

Minutes of the 153rd Meeting of State Level Bankers' Committee held on

22.01.2014

The 153rd meeting of the State Level Bankers' Committee (SLBC) in the State of Madhya Pradesh was held on 22nd January, 2014, in the Conference Hall of Central Bank of India, Zonal Office, Bhopal.

The meeting was co-chaired by Shri. Anthony De' Sa, Chief Secretary, Govt. of Madhya Pradesh, along with Shri. Rajeev Rishi, Chairman and Managing Director, Central Bank of India. Other dignitaries present in the meeting were Shri. P.K. Dash, Addl. Chief Secretary, Industries and Employment, Shri. M.M. Upadhyaya, Agriculture Production Commissioner & Addl. Chief Secretary, Smt. Aruna Sharma, Addl. Chief Secretary, Panchayat and Rural development & Social Justice, Shri. Ashish Upadhyaya, OSD & Commissioner, Institutional Finance, Shri. Sanjay Shukla, Commissioner UADD, Smt. Alka Upadhyaya, C.E.O., Madhya Pradesh Rural Road and Housing Development Agency, Dr. Shashank Saksena, Director, Deptt. of Financial Services, Govt. of India, Shri. P.R. Ravi mohan, Regional Director, Reserve Bank of India, Bhopal, Dr. Rajender Kulkarni, Chief General Manager, National Bank for Agriculture and Rural Development, senior State Govt. officials of various Departments, State Heads of various Banks etc.

Shri. K.C. Nayak, Dy. General Manager, Central Bank of India welcomed all the dignitaries on behalf of State Level Bankers' Committee and requested Shri. Rajeev Rishi, CMD, Central Bank of India to deliver his keynote address to the House.

Shri. Rajeev Rishi expressed his pleasure at being able to participate in the meeting with the banking fraternity and representative from Govt. of India, and representatives from Govt. of Madhya Pradesh along with all other participants present in the House.

Expressing his confidence for the support of all stake holders in furtherance and improvement in the dimensions of the growth of the State. He then briefly dwelt upon the various latest developments in the Indian Economy, Banking Industry and performance of the banks in the State for the last 9(nine) months of the financial year.

The GDP of the country remained below 5 % in the quarter. The Industrial Output experienced the steepest decline in the last 6 months. Activity in the Services Sector was also subdued. Indian Banking scenario continued to face challenges, and there were tough times ahead. He touched upon the RBI discussion paper published, revealing the high NPA and the low recovery portfolio of Banks. Financing to Self Help Groups also showed high NPA , which was in the domain of the NABARD, and required the attention of banks.

As regards economy of Madhya Pradesh, he congratulated the banks for taking the CD ratio to a 65% level, and with addition of the Infra Structure Rural Development Fund(RIDF) CD ratio of the State had attained 66.88%. Still there were districts where CD ratio was below 40%, and that was where the banks needed to bestow their individual attention. The State was one of the 10 leading States for the highest registration in the MSME sector. A high employment rate was also thereby expected with financial support of the banks. The Agriculture sector, with 71% achievement of the Annual Credit Plan, contributed to the performance of the ACP in the State. However, identification and issuance of Kisan Credit Cards to eligible farmers was one of the challenges faced by the State.

He exhorted bankers to stress upon the following areas to furtherance of achievements in the State in the coming two months:

Increasing Bank finance to SC/ST population of the state through entrepreneurship development by RSETIs

Promoting and financing agro based/ Food processing industries.

Formation of more and more Self Help Groups, and more particularly women Self Help Groups and credit linkage to them.

Achieving major milestone by extending loans under Chief Minister Rural Housing Mission.

Inadequate growth in MSE sector.

Complete Coverage of sub-service area under financial inclusion

Strengthening recovery system in the state.

Shri. Rajeev Rishi, requested all stake holders to take the challenges and ensure better results by the end of the financial year.

Taking the meeting further, Shri.K.C. Nayak, invited Shri. Anthony De'Sa, Chief Secretary, Govt.of Madhya Pradesh to address the House. Shri. Anthony De'Sa, thanked the Bank dignitaries for the warm welcome extended to him. He expressed his disappointment with the progress under various Govt. Sponsored Schemes, (particularly employment generating schemes) made by banks against targets as on date. Much desired to be done in this direction. The low disbursements in sanctioned cases under various programmes was baffling. He conveyed the concerns expressed by Hon'ble Chief Minister of State with respect to slow progress in Self Employment Schemes.

He also informed that during the next 10 days the Honorable Chief Minister of the State will be calling one to one meeting with all the major Bank Heads in the State. Merger of many schemes with similar format is in the pipeline, but may take some time. He expressed his concern on Housing and Education Loan portfolio of the banks. Financial Inclusion fared slightly better, and Kissan Credit Card had recorded good growth. Digitalisation of the Khasra Maps was also in the pipeline and soon the results will be seen. As regards Aadhar, registration had crossed the 5 Crore number. However, seeding the Aadhar to accounts will complete the picture/loop.

Minutes of the 152nd Meeting of SLBC were confirmed and adopted as no observations were received on minutes circulated on 25th September, 2014 by Covenor Bank.

As per the decision of the Round Table Conference, held on 07/06/2013, and subsequent SLBC meetings, bankers had agreed to identify 10 cases by each branch under Mukhya Mantri Yuva Swarozgar Yojna and give them to the sponsoring agency, but this had not happened. The time was critical and appropriate action was required to be taken in the time on hand.. He emphasized on the participation of the Regional Rural Banks And Cooperative Banks also in this scheme.

It was decided that the Govt. Departments will provide branch wise list of pending applications with respect to all Govt. Sponsored Schemes to respective bank State Heads for follow-up and disposal of applications.

Shri. P.R. Ravimohan, Regional Director, Reserve Bank of India was invited to address the House and give his observations. Shri. Ravimohan in his address emphasized upon banks to go ahead with the Branch Opening Programme. Many of the licences for Regional Rural Banks were also cleared for branch opening. Transactions in the accounts under Financial Inclusion were still low. He requested to route all public benefits through e-transactions. He requested all banks to sensitize their branches for active participation in account opening. Instructions from Head Offices may be initiated on this score. He also emphasized for taking proactive steps by banks for taking desired action in all spheres of banking activity.

Shri. P.K.Dash, additional Chief Secretary, Industries and Employment requested all banks to push the paddle on MSME finance. He informed the banks about the decision taken by the administration for holding credit camps at Block-Level from 1st of February to 15th February, 2014. All field level functionaries of the banks may be appropriately advised in this direction. He repeated the issue of pending sanctioned applications under Mukhya Mantri Yuva Swarozgar Yojna. Banks were urged to disburse the cases by 28th February, 2014. Shri. De'Sa requested banks to target cases, whose requirement of loans was in the bracket of 100000/- to 2500000.

Under PMEGP the progress was low. Shri.Umesh Kumar Singh, FGM, Central Bank of India clarified that the major factor attributing to this was due to DLTF meetings not happening till June 2013 and late initiation of the e-tracking system. Now the scheme had gained momentum.

Smt. Shikha Dubey, Principal Secretary, Cottage and Village Industries, urged banks to dispose off pending cases under various programmes, e.g. Weavers' Credit Card , Matikala, etc. She also informed the House that at many places Banks were demanding collateral for small quantum of loan. A major issue was also non submission of claims by banks. Shri. Rajeev Rishi requested banks to reiterate RBI guidelines to branches for collateral free loans up to Rs.10Lacs in MSME.

Many of the banks informed about sanction and disbursement under weavers' Credit Card, but did not get reflected in the information table given by the Deptt. Shri. RaviMohan said that in the Town Hall programmes held in Maheshwar, no representative from the Deptt. was present, which would have facilitated taking up the matter with banks. Smt. Shikha Dubey assured for presence of the Jt. Director in future meetings.

Shri.P.K. Dash Addl. Chief Secretary, continuing with the Camp Mode financing for Govt. Sponsored Schemes from 1.02.2014 to 15.02.2014 informed the banks that the documentation and training part will be taken care of in the camp itself. For Loans up to Rs.50000/-unitcost , the training programme will be for 1 day only, and for loans above Rs.50,000/-unitcost , the training period will be for 5days. By28th February,2014, all cases are to be disbursed.

Progress of financing by banks under various programmes of the Swarn Jayanti Shahri Rozgar Yojna was reviewed by Shri. Sanjay Shukla, Commissioner, Urban Development Deptt. Banks were requested to come forward to serve the small segment. Shri.Umesh Kumar suggested that the assistance of the BC.s could be

deployed for this programme. Under Rajeev Rin Yojna which falls under the UADD, a target of 17000 in 23 districts of the State was formulated for the present financial year. Banks were requested to take note of the same and pass instructions to their branches.

Smt. Alka Upadhyaya, C.E.O., Madhya Pradesh Rural Road and Housing Development Agency, urged the banks for making disbursement in all sanctioned cases by the 5th of February, 2014. She observed that submission of EMI claims by banks was also on the back-foot. Problems with individual banks were taken up. Among others, State Bank of India, Punjab National Bank, Allahabad Bank, Union Bank of India and Madhyanchal Gramin Bank were advised to sort out their problems and to act proactively. She also pointed out that representative of these banks were not attending DLCC/BLBC meetings. Banks have assured to disburse sanctioned cases before 31st March, 2014 and submit their EMI claims in time.

Education loans sanction and disbursement vis-avis target was reviewed by the House and growth was found to be satisfactory.

Under National Rural Livelihood Mission, Smt. Aruna Sharma, Additional Chief Secretary, Panchayat and Rural Development directed banks to refrain from underfinancing. Issue was recommended for discussion in the Sub Committee of SLBC for SHG's.

Shri. Rajesh Rajoura, Principal Secretary, Agriculture mentioned the disparity of scale of financing, even in the same Agroclimatic Zone. NABARD was requested to resolve the issue in the meeting of the Technical Committee at district level. He also urged banks to finance cases under Custom Hiring Centres.

Recovery of bank dues through RRC's was taken up for review. In 70% cases RRC's were issued but recovery was not forthcoming. Shri. Umesh Kumar Singh requested banks to pursue the cases with Tehsildar of the revenue districts.

Under Branch Expansion Plan. Reserve Bank of India should take a call as many banks are not opening branches in unbanked areas. Shri. Ravi Mohan informed that it was difficult to identify premises in unbanked areas, and urged State Govt. authorities to pass suitable instructions to Village Panchayats to offer suitable premises to open branches.

Sub Service Area mapping was still pending with most of the Lead District Managers. Lead Banks needed to confirm updating of SSA mapping in GOI portal. Smt. Aruna Sharma also observed that transaction in accounts was going up remarkably, but if V-SAT connectivity is provided to USBs, transactions can go up in a big way. Shri. Rajeev Rishi requested banks to examine the matter individually. With respect to DBT and DBTL, Chief Secretary requested to put up the status of position of Aadhar seeding in the State, vis-à-vis Aadhar Nos. issued in the State.

At the end a brief presentation was given by Representative from Small Farmers AgriBusiness Consortium for the Equity Grant and Credit Guarantee Fund Scheme for Farmer Producer Companies launched by them.

The Chief Secretary said that it was decided to hold a Special SLBC meeting in the last week of February to review the progress in all Govt. Sponsored Programmes.

Shri. P.R. Ravi Mohan was felicitated by Shri. Rajeev Rishi, CMD, Central Bank of India, and Shri. De'Sa on his transfer to Mumbai.

Finally, Shri. Rajeev Gupta , Zonal Manager, Bank of India , Bhopal, proposed a vote of thanks and assured that banks will meet all targets and thanked Shri. Anthony De'Sa and Shri. Rajeev Rishi for giving the valuable guidance for taking the way forward. He also thanked Shri. P.R. Ravi Mohan,Regional Director, Reserve Bank of India, who is now under order of transfer to Mumbai, for supporting the banks and for being a great source of inspiration in Madhya Pradesh to all banks. All banks extended their best wishes to Shri. Ravi Mohan for his future assignments. Shri. K.C. Nayak thanked all participants for the meaningful deliberations in the meeting. The meeting came to an end.