

**MINUTES OF 170<sup>th</sup>, 171<sup>st</sup> & 172<sup>nd</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH  
HELD ON JULY 6<sup>th</sup>, 2019 AT BHOPAL**

The 170<sup>th</sup>, 171<sup>st</sup> & 172<sup>nd</sup> meeting of the State Level Bankers' Committee, Madhya Pradesh was held on July 06, 2019 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the **Co-chairmanship of Shri Anurag Jain, Additional Chief Secretary-Finance, Government of Madhya Pradesh & Shri B.S. Shekhawat, Executive Director, Central Bank of India.** Shri A.K. Dogra, Deputy Secretary, Department of Financial Services, Ministry of Finance, Govt. of India also attended the meeting. The list of participants is enclosed at **Annexure-I.**

Shri S.D. Mahurkar, Convener, SLBC & Field General Manager, Central Bank of India welcomed the Members and the participants to the meeting. Thereafter, Shri B.S. Shekhawat, Executive Director, Central Bank of India addressed the house and touched upon the latest banking scenario of the Country and briefly highlighted the progress of the banks in Madhya Pradesh during financial year 2018-19 and certain agenda items of this meeting.

**Additional Chief Secretary-Finance, in his key note address mentioned the following:**

- a) A large fraction of the population of the country is dependent on agriculture. However, its share in the GDP of the country is very low. That requires attention of the Policy makers and the Banks. The contribution of primary sector in economic activity in the State is improving but secondary and tertiary sectors need policy focus.
- b) He complimented banks for increasing Credit Deposit Ratio in the state to 80.90% in March 2019 from 77.6% a year ago. However, credit growth in the state is not at par with the national growth, and needs to be picked up.
- c) Around 25,000 complaints under CM Helpline are still pending. Remedial measures need to be taken immediately to reduce them. Some of the main reasons for these complaints are:
  - i. Some bank branches claim subsidy from the nodal agency after in-principle sanction of the case. But, the same is returned with reason of non-viability or without assigning any reason. In addition, subsidy received after giving in-principle sanction is kept either as deposit or in an account for a long time and subsequently returned. All banks should instruct their branches that once the subsidy is received, it should not be returned and disbursement should be made within a month in such cases. Subsidy should be claimed only after completion of all such formalities that would be sufficient for disbursement on receipt of subsidy.

**Action: All Banks**

- ii. Interest subsidy and guarantee fee payable by Govt. is not claimed on time from the nodal bank. This result in an additional burden on the borrowers after culminating in default. All banks should ensure timely submission of claims and credit to beneficiary's account.

**Action: All Banks**

- iii. Loan amount disbursed is much less than the sanctioned amount. Banks should ensure disbursement of loan amounts as per the schedule conveyed to the borrower. In case of any change in the schedule, written consent of the borrower should be obtained.

**Action: All Banks**

- iv. Some bank branches demand margin money and collateral security from borrowers despite having provision in the scheme for providing a part of margin money by the government. Banks should direct their branches that only borrowers' contribution should be asked for and collateral security should not be demanded in such cases.

**Action: All Banks**

- d) As per data provided by the banks for 'Jai Kisan Fasal Rin Mafi Yojana', many farmers have loan accounts in multiple banks. It was advised that banks should obtain feedback from branches on this matter and analyze the reasons. It was further mentioned that banks may use the database available with the State Government for quality banking business and growth in agriculture loans. This data may be made available to banks through login & password and also updated dynamically.

Thereafter, agenda items were taken up for discussion as under:-

## **ITEM NO.1: ADOPTION OF THE MINUTES**

### **1.1. 169<sup>th</sup>SLBC meeting held on 20.09.2018**

The minutes were circulated to all members and also posted on the websites of DIF, Govt. of M.P. & SLBC. As no comments were received from the members, the minutes of previous meeting were confirmed.

### **1.2. Special SLBC meeting on 'Jai Kisan Fasal Rin Mafi Yojana' held on 09.02.2019**

State Bank of India requested to drop the examples II(A), II(B) & II(C) given in the One Time Settlement scheme of 'Jai Kisan Fasal Rin Mafi Yojana'. ACS-Finance informed that the State Government is considering releasing money for 2<sup>nd</sup> phase by covering all performing assets as on 31.03.2018 upto Rs 1.00 lakh. The State Government is also considering sanctioning left-over accounts of Phase-I subject to the principle of one farmer one Rin Mafi. ACS-Finance advised banks to ensure sanction of new loans/limits in those cases where 100% payment has been made by the government. It was further informed that if a farmer has closed his/her account but is eligible under the scheme, bank should credit the benefit/amount in his/her another account and written intimation should be sent to the concerned farmer.

## **ITEM NO.2: REVIEW OF BANKING DEVELOPMENTS IN MADHYA PRADESH FY 2018-2019**

**2.1** Performance of the banks during financial year 2018-19 was reviewed.

### **2.2 Automated Teller Machines (ATMs)**

It was observed that the number of ATMs in the State declined during the year ending in March 2019. Convener SLBC informed that Microsoft has discontinued Windows XP operating system, therefore RBI had directed banks to upgrade ATMs to Windows 7 or higher version by 30<sup>th</sup> June 2019. Banks are either upgrading the ATMs or replacing them. The process of replacement has reduced the number of ATMs. ACS-Finance advised banks to complete such replacement by September 2019. CGM-SBI mentioned that their bank would deploy 900 more ATMs by December 2019.

Principal Secretary-Tribal Affairs mentioned that as per the gap analysis done by the department, 20 districts with scheduled (tribal) blocks have very low density of ATMs. She requested banks to deploy ATMs/Mobile ATMs in weekly Haat Bazars in tribal areas.

CGM-NABARD informed that NABARD is making available funds for micro ATMs to RRBs and Cooperatives. The State Government could take a decision to deploy such micro ATMs in the all the PACS (Primary Agriculture Co-operative Societies). General Manager (FIDD), RBI informed that SBI and other banks have customer service centers (BCAs) which work like human ATMs. Banks may deploy BCAs at weekly markets, which will be more cost effective.

**Action: All Banks**

### **2.3. Agriculture allied activities**

It was observed that the share of agriculture term loan in total agriculture credit was only 26.28 % in March 2019 that needs to be improved. ACS-Finance pointed out that details of credit facility extended to agriculture/allied sectors should be shown in the meeting from the next quarter. All banks were advised to provide such data to SLBC from quarter ending June 2019 onwards.

RBI circular to include Animal Husbandry and Fisheries in KCC facility was discussed. NABARD was advised to prepare a model scheme for the same.

**Action: SLBC, NABARD & All Banks**

### **2.4. Establishment of dairy units**

ACS-Veterinary mentioned that Small and marginal dairy farmers are lagging behind with respect to technological innovations towards efficient milk production system. In order to enhance small holders milk production system competency, concerted efforts are required by all stake holders. Convenor-SLBC flagged that provision for purchase of milch animals from

outside the state is an issue that needs to be sorted out. ACS-Finance advised animal husbandry department to organize 'Melas' in consultation with banks, where cattle can be brought from other states/districts. CGM-NABARD informed that NABARD has re-launched Dairy Entrepreneur Development Scheme (DEDS). All banks were requested to utilize this subsidy before December 2019.

**Action: All Banks & Animal Husbandry Deptt. Govt. of M.P.**

## **2.5. MSME, Housing, Education, Priority Sector progress FY 2018-19**

Progress noted by the house.

### **Additional Chief Secretary-Finance released the "State Credit Plan" for the financial year 2019-20.**

Annual Credit Plan for FY 2019-20 has an outlay of Rs 1,75,177 crore, which is Rs 27,559 crore higher than the previous year. However, ACP for Education, Housing, Export Credit and Other Priority Sector is lower than the previous year, which should be looked into.

## **ITEM NO. 3: ANNUAL CREDIT PLAN FY 2018-19**

### **3.1. ACP achievement**

Overall achievement (priority and non-priority sector) was 95%. However, it was 72% for priority sector. ACS-Finance expressed his concern about very low progress and requested banks to analyze the reasons and strive hard to achieve targets for financial year 2019-20.

**Action: All Banks**

### **3.2. Aligning ACP with Bank's corporate plan**

In terms of new guidelines of RBI, the annual credit plan and the corporate credit plan of the bank need to be synchronized. All Banks were requested to synchronize their corporate plans with ACP and give confirmation about this aspect to SLBC by July 31, 2019.

**Action: All Banks**

## **ITEM NO. 4: ON-LINE FACILITY FOR THE BANKS FOR REGISTERING MORTGAGE IN LAND RECORDS**

### **4.1. Availability of on-line recording mortgage facility in all districts**

Banks have been given a right in the land records portal of the state government to raise on-line request for recording mortgage in land records. The facility is now available in 31 districts. The Principal Secretary-Revenue informed that it would be rolled out in all districts of the state by October 31, 2019.

#### **4.2. On-boarding of all banks and recording mortgage**

Only 23 banks have been registered and 920 branch users have been created until July 04, 2019. Remaining banks were requested to register into the portal and create branch users for all eligible branches by July 31, 2019. Banks were also requested to start registering mortgage with this utility.

**Action: All concerned banks**

#### **4.3. On-boarding of District Central Cooperative Banks (DCCBs)**

Presently, there is no provision to register Bank's charge in the land records by DCCBs, for KCC loan. They can hypothecate the crops only. Banks flagged that some instances have been brought to their notice, wherein a farmer has taken loans from multiple banks on the same land. In case of two KCC loans, first from a commercial bank and second from DCCB, the first charge on the land remains with DCCB as per the statute.

To avoid multiple financing and to create credit history of the borrowers, it is necessary that DCCBs should also be on-boarded into this platform. Principal Secretary, Cooperation Department assured that he would look into the matter.

**Action: Apex Bank/DCCBs & Cooperation Department,GoMP**

### **ITEM NO. 5: NON-PERFORMING ASSETS**

#### **5.1. The house expressed concerns on rising NPA level**

#### **5.2. NPA under Chief Minister Rural Housing Mission (CMRHM)**

NPA under CMRHM scheme has reached to an alarming level of 25.59% of the portfolio in March 2019. Banks requested the State Government to start a drive to recover dues from the defaulters. Banks also requested to issue an administrative order so that banks may settle the dues under OTS scheme or park the dues in separate account, if required so. ACS, P & RD assured to look into this issue at the earliest.

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

#### **5.3. Pending applications with District Magistrate(s) under Section 14 of SARFAESI Act**

Nearly 871 applications of 16 major banks were pending with DMs for more than 60 days under Section 14 of SARFAESI Act. Banks flagged that despite a letter issued by the Chief Secretary to all the District Collectors, decisions are still pending. It was further informed by banks that DMs are verifying details of loans and inspecting securities to give permission. Commissioner, Institutional Finance requested banks to provide detailed list of pending cases to DIF by 15<sup>th</sup> July 2019, so that DMs could be requested to expedite the process.

#### **5.4. Bank Recovery Incentive Schemes (BRISC)**

5.02 lakh RRCs (Revenue Recovery Certificates) are pending for disposal as on March 2019. It was decided that an incentive scheme (BRISC) in the state in vogue needs to be revived so as to effect maximum recovery. Commissioner, Institutional Finance requested SLBC to collect feedback from banks about how to strengthen BRISC in the state. All banks were requested to provide their inputs on this matter.

**Action: SLBC & All Banks**

### **ITEM NO. 6: GOVERNMENT SPONSORED SCHEMES**

#### **6.1. Mukhya Mantri Yuva Udyami Yojana, Mukhya Mantri Swarojgar Yojana, Mukhya Mantri Arthik Kalyan Yojana & Mukhya Mantri Krishak Udyami Yojana**

- a) Principal Secretary, MSME congratulated bankers for achieving targets. He advised banks to follow the guidelines stipulated in the BCSBI (Banking Code and Standard Board of India) and ensure disposal of the cases within stipulated time-line.

**Action- All Banks**

- b) It was mentioned that bank branches have obtained collateral security from the borrowers in 793 cases. However, as per the provisions of the schemes, banks should not take any collateral security. Commissioner, Institutional Finance requested Punjab National Bank to do the analysis and put-up the detailed findings in the sub-committee meeting of MSME.

**Action: Punjab National Banks & Implementing agencies**

#### **6.2. Prime Minister Employment Generation Programme (PMEGP)**

- a) The House noted achievement in the scheme during FY 2018-19. It was stated that some cases of financial year 2017-18 are still pending in the bank branches. Banks were requested to settle those cases on merit by 30<sup>th</sup> September 2019.
- b) In order to fulfill first 100 days agenda of the Government of India, banks were requested to claim margin money of Rs 44.60 crore by 31<sup>st</sup> July 2019.

**Action: All concerned Banks**

- c) Banks raised an issue about applications not being distributed in accordance with the number of branches. ACS-Finance stated that if banks sponsor the potential cases themselves, concerned department should not have any objection. It was decided that MSME Department will issue a circular in this regard.

**Action: All concerned Departments & MSME Deptt. Govt. of M.P.**

### **6.3.National Rural Livelihood Mission (NRLM)**

CEO, NRLM mentioned that average size of loan to SHG is around Rs 59,000/-, whereas RBI instructions are for minimum of Rs. one lakh. Banks were requested to ensure adequate financing to SHGs.

**Action: All concerned Banks**

### **6.4.Stand-up India Scheme**

Performance was not upto the mark. It was stated that self-employment schemes of State Government have both capital subsidy and interest subsidy, whereas the stand-up India scheme does not have any incentive/ financial support. Commissioner, Institutional Finance suggested that Punjab National Bank should analyze the reasons and put-up before sub-committee of MSME.

**Action: Punjab National Bank**

### **6.5.National Bamboo Mission**

Additional Chief Secretary-Forest mentioned about the capital investment subsidy scheme under the National Bamboo Mission. Madhya Pradesh has a great potential for investment under the Mission. Banks were requested to finance the activities related to bamboo. State level implementing agency and the banks were requested to work closely.

**Action: Mission Director, MP State Bamboo Mission & Banks**

### **6.6.National Urban Livelihood Mission (NULM)**

Commissioner, Urban Administration and Development requested about forming a separate sub-committee of NULM. He also requested the banks to conduct camps in urban areas for both financial literacy and sanction of loans. ACS-Finance requested Allahabad bank to look in the matter and invite NULM also in the SHG sub-committee.

**Action: Allahabad Bank**

### **6.7. Higher Education loan settlement scheme**

This scheme was launched by the State Government in Sep-2015, to provide relief to the family of the student in case of demise/permanent disability of the students, who had taken the education loan. As per the State Government's order dated 04-10-2018, Banks are required to take guarantee cover from the Credit Guarantee Fund Scheme for Education Loans (CGFSEL) of Government of India upto a loan of Rs 7.5 lakh. CIF informed that banks are not paying guarantee fee which would result in denial of their claims by the State Government. It was advised to the banks to cover education loan cases upto Rs. 7.50 lakh in CGFSEL. It was decided that Govt. will settle cases upto 15<sup>th</sup> August 2019 where guarantee cover is not obtained. Afterwards, Govt. will settle sanctioned loan accounts of more than Rs 7.50 lakh only and banks have to bear the burden for loan upto Rs 7.50 lakh and issue NOC to parents/guardian/co-borrower.

**Action: All Banks**

## **6.8. On-boarding all schemes on MP-Online portal**

It was informed that the Government has on-boarded all self-employment schemes on MP-Online for sanctioning loans and claiming various subsidies. Banks were requested to integrate CBS with the MP Online Portal and process the applications on this portal.

**Action: All Concerned Banks**

## **6.9. Loans to Ghumakkad Community**

It was informed that the population of Nomadic/Semi-Nomadic (Ghumakkad) people in the state is around 40 lakh. Banks are denying credit to them for lack of permanent residence. Secretary of the Department requested banks to facilitate bank loans to this community.

## **ITEM NO. 7: FINANCIAL INCLUSION**

### **7.1. No services charge at BC locations**

An issue was raised that some banks are charging fee from beneficiary for opening of BSBD (Basic Savings Bank Deposit) account and withdrawal of amount. Service charge is recovered from customers availing banking services at BC point. CGM, SBI clarified that SBI has stopped charging fee for opening of account and transaction at BC point. ACS-Finance mentioned that bank should not charge any fee from the customers at BC points and advised SLBC to get confirmation from all banks.

**Action- All Concerned Banks**

### **7.2. Gap analysis for deployment of additional Business Correspondents (BCs)**

ACS-Panchayat & Rural Development requested that all Gram Panchayats of the State should have at least one access point for financial services. ACS-Finance requested Central Bank of India and Bank of Baroda to map all Gram Panchayats in coordination with Panchayat and Rural Development department. It was further advised that in case of deployment of additional BCs, banks may engage SHG members as BC.

**Action: P&RD Deptt, CBI, BOB and concerned banks**

### **7.3. Provision of separate product code in CBS of the banks to credit of scholarship amounts and credit of direct benefit transfer under government schemes**

Principal Secretary-Tribal Welfare mentioned that department is facing difficulties in crediting scholarships, DBT into some accounts due to the restriction on aggregate deposits of Rs. 1 lakh in a year in such accounts. All banks were advised to approach their respective CBS department for change in product code. The banks requested tribal welfare department to provide account number and IFS code of such beneficiaries so that the same can be shared with their CBS department. ACS-Finance advised that the sub-committee of ST may be held along with sub-committee on FI by end of July 2019 to prepare roadmap for resolution.

**Action: All Concerned Banks & Tribal Welfare deptt.**



#### **7.4. Financial literacy**

GM (FIDD), RBI informed the house that with active participation of banks and education department, financial literacy camps were held in around 16,000 schools. Such camps can also be held in rural Haats as urged by PS-Tribal. He also emphasized holding digital literacy camps by deploying mobile literacy vans at various places.

**Action: All Banks**

#### **ITEM NO. 8: CREDIT DEPOSIT RATIO**

**8.1.** CD Ratio of seven districts viz. Anuppur, Shahdol, Dindori, Umaria, Singrauli, Tikamgarh & Rewa has been historically low (Below 40%). Lead Bank of concerned district should monitor monthly progress of Monitorable Action Points (MAPs) prepared by the respective Lead District Manager. In order to improve the CD ratio in these districts, banks should finance SHGs under NRLM.

**Action: Concerned Lead Banks and all Banks**

**8.2.** It is felt necessary to have a detailed study of these districts to overcome the issue. Banks requested the State Government to bear expenses of such study. ACS-Finance requested CGM-NABARD to submit a proposal to DIF for conducting study through NABCONS.

**Action- NABARD**

**8.3.** It was observed that CD ratio of some banks viz. Madhyanchal Gramin Bank, Punjab & Sindh Bank, Oriental Bank of Commerce, IDBI Bank, Bank of Maharashtra, Central Bank of India, State Bank of India etc is below 60%. Such banks should take effective steps for improving their CD ratio and reach at least 60% by end of current financial year.

**Action: All concerned Banks**

#### **ITEM NO.9: CM HELPLINE COMPLAINTS**

It was observed that banks are not monitoring complaints under CM Helpline effectively at L-1 level. As a result, complaints are being transferred to higher level. Banks were requested to ensure satisfactory closure of pending complaints latest by 31<sup>st</sup> July 2019 as grievance redressal is a priority area for the government.

**Action- All Concerned Banks**

#### **ITEM NO. 10: INTEREST SUBVENTION SCHEME-MONITORING OF END USE OF CROP LOANS**

In terms of RBI guidelines, agriculture loans upto Rs 1.60 lakh are collateral free. In this regard, banks were advised to strengthen their credit appraisal/documentation and loan sanctioning process for all crop loans. Banks should also monitor the end use of funds and should evolve mechanism to rule out multiple financing with interest subvention facility. The banks were also advised to consider post-disbursement audit through a system of concurrent audit.

**Action: All Banks**

## **ITEM NO. 11: FURNISHING INFORMATION ABOUT NEGOTIABLE WAREHOUSE RECEIPTS**

Reserve Bank of India vide their letter no. FIDD.CO.LBS.No.841/02.13.001/2015-16 dated July 31, 2015 has advised all Scheduled Commercial Banks (SCBs) to furnish quarterly data on pledge financing against Negotiable Warehouse Receipts (NWRs) to farmers. Scheduled Commercial Banks were also advised to submit a nil report in case of no data from June 2019 quarter onwards.

**Action: All Banks**

## **ITEM NO.12: LOCKED LAND VALUES**

MD-MPIDC stated that there are around 160 NPA industrial units in the state located in leased land of MPIDC (Madhya Pradesh Industrial Corporation). These units are not functioning. The promoters have defaulted to banks as well to MPIDC. Legal battles among bank(s) and promoters are lying in Courts for pretty long time. Few entrepreneurs have shown interest to take the assets. He suggested that banks could consider out of court settlement of such cases, which will convert idle assets into productive ones and also recover lease rent partly. He offered voluntary services of MPIDC in bringing interested entrepreneurs across table. ACS-Finance appreciated the idea and advised banks to approach MD-MPIDC who should also be invited in the next sub-committee meeting on recovery.

The meeting ended with a vote of thanks to the Chair by General Manager, Union Bank of India.  
**(Minutes approved by ACS, Finance)**

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