

**MINUTES OF 169th MEETING OF
STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH
HELD ON 20.09.2018 AT BHOPAL**

The 169th meeting of State Level Bankers' Committee, Madhya Pradesh was held on 20.09.2018 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the **Chairmanship of Shri Basant Pratap Singh, Chief Secretary, Government of Madhya Pradesh**. The list of members who participated in the meeting is enclosed at **Annexure-I**.

Shri Ajay Vyas, Convener, SLBC & Field General Manager, Central Bank of India welcomed the Members, Invitees & participants to the meeting and congratulated the bankers and the state government's officials for successfully organizing the 'Swarojgar Melas' on 4th August 2018 in all the districts in a single day.

Thereafter, Shri B. S. Shekhawat, Executive Director, Central Bank of India addressed the house. Shri Shekhawat touched upon the Government's Reforms Agenda for Public Sector Banks for responsive and responsible banking. He mentioned that PSBs have committed to Easy Access and Service Excellence (EASE) for customer comfort, through a range of measures. The Reforms Agenda includes other measures for prudential and clean lending, enhanced credit availability, focus on MSMEs, and better governance. He also mentioned about the latest scenario of the banking industry and briefly highlighted the progress of the banks in Madhya Pradesh during Q-1 of financial year 2018-19.

The Chief Secretary, in his key note address mentioned the following:

- a) Due diligence is an important aspect in the loan appraisal process to ascertain qualitative asset quality. The overall intent of government sponsored schemes is to leverage the institutional credit structure to reach out to the unemployed youth. Banks need to provide handholding support to unemployed youth in preparation of the project. This will certainly reduce turn-around-time (TAT), hardship to prospective borrower and build the image of financial institutions.
- b) As regard State Government's Sponsored Schemes, the Government is still getting complaints from beneficiaries that some banks' branches insist upon collateral security from the borrowers inspite of the fact that there is a provision in the scheme that banks will not ask for collaterals from the borrowers. The bank should not ask for additional guarantee where the loan is under NCGTC (National Credit Guarantee Trustee Co. Ltd.) scheme.
- c) The Hon'ble Chief Minister reviews pending complaints through 'Samadhan Online' on monthly basis for selected subjects including the complaints of banking sector. Remedial measures need to be taken immediately before these complaints reach in 'Samadhan Online'.

- d) To measure the outreach of banking services and credit deployment of the Commercial Banks, Credit Deposit Ratio of districts should be monitored excluding the business of the Regional Rural Banks and the Cooperative Banks.
- e) While calculating the CD Ratio of the State, bank-wise i.e. public sector banks, private sector banks, cooperative banks and regional rural banks may be shown separately, so that bank-wise review may take place in the meeting.

Thereafter, Shri D.K.Jaimini, Asst. General Manager, Central Bank of India took up the agenda items for discussion as under:-

ITEM NO. 1: ADOPTION OF THE MINUTES OF THE 168TH SLBC MEETING HELD ON 30.05.2018

The minutes had already been circulated to members and published 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.

ITEM NO.2: REVIEW OF BANKING DEVELOPMENTS IN MADHYA PRADESH IN Q-1 OF FY 2018-2019

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

Agriculture Credit

2.2 Growth in agriculture credit was 9.20% during June-2018 quarter as compared to the growth of 28.17% during the previous year. It was explained that due to huge variation in the data of Cooperative Banks/Apex Bank during June 2016 and June-2017, the growth during Q-1 of 2018-19 was impacted. It was also flagged that the data quality of these banks is not good. Cooperative Bank/Apex Bank was advised that their higher officials must ensure the data quality before feeding in the portal of SLBC.

Action- Cooperative Banks/Apex Bank

2.3 Majority of the small agriculture producers (Small & marginal farmers) are unable to realize optimal value from their farming operations and make economic progress. Farmers Producer Organizations (FPOs) can provide a strong platform to take up their collective business activities, build capacity and provide linkages to markets. Thus, these farmers can gain more selling power for their produce. Principal Secretary-Agriculture mentioned that banks should find scope for financing these FPOs. In order to facilitate the banks on this score, CGM-NABARD stated that a list of A and B category of FPOs working in the state is available on the website of SLBC. It was decided that the all banks should finance at least one FPO during 2018-19. NABARD is also making financing through NABKISAN to the FPOs. Concerned Agencies/Department may also put their efforts for financing to the FPOs.

Action: All Banks

2.4 Regional Director, Reserve Bank of India desired to know, how much funding has been done by the banks to FPOs in the state. The data was not readily available at that time. RD-RBI requested SLBC to keep this issue as an agenda item in the next SLBC meeting. The

banks were requested to provide data/information to SLBC on this score. SLBC shall place Bank-wise data on credit extended to FPOs.

Action: SLBC & All Banks

- 2.5 It was pointed out that some banks are demanding collateral security to finance FPOs. CGM-NABARD mentioned that NABKISAN Finance Limited (NKFL) is a subsidiary of NABARD, whose main objective is to provide credit for promotion, expansion and commercialization of enterprises engaged in agriculture and allied activities. He further mentioned that NKFL provides credit guarantee for financing to FPOs. Banks should start financing to FPOs and covering the finance i.e. guarantee cover through NKFL.

Small Finance Banks & Payment Banks

- 2.6 There was an increase of 167 branches y-o-y in June 2018. It was mentioned that due to addition of 129 branches of Small Finance Banks during this fiscal, the increase is visible. However, some banks have opened new branches whereas some have rationalized their branches.
- 2.7 It was decided that Small Finance Banks would be now members of State Level Bankers' Committee and District Consultative Committee/District Level Review Committee. It was further decided that the sponsoring agencies of government sponsored schemes should allot targets to these banks under such schemes because this is also mandated by RBI to them.
- 2.8 Small Finance Banks were requested to ensure that their State level head should participate in the meetings of SLBC.
- 2.9 Small Finance Banks were also requested to ensure participation in the meetings of District Consultative Committee (DCC) and District Level Review Committee meetings.
- 2.10 The main objective of payment bank is to widen the spread of financial services and financial inclusion agenda of the government. India Post Payment Bank (IPPB) has opened its 42 branches in the state till 20th September 2018. With the above view, the Principal Secretary-Finance advised Postal Department to convey their expansion plan to District Collectors & Lead District Managers to leverage the vast network of the Department of Posts.
- 2.11 It was decided that the Payment Banks may also be invited in the meetings of SLBC as special invitee(s).

Action- Small Finance Banks & Payment Banks

Micro Finance Institutions Network (MFIN)

- 2.12 Ms. Achla Savyasaachi, Head-State initiatives of MFIN participated in the meeting as special invitee. MFIs are playing an important role to cater the needs of underprivileged people. Altogether, MFIs have financed Rs 9,700 crore approximately to around 20 lakh beneficiaries from 2016 to August 2018.
- 2.13 Principal Secretary-Finance mentioned that MFIs are competing with 'Mahajans'. Despite high rate of interest, their recovery is good. This is because of their 'Live Contact' with the borrowers. Their success in loan recovery is a lesson worth learning for the banks.

ITEM NO.3: INVESTMENT CREDIT IN AGRICULTURE

3.1 Institutional credit to agriculture and allied sector has grown at an annual growth rate of 9.20% during June-2018. However, the share of term credit in total agriculture credit was 23.42 %, which is below the National average of 32%. There is a gap in investment credit, requiring a large increase in credit to facilitate capital formation in agriculture.

3.2 Convener-SLBC mentioned that there is a big opportunity for the state to increase investment credit and maximize utilization in agriculture sector. However, despite all efforts, it is not growing as desired. He proposed to form a **Task Force** to study and suggest to increase investment credit in agriculture and allied sector in the state. It was decided that the taskforce may be formed under the chairmanship of Agriculture Production Commissioner. Principal Secretaries of Agriculture, Horticulture, Fisheries, Veterinary, Co-operative, SC Welfare and ST Welfare Department, CGM-NABARD, State Head of all Lead Banks, major private sector banks (HDFC Bank, ICICI Bank, Axis Bank). CGM, SBI would be Convener for the Task Force because they are the convener for Agriculture & Allied Activities. Recommendations of the Task Force would be placed before the SLBC for ratification.

Action- State Government & SLBC

3.3 Terms of Reference of the Task Force will be as follows:

- i. To recommend strategies for re-invigorating Agriculture in all its aspects,
- ii. To prepare a roadmap and formulate strategies for reforms, innovation and technology diffusion.
- iii. To identify successful experiments and programmes from which all the banks may learn.
- iv. To coordinate and develop synergy between the State Government and banks
- v. Any other measures relevant to the mandate of the Task Force.
- vi. The task force shall submit their report to the state government/SLBC before the next SLBC meeting.

Action- SBI

3.4 The Director, DFS, MOF mentioned that Food Processing is an eligible activity for coverage under MUDRA scheme. Banks can provide assistance to the borrower under MUDRA for food processing.

Action- All Banks

3.5 The Principal Secretary-Finance mentioned that the Government of India has a central sector scheme- SAMPADA (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters). The objectives of the Scheme are as follows:

- i. To provide modern infrastructure for food processing units.
- ii. To ensure value addition of agriculture produce including dairy, fisheries etc.
- iii. To establish a sustainable raw material supply chain for each cluster.
- iv. To facilitate induction of the latest technology etc.

The government provides financial assistance under this scheme. The Banks can finance under this scheme to increase investment credit.

Action- All Banks

- 3.6** CGM-NABARD mentioned that NABARD has prepared area specific model bankable projects and forwarded the same to banks and also available on the website of SLBC for their use. It was pointed out that all rural/semi urban branches of banks may not possess the technical expertise to evaluate and appraise different types of projects in agriculture. In that case, there will be a need to create an arrangement for sharing of a pool of available technical knowledge at the district level. Banks requested NABARD to take special steps to facilitate capacity building of credit institutions in appraisal skill.
- 3.7** CGM-NABARD mentioned that Bankers Institute of Rural Development (BIRD), Lucknow is an autonomous institution promoted by NABARD for undertaking training, research and consultancy in the area of agricultural and rural development banking. He further mentioned that NABARD can arrange special training at BIRD, Lucknow for the bankers.

Action- NABARD

ITEM NO. 4: PRADHAN MANTRI FASAL BIMA YOJANA

- 4.1.** With a view to implementing the Pradhan Mantri Fasal Bima Yojana end-to-end, an online portal has been created by the Government of India. The portal is supposed to act as a platform for addressing all relevant issues viz. feeding data of insurance by banks, processing of claims etc. But incomplete information on the portal, lack of cooperation of the insurance companies etc. are posing a huge challenge in implementation of the scheme. Banks requested the government to address the shortcomings of the portal at the earliest.

Action- Agriculture and Farmers' Welfare Deptt, Govt. of M.P.

- 4.2.** Some banks raised the issue that some of their branches could not upload data in the portal for Kharif 2017, but premium was paid on time & data was also made available to Insurance companies in physical form & through mail. But, insurance claims have not been settled by the Insurance companies for eligible farmers. Insurance companies were advised to share the data of pending claims with banks and settle the issue at the earliest.

Action- Agriculture Insurance Companies

- 4.3.** The Principal Secretary-Agriculture mentioned that some banks, deducted premium on time but it was remitted to the insurance companies after cutoff date of remitting the premium. The Convenor-SLBC stated that contractual conditions should not prevent the insurance companies from considering genuine claims. Insurer must not repudiate such claims, where the delay is proved to be for reasons beyond the control of the banks. The insurer's decision to reject a claim should be based on sound logic and valid grounds. They need to see the merits and the spirit of the clause, without compromising on bad claims.

Action- Agriculture Insurance Companies

ITEM NO. 5: ANNUAL CREDIT PLAN Q-1 FY 2018-19

- 5.1.** The performance under ACP for Q-1 of 2018-19 was reviewed.

- 5.2. The Principal Secretary, Agriculture raised an issue of dichotomy in the Annual Credit Plan (ACP) of some tribal districts viz. Chhindwara, Balaghat, Umaria etc and the districts of Malwa region i.e. Neemuch, Mandasaur etc. He mentioned that ACP of districts should be prepared considering the prevailing activities in such area. The Convener-SLBC mentioned that ACP is prepared keeping in view of potentiality survey (PLP) of NABARD at district level. He requested the state government to share issues with SLBC to redress the same in the next ACP. He further mentioned that the government may issue instruction/advisory to all Collectors on this score as the ACP is approved in DCC (District Consultative Committee) meetings.

Action- SLBC & the State Government

- 5.3. CGM-NABARD mentioned that there is a gap between Potential Linked Plan (PLP) of NABARD and ACP in some districts, which needs to be redressed. The Convener-SLBC requested NABARD to share PLP with the State Government and the District Collector well in advance to give some thought on the matter. The concerned department of the State Government can issue necessary instructions to District administration for ACP assessment in accordance with PLP.

Action- NABARD & State Govt.

ITEM NO. 6: CM HELPLINE COMPLAINTS

- 6.1. CM Helpline complaint redressal mechanism is one of the modes for the general public for making complaints against the financial institutions. Under this mechanism, different levels (L-1 to L-4) of redressal of complaints have been defined by the State Government. The LDM is made grievance redressal officer at Level-1. If the complaint is not resolved within the defined timeframe, it is automatically escalated to the next level.
- 6.2. Of late, it has been observed that LDM (as level-1 officer) is not effective in resolving the complaints because complaints pertain to all banks in the district. As such, the State Government is considering to nominate the Zonal Manager of the Bank at State level will be made L-1 officer in place of LDM, LDM as L-2 officer and the Collector as L-3 officer. The new system is expected to commence from the first week of October 2018. All banks were advised to monitor the complaints at ZO level, so that pendency is rapidly reduced.

Action- DIF, Govt. of M.P. & CM Helpline Complaint Cell

- 6.3. There were around 28,000 complaints pending at L-1 to L-4 level. Out of which, 11,364 complaints are pending with State Bank of India. The Chief General Manager-SBI assured to ensure reduction in the complaints at the earliest. Principal Secretary-Finance and Commissioner Institutional Finance requested the bank to ensure satisfactory closure of pending complaints latest by 5th October 2018 for the banks because this subject is scheduled for review by Hon'ble Chief Minister in Samadhan On-line for the month of October, 2018.

Action- All Concerned Banks

ITEM NO. 7: DELIVERY OF SOCIAL SECURITY PENSION

7.1. In order to facilitate old-age people in receiving door step social security pension, a pilot project was started in 8 districts namely Alirajpur, Datia, Khandwa, Mandla, Satna, Sidhi, Umaria and Seoni. After successful run of the pilot project, this was extended in all 51 districts on 7th of every month from September 2018 onwards.

7.2. Principal Secretary-Social Justice & Disability Welfare, Govt. of M.P. congratulated banks for successful implementation of the scheme “pension Apke Dwar” to facilitate old age pensioners. He mentioned that data revealed that about 3,000 Business Correspondents (BCs) had not participated in this drive, which shows that either these BCs are not functional or are not aware about the drive. It was requested that banks should ensure activation of all the BCs points before the next drive i.e. 6th October 2018.

Action- Banks having inactive BCs

7.3. PS, Social Justice requested banks to touch around 20-22 lakh beneficiaries on 6th October, which comes to around 200 beneficiaries per BC. He requested banks to sensitize the BCs and also direct Base Branch Managers to hold meetings with BCs, so that pension is distributed on time.

Action- All Banks

7.4. General Manager (FIDD), RBI mentioned that while looking for a new BC, the banks can prefer Bank Sakhi of Self Help Group. CGM-NABARD mentioned that NABARD is providing grant for installation of micro ATMs at BC Points. Banks may avail grant from NABARD for the same.

Action- All Banks

7.5. It was requested by the banks that State Government may drive publicity campaign for this drive among the beneficiaries and ensure their presence at respective BC locations for withdrawal of the pension.

Action- Social Justice & Disability Welfare Deptt. Govt. of M.P.

ITEM NO. 8: FINANCIAL INCLUSION

8.1. An issue was raised that KIOSK of State Bank of India is charging Rs 20/- from beneficiary for opening of Savings/Jan Dhan/BSBD account. Citing reference of RBI master circular dated 1st July 2014 on “Customer service in Banks”, CGM-SBI mentioned that decision to prescribe service charges has been left to individual banks. The Principal Secretary-Finance stated that while fixing service charges for various type of services, banks should ensure that the charges are not out of line with the average cost of providing these services. Banks should also take care to ensure that customers with low volume of activities are not penalized. It was further stated that PMJDY was launched on 28th August 2014. According to PMJDY guidelines, there will be no charge/fee for opening an account under PMJDY, which is to be classified as BSBD account. PS, Finance requested RBI to look into the matter and clarify to SBI.

Action- Reserve Bank of India, Bhopal

8.2. As the Jan Dhan (PMJDY) scheme has been revamped and focus is now on every adult having a bank account instead of every household. DFS has launched a campaign from 17.09.2018 to 30.11.2018 for opening of new accounts, enrollment under social security schemes, distribution and activation of RuPay card etc. Target for opening PMJDY accounts during the campaign period is as follows:-

- Each branch in rural and semi-urban area – 3 accounts per day during the campaign period.
- Each branch in Urban & Metro area – 1 account per day during the campaign period.

All Banks were requested to open maximum accounts under this campaign.

Action- All Banks

8.3. The House noted the progress under PMJDY. It is observed that out of issuance of 1.98 crore RuPay debit card, only 53.14% cards were active as on June 2018. It was clarified that according to PMJDY scheme, a card is known to be active, if a financial or non-financial transaction has been carried out in every 90 days. The Principal Secretary-Finance desired to know the data on ‘first time active/usage’ of RuPay debit card, which was not available at that time. Banks were requested to provide such type of data from the next quarter. He further expressed to spread financial literacy about the benefits of the activation of RuPay card.

Action- All Banks

ITEM NO. 9: RECONSTITUTION OF THE SUB-COMMITTEES OF SLBC

9.1. As per RBI’s latest circular on Lead Bank Scheme, Sub-committees of SLBC are required to play a vital role. Therefore, the house approved the reconstitution of the sub-committees. The new structure of the sub-committees are as under:

A. Steering Sub-Committee to finalize Agenda of SLBC

Purpose:- to deliberate on agenda proposals from different stakeholders and finalize the agenda note of the SLBC meetings.

- **Chairman-** Commissioner, DIF, Govt. of M.P.
- **Convener Bank-** Central Bank of India
- **Status-** New
- **Members-**
 - Chief General Manager, NABARD, Bhopal
 - General Manger (FIDD), RBI, Bhopal
 - SLBC Convener
 - General Manager/Dy. General Manager, SBI, PNB, UBI, Allahabad Bank, BOI, BOB, HDFC Bank, ICICI Bank, Axis Bank

B. Financial Inclusion

- **Convener Bank-** Central Bank of India

- **Status-** New
- **Scope of deliberations-** Various issues on Financial Inclusion activities
- **Chairman-** Commissioner, Institutional Finance, Govt. of M.P.
- **Members**
 - Chief General Manager-NABARD
 - General Manager (FIDD), Reserve Bank of India
 - State Head of Banks having Sub Service Areas
 - State Head, India Post Payment Bank

C. Digital Transactions

- **Convener Bank-** Bank of India
- **Status-** New
- **Scope of deliberations-** Progress in increasing digital modes of payment in the State, provision of continuous connectivity with sufficient bandwidth, resolving connectivity issues/ connectivity options (Bharat Net, VSAT, etc.), installation of ATMs and PoS machines and status of implementation of e-receipts and e-payments in the State etc.
- **Chairman-** Principal Secretary, Science & Technology, Govt. of M.P.
- **Members**
 - Representative from DIF, Govt. of M.P.
 - Representative from Reserve Bank of India
 - State Head of all Lead Banks
 - State Head, HDFC Bank, ICICI Bank & Axis Bank

D. Micro, Small & Medium Enterprises

- **Convener Bank-** Punjab National Bank
- **Status-** Modification in Chairmanship & Convener
- **Scope of deliberations-** To discuss various issues of MSME sectors, Review of progress made under various Government sponsored schemes etc.
- **Chairman-** Principal Secretary, MSME, Govt. of M.P.
- **Members**
 - Representative from DIF, Govt. of M.P.
 - General Manager (FIDD), Reserve Bank of India
 - State Head of all Public Sector Banks
 - State Head, HDFC Bank, ICICI Bank & Axis Bank
 - Representatives from SIDBI
 - Directorate & other Organizations of all implementing agencies of government sponsored schemes, Govt. of M.P.

E. Housing

- **Convener Bank-** Central Bank of India
- **Status-** Modification in Chairmanship
- **Scope of deliberations-** To discuss various issues pertaining to housing sector, Pradhan Mantri Awas Yojana etc.

- **Chairman-** Principal Secretary, Urban Administration & Housing, Govt. of M.P.
- **Members**
 - Representative from Panchayat & Rural Development. Govt. of M.P.
 - Representative from DIF, Govt. of M.P.
 - Representative from Reserve Bank of India
 - State Head of all Public Sector Banks
 - State Head, HDFC Bank, ICICI Bank & Axis Bank
 - Representatives from NHB & HUDCO

F. Education

- **Convener Bank-** Canara Bank
- **Status-** Modification in Chairmanship & scope of deliberation
- **Scope of deliberations-** Education loans related issues and efforts towards skill development on mission mode partnering with Kaushal Vikas Kendra, National Skill Development Corporation etc. including a review of functioning of RSETIs etc.
- **Chairman-** Principal Secretary, Technical Education & Skill Development, Govt. of M.P.
- **Members**
 - Representative from DIF, Govt. of M.P.
 - Representative from Reserve Bank of India
 - State Head of all Public Sector Banks
 - State Head, HDFC Bank, ICICI Bank & Axis Bank

G. Scheduled Tribes (ST)

- **Convener Bank-** Bank of Baroda
- **Status-** Modification in Convener
- **Scope of deliberations-** To identify bottlenecks in financing to ST beneficiaries and suggest ways for improving finance, ST-beneficiaries, progress under various government sponsored schemes etc.
- **Chairman-** Commissioner, Scheduled Tribes, Govt. of M.P.
- **Members**
 - Representative from DIF, Govt. of M.P.
 - Representative from Reserve Bank of India
 - State Head of all Public Sector Banks
 - State Head, HDFC Bank, ICICI Bank & Axis Bank

There is no change in the following four subcommittees:

| Sr. | Name of the subcommittee | Convener Bank | Status | Chairman |
|------------|---------------------------------|----------------------|---------------|------------------------------|
| G | Agriculture | State Bank of India | No Change | Agriculture Production Comm. |
| H | Improvement in Recovery | State Bank of India | No Change | Commissioner., DIF, GoMP |
| I | Self Help Group | Allahabad Bank | No | CGM-NABARD |

| | | | | |
|----------|--------------------|---------------------|-----------|--------------------------|
| | | | Change | |
| J | Improving CD Ratio | Union Bank of India | No Change | Commissioner., DIF, GoMP |

The house decided to dissolve the following sub-committees:

| Sr. | Name of the subcommittee | Convener Bank | Status | Chairman |
|-----|-----------------------------|----------------------|-----------|-------------------------------|
| 1 | RSETIs and Small Industries | Bank of India | Dissolved | PS-Small Cottage & Industries |
| 2 | Industries | Punjab National Bank | Dissolved | PS-Industries |

9.2. All Convener Banks of the Sub-committees were requested to convene the meeting of the subcommittees on quarterly basis (preferably 30 days before the regular SLBC meeting). They were further requested to prepare comprehensive agenda note including data table and circulate the minutes of the meeting within 7 days of the respective meeting.

Action- All Conveners of the subcommittees

ITEM NO. 10: GOVERNMENT SPONSORED SCHEMES

10.1. 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 sanctioning more than 50,000 cases in a single day on “Swarojgar Sammelan”. However, it was observed that there is a gap between sanction and disbursement. Banks were requested to make disbursement in all such cases by 10th October 2018.

Action- All Banks

- b) It was deliberated that many bank branches are still not processing the loan applications sponsored by DIC under CM Swarojgar Schemes through MP Online portal. Banks were requested to instruct their respective branches to process the loan applications of these schemes through MP On-line Portal.

Action: All Banks

- c) Convener-SLBC mentioned that above status shows that awareness is lacking at the field level about this portal. Loan proposals under above three Mukhya Mantri self-employment schemes are being sponsored through different mode by their respective implementing agencies. Further, there are different ways of processing the loan proposals, claiming subsidy etc. Therefore, bank branches are facing difficulties. It was requested that all agencies need to be on-boarded on MP-Online portal. This will not only bring uniformity in processing the loan proposals but also facilitate in better monitoring.

Action: All concerned implementing agencies of the schemes

- d) State Bank of India has centralized loan processing cell. It was flagged that there is delay in disposal of proposal under government sponsored schemes due to centralized system. It was advised that the bank should follow time norms for processing and disposal of the proposals as contained in the Fair Practices Code formulated by BCSBI (Banking Code and Standard Board of India).

Action- State Bank of India

- e) PS-MSME mentioned that margin money will be released in the proportion of disbursement amount. Bankers stated that a certain portion of Margin Money needs to be brought by the promoters upfront as per the loan policy of individual bank and the remaining portion of the Margin may be brought in stages along with the disbursement of bank finance.
- f) It was flagged that some bank branches are still insisting upon collateral security. Citing reference of RBI's guidelines on MSMEs, PS-Finance mentioned that lending up to Rs 10 lakh should be given to MSME units with good track record and sound financial position without collateral security. Banks were further advised to follow the guidelines of Govt. of India for not insisting upon collateral security for the loans up to Rs. 2 crore covered under Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE). The Regional Director, RBI mentioned that some borrowers consider the charge of security creation of land, machinery etc. for the project as collateral security instead of primary security. 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.

- g) Convener-SLBC stated that Partial Collateral Security has been allowed under Credit Guarantee Scheme (CGS) of CGTMSE. This new concept of “**Hybrid Security**” may be added in Mukhya Mantri Yuva Udyami Yojana & Mukhya Mantri Swarojgar Yojana wherein, the MLIs may be allowed to obtain collateral security for a part of the credit facility, from such applicants, who are able to offer collateral security, whereas the remaining part of the credit facility, up to a maximum of Rs. 2 crore will be covered under Credit Guarantee Scheme of CGTMSE. This apart from bringing a large chunk of loans under the ambit of credit guarantee would also help in promoting disciplined credit behavior. PS-MSME mentioned that the matter would be discussed in detail in the Sub-Committee meeting of MSME and then this would be placed in the next SLBC.

Action- State Government & Punjab National Bank

10.2. Mukhya Mantri Yuva Mandi Udyami Yojana-Proposed scheme

M. P. State Agricultural Marketing Board (Mandi Board) has launched a new scheme “Mukhya Mantri Yuva Mandi Udyami Yojana”. The matter was presented for approval of the house. The Principal Secretary-Agriculture and Farmers' Welfare mentioned that this scheme would be discussed in the Sub-Committee and then it would be placed in the next SLBC.

10.3. Prime Minister Employment Generation Programme (PMEGP)

The House noted achievement in the scheme. It was also stated that subsidy of around Rs. 180 crore has to be claimed by the banks. It was requested by the department that banks should browse the portal and claim the subsidy. The last date for claiming Margin Money subsidy for offline cases is 30th September 2018.

Action: All concerned Banks

10.4. National Rural Livelihood Mission (NRLM)

- a) Shri L. M. Belwal, CEO-MPSRLM mentioned that there was a sanction of Rs. 305 crore, however disbursement is only Rs. 202 crore. Banks were requested to make disbursement in all such eligible cases at the earliest.

Action: All concerned Banks

- b) Shri Belwal also mentioned that many bank branches do not use right product code, while opening account under NRLM. Banks were requested to sensitize their field functionaries for using the right product code. Due to this reason, actual amount of financing is not being shown on the GoI portal and such SHGs would be deprived from the interest subvention.

Action: All Banks

10.5. Dairy Entrepreneurship Development Scheme

The objective of the scheme is to setup modern dairy farms and infrastructure and generate self-employment. A budget provision of Rs 25 crore has been made by Government of India for 2018-19 for Madhya Pradesh. However, only 2.25 crore subsidy has been utilized by the banks. CGM-NABARD requested banks to utilize the full subsidy in the coming quarters of current fiscal.

Action- All Banks

10.6. Pradhan Mantri Awas Yojana-Urban

- a) This scheme had been launched in Madhya Pradesh for Urban/Semi Urban poor in collaboration with Nagar Nigam, Bhopal and Bhopal Development Authority. The scheme is to provide housing facility to economically weaker sections of urban/semi urban poor. Initially, the quantum of loan amount was Rs 1.20 lakh per borrower. According to the new provision of PMAY-Urban, loan amount has to be increased to Rs. 1.80 lakh per borrower.
- b) The Urban Administration Department requested banks to obtain approval from the respective Boards to increase the loan amount. Banks stated that despite of Tripartite Agreement between the State Agency, Borrower and bank, delinquency ratio is high in this portfolio. The Board of the banks has advised to bring down the delinquency ratio upto the satisfactory level. PS-Finance mentioned that if NPA is in the cases where

tripartite agreement has been made then the state government may look into the matter. He further requested Madam Mishra of DFS to take up the matter with respective Board of the banks.

Action- State Government & DFS

ITEM NO. 11: CREDIT DEPOSIT RATIO

CD Ratio of eight districts viz. Anuppur, Shahdol, Mandla, Dindori, Umaria, Singrauli, Tikamgarh & Rewa has been historically low (Below 40%). Joint efforts of the Banks and the District Administration have not yielded the desired result in the past. Therefore, it is felt necessary to have a detailed study of these districts to overcome the issue. The house decided to assign a study to NABCONS for these districts. NABARD was requested to bear the expenses of such study through FIF (Financial Inclusion Fund) with them.

Action- NABARD

ITEM NO.12: CREATION OF BANK'S CHARGE ON THE LAND RECORDS ON-LINE

The State Government has developed software, wherein, Banks will be empowered to raise online request for creation of Bank's charge on the land records. Data will be recorded in the Land Records module and will be made available in the public domain. The pilot project will be started in districts Shivpuri, Gwalior, Jabalpur, Hoshangabad & Indore. The training was provided to the Branch Managers of these districts to learn the utility. The State Government was requested to issue notification for this new utility at the earliest.

Action- Revenue Deptt. & Commissioner land Records, Govt. of M.P.

ITEM NO. 13: NON-PERFORMING ASSETS

- a) NPA under various sectors was noted by the House.
- b) The house expressed concern on increasing trends of NPA under government sponsored schemes.
- c) Banks requested the State Government to get possession of the properties under Section-14 to banks within 60 days as stipulated in the SARFAESI Acts. The Government assured banks on this score.

Action- State Government

ITEM NO. 14: NOTICE ISSUED BY NAGAR PALIKA -KHANDWA TO BANKS

The matter of notice issued by Nagar Palika -Khandwa to various banks in Khandwa was raised by the banks. Citing the reason of "traffic jams" notices have been issued to banks, wherein it is directed that either make proper parking arrangement at existing premises or shift the branch to alternate premises having adequate parking arrangement, otherwise, the premises may get sealed by Nagar Nigam at Bank's risk and responsibility. It is also informed that similar type of letter had been issued earlier by the Collector, Khandwa. PS-Finance advised the concerned department of the state government to discuss with respective banks and Municipal Corporation to improve traffic management system, as shifting of the branches will not be a viable proposition for the banks.

Action- Urban Administration Deptt., Govt. of M.P.

The Chief General Manager-NABARD made a presentation on e-Shakti project. Which aim at Digitization of Books and records of Self Help Groups and capturing demographic data of the members.

Shri Anurag Jain, Principal Secretary-Finance in his closing remarks highlighted the following issues:

- Personal Contacts with borrowers has positive correlation with recovery. This is the most effective recovery measures. Branch Managers need to make sincere efforts to improve recovery by contacting the borrowers personally and maintaining continuous liaison with them. The mindset of the borrowers from the beginning should be tuned in such a way that the borrower is willing to repay the loan. Banks should come forward to nurture and promote this cultural change among the borrowing public in order to ensure an effective recycling of the precious lendable resources.
- In view of the critical role played by Lead District Managers, it may be ensured that officials posted as LDMs possess requisite leadership skills. They should be competent and go the extra mile to discharge his/her duties effectively.
- It is observed that there are gaps in district level bankers and the state level. There should be a dialogue with them at regular intervals.
- There is a need to strengthen District Consultative Committee. It is observed that there is considerable difference in the quality of discussions at DCC and SLBC forum. Quality discussions provide avenues for exploration and discovery of new things. LDMs may be trained on these aspects.
- Bank Branch Managers should have live contact with the residents of their area. They may identify good prospective borrowers themselves and refer to the respective sponsoring agencies for financing under government sponsored schemes. This will lead to qualitative financing by banks and can make change the districts. The banks can better address the problem if they have better insights about the magnitude and nature of the finance gap.
- Restructuring/ Rephasement also sometimes lead to good recovery. This may raise the unit's capacity to generate adequate internal surplus. However, Banks may deal tough with the wilful defaulters. Necessary support would be extended by the 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)

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