

**MINUTES OF 142ND SLBC HELD ON 26.03.2011 AT CONFERENCE HALL,
CENTRAL BANK OF INDIA, ZONAL OFFICE, BHOPAL**

142nd Meeting of State Level Bankers' Committee, Madhya Pradesh held on 26th March, 2011, under joint Chairmanship of Shri Avani Vaish, Chief Secretary, Government of Madhya Pradesh and Shri S. Sridhar Chairman and Managing Director, Central Bank of India.

List of participants is annexed

Shri B. Mondal, Convenor & General Manager, Central Bank of India extended warm welcome to Shri Avani Vaish, Chief Secretary, Shri Satya Prakash, Additional Chief Secretary to Government of Madhya Pradesh, Shri R. Parasuram, Addl. Chief Secretary to Govt. of M.P., Shri S. Sridhar, Chairman & Managing Director, Central Bank of India, Shri G.K. Singhal, Principal Secretary (Finance), Shri Nitesh Vyas, Director (Institutional Finance) and all the senior government officials and executives of RBI, NABARD, Commercial Banks and Financial Institutions present in the meeting.

He also conveyed sincere thanks to the media representatives for their presence.

Shri B. Mondal, Convener SLBC, General Manager Central Bank of India recalled the assurance made at the meeting with the Governor, Reserve Bank of India on 10th February, 2011 at Bhopal, in the presence of Shri Avani Vaish, Chief Secretary that C:D Ratio of the State will be increased to 65% by March, 2012. Further, C:D Ratio of the eight districts with low C:D ratio at present is also to be raised to a minimum of 40% by March, 2012. Another important topic discussed was implementation of financial inclusion plan so that not only all 2736 villages with population of 2000 and above are to be covered by March, 2012, but also villages with population of 1000 to 2000 adjoining to above 2000 population are also covered by March, 2012 and sought the co-operation of all concerned in fulfilling the assurance, as concerted efforts are needed to achieve the said goal.

He requested all banks participating in the implementation of financial inclusion plan to submit their claims for reimbursement of expenses as per the scheme approved by Govt. of Madhya Pradesh.

Member banks were also requested to submit the data for March, 2011 in the prescribed format already sent to them latest by 14th April, 2011. The format has already been sent to all concerned. He requested Shri S Sridhar, Chairman & Managing Director, Central Bank of India to address the house.

Shri S. Sridhar, Chairman & Managing Director in his address extended warm welcome to all the participants to the 142nd Meeting of SLBC, Madhya Pradesh.

In his key note address, he said that there have been some major developments on the global front as well as on the domestic front since the Committee last met in December, 2010. The entire world was left aghast by the devastating earthquake and the tsunami that hit north-east Japan recently, which impacted international economy also. Further, the political upheaval in certain Middle East countries will also have certain economic effects in the form of rising petroleum prices, which has a major implication.

Back home, the Union Budget 2011-12 presented by the Honourable Finance Minister projected the economy to grow at 9 per cent in 2011-12, while the average inflation is expected to be lower. Certain other key announcements related to banking sector include:

- Public Sector Banks to achieve a target of 15 per cent as outstanding loans to minority communities under priority sector lending.
- Existing scheme of giving interest subvention of 1 percent on housing loan has been increased to Rs. 15 lacs from Rs. 10 lacs.
- Existing housing loan limit enhanced to Rs. 25 Lakhs for dwelling units under priority sector lending.

- Central Electronic Registry, which is expected to be a major reform to prevent frauds in housing loan, is expected to become operational by March 31, 2011.
- Interest subvention proposed to be enhanced from 2 per cent to 3 per cent for providing short term crop loans to farmers who repay their crop loan on time.
- Huge allocation for infrastructure in 2011-12 constituting Rs. 2,14,000 crore (48.5% of total plan allocation and 23.3% increase over previous year).
- Target of providing banking facilities i.e. financial inclusion to all 73,000 villages having a population of over 2000 to be completed during 2011-2012.
- For the year 2011-12, Govt. of India has announced a higher agricultural credit flow target of Rs. 4.75 lakh crores as against this year's target of Rs. 3.75 lakh crore and the emphasis is that all eligible farmers are serviced by the institutional credit system.

The State Government's budget was also presented during this period with an estimated deficit of 3% of Gross State Domestic Product and loaded with innovative and positive measures to benefit the less privileged section of the society.

Bhopal was fortunate to host the Governor, Reserve Bank of India alongwith his team for Board meeting on 10.02.2011. The meeting was chaired by Dr. D. Subbarao, Governor wherein Deputy Governors and Executive Directors of RBI were also present. The Governor also held a meeting with the senior State Government and Bank officials wherein Shri Avani Vaish, Chief Secretary was present. SLBC was represented by Shri R.K. Dubey, Executive Director, Central Bank of India along with executives of member banks. The following decisions were arrived at in the meeting:

- To achieve an overall target of 65% CD Ratio and target of 40% CD Ratio in the 8 low CD ratio districts, mostly tribal, by 2011-12.

- A team of officers from RBI, Commercial Banks and State Government would review progress under Financial Inclusion to make assessment of the work done.
- Prepare a financial inclusion plan and ensure that by end of March 2012, all 2736 villages with population of above 2000 are covered in the State.
- The other issues discussed at the meeting included higher credit flow for education loans, issues relating to urban co-operative banks and security of bank branches.

In the previous quarter, the CD ratio of the State had slipped to 59%, one per cent below the national norm of 60% and concerns were expressed over the same. Some progress appears to have taken place in the third quarter, with a marginal increase in CD ratio to 60% in December 2010. We hope the ratio will further improve by the close of the last quarter, thus addressing the concerns on this front to some extent.

Financial Inclusion drive has lately gained momentum in the State. Many villages have achieved 100% financial inclusion, and Lead District Managers have been advised to ensure that progress of such villages are confirmed in DLCCs. As regards providing banking services in villages having population of 2000 and above, 2736 unbanked villages have been identified and out of these, 886 villages are to be covered by March, 2011 and 1850 villages by March, 2012. Till February, 2011, banks had covered 483 such villages under FIP.

Coming to the performance of banks in the State till the third quarter, the highlights are:

- ♦ 113 new branches have been opened in the State during the nine months' period, taking the total to 5460 branches as at the end of December, 2010 quarter. During the same period, 358 ATMs were added, taking the total number of ATMs in the State to 2673. In the backdrop of the meeting with Governor, RBI, banks are requested to explore the possibility of opening more branches.

- ♦ Aggregate Deposits increased by Rs. 9485 crores, from Rs. 130267 crores as of March, 2010 to Rs. 139752 crores as of December, 2010, reflecting a growth of 7.28%. There has been a neutral growth of deposit during this year in entire country because of tight monetary policy of Reserve bank of India.
- ♦ There was good growth in Total Advances in the third quarter, as compared to the position of second quarter. The growth rate increased to 5.33% in the third quarter as against 0.24% till the second quarter. As of December, 2010, the gross credit stood at Rs. 83,484 Crores.
- ♦ The ratio of Priority Sector advances to Total Advances stood at 63% as against the National Norm of 40%. The share of Agricultural Advances was 37% which is well above the stipulated level of 18%.
- ♦ Advances to the weaker sections constitute 14% of the Total Advances, against the national norm of 10%.
- ♦ Advances to women beneficiaries stood at Rs. 6104 crores, constituting 7.31% of total advances, the national norm being 5%.
- ♦ Advances to MSME sector increased by Rs. 1302 crores, from Rs. 9826 crores as of March, 2010 to Rs. 11128 crores as of December, 2010, at a growth rate of 13.25%. The Y-o-Y growth is 29.90%.
- ♦ 9402 education loans amounting to Rs. 289.81 crores were sanctioned by banks in the State, out of which Rs. 67 crores were sanctioned to girl students numbering 2425.
- ♦ Under Annual Credit Plan, as against the annual target of Rs. 27504 crores, the achievement till the third quarter was Rs. 18911 crores, thus achieving 69% of the original target.
- ♦ The Banks issued 468111 KCCs in the nine months' period against the annual target of 830197 cards. It should be ensured that the targeted number of cards is issued by the end of the financial year. All private sector banks should also issue KCCs, as some of them are yet to show any participation in this area.

- ♦ 44 R-SETIs have been opened in the State so far. The remaining 6 districts should also be covered by the concerned banks at the earliest. R-SETIs should get their training calendars approved by the specified authority in advance.
- ♦ DRI advances stood at Rs. 30 Crores with a Y-o-Y growth of 30.43% but this figure (0.04% of total advances) is still much less than the national goal of 1%.

He highlighted an ambitious housing scheme for the rural poor under the "*Chief Minister's Rural Housing Mission*". Central Bank of India has entered into a MOU with the State Government for launching of the scheme under a pilot project. As the programme envisages huge number of beneficiaries in the coming years, it would be appropriate for all banks to enter into such MOUs with the State Government, so that the Rural Housing Mission scheme is implemented successfully, covering maximum beneficiaries.

He informed the House that Interest Subsidy Scheme for Housing Urban Poor i.e. 'ISHUP' is another scheme that has been launched successfully in many States. In Madhya Pradesh, the Government has taken steps for removing all the bottlenecks; however, the progress under the scheme is not up to the desired mark. As the Scheme is meant for the urban poor, banks has to gear up and with the help of the Nodal Agencies, should coordinate to extend credit to maximum number of such urban beneficiaries.

Shri Sridhar expressed confidence that deliberations on 142nd SLBC Meeting would lead to fruitful outcome on each topic in the agenda.

Shri Avani Vaish, Chief Secretary in his speech said that SLBC is touching the issues, which concerns the State most. Banks are much serious about this for which government is thankful to them. It will help the state, if targets are achieved. There is a very cordial atmosphere between State Government and Banks. During RBI Governor's meeting with top executives of State Government and Banks, RBI Governor's directives were very clear. Banks and State Government together can work for common cause, which is reaching out to poorest of poor and needy.

Shri Satya Prakash, Additional Chief Secretary in his address appreciated the steps taken by Shri Sridhar and was hopeful of receiving useful feedback from the participants and suggestion from the departments concerned for implementation of the schemes. He observed that banks should offer their comments on the reasons for slow progress in different sector for meaningful discussions.

Shri G. K. Singhal, Principal Secretary, Finance said that in Financial Inclusion though our achievements are touching the target of 2010-11 but leaving lead bank, other banks are far behind the target. Particularly Punjab National Bank has not submitted the Financial Inclusion Plan to DIF as well as to SLBC.

In agriculture, though we have achieved 70% target up to December 10 and there will be shortfall but looking to the Finance Minister's announcement for increase of Rs. 1.00 lakh crore in the budget, banks will have to prepare ambitious plan for 2011-12.

Achievement of 56% of target in KCC up to December 2010 is also an area of concern and Honourable Chief Minister has also emphasized on this issue, so banks have to look into this aspect also.

Thereafter, agenda was discussed.

PART I : REGULAR AGENDA ITEMS

AGENDA ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 141ST MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 20TH DECEMBER 2010

Since no objections were received, the minutes of the previous meeting was approved.

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

2.1. Implementation of 100% coverage of KCCs

Against the target of 830197, achievement was 468111 (56 %). Commercial Banks have achieved 122%. The shortfall was due to RRBs & DCCBs. Dr. S.R. Chawla, Dy. General Manager, RBI pointed out that only SBI has surpassed the target and achieved more than 200% of the target. Other banks should also achieve the target following SBI.

- Performance of some banks is very poor, particularly of Private Banks, whereas some banks have not even indicated their target. She said that in BLBC meeting target should be allocated to these private banks. Shri Sridhar reminded that during last quarter also their progress was dismal. Banks have to issue 150 cards per branch.

Shri S. K. Gupta, General Manager of Apex Bank informed that at the end of February 2011 bank have issued 2,49,000 cards and are issuing more cards in Antyodaya Melas and before the end of March they will be close to the target.

It was resolved that -

- **Banks have to issue 150 cards per branch.**
- **In BLBC meeting target should be allocated to private banks.**

2.1.1 Issuance of KCC to Kotwars

Out of 28000 Kotwars having sevabhoomi, KCC to 24798 Kotwars has been issued, which is 89% of the total Kotwars, which is reasonably good and banks will be able to cover the rest by 31st March 2011.

2.2 Crop Insurance Scheme

Representative of Agriculture Insurance Corporation informed that their Head Office is working on the new format for reporting.

2.3 Financial Inclusion in Madhya Pradesh

Dy. General Manager, PNB has informed that recently their Head Office has approved the vendor and bank has submitted information on Financial Inclusion to SLBC. 7288475 accounts have been opened under NREGS scheme as per old Financial Inclusion proforma when it started. There is some overlapping in the figures due to old and new system.

Shri Parasuram, Additional Chief Secretary mentioning the importance of conventional methods adopted by Central Bank of India, said that target can be achieved and can be meaningful only if additional thing will be done. Secondly, non-electronic part should also be looked into like cooperative bank has done in Anuppur by taking lead in the matter.

In Mandla district Central Bank of India with the cooperation of district administration has shown very encouraging results and requested banks to work into this way also and a huge amount is disbursed in a month on the doorstep. Eight districts in India have been selected for the initiative under NAREGA scheme and Mandla was one of them. This schedule should be looked into by other banks also as government is ready to providing infrastructure support. The real meaning of Financial Inclusion means availing the banking facility at any one's convenience to the utmost nearest extent possible. This has tremendous value to the services we want to give to the people.

Shri A. K. Verma, Zonal Manager said that they have adopted BC model in the state for coverage of village allotted to their bank.

Shri Mondal, Convenor said that Central Bank of India has asked for more than 200 e kiosk for bank kiosk and targeting for tribal districts.

Sharing the experiencing of kiosk banking Shri N. Jambunathan, General Manager, State Bank of India said that SBI with I.I.T. Chennai have developed kiosk banking and now this technology is available with bank and

once this outlet are available, we will be implementing on the BC available in the kiosks with our CBS. If any bank wants to integrate, they should have this software, which will be linked to the PC and with public biometric linking available. Then link it to core banking.

Secretary (IT) further said State Bank of India has 602 kiosk and 64000 bank accounts with transaction of more than Rs. 26 crore during financial year, Rs. 14 crore remittance particularly for migrated labourers. Kiosk operator as well as Bank got Rs. 10 on each remittance up to Rs. 10000 and in one kiosk in Bhopal 200 remittance are going on a day.

Principal Secretary, Finance said banks should also share their experience to explore the possibility of extending the approach in other districts.

Shri Anurag Jain, Secretary (IT) said that in Madhya Pradesh, government is having 9200 e-kiosk of which 602 are used by SBI, though there is problem of connectivity, which has already been taken with BSNL. But 2500 e-kiosk are working/ functioning well and different type of services are being used on these kiosk and can be converted to bank kiosk. Central Bank has also shown interest to make use of it. Other banks should also come forward. BSNL will complete the connectivity target by June 2011. E kiosk target should be separate than normal Financial Inclusion target. We have put the list on website and banks should check with BSNL for connectivity, which is a pre requisite for it.

Some banks desired to interact and requested presentation on working of e-kiosk since State Bank of India is running the model successfully.

Smt. Chawla, Dy. General Manager RBI said that 736 villages have been covered during 2010-11. We should visit at the ground level and see what exactly has been done. RBI has sent almost five teams to different districts and position is not satisfactory. Banks are not giving proper information of BC appointed, villages covered, whether accounts opened,

cards distributed etc. RBI officials visited two villages in Tikamgarh, one each at Raisen and Katni districts and two each in Shivpuri and Umaria districts but at none of the places the BC or kiosks is functioning well. Governor had also advised all the banks that they should ensure that wherever BCs have been appointed at least the functioning has been started. Whether the cards have been issued at one or two places we have seen that the person who is sitting there, is not able to operate the machine, the deposit is not being accepted, withdrawal is not being made, no pass-book is given etc.

On these points, Shri Sridhar mentioned that there are two issues. One is quantity and the other is quality. As per RBI feedback, we have to upgrade the quality. Banks should monitor quality from two angles. We are monitoring two aspects, one is the percentage of cards activated to the percentage of cards issued and other is the time taken to activate

The number of cards issued is very large but the actual activation is less than 50%. So one parameter, which we should monitor is the issuance of cards and the time taken to activate.

Number of transactions are the real issues. Some parameters like this is to be monitored by the respective Zonal heads both at the State level and Corporate level. It will make much impact on speeding up the FIP.

Quantity wise, number of villages covered is 637 so the balance villages of above 2000 population have to be completed up to Sept. 2011 and the same has to be ensured by SLBC.

All the banks agreed to complete the same by 30.09.2011. Union Bank has taken the responsibility of covering the villages of their sponsored Rewa Sidhi RRB. Shri Sridhar said that in the larger interest and taking into account the intent of the state government, the banks have to walk the extra mile. Whether it is the bank or the RRB, how you divide is up to the

sponsor bank. We have to ensure that the task be done. This is a collective idea.

After 31st March, banks have to immediately take up villages with population below 2000. He stated that there should be some indicative target so that we can review it in the subsequent sub-committee. There are 10407 villages with population between 1000 to 2000. Shri Sridhar expressed that the momentum should be much faster than what we are doing now. Since the kiosk model now operating, connectivity is better and vendors are already finalized, at least 50% of such villages be taken as target for 2011-12.

ACS said that it should be taken as challenge and sub committee can deliberate on how many villages are covered by each bank. In next SLBC review of below 2000 population villages can be done. Government will also extend help.

SLBC also deliberated about expansion of branches. The BC modal for implementation is having lot of limitations. Banks cannot rely fully on the BC model and has to be supplemented with physical branches.

CMD said that in MP we have to come up with an ambitious branch expansion plan for 2011-12. In 2010-11 upto December 113 branches are opened. ACS pointed out that rural branches opened are very less. After detailed discussion forum has arrived on the decision of opening of 300 branches during 2011-12.

It was suggested that at least 25% should be rural and at least 10% of the total should be in the un-banked villages, which are allotted to the respective banks. Mrs. Chawla, RBI said that reporting of branch opening to RBI is must, though prior permission is not required in rural area.

Chairman requested for government support in the form of building etc. Shri Parasuram, ACS said that based on the feedback on branch expansion plan, DIF will coordinate.

It was resolved that -

- **After 15th April 2011, SBI will make power point presentation before banks in which Secretary (IT) will also present.**
- **In the next meeting of the sub committee, the reports of monitoring of villages covered will be presented.**
- **Banks should address the problems related to maintaining of quality while achieving the target.**
- **Banks have to complete the coverage of villages above 2000 population by 30.09.2011.**
- **At least 5000 villages with population between 1000 to 2000 be taken as target.**
- **A target of opening of 300 branches has been fixed of which at least 25% should be rural and at least 10% branches should be in the un-banked villages,**

2.3.1 Opening of savings account

As per data received 72,88,402 Savings accounts of job card holders have been opened by Banks (including Post Offices) under MNREGA scheme in the State.

2.3.2 Villages covered - Already discussed

2.3.3 Providing Banking Services in villages having population of 2000 and above: Already discussed in 2.3

2.3.4 Financial Inclusion Fund (FIF) and Final Inclusion Technology Fund (FITF):

Shri Akbarali, CGM NABARD said that higher level of assistance is available. NABARD has circulated the information to the corporate office of the banks also. This is basically to speed up the process of Financial Inclusion. A window has been opened for 38 weak RRBs of which 2 in our State. The fund is helping them to set up CBS facility.

For Jhabua Dhar RRB Rs. 7.86 Crore for CBS from this head is coming up. Shri Sridhar said that the banks must make full use of the funds available under this head.

2.3.5 Financial support by Government of MP for Financial Inclusion

Chairman said that this is a very progressive measure by Govt. of MP. Bank should fully utilize and submit the claims.

2.3.6 Adoption of 100% CBS by RRBs

Five RRBs are now 100% CBS. Only three RRBs are left. Shri Akbarali (GM NABARD) informed that these 3 RRBs should complete CBS within targeted period i.e Sept. 11.

It was resolved that -

- **Three RRBs will complete CBS by September 2011.**

2.4. Rural Self Employment Training Institute - (RSETI)

Chairman informed that RSETIs have been established in 44 districts. Land allotment in 38 and claims in 28 cases have been submitted to NIRD. Claims sanctioned by MORD is to the extent of Rs. 17.48. Rs. 3.4 crores have been released. State Government is requested to allot land in remaining 28 and banks are required to open RSETIs and submit reimbursement claim to NIRD. He requested State Government to transfer the land in the name of RSETI or trust and not to the Jila Panchayat.

Shri Ajit Kumar, Director, SGSY informed that out of 50 districts, in 49 districts land allotment has been done. Only in two districts Khargone and Sehore where the land has been allotted in favour of jila panchayat will be done in favour of Banks. In 43 districts the proposals have been sent to NIRD by respective banks. A 4 day workshop was organized at Jabalpur in which the Director of RUDSETI had also come to participate.

2.5.1 FLCCs

Chairman, Central Bank of India said that the Bank Mitra scheme of Govt. of MP may also be linked to FLCCs. As per High Power Committee recommendation and decision of sub committee on FLCC, banks have to open FLCC in their lead district and also appointed director and counselor, whose main responsibility would be to counsel the villagers/ people on banking facility and counseling on agriculture related activities, which have not been done by most of the banks. All the banks in the first half of next year must appoint such people. Shri Vaish, CS said that Governor RBI has also made remarks on this issue during his visit and banks should implement this scheme as early as possible.

It was resolved that-

- **All the banks in the first half of next year must appoint director and counselor at FLCC**

2.5.2 Financial Literacy in Schools:

Shri Vyas Director DIF informed that a meeting has already been convened and RBI has given curriculum development and study material.

2.6 Agriculture Debt Waiver and Debt Relief Scheme 2008

Banks have to follow RBI instructions for issuance of fresh crop loan to ADWDR beneficiaries.

2.7 Reverse Mortgage Loan (RML) Scheme

Chairman said that all banks must show interest in this scheme as this is meant for senior citizen. Punjab & Sindh Bank has done well under the scheme.

2.8 Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)

This is an important scheme of Central Government and government has cleared all initial issues and problems. All banks should dispose off the cases at the earliest. Shri Vaish, CS advised to include this scheme in the district level plan for implementation in larger town.

Shri Shrivastava, PS, Urban Development said that earlier case submission was very less. Now more than 1000 cases are submitted and the progress is only 16% in terms of sanction. Banks reported that cases have been received late.

This scheme is being monitored by Ministry of Housing and Poverty Alleviation, Government of India.

It was resolved that -

- **All banks should dispose off the cases at an earliest.**

AGENDA ITEM NO. 3 :

Out of Seven sub committees, meeting of three sub committee **3.1 Sub-committee on Agriculture and Allied activities, 3.2 Sub-committee on Industries Sector, 3.3 Sub-committee on Service Sector** could not be held. This should be held in April 2011.

3.4 Sub-committee on IT enabled Financial Inclusion

Discussed in agenda 2.3.3. Shri Mondal convener informed that banks who have not done well during this year, have loaded the FIP in next financial year like PNB. For branch expansion plan, banks are advised to identify suitable centres for opening of 300 branches in the next financial year. For covering 5000 more villages between population below 2000 and above 1000, SLBC has received list of 1200 such villages from LDMs. He requested all state level heads of banks to ensure submission of list of such nearby/ adjoining villages by their lead district managers after convening special DLCC meeting ratifying the same in the meeting so that these villages may be included in FIP.

DGM, RBI requested for holding sub committee meeting regularly on monthly basis since not a single meeting was held for 3 sub committees on Agriculture, Industries and service sector, the Convenor of these meetings should hold the same at the earliest. Meeting should be convened well in

time and minutes should be sent to SLBC so that the minutes of sub committee should be placed in the SLBC for meaningful discussion.

It was resolved that -

- **Convenor of the Sub committee should hold the meeting regularly on monthly basis.**

3.5 Sub-committee on action plan for financial literacy

Minutes of sub committee held on 20.03.11 were adopted by forum.

3.6 Sub-committee on improving recovery system

SLBC forum adopted the minutes held on 22.03.2011

3.7 Sub-committee on promoting bank/SHG linkage to address the issues relating to provision of micro finance

Shri Akbar Ali, CGM, NABARD said that in the meeting of sub committee major points discussed were fixation of target under SHGs and JLGs. Emphasis was given on covering uncovered farmers under KCC and weaker section, share croppers, marginal farmers etc., farming on leased land or having less land holding be covered under joint liability mechanism so that they will be liable collectively for loan and KCC may be made available to them. This was deliberated in detail in sub committee meeting and target were fixed to all Commercial Banks, RRBs and Co-operative banks. SHG target were fixed as Commercial Bank and RRBs 10 SHG per branch, Cooperative Bank 5 per branch total target 46850 SHGs during 2011-12.

For JLGs targets Co-operative banks 2 per branch and RRBs and Commercial Banks 5 per branch totaling 23009 JLGs fixed for 2011-12.

AGENDA ITEM NO. 4 : REVIEW OF ANNUAL CREDIT PLAN OF MADHYA PRADESH

Reviewing the progress made under ACP, Mrs. Chawla, DGM, RBI observed that performance of some of the banks under Agriculture sector was very poor like Andhra Bank (0), Indian Overseas Bank(2), Punjab National Bank(11%), and union Bank (7%), Axis Bank(11) Federal Bank (3%) Indus Ind Bank. Target under

agriculture sector was not given to 5 banks of State Bank group namely State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiyala and State Bank of Bikaner and Jaipur and 5 private sector banks namely Laxmi Vilas Bank, The J&K Bank, Karur Vysya Bank, Kotak Mahindra and YES Bank respectively while the progress of Corporation Bank is on very higher side (2287%). Representative of Corporation Bank explained that the disbursement was made to MP Civil Supplies Corporation is included in this head.

For increasing the CD ratio of the state and also to enhance the Agriculture Credit in the State, it was decided that the Agriculture target should be more than the PLP for 2011-12 which was pegged at Rs. 22866 Crores. After deliberations it was decided that the agriculture target under ACP 2011-12 be fixed at Rs. 26000 crores, which is 20% over agriculture target of 2010-11 and 14% above the PLP 2011-12.

It was resolved that -

- **SLBC will make bifurcation of the target and will send to all Lead District Managers**

AGENDA ITEM NO. 5: PERFORMANCE OF BANKING SECTOR IN MADHYA PRADESH AT A GLANCE

5.1 Branch Expansion

The total number of branches operating in the State is 5460 as on 31st Dec 2010. There is a net increase of 113 bank branches and 358 ATMs over March-10. Number of ATMs in Madhya Pradesh as on Dec-2010 is 2673.

5.2 Deposit Growth

During the period under review, the aggregate deposits of the banks in Madhya Pradesh increased by Rs. 9.485 crores from Rs. 1.30.267 crores as at March 10 to Rs. 1,39,752 up to Dec. 2010, thus recording a growth of 7.28% only.

5.3 Credit Expansion

The gross credit in the State increased by Rs. 4,225 crores, from Rs. 79,259 crores as at March 2010 to Rs. 83,484 crores as of Dec. 2010, thus exhibiting a growth of 5.33 %.

5.4 Credit Deposit Ratio

Principal Secretary, Finance mentioned that CD ratio of some of the banks like Andhra Bank (29%), Indian Bank (27%), Vijaya Bank (29%), The J&K Bank (14%), The South Indian Bank (16%) is very low as compared to State Level Ratio. Chairman Shri Sridhar advised the banks to improve the CD ratio during next quarter and financial year and also be prepared to explain the reason for low CD ratio. The matter should be discussed in detail in DLCC meeting also.

The CD ratio of 8 tribal districts should also be 40% as discussed in RBI Governor's meeting by March 2012.

5.5 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh increased by Rs 1347 crores.

5.6 Agriculture Advances

Shri Sridhar said that the progress is very low. Principal Secretary (Finance) desired to make more publicity for interest subvention scheme.

5.7 Micro, Small & Medium Enterprises (MSME Advances)

The advances to MSME sector during the period under review has witnessed increase by Rs 1302 crores, from Rs. 9826 crores as at March 10 to Rs 11128 crores as at Dec. 2010, thus showing a growth of 13.25%.

5.8 Advances to Weaker Sections

During the period under review the advances to weaker sections increased by Rs 362 crores from Rs. 11216 crores as at March 2010 to Rs 11578 crores as at Dec. 2010, thus showing a growth of 3.23%.

5.9 DRI Advances

The growth under DRI advances was good but the base was small.

5.10 Achievement in respect of Salient Parameters vis-à-vis National Goals

The ratio of Priority Sector Advances to total advances, as at Dec. 2010, stands at 63 % as against National Goal of 40%. The share of agricultural advances to total advances, as at Dec. 2010, is 37 % against the stipulated level of 18%. The advances to weaker sections constitute 14 % of the total advances as against the stipulated level of 10%. Classification of Weaker Sections should be reviewed strictly by member banks in conformity with directives of RBI issued on this subject. The CD Ratio in rural & semi urban area is above the National Goal by recording a level of 63 % as at Dec. 2010. There is no variation in DRI advances, which is much below National Goal.

5.11 NPA Position

Principal Secretary, Industries suggested that breakup of NPA position under PMEGP and PMRY should be given separately so as to reflect actual position under each head.

NPA under SJSRY, Antyavyasai and SGSY (group) was much higher at 30% and 23% respectively as compared to other schemes.

It was resolved that -

- **breakup of NPA position under PMEGP and PMRY should be given separately.**

5.12 Year Wise Position of Written off Accounts - Discussed and noted.

5.13 Implementation of MP Public Money Recovery Act /BRISC Scheme

Total amount of RRCs pending for recovery was Rs. 2095 crores. Since new technique has now been started, banks should adopt the same.

Shri Vyas, Director, DIF informed that 25000 RRCs have been submitted on-line by the banks.

Chairman requested DIF to ensure quick disposal of RRCs as only 20% RRCs are issued by district administration. The acceptance is also low. On the enquiry made by Bank of Maharashtra, regarding last date for on-line submission of RRC which were already submitted in physical form, Shri Vyas Director, clarified that it is an on-line process and as such there is no last date.

It was resolved that

- **RRCs will be submitted on-line by the banks**

AGENDA ITEM NO. 6: PERFORMANCE / PROGRESS OF BANKING SECTOR UNDER VARIOUS GOVERNMENT SPONSORED PROGRAMMES

6.1 Prime Minister's Employment Generation Programme (PMEGP) F.Y. 2010-11

Chairman mentioned that lot of cases are lying pending with banks. Banks should expedite the same.

Ms Kanchan Jain MD KVIC said that 50% cases are sanctioned and disbursed. The main problem lies with the disposal of cases by banks in the last quarter of the year while government is giving budget on quarterly basis. So she requested banks to allocate the target to branches on quarterly basis.

Chairman welcomed the suggestions given by Ms Jain.

Ms Shikha Dubey, MD, KVIC mentioned that KVIC has submitted branch-wise list of cases submitted to all the coordinators and requested for quick disposal, sanction as well as disbursement as subsidy is released only when disbursement is made before 31.03.2011. Sufficient number of cases are pending with banks. Margin money is already kept with the nodal bank branch and is adjusted from the account. Last year, targets were not

achieved and if this year also same thing happens then allocation will be disturbed.

It was resolved that -

- **banks will allocate the target to branches on quarterly basis**

6.2 Performance under SGSY

Percentage of achievement was 66% of target up to December 2011

6.3 Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

The progress was not good in terms of financial target though in physical term, it was satisfactory.

6.4 Antyavaasayee Kapildhara and Swarojgar Yojana

Ms Salina Singh, Director, MPSEDC informed that the sanction under Antyavaasayee & Kapildhara scheme is low as compared to submission. She requested all banks to expedite the cases during this financial year as the left out targets are very high and cases belong to weaker section only.

Chairman, Central Bank of India supporting the views of Ms Singh said that this year targets has also been increased for weaker section from 10% to 15% as such, banks should pay more attention to cases of weaker section.

It was resolved that -

- **All banks will expedite the Kapildhara and Swarojgar Yojana cases during this financial year.**

AGENDA ITEM NO.7: PERFORMANCE/ PROGRESS OF BANKING SECTOR UNDER VARIOUS SPECIAL FOCUS PROGRAMMES OF NABARD/STATE GOVERNMENT/GOVERNMENT OF INDIA

7.1 Self Help Groups (Under NABARD Scheme)

Shri Akbarali, CGM, NABARD informed that banks achieved 18000 against the target of 45000. Banks have to improve this further.

Smt. Shikha Dubey, MD, Mahila Vitta & Vikas Nigam said that progress is poor in SHG linkage in Tejaswani programme also. Repeated requests are made through this forum for playing proactive role by banks. Banks should pay more attention in 6 districts namely Balaghat, Mandla, Dindori, Tikamgarh, Chhatarpur and Panna to achieve target. In Dindori, Balaghat and Mandla linkage is only 15% while in Tikamgarh, Chhatarpur and Panna only 13% where SHGs are mature enough and bank linkage is poor. She requested for banks support to achieve target of SHGs in state and to issue specific instructions to branches.

258 JLGs have been linked so far. Chairman said that banks should accelerate formation and linkages of JLGs in terms of helping banks to expand their credit flow. NABARD is also providing financial support.

It was resolved that -

- **Banks should ensure achievement of target of SHGs in state and issue specific instructions to branches**

7.2 Housing Finance

- (a) **Direct Housing Finance** - Banks performance was good.
- (b) **Golden Jubilee Rural Housing Finance Scheme** - Under the scheme, disbursement was quite low which is to be addressed by the Banks.
- (c) **Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)** - Already discussed in Action Point 2.8
- (d) **Rural Housing Mission**
Shri Parasuram, ACS said that after entering into MOU with Central Bank of India, has launched the scheme in Hoshangabad. Till date, bank has sanctioned 1483 cases and disbursed 276 cases. Other banks can also join the scheme. Two banks namely State Bank of India and Bank of India are also going to sign the MOU.

(e) Reverse Mortgage Loan (RML) Scheme - Already discussed in Action Point 2.7

7.3 Financial assistance to Minority Communities (State)

Shri Jaideep Govind, Principal Secretary, MPOBC and Minority Welfare said that financial assistance to minority community is one of the point in PMs 15 point programme and was happy to note that the same is discussed in SLBC. He suggested that disbursement be increased to minority community. Jains are not part of minority community as per Government of India guidelines. All banks should take part in boosting the credit to the minority community.

He further informed that clarification for giving certificate to Jains for KVIC margin money was referred to Ministry of Minority community, Govt. of India. Certification is a lengthy process. Smt. Dubey, MD, KVIB clarified that Jain community if treated as minority community will get subsidy of 35% while general get 25% subsidy and KVIB do not have any mechanism for issuing certificate to Jain community.

7.4 Data on Minority Communities in identified district i.e., Bhopal - Discussed

7.5 Financial Assistance to Schedule Castes /Schedule Tribes

An amount of Rs. 2246 crore is balance outstanding in 612847 accounts for Schedule Cast and Rs. 1451 crores in 387673 accounts for Schedule Tribes. It is observed that NPA is very high in both the categories.

7.6 Swarojgar Credit Card (SCC), 7.7 Artisan Credit Cards & 7.8 General Credit Card (GCC) Scheme

Progress is not picking up and it appears that beneficiaries are covered in other schemes.

7.9 Education Loans

Principal Secretary, Finance observed that the progress is decreasing every year and requested that bank-wise target should be given in DLCC meeting at district level. DIF has also made publicity campaign for education loan. This year only 3 cases have been sanctioned under Government loan guarantee scheme. Shri Vaish, Chief Secretary expressed concern over the progress as the scheme is not picking up though the NPA is less. The same was also discussed in RBI Governor's meet.

Chairman, Central Bank of India said that experience of south is bad in financing education loan below Rs. 4 lacs and NPA are rising. In MP since educational institutions are rising more publicity be given for this segment. Shri Vyas, Director DIF said that a physical target of 60000 is fixed for MP State but the awareness regarding scheme is poor.

Chairman said since education session is starting, Banks should come forward.

7.10 Advances to Women beneficiaries

Ms. Shikha Dubey, Managing Director, Mahila Vitta Vikas Nigam said that the target for women beneficiaries to total advances is only 5% and it should be raised to 15%. Even in education loan, sanction should be accorded more to girl students.

She informed that a target of Rs. 37 crores is kept in state credit plan for Tejaswini programme. During this year a little support is received from banks.

7.11 Progress under National Horticulture Mission

NHB, Bhopal has given one more chance for submitting subsidy claim by banks. Chief Secretary said that this year horticulture sector will pick up during 2011-12 because more focus is given to horticulture.

मद सं.- 8 राजभाषा नीति का कार्यान्वयन
सभा द्वारा समीक्षा की गई

PART II : THEME BASED AGENDA ITEM

Shri Avani Vaish, Chief Secretary released the State Credit Plan 2011-12 prepared by DIF for Government sponsored schemes.

PART III - AGENDA ITEMS PROPOSED BY-

A. GOVERNMENT OF M.P.

1. **Loans to Forest Dwellers** - Shri Mondal, Convenor informed that SLBC has agreed to drop this agenda as scheme is not feasible.
1. **Loans to De-notified Nomadic Tribes (DNTs)** - Shri Ahirwar informed that this scheme was started in 2010-11 and there is no progress during this year but in 2011-12 progress will be there as some districts have raised demand. Previously government was disbursing the fund but now department has requested banks to come forward to take part in the scheme. SLBC has adopted the same.
3. **Bank linkage SHG's formed under Tejaswini Programme** - Already discussed.
4. **Relief measures in areas affected by natural calamities** - DIF as well as convener has issued instructions to all the Banks and banks are following the same.

B. RESERVE BANK OF INDIA

SPECIAL AGENDA

POINTS EMERGED OUT OF RBI GOVERNOR'S MEETING WITH CHIEF SECRETARY - M.P. GOVERNMENT AND BANK EXECUTIVES

1. **Low CD Ratio in Tribal Districts of the State** - Smt. Chawla reiterated that some serious efforts should be made to increase the CD ratio in 8 tribal districts. ACP prepared for 2011-12 should be such the CD ratio works out to 40%. Special monitoring will also be done in DLCC as well as by State Level Heads of lead districts.
2. **Rationalization of procedure for lodging of FIR in respect of fake Indian Currency notes** - Mrs. Chawla informed that the circular under reference is issued prior to the Governor meeting. Letters issued after the date of meeting should be circulated to all. Shri Vaish, Chief Secretary instructed DIF to put the latest circular on website.

It was resolved that -

- ACP prepared for 2011-12 should be such that the CD ratio works out to 40%.
- Special monitoring will be done in DLCC as well as by State Level Heads of lead districts.
- DIF to put the latest circular on website Rationalization of procedure for lodging of FIR in respect of fake Indian Currency notes.

C. NABARD

1. **Centrally Sponsored Dairy Entrepreneurship Development Scheme (DEDS) of Department of Animal Husbandry, Dairying & Fisheries (DAHD&F)** - The scheme should be brought to the notice of the branches for picking up the progress.
2. **RIDF** - During current year, NABARD has sanctioned 264 projects involving financial assistance of Rs. 1115 Crores.

3. Formation of Farmers' Clubs - Shri Akbarali, CGM, NABARD said that formation of farmers' club is in the interest of banks. This year's target is 2200 club. Banks should have target of 1 club per branch per year for 2011-12.

D. BANKS

Swapping of village allotted under FIP - Referring to the discussions and recommendations of meeting of sub-committee of SLBC on Financial Assistance, Shri Mondal, Convenor, informed that swapping of villages as requested by 3 banks namely Vijaya Bank, Dena Bank and IDBI Bank were not accepted by the committee. These Banks may tag these villages with the villages having population more than 1000 and below 2000 and it will become easy for them to find BC and will become feasible.

It was resolved that -

- **Banks will tag these villages with the villages having population more than 1000 and below 2000.**

OTHER IMPORTANT DISCUSSION

Smt. Chawla, Dy. General Manager, RBI said that Financial Inclusion plan for 2011-12 be submitted before 15.04.2011 without changing the number of villages allotted earlier.

Smt. Chawla, DGM, RBI made it more clear that calendar prepared by SLBC for conducting SLBC meeting should be strictly adhered to. As per Thorat Committee Recommendation, SLBC cell should be strengthened for data analysis and other work.

Advances with RIDF should be taken into account while calculating CD ratio at the State level.

On behalf of Regional Director Smt. Chawla informed that Regional Director Shri Rajesh Verma has been transferred to Mumbai and he has conveyed his best wishes and thanks to the House.

Chief Secretary said that money released by State Government to natural calamity effected farmers could not be drawn due to annual closing. So

instructions should be issued to the branches to release the money to poor farmers.

Since wheat procurement has started and farmers need to bring Rin Pustika before their wheat is procured but in number of cases bank branches withheld the Rin Pustika. Collectors have been asked to take the matter seriously in such cases where farmers are not able to come to mandi due to non-availability of Rin Pustika. As such banks must issue instructions to their branches.

Shri Sridhar, on behalf of SLBC placed on record the contribution of Regional Director of Reserve Bank of India for his deliberation and guidance to the house.

OTHER ISSUES WITH THE PERMISSION OF CHAIR

The Vote of thanks was presented by Shri Mondal Convenor SLBC and General Manager, Central Bank of India.
