

**MINUTES OF 160<sup>th</sup> & 161<sup>st</sup> MEETING OF STATE LEVEL BANKERS' COMMITTEE,  
MADHYA PRADESH  
HELD ON 11.08.2016 AT BHOPAL**

The 160<sup>th</sup> & 161<sup>st</sup> meetings of State Level Bankers' Committee, Madhya Pradesh, which were combined due to postponement of 160<sup>th</sup> meeting scheduled during the first quarter, was held on 11.08.2016 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the co-chairmanship of Shri Anthony de Sa, IAS, Chief Secretary to Govt. of Madhya Pradesh and Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India. Senior officials from the Govt. of Madhya Pradesh, Regional Director, RBI, Chief General Manager, NABARD, State level heads of commercial banks and officials from other related agencies also attended the meeting. A list of the participants is annexed hereto.

At the outset, Shri Ajay Vyas, Convenor, SLBC & Field General Manager, Central Bank of India welcomed all the participants. Thereafter, he requested Shri Rajeev Rishi, Central Bank of India to address the house.

*Address of Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India:*

Extending a warm welcome to all the participants, Shri Rajeev Rishi began his speech by conveying his compliments to the State Government for successful completion of the "Simhastha Parv" at Ujjain showcasing the capabilities of the government machinery in managing such a huge gathering of devotees for almost a month and for bagging the prestigious "Krishi Karman Award" for the 4<sup>th</sup> consecutive year which speaks abundantly about the progress made by the state in the field of agriculture.

Shri Rajeev Rishi also briefly dwelt on the macro-economic indicators of the Indian economy and major events of importance in his speech. He underlined the focus given by Government of India on development of agriculture, farmer welfare and rural infrastructure during the current year. Good rainfalls in most parts of the country are expected to give a fillip to farm production. Crop Insurance, Health Insurance and Employment Generation Schemes are expected to increase the disposable income in the hands of the rural population. 'Pradhan Mantri Awas Yojana' would enable a large urban population to own a home of their choice. Implementation of 7<sup>th</sup> Pay Commission recommendations for government employees and the thrust of Central Government for investment in infrastructure is expected to give a much needed fillip to the economy.

Referring to latest RBI data as of March, 2016, Shri Rishi stated that the growth in deposits and credit in the country was 8.64% and 9.29% respectively, on YOY basis. The data also revealed that the growth in semi-urban centres is much higher than other centres in both the parameters. He also referred to the strain on the balance sheets of many of the banks as a result of asset quality review exercise by RBI, leading to many large accounts being classified as NPA. Banks are making all possible efforts to wriggle out of this situation and reduce NPA in their books but the pain persists.

Commenting on the performance of banks in Madhya Pradesh during the relevant periods under review, Shri Rajeev Rishi stated as under:

- The deposits & credit grew by about 3.02% & 10.39% respectively YOY in FY 2015-16. While credit grew by about 2.67% in the first quarter over March 2016, deposits shrank by 4.38% during the same period.
- In deposits, urban centres recorded negative growth while rural & semi urban centres recorded growth of 1.9% & 21.87% respectively during FY 2015-16.
- In advances, rural, semi urban & urban centres recorded growth of 9.07%, 24.40% and 7.69% respectively during the same period.
- The consecutive drought in the past two years has severely affected capital accumulation in the rural centres. With the hope of good monsoon, we expect the trend to improve in the current year.

Shri Rajeev Rishi also recalled the visit of Dr. Raghuram G. Rajan, Governor, Reserve Bank of India to Bhopal on 28.04.2016 when he discussed various issues in rural banking and financial inclusion with Chairmen of Regional Rural Banks in M.P. Central Bank of India had also given certain suggestions from bankers' perspective.

The study visits of three Parliamentary Standing Committees, viz. (1) on Subordinate Legislation to Bhopal on 19.05.2016 (2) on Rural Development to Khajuraho and Bhopal on 16.06.2016 & 17.06.2016 and (3) on HRD to Bhopal on 02.07.2016 also found a mention in his address.

While referring to the Global Investment Summit (GIS) which the Government of M.P. plans to hold in the month of October, 2016, he hoped that bankers would avail the opportunity to fund the investment requirements arising from the summit in order to spur the growth in one of the fastest growing States of the country.

Commenting on the major agenda items, Shri Rajeev Rishi informed that the achievement of ACP in the FY 2015-16 was to the extent of 90% of the target as against the achievement index of 105% during the previous financial year. It was explained that a slowdown in the credit off-take in agriculture, under which only 78% of the target could be achieved, due to drought in the past two years was one of the reasons for the non-achievement of ACP target. He, however, added that the overall achievement of ACP (Priority Sector + Non-Priority Sector) was at 120% during FY 2015-16. He expressed the hope that overall improvement in economic environment would help the bankers in achieving the ACP targets during the current Financial Year.

The CD ratio of the State stood at 68.60% as of March, 2016 as compared to 64.02% in the previous year. The ratio further improved to 73.29% in June, 2016 quarter on the back of moderate disbursements and shrinkage of deposits in the first quarter.

Although credit achievement was marginally lower at 78% during the FY 2015-16, as compared to 89% achieved during the corresponding period last year, the total disbursement in FY 2015-16 was higher at Rs.52502 crores as against 49143 crores during the FY 2014-15. In the first quarter of the current fiscal, the achievement stood at 24%. While expecting higher disbursement in the current year through opportunities available in farm mechanization, agro-based industries, horticulture, fisheries etc., the need to increase funding under Investment Credit was underlined as it increases the income of the farmers in medium term. The State Government was requested to create befitting infrastructure and logistics to reduce input cost and improve realizations. It was hoped the introduction of Pradhan Mantri Fasal Bima Yojana will give increased comfort to the farmers at an affordable cost in these times of great uncertainty in climatic behavior.

MSE segment recorded a creditable 132% achievement during FY 2015-16 as against the achievement of 99% during the corresponding period last year. Continuing the trend, 45.39% of the target under ACP has already been achieved during the first quarter of the current F.Y. MUDRA Scheme, which contributed to high achievement index last FY, along with newly introduced Stand Up India scheme, is expected to form a significant part of this year's disbursement as well. Under Pradhan Mantri MUDRA Yojana, as many as 3.75 lac beneficiaries were given loans amounting to Rs.3476 crores during the FY 2015-16, thereby achieving 84% of the targeted amount. During the first quarter of the current fiscal, 1.10 lacs beneficiaries have been given loans worth Rs.1110 crores, which comes to about 20% of the full year target.

It was informed that 18729 students were given education loans, amounting to Rs.99 crores, during the last FY, which was 99% of the target set for 2015-16.

Under Chief Minister's Rural Housing Mission, as against the target of 2 lacs, banks disbursed 1.74 lac cases, achieving 87% of the target. A matter of concern is the reluctance shown by a large number of beneficiaries to repay their share of installments due to which slippages to NPA are happening after the moratorium period is over. This is a alarming trend and does not augur well for confidence of banks in state sponsored schemes.

Under PMJDY, Banks have opened 1.91 crore accounts, having a balance of about Rs.1729 crores as on 19.07.2016. However, the issue of Aadhar Seeding, accounts with zero balance, dormant accounts and Rupay Card activation is a matter of concern for the Banks. He expressed confidence that all the banks have accorded needed priority to these issues. Under the three social security schemes viz. PMJJBY, PMSBY and APY, around 91.35 lac persons have been covered in the State.

Referring to the stress in banking industry on account of disproportionate rise in NPA, Shri Rajeev Rishi requested the State Government to step up its support to the banks for recovery of dues. He also hoped that the recent amendments in SARFAESI Act, DRT Act and introduction of Insolvency Act will give some immediate relief to the banks.

Thereafter, Shri Anthony de Sa, Chief Secretary addressed the house.

*Address of Shri Anthony de Sa, Chief Secretary to Govt. of Madhya Pradesh:*

The Chief Secretary in his address stated that it was unfortunate that last SLBC meeting could not be held during the designated quarter but this was an exception than a rule. Madhya Pradesh is not only holding SLBC meetings regularly but there have been, in fact, more than 5-6 meetings in a year, including a couple of special SLBC meetings. Every effort will be made to hold meetings within designated quarters in future. The Hon'ble Chief Minister has himself expressed a desire to attend the next meeting when it would be an appropriate time for stock taking and course correction, wherever required. He thanked all the banks for successful implementation and achievement of targets under employment generation schemes, housing scheme and other State Government schemes which are extremely dear to the Hon'ble Chief Minister and among the top priorities of the State Government. He expressed the confidence that banks will be able to achieve the targets in the current financial year as well.

The Chief Secretary, however, expressed concern over non-achievement of target under Agriculture sector. Banks could achieve only 78% of the target under this sector. Madhya Pradesh is a leading State in Agriculture and it is extremely important to achieve the target. In the last four years, the State has more than doubled the value of agriculture output. Entire development of the State hinges on the high agriculture growth. The State has become a model for the rest of the country in this sector and to sustain the growth, financing to the sector should continue and targets should be achieved. Even in the first quarter of current financial year, the progress is less when compared to other sectors. He requested banks to give a serious thought to the issue and scale up finance to agriculture sector.

Although CD ratio has gone up marginally, the Chief Secretary observed that the ratio needs to go up further. He advised that district-wise data be made available, as tribal and backward districts require greater linkage in bank credit. It is observed that more deposits are flowing into banking system in backward areas without corresponding increase in credit segment. It is important to analyze the data district-wise and geographical-wise and to ensure that the credit disbursement does not get concentrated in urban and more developed areas.

Referring to Pradhan Mantri Fasal Bima Yojana (PMFBY), the Chief Secretary stated that the State has set an ambitious target for the current fiscal. The last date for deduction of premium is 16.08.2016. The Central Government is looking to Madhya Pradesh to emerge as a leader in this scheme. He advised banks to ensure remittance of premium to the insurance companies within the timeframe to avoid any issues later. He also cited the issue of 12000 farmers whose premium was deducted by State Bank of India but was not remitted to the insurance company resulting in rejection of their claims. He categorically stated that the bank should take the responsibility for non-remittance of premium and compensate the concerned farmers.

Under Chief Minister's Rural Housing Mission (CMRHM), which has been revamped to align with Prime Minister's Awas Yojana (PMAY), the target has been lowered from 200000 to 75000 for the current financial year. The combined target, however, remains higher than last year. He also asked banks to focus on the two important schemes of Government of India viz. MUDRA and Stand Up India and ensure achievement of targets.

Under Aadhar seeding, Madhya Pradesh is lagging behind other States in the country. Aadhar has been issued to almost 98.9% of the eligible people in the State and now the emphasis should be on speeding up of aadhar seeding. He noted that there has been certain improvement in the issue of RuPay cards but banks should simultaneously ensure activation of the cards.

On the issue of NPA of banks, the Chief Secretary stated that he is very conscious of the issue and assured full co-operation of the State administration to banks for realizing and reducing NPA as the Government also does not want loans to go bad. District Collectors have been again advised to help banks in enforcing SARFAESI Act and other cases. In the same vein, he also suggested that banks and their field functionaries should introspect on the reasons for increase in NPA and see whether any improvement is needed in the system such as in identifying process of borrower, need for hand holding and imparting of skills, rules of installments etc.

The Chief Secretary informed that Global Investor Summit to be held in October, 2016 is a major event of the Government of Madhya Pradesh. Previous Summits have resulted in huge investments in the last two years in the State. This would not have been possible without the assistance of banks not only in the State but even outside. He invited all banks to participate in good number at the GIS. Prior to the GIS, the State Government is also planning to hold a MSME Convention on 01.10.2016 in which he sought the participation of all Banks. Complete information will be made available by the State Government shortly.

Thereafter the agenda items were taken up for discussion:

***Item No.1 : Adoption of the minutes of the 158<sup>h</sup> SLBC meeting:***

The minutes already circulated to members were treated as confirmed.

***Item No.2 : Action Taken Report :***

Noted.

***Item No.3 : Key Banking Parameters of the State at a glance***

Noted.

***Item No. 4 : Review of Performance under Annual Credit Plan (ACP) FY 2015-16 & 2016-17 (June, 2016 quarter)***

The performance under ACP during the FY 2015-16 and in the first quarter of the current FY was reviewed.

In response to a query by Chief Secretary about the low progress achieved under Housing, Education and Social Infrastructure in June, 2016 quarter, it was explained that more progress will be visible by the close of first half year.

In response to another point raised by Principal Secretary (MSME) regarding the disbursement of Rs.7319 crores shown under MSME in June 2016 quarter, it was explained that besides loans

under Mukhya Mantri Swarojgar Yojana and MUDRA scheme, banks are also extending credit facilities beyond Rs.1 crore under regular schemes, which are included in the related data. The Principal Secretary (MSME) expressed happiness over the fact that banks are also extending loans beyond Rs.1 crore to MSME units.

CGM, NABARD pointed out that this year's planned outlay of Rs. 80989 crores under Agriculture envisages almost 54% increase over previous financial year's achievement of Rs. 52502 crores. If we analyze the data vis-a-vis State Budget, the share of Agriculture Credit comes to around 26% of GSDP, which is very less considering the fact that the State has been doing consistently well on agriculture front in the last 4-5 years. There is tremendous focus on Agriculture in the State and, therefore, the issue needs to be looked in to by all concerned. The State has about 100 Lac farmers and the coverage is about 78 Lacs. Therefore, we still have about 22 Lac farmers to be covered. He urged that non-loanee farmers should also be covered under PMFBY. Another area of concern is the reducing trend shown by agriculture term loan which has declined over the last three years. He requested that district level officials and LDMS should be instructed to significantly contribute to the growth of agriculture term loan in their respective districts as otherwise it will not pick up in the State. DDMs of NABARD will pro-actively involve themselves in this task. At the bankers' level, the internal monitoring mechanism needs to be strengthened as instructions going from the Controllers really matter a lot for the field functionaries. He also pointed out that the target fixed for MSME this year is less than the achievement of previous year.

The Chief Secretary advised that care should be taken to ensure that targets planned are more than previous year's achievements.

The Principal Secretary (Agriculture) informed that in a video conference held with all District Collectors recently, the issue of difference in scale of finance throughout the State was discussed. Many a time the scale of finance fixed is too low for the farmers & there is no parity among different districts. The Collectors have been instructed to convene DLCC meeting and finalize scale of finance for the current fiscal. Scale of finance should include actual cost incurred by farmers on inputs like seed, fertilizers, farm equipment etc. He also informed that organic farming is being taken up in a big way in the State and almost 35% of the organic products produced in the country is produced in Madhya Pradesh. Credit extended to such projects should be included in investment credit.

It was advised by Chief Secretary to suitably instruct all LDMS to ensure that while preparing ACP, the targets should be above previous year's achievement. He also advised that all concerned agencies should sit together and finalize a comprehensive plan to improve investment credit in the State.

The Annual Credit Plan for the FY 2016-17, with a total credit outlay of Rs. 113139 crores, comprising Rs. 109104 crores under Priority Sector and Rs. 4035 crores under Non-Priority Sector, was approved and released in the meeting.

***Item No. 5 : Credit Deposit Ratio:***

It was noted that CD ratio of the State has improved but the performance of low CD ratio districts continues to cause great concern. The Chief Secretary advised to involve local people in the exercise to improve the CD ratio in the concerned districts. Some special drive under Swarojgar Schemes, MUDRA and Stand Up India programmes needs to be undertaken in these districts. He asked that a special programme be chalked out for these districts.

Mrs. G. V. Rashmi, Director Handloom mentioned that the number of bank branches in the low CD ratio districts is very less which is also a causative factor for the low CD ratio.

Shri P.C. Meena, ACS & Agriculture Production Commissioner suggested that banks should consider extending loans to landless farmers like tenant farmers who form a sizeable chunk of farmers in the State. Majority of these farmers are forced to approach money lenders as they are not considered eligible for loan by institutional lenders at present.

The Chief Secretary stated that "Bataidar Adhinyam Bill" passed by Government of M.P. is a model Act and should be used to improve the situation. He suggested that a mini-SLBC meeting be convened to have a more focused approach on Agriculture lending and CD Ratio.

***Item No. 6 : Pradhan Mantri Fasal Bima Yojana (PMFBY):***

Shri Rajesh Rajora, Principal Secretary (Agriculture) underlined the importance of adherence to timelines. The premium should be remitted to the insurance company within 7 days of deduction for loanee farmers and within 15 days in case of non-loanee farmers. The premium deducted should be as per the scale of finance approved by DLCC. If the loan limit exceeds the scale of finance, then also premium deducted should be as per scale of finance. He added that if any claim gets rejected on account of delay in remittance of premium by bank branch, then the concerned bank will have to bear compensation to be paid to the affected farmer.

Shri Rajora informed that complaints are being received that bank branches are not accepting sowing certificate issued by Gram Panchayat members and requested banks to accept the same as such a certificate is in banks' own interest since it confirms sowing has actually been done by the farmer. The Chief Secretary also desired that banks must not insist only on Patwari's certificate.

The Principal Secretary (Agriculture) informed that the portal of land records wherein sown area is included is being updated. It was further informed that the pilot UPIS project currently underway in three districts will be extended to all the districts in the State. The coverage will be voluntary in nature and not mandatory.

The Chief Secretary desired that State Bank of India should solve the issue of 12000 farmers whose claims got rejected on account of non-remittance of deducted premium to the insurance company, as it is a very critical issue. Farmers should not be penalized for the mistake of banks.

It was decided to create more awareness amongst non-loanee farmers to take advantage of PMFBY.

**Item No. 7: Govt. Sponsored Schemes:**

- (i) Mukhya Mantri Yuva Udyami Yojana**
- (ii) Mukhya Mantri Swarojgar Yojana**
- (iii) Mukhya Mantri Arthik Kalyan Yojana**

Shri V.L. Kantha Rao, Principal Secretary (MSME) informed that in view of a large number of complaints being received, banks have agreed to share data on the CGTMSE cover being given to each borrower covered under the scheme. The Department has designed a certificate to be issued by financing bank branch to units covered under CGTMSE wherein CGTMSE reference number (CGPAN) will be incorporated. He requested banks to implement this procedure during the current year itself.

The Principal Secretary also referred to the announcement made by Hon'ble Chief Minister to achieve a target of 5 lac beneficiaries, which is inclusive of MUDRA Yojana and Stand up India programme beneficiaries, in the current year as against last year's achievement of 3.75 lac beneficiaries. By achieving the target of Rs.5000 crores disbursement under MUDRA Yojana apart from disbursements under State Government schemes and Stand up India programme, the banks will be able to achieve the combined target of 5 lac beneficiaries.

Under Stand up India programme, each bank branch should finance at least two units, one to a SC/ST beneficiary and another to a woman entrepreneur, making up a total of 10000 cases together. The Government has a lot of expectations under this scheme. The Principal Secretary suggested that State Government can help banks in identifying beneficiaries by sponsoring cases under both MUDRA Yojana and Stand up India Programme.

The Principal Secretary (MSME) also suggested that banks should have real time data on the loans sanctioned and disbursed which at present is lacking. If the banks can incorporate a column of State Government schemes in their CBS, real time data can be generated. Shri Ajay Vyas, Convenor & FGM, Central Bank of India explained that Central Bank of India is already having separate product codes for Govt. of M.P. schemes and related real time data is easily generated. He requested all member banks to similarly generate product codes for state government schemes. The Chief Secretary advised that this exercise should be completed before 30.09.2016.

The Additional Commissioner, UADD suggested that API sharing will generate real time data. Shri Ajay Vyas informed that SLBC is in the process of launching a revamped website and will try to incorporate the feature of sharing real time data.

Shri Kantha Rao informed that the State Government is organizing a MSME Convention on 01.10.2016 and about 15000 participants are expected to participate in it. He requested all banks to wholeheartedly participate in the event. He also offered to make available exhibition space to banks at the venue of the event.

Shri V.K. Tripathi, DGM & Nodal Officer, SLBC thanked Shri Kantha Rao for his support and pro-active co-operation to banks.

- (iv) PMEGP:**

The State Director, KVIC informed that the achievement level was 99.84% during the financial year 2015-16. Online application has become mandatory with effect from 01.07.2016. There is only one Nodal Bank for claiming subsidy now viz. Corporation Bank. DIC and District KVIB offices have been given Log-in Ids. Two workshops have been held by KVIC to disseminate information about the new procedure.

(v) *NULM:*

The Additional Commissioner, Urban Administration & Development Deptt. (UADD) informed that the progress so far is not satisfactory even though sufficient cases have been sponsored. The Chief Secretary also observed that the progress is low and needs to be improved. He also asked to look in to the issue of difficulty in bank linkage.

Shri V.K. Tripathi, Nodal Officer, SLBC requested all State level heads to expedite disbursement of sanctioned cases.

(vi) *National Rural Livelihood Mission (NRLM):*

Shri Belwal, Chief Executive Officer, MP State Rural Livelihood Mission stated that although target is fixed every year, the objective is to ensure that all eligible SHGs get required finance. It has picked up momentum and will improve further. There is some gap between sanctions and disbursements. He also disclosed that cases worth Rs.84 crores sanctioned during last financial year were returned subsequently in the current year.

The Chief Secretary was categorical in his observation that no sanctioned cases should be returned and all such loans should be disbursed. Such cases through sanctioned during the previous year could be carried over to the new financial year and disbursed to beneficiaries.

Mrs. G.V.Rashmi spoke about the issue of 'conditional sanctions' given by banks based on which subsidy is released by State Government but which are later returned by the branches citing some technical reasons. Such instances are giving rise to resentment among the people. Banks were requested to avoid such instances.

The issue pertaining to Indian Bank, Morena Branch, wherein 25 cases were sanctioned and subsidy released but later on these cases were returned after six months was also raised in the meeting. The representative of Indian Bank assured to look in to the matter and revert to the department with factual position.

Shri Rajeev Rishi, CMD, Central Bank of India observed that once cases are sanctioned, they cannot be returned. He asked Convenor, SLBC to issue a circular to all member banks in this regard.

Mrs. G.V.Rashmi also pointed out certain cases wherein accounts were closed by PNB, Burhanpur branch after getting subsidy from the government. Shri Rajeev Rishi requested Mrs. Rashmi to share the details of such cases with the State Head of the concerned bank to avoid recurrence of such cases in future.

Shri Belwal also pointed out serious problem with State Bank of India and Central Madhya Pradesh Gramin Bank (CMPGB) in the implementation of the scheme. Mrs. G.V.Rashmi mentioned about complaints about insistence for additional security by CMPGB branches.

Shri Rajeev Rishi directed General Manager, CMPGB, who was present in the meeting, to look in to the issue.

CGM, NABARD stated that no mortgage is involved in SHG financing and the procedure and format is simple.

Shri V.K. Tripathi, Nodal Officer, SLBC requested Shri Belwal to share the details of Rs.84 crores sanctioned cases which were returned by banks. Shri Ajay Vyas, Convenor suggested that such operational matters should be brought to the notice of the sub-committee and observation/finding of such committee to place to SLBC for logical conclusion.

***(vii) Chief Minister's Rural Housing Mission (CMRHM):***

Mrs. Neelam Shami Rao, CEO, MPRRDA informed that they are getting good support from banks. However, an area of concern is delay in completion of construction of units due to non-disbursement of installments. All pending installments should be disbursed immediately. On the issue of NPA, it was informed that about 20000 NPA accounts have been converted from NPA to PA and the government shall continue to support banks in this respect. Many of the NPA accounts have primarily slipped due to non-release of installments in time.

***(viii) Urban Housing for Poor***

The Additional Commissioner, UADD informed that sufficient cases have been forwarded to banks and requested them to ensure early sanction and disbursement of loans.

The Chief Secretary advised to expedite sanction and disbursement of loans to beneficiaries.

***(ix) Prime Minister's Awas Yojana***

The Additional Commissioner, UADD explained the salient features of the scheme and subsidy release mechanism.

Shri Vaibhav Ramteke (*representative of HUDCO*) suggested that in order to avoid duplication of beneficiaries under multiple schemes, all cases should be linked to Aadhar. He also suggested that copy of Demand Survey carried out by Urban Administration & Development Deptt. should be made available to banks. It can also be uploaded on website in addition to mobilization of cases by the department.

The Additional Commissioner, UADD agreed that Aadhar linking of beneficiaries is important.

***(x) Pradhan Mantri MUDRA Yojana***

The progress was reviewed. It was explained that the progress will improve in the coming quarters.

*(xi) Stand up India Programme*

The progress was reviewed. It was explained that the progress will improve in the coming quarters. The Chief Secretary advised that break-up of women beneficiaries (SC/ST and non-SC/ST) should be made available.

*(xii) PMJDY*

The position was noted.

*(xiii) Social Security Schemes (PMJJBY/PMSBY/APY)*

The Chief Secretary advised that there should not be any need for the beneficiaries to go to bank branches for renewal of insurance. Renewal should be automatic unless specifically asked otherwise by the beneficiary.

*Item No. 8: Connectivity problems in the Sub Service Areas (SSA):*

It was disclosed that some banks are yet to submit proposals for Solar Powered V-SATs to NABARD. Such banks were advised to submit their proposals, if any, to NABARD within the current month itself as the matter is already delayed.

CGM, NABARD informed that they have already sanctioned more than Rs.17.31 crores to banks for V-SAT installation and banks should make use of the grant and install V-SATs at the earliest.

*Item No. 9: Roadmap for opening Brick & Mortar Branch in villages with 5000 or more population without branch of a scheduled commercial bank:*

The Regional Director, RBI stated that although 47 centres have been identified and allotted to different banks, the worrying factor has been that none of the banks has given proposal that such branches would be opened by March, 2017. He advised that banks should not wait till the last quarter and should complete opening of branches at the identified centres by October, 2017.

CGM, SBI informed that out of the centres allotted to their bank, at one centre viz. Sangakheda kalan, Axis Bank has already opened a branch. At another centre, viz. Khora, the catchment area is very limited and a branch of RRB is already functioning at the nearby centre which is about 8 kms from the said centre. As such, he requested that both the centres be dropped from the list of centres allotted to SBI.

During the discussions, the Chief Secretary disclosed that the Hon'ble Chief Minister has already taken up the issue of lack of banking facilities at some places in the State with Govt. of India. The problem is more acute in low CD ratio districts. He further informed that due to

failure of banks to live up to the expectations in regard to timely payment of social security pension to beneficiaries through bank branches/BCAs, there is a groundswell of complaints from people. The State Government has, therefore, taken a decision to distribute the pension through Panchayats, initially in three districts viz. Anuppur, Shahdol and Umaria. He expressed the apprehension that distribution mechanism of benefits under other schemes such as MGNREGA will also have to be changed likewise if banks are not able to come up to the expectations of the State Government in which case banks will see huge outflow of funds from banking system. He advised banks to gear up their branches and BC system to avoid such an eventuality and also to open branches at identified centres.

The Chief Secretary desired that from next meeting onwards, the pendency position in regard to opening of the branches should be put up.

The representative of ICICI Bank Ltd. requested for government support in the form of Panchayat funds at branches opened in rural areas in order to make such branches viable. In response, Chief Secretary advised that in every Panchayat, if there is a bank branch, the account of the Panchayat should be opened with the bank branch serving the catchment area.

***Item No.10: Rural Self Employment Training Institutes***

The house was informed that Bank of India has closed their R-SETI at Bhopal, which was functioning from their own premises, due to rejection of their claim for grant by Ministry of Rural Development, Govt. of India on the basis of grant already provided to RUDSETI jointly sponsored by Canara Bank and Syndicate Bank which has been functioning at Bhopal since 2002. The land allotted to Bank of India by Govt. of M.P. has also been returned by the bank to the government.

The Chief Secretary desired that Bank of India should continue their R-SETI at Bhopal from their own premises. CMD, Central Bank of India concurred with the same. It was decided that SLBC will take up the matter with Govt. of India for which Bank of India was requested to submit a detailed communication.

***Item No. 11: Financial Literacy/FLCCs***

It was noted that full-fledged Counselors were not available at 5 FLCCs in the State, 4 belonging to Bank of India (viz. Barwani, Burhanpur, Sehore and Shajapur) and 1 belonging to Union Bank of India (viz. Singrauli).

Zonal Manager, Bank of India informed that they have already issued advertisement for the post at Sehore and assure to update SLBC on the other centres.

Field General Manager, Union Bank of India informed that they did not receive any application in response to the advertisement released by them for the post at Singrauli. They are trying their best to find a suitable person for the post.

Shri Ajay Vyas, Convenor advised that full-fledged Counselors should be available at all FLCCs by the next SLBC meeting.

***Item No. 12: Non-Performing Assets***

The Chief Secretary assured of State Government support in recovering banks' dues. He advised DIF to put up district-wise position of RRCs.

As regards cases pending under SARFAESI Act with district administration for physical possession of properties, the Chief Secretary assured that he will write to concerned District Collectors individually for early action in pending cases.

During discussion on NPAs shown against SHG, Shri Belwal, CEO, MPSRLM informed that those cases pertained to previous scheme which was not run through NRLM.

***Item No. 13: SHGs and JLGs***

CGM, NABARD requested that SHG linkages must be expedited. Only 3000 groups have been linked by banks. Bandhan Bank has informed that they have linked about 19000 groups. The target is 70000 groups. The issue was also deliberated in the Sub-Committee of SLBC. All the Banks should give specific instructions to branches to increase linkages. Further, 50000 JLGs have to be financed in the current year for which bank branches should be given suitable instructions. These groups are gravitating towards MFIs due to lack of interest shown by bank branches. NABARD is prepared to extend all support to carry out sensitization in the field. He also informed that in Indore district, e-Shakti programme is being implemented wherein all the SHGs are being brought to digitization mode. The Chief Secretary added that e-Shakti project is being implemented throughout the State. The objective is to spread digital literacy to rural women throughout India.

***Item No. 14 : Any other issue with the permission of Chair:***

***(1) Shifting of VYAPAM Branch of Oriental Bank of Commerce:***

The Zonal Manager, Oriental Bank of Commerce informed that Professional Examination Board is exerting excessive pressure on the bank to vacate its branch operating from their premises since long. The Board has cut off electricity and water lines to the branch to force its eviction. The Bank is already on the look-out for suitable premises to shift the branch and this fact has been informed to Board officials but still they are non-co-operative.

The Chief Secretary stated that the issue does not pertain to SLBC and needs to be taken up separately. He also added that the Bank was given sufficient notice period to vacate the premises.

***(2) Engagement of PDSs as BCs - Delay in commencing pilot project in Sagar and Vidisha districts :***

The Commissioner, Social Justice Department, Govt. of M.P. informed that the Government is not in a position to start the pilot project of engaging fair price shops as BCs in Sagar and Vidisha districts, as approved earlier, due to issues at concerned lead bank's level. In Sagar district, Central Bank of India, the Lead Bank is providing debit cards but has not yet been

able to provide POS machines. Similarly, State Bank of India, the Lead Bank in Vidisha district, has made available POS machines but is yet to provide debit cards. This is causing undue delay in commencing the pilot project. Both the Banks assured to sort out the issue at the earliest.

*Vote of thanks:*

The meeting ended with a vote of thanks to the Chair by Shri Vikas Kumar, Field General Manager, Allahabad Bank under whose guidance extensive deliberations took place in the meeting. While thanking all the participants, he hoped that more progress will be visible after the day's deliberations.

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