

MINUTES OF THE SPECIAL MEETING OF SLBC

HELD ON 24/12/2014

The Special Meeting of State Level Bankers' Committee (SLBC) in the State of Madhya Pradesh was held on 24/12/2014, 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 B. K. Divakara, Executive Director, Central Bank of India.

The list of participants is attached at Annexure-I

At the outset Shri Umesh Kumar Singh, Convener & Field General Manager, Central Bank of India welcomed all the dignitaries and members on behalf of the State Level Bankers' Committee. He informed that as per decision taken in the 155th meeting of SLBC held on 16.10.2014, Banks have made efforts for financing under Govt. Sponsored Schemes in close coordination with the Sponsoring Agencies. A series of review meetings were held by the concerned departments of the State Government to review the progress under the employment oriented schemes.

He mentioned that the achievement by banks under different Govt. Sponsored Schemes upto 30.11.2014 vis-à-vis 31.12.2013 has been found satisfactory. Shri Singh, thereafter, requested Shri B. K. Divakara, Executive Director, Central Bank of India to address the House.

Shri B. K. Divakara acknowledged the participation of the distinguished officials from the State Government, senior level officials of Banks and all other members.

Shri Divakara highlighted the following issues before the forum

- The performance of banks under various Government sponsored schemes needs introspection at bankers' level and requested the bankers to consider viable proposals and if need be, canvass viable cases and get them sponsored in order to ensure bankability of such cases.
- The percentage of NPA in Priority Sector in MP at 9% is too high for Bankers' comfort and appealed to the Govt. to support in the recovery drive of banks. Recovery through RRC mechanism which is still very negligible; needs special focus.

The detail speech of Shri Divakara is attached at Annexure-II

Shri Umesh Kumar Singh, Convener-SLBC, then requested Shri Anthony de Sa, Chief Secretary, Govt. of M.P to address the House.

Shri Anthony de Sa appreciated the bankers and mentioned that MP has the distinction of being one of the large states to complete 100% coverage of households under PMJDY on 30.11.14 itself. He congratulated the State Government & Bankers for their relentless pursuit in achieving the target much before stipulated date. He also stated that whatever adverse comments reported by the media in the past were verified and found false or misrepresented.

He further stated that although MP has completed 100% coverage of household under PMJDY, the efforts does not end here. He stated that we have to ensure that passbooks & RuPay Cards are issued in all the accounts and these tasks must be completed by 26th January 2015. In the villages where distance of BCA outlet is more than 5 km, more BCA should be appointed quickly so that customers can take the banking services within 5 km radius. Premises for the BC Outlet will be provided by the State Government at the Panchayat Bhawan. All such tasks are to be completed up to 26th January 2015. Shri Vivek Aggarwal, State Mission Director-PMJDY and Commissioner, Institutional Finance mentioned that the 100% coverage is as of 30th November 2014, but the account opening is an ongoing process as the number of Households are increasing day by day due to migration or splitting of families and Banks have to continue their efforts in this regard.

Shri de Sa conveyed that the Honorable Chief Minister has expressed deep concern about the progress in employment oriented schemes since the objective was to create youth entrepreneurs in the State who can employ a sizeable number of persons in their activity.

Shri Anthony de Sa appreciated the banks for the efforts made by them in the last quarter of the last FY, but requested banks to maintain uniform efforts throughout the year. The achievement should be assessed in terms of disbursements and not sanction as unless the money is made available to the beneficiaries, the objective will not be achieved.

He stated that 13 Self Employment schemes were being pruned to 3 in number and disbursement made under older schemes should be included in these 3 new schemes. He also mentioned that the earlier sponsored cases are to be considered by banks under all earlier schemes and not returned to the agency. The schemes run by the GOI will co-exist in the existing format.

The other flagship scheme of the State was the Mukhya Mantri Gramin Awas Mission. Target for the current financial year was fixed at 200000 cases. The progress under this scheme during the last Financial Year was satisfactory.

On the matter of accounts turning to NPA under CMRHM, he mentioned that the default may be due to delay in repayment of installment which may be due to delay in construction of the house. In regard to RRC, State Govt. will help the bankers in recovery of RRC filed cases. He suggested to focus 4-5 such defaulter customers in each District and District Authority will take the initiatives to set the example for other people.

Shri Umesh Kumar Singh, Convener & Field General Manager, Central Bank of India thanked Shri de Sa. Afterwards, the Presentation was started and discussed as under:

The minutes of the 154th meeting of SLBC were adopted by the House as no observations/remarks were received.

The Agenda Items were discussed and the action points emerged are mentioned hereunder.

SR	AGENDA ITEM	ACTION POINTS EMERGED
1	Pradhan Mantri Jan Dhan Yojana	<ul style="list-style-type: none"> ✚ To issue the passbooks and RuPay Card to all customers by 26 January 2014 ✚ The SSA; which is currently covered through mobile Vans, should be converted to fixed BCA by 26th January 2015. ✚ Although issuance of Aadhaar in the state is about 66% but seeding is very low. Since MDBTL will be rolled out in the country from 01.01.2015, it should be accelerated and banks should participate in the camps organized by Oil Marketing Companies. ✚ On the matter of “SWAVLAMBAN” a proposal was made that State Government may decide a nodal Department/Agency for monitoring the implementation of the scheme.
2	Mukhya Mantri Yuva Udyami Yojna and Mukhya Mantri Swarojgar Yojna	<ul style="list-style-type: none"> ✚ As regard sanctions of 41.60% over target, disbursement was only 11.80% in the ‘Mukhya Mantri Yuva Udyami Yojna’ scheme and in the ‘Mukhya Mantri Swarojgar Yojna’ scheme the disbursement was only 15.96% against sanction of 58.29%. The less disbursement is a major concern. Banks were requested to complete the disbursement in all sanctioned cases by 31st January 2015 and to dispose-off all the pending cases at the earliest. ✚ The data related to progress under MM Udyami Yojana and MM Swarojgar Yojana was pertaining to Industries department only, so all other departments were advised to send their progress report to Industries Department, so that they will collate and

		<p>also ensure proper monitoring of the schemes.</p> <ul style="list-style-type: none"> ❖ District Collectors will be advised by Industries Department for calling the beneficiaries of MM Yuva Udyami Yojana in early January 2015 to have direct interaction to know their requirements of training or others and the State Government will bear the cost of such training etc. imparted to applicants. Any other assistance such as marketing linkage etc. will also be provided to them. ❖ Asset creation should be verified jointly by the banks officials and GM, DIC. Commissioner, Industries will issue instructions to all concerned. ❖ Private Banks should ensure participation in the Govt. Sponsored Schemes. Commissioner, Industries has taken a meeting with Private Banks and instructed the District Collectors to allot targets to them also. ❖ Some Private Sector Banks remained absent in the meeting and it was decided to send the list of absentee banks to RBI for necessary advice to the absentees. ❖ Under MSME, RRB's were not participating in financing because RRB's don't have CGTMSE coverage and hence collateral is required. This issue was under the attention of the State Govt. as well as the SIDBI. The RRB's were requested to sanction the cases upto Rs. 10 Lakhs without collateral as per RBI guidelines. ❖ Smt. Veena Ghanekar, MD, MPSTDC informed that the cases sponsored earlier under Tantya Bheel Yojana are being re-sponsored to Banks with <u>RED STAMP</u> under MM Swarajgar Yojana. So Banks should treat the cases under Tantya Bheel Yojana if received with Red Stamp as MM Sworajgar Yojana. ❖ Some Departments have raised the issue of non-allocation of budget for providing margin money for the sponsored cases. Chief Secretary advised Commissioner Institutional Finance that budget needs to be approved for all departments for their respective scheme. ❖ It has been reported that District Task Force Committee is reducing the project cost and even the Banks are also reducing the Project cost of the sponsored cases of various self-employment schemes which may lead to underfinancing. Even some Banks are refusing to sanction the cases with limit above Rs. 50000/-. It was decided that such cases should
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		<p>be informed to the Controlling Offices of the concerned Banks. Industries Department should advise TFC to ensure proper assessment of project cost, so that under financing does not take place.</p> <ul style="list-style-type: none"> ✦ As regard financing under Mukhya Mantri Arthik Kalyan Yojana, it was decided that the financing under this scheme is only upto ` 10,000 and GoMP is providing subsidy upto ` 10,000. After deliberations, SLBC decided that all banks will adopt the scheme and ensure financing under the scheme, if possible cases may be considered in DRI Advances scheme.
3	Pradhan Mantri Employment Guarantee Programme. (PMEGP)	<ul style="list-style-type: none"> ✦ PMEGP cases are sponsored by 3 agencies KVIC, KVIB & DIC. Achievement under PMEGP was 27%, 14% & 38% respectively and overall achievement was 28%. ✦ Chief Secretary instructed the Deptt. to sponsor quality cases and to provide the break-up of the progress with cases less than Rs. 10 Lakh and more than 10 lakh to assess the total finance made to the Sworajgaries and Udyamies. ✦ Banks were requested to disburse the pending cases at the earliest. ✦ Irregular accounts under PMEGP should be monitored by the department. Banks were advised to report the irregular accounts with outstanding above Rs. 10 Lakhs to the Department.
4	National Rural Livelihood Mission (NRLM)	<ul style="list-style-type: none"> ✦ Performance under NRLM was 71% (Sanction) over submission of cases. ✦ It was observed that there were some misconceptions about these schemes in respect of procedural matters. It was suggested to reiterate the detailed guidelines of the scheme along with the procedure of interest subvention to under NRLM/SRLM to all the banks by the Department. ✦ Department informed that the Target of Rs. 500 Crores is for disbursement including the disbursement of further installments in old cases. ✦ All banks were advised to ensure that cases sponsored should be entertained irrespective of the target. ✦ All cases sponsored should be disposed-off swiftly.
5	National Urban Livelihood Mission	<ul style="list-style-type: none"> ✦ The cases sponsored to the individual beneficiaries should be compared with the Mukhya Mantri

	(NULM)	<p>Swarojgari Yojana/ Arthik Kalyan Yojana to ensure that the beneficiary gets the better benefit.</p> <ul style="list-style-type: none"> ❏ The beneficiary should not be forced for NULM if he/she gets better benefit under Mukhya Mantri Swarojgari Yojana/ Arthik Kalyan Yojana.
6	Chief Minister Rural Housing Mission (CMRHM)	<ul style="list-style-type: none"> ❏ Under CM's Rural Housing Mission. Achievement under the programme was 36% in terms of Disbursement. ❏ Issues like significant gap in time between sanction and disbursement and very poor progress in Rewa Division was raised by the Department. ❏ Level of NPA in the scheme is 2.2% which is the lowest among all Government sponsored Schemes. ❏ Chief Secretary expressed his view that the reason of NPA may be non-release of all the installments as the customer feels that he/she does not have to repay till full disbursement. So the average gap between disbursement of 1st and 3rd installment should not be more than 6 months. ❏ Some Banks particularly Madhyanchal Gramin Bank has shown very poor progress in the scheme. Chairman MGB, assured to achieve the target by February 2015. ❏ There is a need to educate people on the benefit of regular repayment as it was noted that in many cases only the 1st installment was disbursed and no further progress was recorded. It was decided that from the next meeting onwards, a comparative table on the gap between 1st and 2nd disbursement may be included in the Agenda. ❏ It was suggested to link the EMI with crop season. ❏ It was also informed by the Deptt. that the target for FY 2014-15 was 200000. All Banks were requested for completion of targets for the current year also.
7	Weavers Credit Card	<ul style="list-style-type: none"> ❏ Under Weaver's Credit Card Scheme, the pendency of applications was reported high. It was advised that all Adult Weavers must be issued Weavers' Credit Card up to 25000/- and for above Rs. 25000/- banks will ensure the repayment capacity of the weavers.
8	Education Loan	<ul style="list-style-type: none"> ❏ Education Loan performance was reviewed in the House and it was observed that there is lack of awareness among the people about the MP Govt. Guarantee Scheme on Education Loan. It was decided that the Govt. may review the scheme to

		enhance guarantee limit from 80% to 100% of loan amount because there is a uncovered portion of 20%.
9	Rajiv Rin Yojana	❏ Banks were requested to achieve the targets by 31 st March 2015. The department clarified that the scheme will continue further.
10	National Horticulture Mission	❏ Issues pertaining to Banks should be raised to the Controlling Offices of Banks for redressal.

Meeting was concluded with vote of thanks by Shri Nagesh Srivastava, General Manager, Bank of Baroda, Bhopal Zone. He thanked the Chief Secretary, Shri de Sa for the good discussion and assured him for bankers' cooperation in development of the State.

(Umesh Kumar Singh)
Convener/Field General Manager

