

# **MINUTES OF 164<sup>th</sup> /165<sup>th</sup> MEETING OF STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH HELD ON 18.09.2017 AT BHOPAL**

The 164<sup>th</sup> /165<sup>th</sup> meeting of State Level Bankers' Committee, Madhya Pradesh was held on 18.09.2017 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the Co-Chairmanship of Shri Basant Pratap Singh, Chief Secretary, Govt. of Madhya Pradesh and Shri Rajeev Rishi, Chairman & Managing Director, Central Bank of India.

**Shri Shivraj Singh Chouhan, Hon'ble Chief Minister of Madhya Pradesh attended the meeting as Chief Guest.**

Senior officials from the Govt. of Madhya Pradesh, General Manager- RBI, Chief General Manager-NABARD, State level heads of 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, Shri Rajeev Rishi, CMD, Central Bank of India addressed the house. Shri Rishi touched upon the latest scenario of the Indian economy and the schemes of the state government launched recently. He congratulated Govt. of M.P for taking following new initiatives for the betterment of various sections of the society.

- Bhawantar Bhugtan Yojana
- Mukhya Mantri Medhavi Vidyarthi Yojana
- MP Housing Guarantee Act etc.

Shri Shivraj Singh Chouhan, Hon'ble Chief Minister addressed the house. He mentioned that the Madhya Pradesh is now a fastest growing state in the country. State's growth rate and agricultural growth rate are the best examples set in the country. He mentioned that Bankers have significant contribution for bringing change in the State and the lives of the people. He highlighted on the following aspects:

### **Doubling farmers' income by 2022**

- (i) He mentioned that the Madhya Pradesh is a first state to prepare a roadmap to double the farmers' income by 2022. The government is not only focusing on the economic development of farmers but also taking concrete steps at grass root level for the development of farmers.
- (ii) He also mentioned that the governments' topmost priority is to make farming a profitable business. Only farm produce is not sufficient for doubling the farmers' income. To double farmers' income, work is being done on three levels. The first level includes reduction in production cost and to increase

productivity. The second level includes diversification into allied activities such as animal husbandry, poultry, horticulture, fisheries, agro forestry and sericulture products etc. The third level includes providing regulated mandis to ensure profitable returns to farmers for their produce.

- (iii) Citing reference of “Bhawantar Bhugtan Yojana”, it was mentioned that the scheme has a provision that the farmer realizes fair price for their produce. Such scheme has been launched in the country for the first time.
- (iv) He advised banks to extend loans to farmers not only for crops but for other allied activities like fisheries, poultry, goats, dairy, horticulture, poly house, green house and other businesses.

**Action: All Banks**

- (v) It was further mentioned that dairy is an important source of subsidiary income to small/marginal farmers. He advised concerned department of the state government to forward viable project to banks for its success.

**Action: Animal Husbandry Deptt.**

### **Govt. Sponsored Schemes**

- (i) Hon'ble Chief Minister congratulated banks for providing full cooperation and support to the flagship schemes viz. Mukhya Mantri Yuva Udyami Yojana, Mukhya Mantri Swarojgar Yojana and Mukhya Mantri Arthik Kalyan Yojana of the state govt. and achieving more than 100% targets during last fiscal year.
- (ii) It was also mentioned that despite achieving more than 100% targets by banks there are dissatisfaction amongst the beneficiaries. This is because of much more cases are being sponsored than the targets. He directed all implementing agencies of the above schemes to sponsor quality cases to banks equivalent or slightly more to the targets, so that there should be minimum rejection, otherwise, it gives the scope of corruption.

**Action: All concerned deptts. of the State Government**

- (iii) It was flagged that the banks are insisting/obtaining collateral security in some of the cases, whereas the scheme provides for CGTMSE cover under the scheme. Banks were advised to follow the guidelines of the scheme and to ensure providing collateral free loans. Banks stated that some borrowers consider the charge of security creation of land, machinery etc. for the project as collateral security instead of primary security. Hon'ble Chief Minister stated that implementing departments of the state government should educate the beneficiaries about the meaning of primary and collateral securities during sanctioning of loans.

**Action: All Banks & Concerned Depts. of State Govt.**

- (iv) It was mentioned that he has a dream to make the State's youths the entrepreneurs. Loans should be provided to talented unemployed youths for establishment of industries. He advised implementing agencies of aforesaid schemes to ensure sponsoring of the cases of new beneficiaries to develop “First Generation Entrepreneurs”.

**Action: All Banks&Concerned Depts. of State Govt.**

- (v) It was also mentioned that the self-employment conventions will be organized at districts and blocks level in the State from November 11 to 30 in current year. Bankers should ensure their active participation in these conventions.

**Action: All Banks**

- (vi) He further stated that “Custom Processing and Service Centre” scheme will be launched by the state government shortly to provide assistance to youths of farmers' families to establish unit in food processing sector. Subsidy will be provided to establish such center. He called upon Bankers to cooperate to implement this scheme in a true spirit and manner.

- (vii) It was stressed upon by him that there is a need to expand the benefits of subsidy to more farmers and advised concerned departments of the state government to work out an effective model of subsidy.

**Action: Concerned Dept. of the State Government**

- (viii) Hon'ble Chief Minister commended banks for supporting MUDRA loans. He called upon the banks and the state government officials to run campaign for regular repayment of loans and work with reciprocity. He mentioned that this scheme is a boon for handcart owners, vegetable sellers, hawkers etc.

- (ix) He advised Panchayat & Rural Development Department to revisit the “Chief Minister Rural Housing Mission’ scheme in the light of Pradhan mantri Awas Yojana.

**Action: Panchayat & Rural Development Deptt.**

### **Cashless transactions**

- (i) Hon'ble Chief Minister mentioned that the farmers should be provided with easy cashless transaction options. Payment should be made to the farmers on time under this system to make Cashless system more & more effective.
- (ii) He urged upon the bankers and the state government officials to work together for popularizing BHIM app.

### **Financial Inclusion**

- (i) It was mentioned that such arrangements should be made that pension payment to poor beneficiaries and MNREGA wages should be paid conveniently. He requested banks to make effective arrangement of business correspondents.

- (ii) Citing reference of “Kesla Badhari and Sukhtava” villages of Hoshangabad and Betul district respectively for model Self Help Group. He dwelled upon the need of women empowerment and to support them financially.
- (iii) It was stressed that there is a need to bring more people under the ambit of social security schemes.

### **Others**

- (i) Bundelkhand region of the State has been facing severe drought problems. He sought cooperation of banks to overcome the problems of recovery of loans in this region.
- (ii) He further mentioned that the banks should make arrangement for internal vigilance to improve transparency in credit delivery mechanism so as to weed out wrong doings.

### **Hon’ble Chief Minister released the “State Credit Plan” for the year 2017-18.**

Shri Basant Pratap Singh, Chief Secretary, Government of M.P. in his keynote address stated that there is harmonious relationship between government officials and bankers in the state, providing an ideal environment for accelerating economic growth of the state.

He mentioned that scheduled commercial banks need to increase their CD ratio. He stressed upon the need to increase finance to handloom weavers.

The following action points emerged out of the discussion of agenda items:

#### **1. Adoption of Minutes:**

The minutes of State Level Bankers’ Committee meeting held on 04.03.2017 was circulated to all members. SLBC had received a communication from M.P. Rural Development authority for modification in page 8, para (vi) of the minutes. Since no other request for amendment has been received, the house confirmed and adopted the minutes with the above amendment.

#### **2. Banking Developments in M.P.**

- a) The Chief Secretary stated that CD Ratio should be above 60% excluding cooperative banks and RRBs. However, it was 67.69% in the state for commercial banks as on June 30, 2017.
- b) Export Credit exhibited negative Y-O-Y growth during June 2017 quarter. Banks were advised to focus on this sector as state is large producer of oilseed.

**Action: All banks**

### 3. Performance of Banks vis-à-vis stipulated Norm of RBI

Performance of banks in the state under agriculture, priority sector, small & marginal farmers and weaker sections was above the Norm as on June 30, 2017. However, it was marginally lower for micro enterprises of MSME sector. Banks need to extend credit to this sector.

**Action: All Banks**

### 4. Drive from 25<sup>th</sup> September to 4<sup>th</sup> October 2017 by the State Government for financial inclusion, cashless transactions, MUDRA, Stand-up India loans and disposal of pending cases of SARFAESI under Section-14 and RRCs

a) Banks were requested to participate in this drive wholeheartedly and make it successful.

**Action: All Banks**

b) *Stand-up India loans*

- It was unanimously opined that lack of awareness about this scheme is the foremost factor for low progress of SC/ST categories. The proposals are not available on the portal suffice and demand is lacking. The Convener suggested to form a task force comprising members of lead banks, SIDBI and concerned officials from state government to study the reasons of low progress and to suggest the ways for improvement.

- The task force will especially focus on tribal dominated districts and submit its report before the next SLBC meeting (Before November 2017).

**Action: All Concerned Agencies**

- It was observed that handholding support is required to facilitate the borrowers under this scheme and therefore, the government need to appoint an agency for handholding support in each district.

- The house approved the target of 5000 number of cases for fiscal year 2017-18 allotted by SLBC to banks. The banks were advised to achieve the target of current fiscal.

**Action: All Banks**

c) *Disposal of pending RRCs*-the Chief Secretary stated that there is a meeting scheduled on 27<sup>th</sup> September 2017 of Revenue Officers. Disposal of pending RRCs is one of the agenda items of the meeting. Banks expected that after this deliberation, disposal of pending RRCs would be accelerated.

**Action: State Government**

d) *Disposal of pending cases under Sec-14 of SARFAESI Act & providing Police escort in time for physical possession of the properties*- As of June 30, 2017, there

were 168 cases pending with District administration under Sec-14 for physical possession of the properties. The State Government assured banks to expedite recovery proceedings.

**Action: State Government**

## **5. Doubling Farmers' income by 2022**

a) *Extending loans for long term capital formation in agriculture*-The Banks were appreciated by the state government to provide credit to agriculture sector in the state. The agriculture growth rate of the state in the last five years has been around 20% which is near the growth rate of agriculture credit by Banks. The growth rate of Banks' credit to agriculture sector was 28.17% as of June 30, 2017 y-o-y.

b) Banks were asked to extend loans to farmers for capital formation also.

**Action: All Banks**

c) Principal Secretary-Farmers Welfare & Agriculture development stated that NABARD has basket of schemes. Banks can finance under these schemes of NABARD for capital formation.

**Action: All Banks**

d) NABARD has prepared a model bankable schemes for horticulture viz. mango, guava, citrus, aonla and modern nursery to enable banks to explore possibilities for financing under these schemes.

e) *"Custom hiring & processing centre"*- The state govt. has targeted to set up around 1000 such units in the next three years. The banks were requested to support this scheme. SLBC adopted the new scheme and decided to implement in the state by all banks. All banks were also requested to participate wholeheartedly to implement this scheme.

**Action: All Banks**

f) Chief General Manager, NABARD stated that banks can work on the "National Mission on Micro Irrigation (NMMI)", which was introduced by Govt. of India Ministry of Agriculture to increase the area under improved methods of irrigation for agriculture growth. Under this scheme farmers are given financial assistance for the implementation of micro irrigation system in the field.

**Action: NABARD & All Banks**

g) CGM, NABARD requested lead banks that during block meeting of NABARD, meeting of "Block Level Bankers' Committee (BLBC)" may be convened so that their DDMs can interact with the banks.

**Action: All Lead Banks & LDMs**

## **6. Opening of "Banking Outlets" in villages having population more than 5000 and above**

The house approved the allotment of 32 remaining unbanked villages to the banks based on respective Sub Service Areas (SSAs) of the centres. Concerned banks were advised to open "Banking Outlets" latest by 31<sup>st</sup> December 2017. It was mentioned that RRBs are not granted by the RBI due to some reasons. After discussion, it was decided that the sponsor banks of the Central Madhya Pradesh Gramin Bank and Madhyanchal Gramin Bank should shoulder the responsibility of its own RRB and if RRBs are not in a position to open banking outlet then sponsor bank should open the banking outlets at those places.

**Action: SBI, BOI, BOB, Allahabad Bank, CMPGB, MGB & NJGB**

## 7. Progress under Govt. sponsored schemes

### a) *Mukhya Mantri Yuva Udyami Yojana & Mukhya Mantri Swarojgar Yojana.*

- Point no. (viii), (ix) & (x) of the speech of Hon'ble Chief Minister mentioned above.

**Action: Concerned Dept. of State Govt. & all Banks**

- Banks were advised to issue suitable instruction to their branches to comply with the provision of the schemes and not to demand collateral securities from beneficiaries.

**Action: All Banks**

### b) *Prime Minister Employment Generation Programme (PMEGP)*

- Progress noted by the house.

### c) *National Rural Livelihood Mission (NRLM)*

- Progress noted by the house.
- Hon'ble Chief Minister advised all banks to participate during conclave of women SHGs being organized by the state government shortly.
- It was suggested to focus on low CD ratio districts to flourish self-help groups.
- Banks were advised to dispose the cases of NRLM at the earliest on merit basis.

**Action: All Banks**

### d) *Pradhan Manti Awas Yojana-Urban*

- The scheme was discussed.
- NHB (National Housing Bank) was requested banks to appoint a nodal officer for improving the performance of scheme in the State.

**Action: All Banks**

*e) Education loan*

- Hon'ble Chief Minister mentioned that education loan is an important portfolio for the banks as well as for the students. Due to non-availability of the loan, State Government has introduced a scheme of Medhavi Vidyarthi Yojana. In the scheme, Government is reimbursing the amount of tuition fee and other expenses to some extent. But, there might be a demand from these students also because this is a reimbursement. All banks were advised to sanction education loan to the students eligible under the scheme and GoMP will reimburse the fee and expenses as per eligibility directly to the bank account of the borrower. But, meritorious students should not be deprived from the education for want of finances.
- It was further mentioned that the GoMP had launched a unique scheme of OTS for education loan in case of death or permanent disability of the borrower student. GoMP had settled a loan account under the scheme with Oriental Bank of Commerce, but bank had so far not released the security mortgaged with them. OBC was advised to ensure that the matter is accorded top priority to resolve in accordance with the provisions of the scheme. All banks were also advised to ensure implementation of this scheme in accordance with the provisions and advised to examine that if there are any pending cases, the same may be sent to GoMP for consideration.

## **8. Financial Inclusion**

The following issues were presented for discussion.

*a) Monitoring of Business Correspondents through GPS*

Banks were requested to submit the proposal to their corporate offices for installing GPS tracking system for business correspondents.

**Action: All Concerned Banks**

*b) Appointment of Bank Sakhi as business correspondent agents*

Banks were advised to issue an advisory to their Technical Service Providers (TSPs) to approach Bank Sakhi when engaging BCs in the vacant SSAs (if any).

**Action: All Concerned Banks**

*c) Banking Service in Weekly Haat Bazar*



The house opined that if the state government provides the list of such locations, business correspondents may offer their services in weekly haat bazar.

**Action: State Government & concerned Bank**

**9. Sale/transfer and registration of properties already mortgaged with the Bank in the state**

- Hon'ble Chief Minister mentioned that if such practice is going on then it is a cause of concern for the banks.
- There should be some provisions to stop such practices

**Action: State Government**

**10. Updation of SAMPADA portal**

It was brought to the notice of state government that Bank branches are finding it difficult to ascertain the status of encumbrances subsequent to 01.08.2015, because in SAMPADA portal property search is not updated.State government is requested to update the SAMPADA portal at the earliest.

**Action: State Government**

The meeting was ended with a vote of thanks to the Chair by Shri Yogendra Singh, General Manager, Union bank of India.

**(Minutes approved By the Chief Secretary, Govt. of MP)**

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