHAIRMAN OF SLBC

The Convenor Shri Tiwari informed the house that Shri K. Subbaraman, the Chairman of the Committee, will be demitting his office as Executive Director, Central Bank of India, on the 30th of this month. His association with this forum dates back for approximately two years and under his leadership, the Committee has taken many steps forward. The decision to cover the entire State for 100% coverage under Kisan Credit Card is his brainchild. In many other areas, he has provided innovative leadership to the Committee in discharging its role.

The Convenor further stated that for him personally, it will be a huge loss. He had always received the guidance and support from Shri Subbaraman. Shri Ashok Das, Principal Secretary Finance presented a bouquet on behalf of State Govt. Regional Director Mr. Verma, Regional Director, RBI on behalf of Reserve Bank of India and Mr. Deepak Guha DGM, Bank of India, on behalf of Bankers and Shri Tiwari Convenor SLBC on behalf of SLBC MP presented bouquets to Mr. Subbaraman.

The Committee puts on record its deep sense of appreciation for the able leadership and contribution provided by Shri Subbaraman in his capacity as Chairman of the Committee.

Vote of Thanks

Shri S. Raman GM, Union Bank of India on behalf of SLBC, extended vote of thanks to Shri K. Subbaraman, Chairman of SLBC and Executive Director, Central Bank of India, Shri Ashok Das, Principal Secretary Finance, for his active participation and cordial redressal of issues of bankers. He also thanked all other dignitaries / participants for making it convenient to attend the meeting and making it purposeful by their valuable deliberations and suggestions. Very interesting deliberations covering diverse topics such as No frill a/c, financial inclusion, RUDESETI, KCC, DRI Scheme etc. were discussed, we have gained a lot. We should march ahead in development of Madhya Pradesh State and will definitely achieve the target of MPACP 2008-09 in great manner.

