

162/163 MEETING OF THE

# STATE LEVEL BANKER'S COMMITTEE MADHYA PRADESH



*Cashless  
Mission*

सूचकांक **AGENDA**

CONVENOR-CENTRAL BANK OF INDIA

*Awas  
Mission* 

March 04, 2017



Youth Empowerment

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## AGENDA NO-1

### ADOPTION OF THE MINUTES OF THE 160<sup>TH</sup>/161<sup>ST</sup> SLBC MEETING HELD ON 11.08.2016

The Minutes of 160/161 Meeting of SLBC held on 11<sup>th</sup> August 2016 was circulated to all concerned and has been uploaded on website of SLBC ([www.slbcmadhyapradesh.in](http://www.slbcmadhyapradesh.in)) and website of Department of Institutional Finance, Government of Madhya Pradesh ([www.dif.mp.gov.in](http://www.dif.mp.gov.in)). The actionable points have been indicated for desired action.

No amendment/suggestion to the circulated minutes of the said meeting has been received, so far. Therefore, the house is requested to confirm and adopt the said minutes.



## AGENDA NO-2

### ACTION TAKEN REPORT ON ACTION POINTS OF 160/161 SLBC MEETING HELD ON 11.08.2016

SR.	AGENDA ITEM/ACTION POINTS	ACTION TAKEN REPORT
1	<p>ACP Achievement: The ACP achievement under Housing, Education &amp; Social Infrastructure was low in June 2016 quarter. Banks need to improve their position in the next quarter.</p> <p><b>Action: All Banks</b></p>	<ul style="list-style-type: none"> <li>Disbursement under education loans was Rs. 147.51 crores in the June quarter, which is increased to 269.98 crores in December 2016 quarter. During the current quarter, banks disbursed Rs. 122.47 crores more than June quarter.</li> <li>Disbursement under housing loans also increased from Rs. 1233 crores in June quarter to Rs. 2892 crores in December quarter showing growth of 141%.</li> <li>Disbursement under social infrastructure did not improve and it is marginally increased by Rs. 9.34 crores from June-16 quarter.</li> </ul>
2	<ul style="list-style-type: none"> <li>KCC &amp; Agriculture Term Loans: CGM, NABARD informed that there are around 100 lac farmers in the State and the Kisan Credit Card issued by banks is around 76.70 lacs. Banks still have about 23.30 lac farmers to be covered.</li> </ul> <p><b>Action: All Banks</b></p> <ul style="list-style-type: none"> <li>Reducing trend under Agriculture Term Loan is a matter of concern. Banks need to explore the possibilities to enhance agriculture term loan portfolio. <b>Action: All Banks</b></li> </ul>	<ul style="list-style-type: none"> <li>Total number of Kisan Credit Card is increased from 76.70 lac in June quarter to 77.03 lac in December quarter. The left-over farmers are tenant farmers and small &amp; marginal farmers. Banks are requested to extend KCC loans to small &amp; marginal farmers, which is presently 16.14 lac as of 31.12.2016</li> <li>Term loan outstanding in the State is 31% of total agriculture loans as of December 2016, which was 28% in June quarter.</li> </ul>
3	<p>Improving CD Ratio of Shahdol, Anuppur, Dindori &amp; Umaria districts: Some special drive under Swarojgar schemes, MUDRA &amp; Standup India needs to be undertaken in Low CD Ratio districts viz, Shahdol, Anuppur, Dindori &amp; Umaria districts to improve their CD Ratio.</p> <p><b>Action: Concerned Banks</b></p>	<ul style="list-style-type: none"> <li>Special camps were organized in Anuppur &amp; Dindori districts for Mudra &amp; Stand-up India schemes from 15th Sep to 31st October 2016. CD Ratio of Anuppur and Dindori districts registered 215% &amp; 38.14% respectively in Dec-16 quarter. CD Ratio of Shahdol and Umaria districts did not improve and recorded 25.76% and 22.77% respectively in December quarter of current financial year, which is still below the benchmark i.e. 40%.</li> <li>Flow of deposits during demonetization period and poor credit off-take also worsen the condition in current quarter.</li> </ul>

4	<p>Pradhan Mantri Fasal Bima Yojana: State Bank of India should solve the issue of 12000 farmers whose claims were rejected because of non-remittance of deducted premium to the insurance company.</p> <p><b>Action: SBI</b></p>	<p>State Bank of India has informed that matter has been resolved now and the State Government has granted approval for acceptance of drafts in respect of crop insurance claims of Rabi 2015-16.</p>
5	<p><b>PM Awas Yojana-Urban:</b> It was informed by Directorate, Urban Administration &amp; Development that they have identified 1.33 lac beneficiaries in 51 districts. The Chief Secretary advised to Urban department to distribute targets among bank branches through DLCC.</p> <p><b>Action: Directorate, Urban Administration Deptt.</b></p>	<p>Directorate, Urban Administration &amp; Development vide their letter no. 830 dt. 03.09.2016 and 13724 dt. 28.10.2016 advised district administration to complete this task at the earliest.</p>
6	<p><b>MUDRA Loans:</b> Progress under Mudra schemes needs to be improved in the next quarter i.e. Sep 2016</p> <p><b>Action: All Banks</b></p>	<p>Loans under Mudra scheme were extended to 1.11 lac beneficiaries in June quarter, which is increased to 2.53 lac in December quarter. 1.42 new loans have been sanctioned during June to Dec-16 quarters of Rs. 2151 crores.</p> <p>Details are given in the Agenda no-11</p>
7	<p><b>Standup India Loans:</b> The Chief Secretary advised that break-up of women beneficiaries (SC/ST and Non-SC/ST) should be made available in the next meeting.</p> <p><b>Action: SLBC</b></p>	<p>As advised by the Chief Secretary, SLBC collected segregated data and breakup is available in the agenda item of Stand-up India scheme.</p> <p>Details are given in the Agenda no-11</p>
8	<p><b>Chief Minister Rural Housing Mission:</b> All pending installments should be disbursed immediately and progress required to be improved in the next quarter.</p> <p><b>Action: All Banks</b></p>	<p>Achievement under this scheme was 36.72% of the target as of 30<sup>th</sup> September quarter, which is increased to 53.91% in December quarter. As against target of 75 000 number of cases for FY 2016-17, 66623 cases have been sanctioned and disbursement was made in 40430 cases as on 31.12.2016</p> <p>Details are given in the Agenda no-11</p>
9	<p><b>Progress under Government Sponsored Schemes viz. Mukhya Mantri Yuva Udhyaami Yojna, Mukhya Mantri Swarojgar Yojna &amp; Mukhya Mantri Arthik Kalyan Yojana</b></p> <ul style="list-style-type: none"> <li>Banks should share data on CGTMSE coverage under Mukhya Mantri Yuva Udhyaami Yojna.</li> </ul>	<ul style="list-style-type: none"> <li>Functionality to capture CGTMSE coverage data has been incorporated in the SLBC portal. Banks have been advised to submit such data through the portal <a href="http://www.slbcmadhyapradesh.in">www.slbcmadhyapradesh.in</a></li> </ul>



	<ul style="list-style-type: none"> <li>The banks should incorporate a product code of State Government schemes in their CBS to generate real time data under these schemes.</li> </ul> <p><b>Prime Minister's Employment Generation Programme (PMEGP):</b></p> <ul style="list-style-type: none"> <li>Performance under the scheme was very poor in the first quarter i.e. June 2016.</li> </ul> <p><b>Action: All Banks</b></p>	<ul style="list-style-type: none"> <li>Central Bank of India, Union Bank of India, Allahabad Bank, State Bank of India have product codes for State Government Schemes in their CBS system. Response from other banks is awaited.</li> <li>As against annual target of 4986 number of units and Rs. 99.72 crores of margin money utilization for FY 2016-17, Rs. 3748 crores margin money have been utilized in 865 cases and achievement index is 37.59% for Margin Money.</li> </ul> <p>Details are given in the Agenda no-11</p>
10	<ul style="list-style-type: none"> <li><b>Progress under National Rural Livelihood Mission (NRLM):</b></li> </ul> <p>Credit linkage position is not satisfactory. Banks need to improve their position in the next quarter.</p> <p><b>Action: All Banks</b></p> <ul style="list-style-type: none"> <li>Morena Branch of Indian Bank returned 25 cases after six months from sanction &amp; release of subsidy by the department.</li> </ul> <p><b>Action: Indian Bank</b></p>	<ul style="list-style-type: none"> <li>As against target of 32000 numbers of cases of Rs. 450 crores for credit linkage, banks sanctioned 21299 cases of Rs. 273 crores as on 31.12.2016. Disbursements were made in 16922 cases and achievement index was 66.55% (sanctioned nos.)</li> <li>Indian bank informed that their Morena branch returned 15 applications under Antvyavasayi Yojana along with reasons. They did not return any application under NRLM. However, they have cautioned their branches and advise suitably in this regard.</li> </ul>
11	<p>Opening of Brick &amp; Mortar branch in villages with 5000 or more population: Some banks viz. SBI, IDBI, Axis Bank etc. informed to SLBC that opening of branches in their allotted centres is not viable. As such, they are approaching SLBC to change their centres. Till date, no brick and mortar branch was opened in 47 identified villages.</p> <p><b>Action: All Concerned Banks</b></p>	<p>Only one bank branch was opened till 30.09.2016. RBI, Bhopal vide their letter no. FIDD No.149/02.02.0182016-17 dt. 19.10.2016 has clarified that on the basis of non-viability, banks cannot stop opening of the bank branches in their allotted centres. If there are any issues related to infrastructure, security etc., these issues should be discussed in the DLCC meeting for resolution.</p> <p>All concerned banks are requested to open their branches at the earliest. If there are any issues, the same should be discussed in the meeting of SLBC. Details are given in agenda.</p>
12	<p>Non-Performing Assets &amp; RRCs: The Chief Secretary advised DIF to put up district wise position of RRCs for discussion.</p> <p><b>Action:DIF, GoMP</b></p>	<p>District wise RRC data is placed in the agenda for discussion.</p>

13	<p>Full Fledged FLC Councilors: Full-fledged FLC Counselors were not available at 5 FLCCs in the State, 4 belonging to Bank of India (viz. Barwani, Burhanpur, Sehore and Shajapur) and 1 belonging to Union Bank of India (viz. Singrauli). Banks should ensure that there should be full-fledged FLC councilors at all FLCs.</p> <p><b>Action: BOI &amp; UBI</b></p>	<ul style="list-style-type: none"> <li>Bank of India has informed that full-fledged FLC Councilors have been appointed in their Barwani, Burhanpur, Sehore and Shajapu FLCC.</li> <li>Union bank of India has informed that despite repeated publication of vacancy for FLC Councilors, no proposal has been received so far.</li> </ul>
14	<p>Bank of India has closed their R-SETI at Bhopal, which was functioning from their own premises, due to rejection of their claim for grant by Ministry of Rural Development, Govt. of India on the basis of grant already provided to RUDSETI jointly sponsored by Canara Bank and Syndicate Bank which has been functioning at Bhopal since 2002. The land allotted to Bank of India by Govt. of M.P. has also been returned by the bank to the government. The Chief Secretary desired that Bank of India should continue their R-SETI at Bhopal from their own premises.</p> <p><b>Action: BOI</b></p>	<p>Bank of India has informed that they have finally closed their RSETI in Bhopal.</p>
15	<p>Instances were brought to notice that some loan cases under Government sponsored schemes were initially sanctioned. Based on which, subsidy is released by the State Government but cases are later returned by the branches after six months citing some technical reasons. It was advised to SLBC to issue suitable instructions to banks.</p> <p><b>Action: SLBC</b></p>	<p>Suitable instructions have been issued by SLBC to banks, advising proper due diligence should be undertaken at the time of sanctioning the loans. Once, cases are sanctioned, they cannot be returned later without any valid reason approved by their higher authorities.</p>

## AGENDA NO-3

### UNION BUDGET 2017 HIGHLIGHTS-BANKING SECTOR

#### DIGITAL PAYMENT

- Budget gives a major push to Digital Economy; proposes No Cash Transaction above Rs 3 lakh.
- Digital India - BHIM app will unleash mobile phone revolution. The government will introduce two schemes to promote BHIM App - referral bonus for the users and cash back for the traders.
- A Mission will be set-up with a target of 2,500 crore digital transactions for 2017-18 through UPI, USSD, Aadhar Pay, IMPS and debit cards.
- To strengthen and regulate the digital economy, the Finance Minister has proposed to create a "Payments Regulatory Board" in the RBI by replacing the existing Board for Regulation and Supervision of Payment and Settlement Systems.

#### AGRICULTURE SECTOR

- A sum of Rs. 10 lakh crore is allocated as credit to farmers for FY 2017-18.
- Sowing farmers should feel secure against natural calamities.
- A model law on contract farming will be prepared and shared with the States.
- Dairy processing infrastructure fund will be initially created with a corpus of Rs. 2000 crore.
- NABARD fund for LTIF (Long Term Irrigation Fund) will be increased to Rs. 40,000 crore.
- Rs. 1900 crores fund have been allocated for computerization and integration of all PACS (Primary Agriculture Cooperative Societies) with the CBS (Core Banking Solution).

#### HOUSING SECTOR

- To boost the supply of rural housing and augmenting affordable housing in urban areas, it has been proposed to complete 10 million houses for the homeless and those who live in kachha houses by 2019.
- The allocation under the Pradhan Mantri Awas Yojana-Gramin was also increased to Rs 23,000 crore from last year's Rs 15,000 crore.
- The National Housing Bank (NHB) will refinance individual loans worth Rs 20,000 crore in 2017-18.

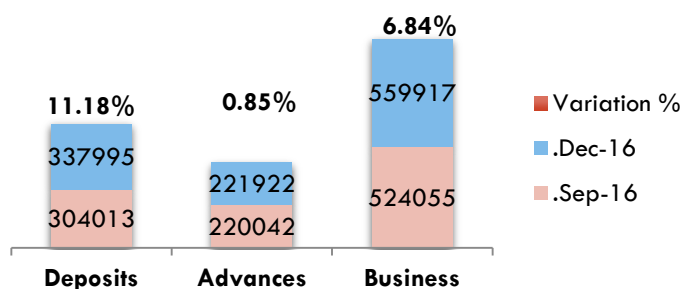
#### OTHER FINANCIAL SECTOR

- Pradhan Mantri Mudra Yojana lending target fixed at Rs 2.44 lakh crore for 2017-18.
- The budget has set aside only Rs10,000 crore for bank recapitalization, lower than the Rs25,000 crore figure for the current year.
- For big-time offences - including economic offenders fleeing India, the government will introduce legislative change or introduce law to confiscate the assets of these people within the country.
- FDI policy reforms - more than 90% of FDI inflows are now automated.
- Currently 84 government schemes are on the DBT platform.
- In the budget, it has been emphasized to create more jobs and boost infrastructure spending, measures which will help increase credit off-take for banks.

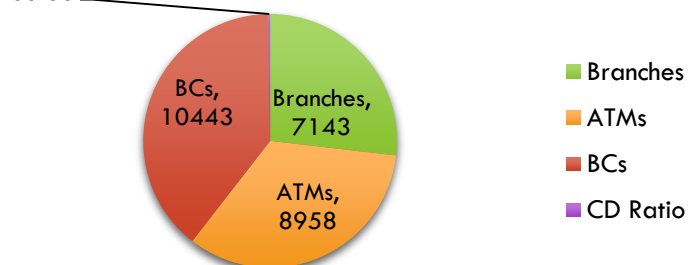
## AGENDA NO-4

### REVIEW OF BANKING DEVELOPMENT IN MADHYA PRADESH

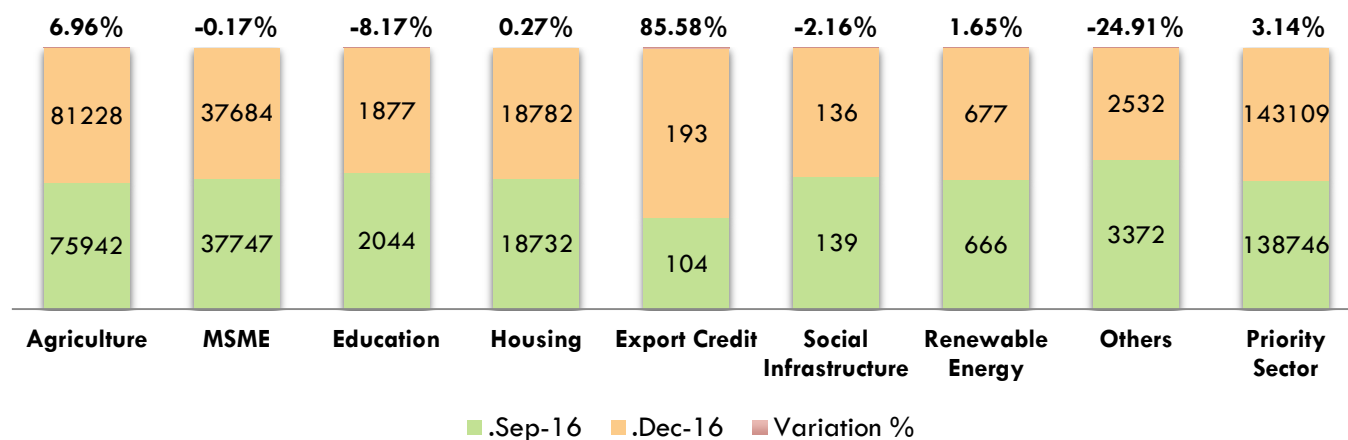
**Deposits, Advances & total Business amount in crores  
Sep-16 vis-a-vis Dec 16**



**Position of no. of Branches, ATMs, Business Correspondents & C-D Ratio as on 31.12.2016**



**Balance Outstanding 30.09.16 vis-à-vis 31.12.2016  
Rs.in crores as on 31.12.16**



#### BRANCH NETWORK

At the end of December 2016, the total number of bank branches in Madhya Pradesh

increased to 7143 from 7105 in September 2016. 38 new bank branches have been opened during the quarter.

## DEPOSIT GROWTH

Deposits of the banks in Madhya Pradesh increased from Rs. 304013 crores as of September 2016, to Rs. 337995 crores in December 2016 showing an increase of Rs. 33982 crores. The incremental growth is 11.18% due to demonetization.

## CREDIT EXPANSION

While deposits increase rate was 11.18% from previous quarter, advances increased by only 0.85%. The total advances increased from Rs. 220042 crores as of September 2016 to Rs. 221922 crores in December 2016 an increase of Rs. 1880 crores.

## BUSINESS GROWTH

Total business of the banks in the State increased from Rs. 524055 crores as of September 2016 to Rs. 559917 crores in December 2016, showing incremental growth of 6.84%.

## CD RATIO

Credit Deposit Ratio of the State has declined from previous quarter. CD Ratio of the state during current quarter recorded 65.66% as against 72.38% of previous quarter of current fiscal due to surge in deposits following demonetization.

## AGRICULTURE ADVANCES

The aggregate of agriculture advances extended by banks in Madhya Pradesh have increased from 75942 crores in September 2016 to 81228 crores, registering an increase of 5286 crores in absolute terms and 6.96% in percentage terms. The percentage of agriculture advances to total advances is 36.60% as of 31<sup>st</sup> December 2016 as against

RBI norm of 18%. Y-o-Y growth rate under agriculture advances is 5.52%.

## MSME ADVANCES

Total MSME advances of the banks decreased from Rs. 37747 crores as of September 2016 to Rs. 37684 crores in December 2016 is showing marginally decline of Rs. 63 crores. The percentage of MSE (micro & small) advances to total advances is 14.24% as of December 2016 as against RBI norm of 7.5% by March 2017.

## EXPORT CREDIT

Export credit of banks in Madhya Pradesh is yet to pick up and it was only Rs. 193 crores in December 2016.

## EDUCATION LOANS

Education loans outstanding (Priority Sector) is decreased from 2044 crores as of September 2016 to 1877 crores in December 2016, showing a decline of 8.18%. **Major decline in balance outstanding of Syndicate bank & Bank of Maharashtra, impacted overall performance of the banks. Syndicate bank as of 30.09.16 reported balance outstanding Rs. 179.53 crores, which is reduced to 19.66 crores in Dec-16. Similarly, balance outstanding of Bank of Maharashtra reduced by Rs. 16.54 crores from previous quarter.**

## HOUSING LOANS

Housing loans (Priority Sector) is marginally increased from 18732 crores as of September 2016 to 18782 crores in December 2016.

## SOCIAL INFRASTRUTURE

Balance outstanding of social infrastructure is decreased from 139 crores as of September 2016, to 136 crores in December 2016. Bank loans up to a limit of Rs.5 crore per borrower for building social infrastructure for activities namely schools, health care facilities, drinking water facilities and sanitation facilities including construction/ refurbishment of household toilets and household level water improvements, Bank credit to Micro Finance Institutions (MFIs) extended for on-lending to individuals and also to members of SHGs/JLGs for water and sanitation etc. are come under Social Infrastructure.

## RENEWABLE ENERGY

Balance outstanding under renewable energy marginally increased by Rs. 11 crores from previous quarter. Bank loans up to a limit of R.15 crore to borrowers for purposes like solar based power generators, biomass based power generators, wind mills, micro-hydel plants and for non-conventional energy based public utilities Viz. Street lighting systems, and remote village electrification. For individual households, the loan limit will be R.10 lakh per borrower come under renewable energy sector.

## OTHERS

Present outstanding under other priority sector is Rs. 3372 crores as on 31<sup>st</sup> December 2016. Loans to following categories come under this portfolio.

- Loans to distressed persons not exceeding Rs. 1,00,000/- per borrower to prepay their debt to non-institutional lenders.
- Loans not exceeding Rs. 50,000/- per borrower provided directly by banks to individuals and their SHG/JLG, provided the individual borrower's household annual income in rural areas does not exceed Rs. 1,00,000/- and for non-rural areas it does not exceed Rs.1,60,000/-.
- Loans sanctioned to State Sponsored Organizations for Scheduled Castes/ Scheduled Tribes for the specific purpose of purchase and supply of inputs and/or the marketing of the outputs of the beneficiaries of these organizations.

## PRIORITY SECTOR

In the state, as on 31<sup>st</sup> December 2016, 64.49% of total advances are of priority sector loans. There is a growth of 3.14% from previous quarter under priority sector loans. Total loans under priority sector were Rs. 138746 crores as of 30<sup>th</sup> Sep-16, which is increased to Rs. 143109 crores as on 31<sup>st</sup> Dec-16. Y-o-Y growth is 20.05% under priority sector.

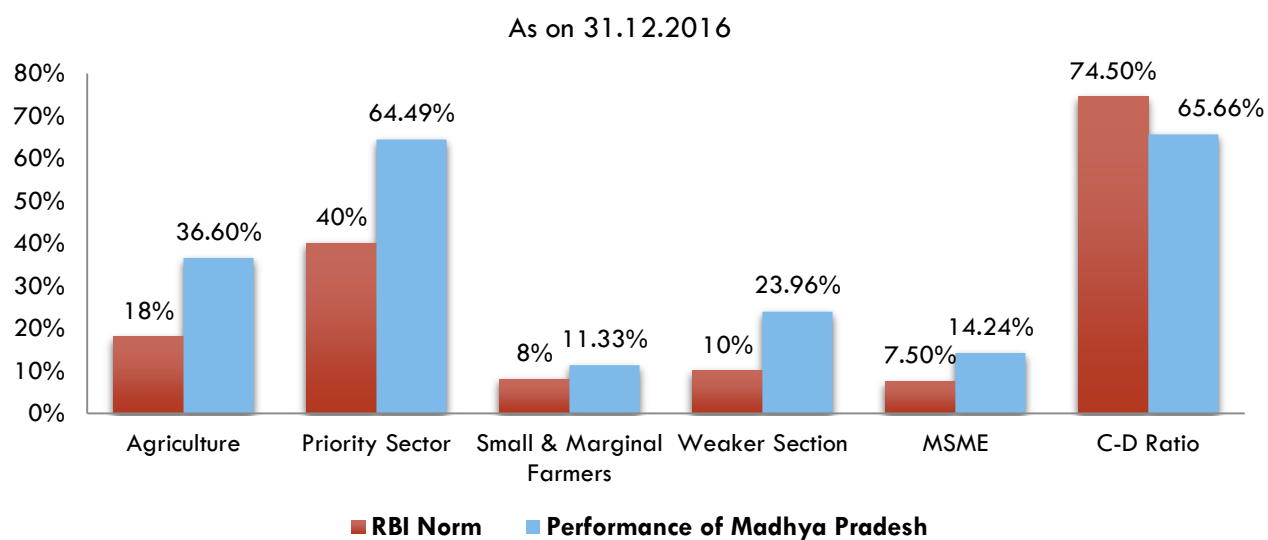


# STATUS: KEY BANKING PARAMETERS OF THE STATE AS ON 31.12.2016

Amount in crores

Sr.	Parameters	Dec-15	Mar-16	Sep-16	Dec-16	Y-o-Y growth %	% Growth over previous quarter	% Growth during current FY
1	Total number of Branches	7029	7129	7105	7143	1.62	0.53	0.20
2	Total number of ATMs	8750	8929	8767	8958	2.38	2.18	0.32
3	<b>Credit Deposit Ratio</b>	<b>62.43</b>	<b>68.6</b>	<b>72.38</b>	<b>65.66</b>	<b>3.23</b>	<b>-6.72</b>	-4.29
4	Total Deposits	314212	303070	304013	337995	7.57	11.18	11.52
5	<b>Total Advances</b>	196167	207900	220042	221922	13.13	0.85	6.74
6	<b>Total Business [4+5]</b>	<b>510378</b>	<b>510970</b>	<b>524055</b>	<b>559917</b>	<b>9.71</b>	<b>6.84</b>	9.58
<b>PRIORITY SECTOR ADVANCES</b>								
7	Agriculture advances	60977	67379	75942	81228	33.21	6.96	20.55
8	Crop Loans out of total agriculture	44581	50513	52638	56047	25.72	6.48	10.96
9	<b>% of Agriculture advances to Total advances [RBI Norm: 18%]</b>	31.08	32.41	34.51	36.6	5.52	2.09	12.93
10	MSME	28736	30082	37747	37684	31.14	-0.17	25.27
11	<b>% of MSE (Micro &amp; Small) advances to Total advances [RBI Norm: 7.5% by Mar-17]</b>	-	-	14.47	14.24	-	-0.23	-
12	Export Credit	786	673	104	193	-75.43	85.63	-71.32
13	Education	1789	1741	2044	1877	4.89	-8.18	7.81
14	Housing	17328	17190	18732	18782	8.39	0.27	9.26
15	Social Infrastructure	182	243	139	136	-25.08	-1.82	-44.03
16	Renewable Energy	35	72	666	677	1824.63	1.61	840.28
17	Others	9378	3831	3372	2532	-73	-24.92	-33.91
18	<b>Total Priority Sector Advances [7+10+12+13+14+15+16+17]</b>	119211	121212	138746	143109	20.05	3.14	18.07
19	<b>% of Priority Sector advances to Total advances [RBI Norm: 40%]</b>	60.77	58.3	63.05	64.49	3.72	1.43	10.62
20	<b>Total Non-Priority Sector Advances</b>	76956	86688	81296	78813	2.41	-3.05	-9.08
21	Advances to small & marginal farmers	18388	25379	23239	25134	36.69	8.15	-0.97
22	<b>% of advances to small &amp; marginal farmers to total advances [RBI Norm: 8% by Mar-17]</b>	9.37	12.21	10.56	11.33	1.95	0.76	-7.21
23	Total NPA	8894	12712	13273	14946	68.04	12.6	17.57
24	<b>% of NPA to total advances</b>	4.53	6.11	6.03	6.73	2.2	0.7	10.15
25	Advances to Weaker Sections	34054	37816	49259	53171	56.14	7.94	40.60
26	<b>% of advances to Weaker Sections to total Advances [RBI Norm: 10%]</b>	17.36	18.19	22.39	23.96	6.6	1.57	31.72

## PERFORMANCE OF BANKS VIS-À-VIS STIPULATED NORMS OF RBI



## AGENDA NO-5

### CASHLESS ECONOMY [MADHYA PRADESH]

#### BACKGROUND

The recent decision of the Government on demonetization has created a massive opportunity to fast track the roll out of digital payment movement. India remains a largely cash based economy with cash accounting for more than 78% of all retail payments. Compared to some other countries, like China, Mexico, Brazil, India ranks very low relating to Non-cash transactions. The cash dependence, in turn, has impacted government's ability to widen tax compliance and improve tax revenue. Digitization of transactions is a necessity for India; it will benefit the poor, the middle class, the businesses and the nation. India is significantly behind peers on digital transactions and digitization will create a multiplier benefit in efficiency of capital and resource allocation through greater transparency, traceability of transactions, enforceability of law and significantly buoyed tax revenues which will augment State's resources for social welfare.

In this background, Government of Madhya Pradesh has constituted a task force committee **under the Chairmanship of State Finance**

**Minister**, to chart out a road map for the adoption of digital modes of payment in the state and suggesting measures to seamlessly enable all sections of the population to migrate to the digital mode of payment. Other members of the committee are as under:

1. **Additional Chief Secretary, Finance, Govt. of M.P.**
2. **Additional Chief Secretary, Panchayat & Rural Development, Govt. of M.P.**
3. **Additional Chief Secretary, Economic & Statistics, Govt. of M.P.**
4. **Principal Secretary, Commercial Tax, Govt. of M.P.**
5. **Principal Secretary, Labor, Govt. of M.P.**
6. **Principal Secretary, Cooperative, Govt. of M.P.**
7. **Convenor/General Manager, SLBC**
8. **General Manager, State Bank of India**

First meeting of the task force was held on 14<sup>th</sup> December 2016 at Bhopal.

#### DEMONETIZATION IMPACT IN MADHYA PRADESH

##### Impact on Deposits

Total aggregate deposits as on 08<sup>th</sup> November 2016 of twenty-five major banks in the state was Rs. 257372 crores, which has increased to Rs. 292901 crores as on 10<sup>th</sup> January 2017. Increase in deposits was Rs. 35529 crores during the above period and variation percentage was 13.80%. Bank wise status is given below:

Sr.	Name of the Bank	Deposits as on 8.11.16 Amt. in crores	Deposits as on 10.01.17 Amt. in crores	% increase in Deposits
1	Allahabad Bank	9992	10836	8.45
2	Andhra Bank	1219	1321	8.37
3	Axis Bank	3292	4164	26.51
4	Bank of Baroda	8414	9566	13.69
5	Bank of India	19998	23509	17.55
6	Canara Bank	6638	7981	20.23
7	Central Bank of India	23569	25980	10.23
8	CMPGB	6610	7174	8.53
9	Corporation Bank	2351	2640	12.29
10	Dena Bank	2564	2825	10.18
11	HDFC	7134	8489	18.99
12	ICICI	5999	7158	19.32
13	IDBI	6172	7696	24.69
14	Indian Bank	404	534	32.18
15	Indian Overseas Bank	1527	1633	6.92
16	MGB	6062	6845	12.92
17	NJGB	5343	6088	13.96
18	OBC	4354	4591	5.46
19	Punjab & Sindh Bank	1442	1464	1.5
20	Punjab National Bank	17181	21197	23.37
21	SBBJ	499	543	8.84
22	SBT	145	150	3.71
23	State Bank of India	97538	105501	8.16
24	Syndicate Bank	2408	2842	17.98
25	Union Bank of India	16518	22175	34.25
	<b>TOTAL</b>	<b>257372</b>	<b>292901</b>	<b>13.8</b>

Surge in deposits was recorded mainly in current & savings accounts [CASA].

#### IMPACT ON PMJDY ACCOUNTS

Number & amount in crores

Particulars	08.11.2016	19.01.2017	Variation over 08.11.16
No. of PMJDY Accounts	2.10	2.28	0.18
No. of RuPay card issued	1.57 (75%)	1.73 (76%)*	0.16
No. of Aadhaar Seeding	1.14 (54%)	1.48 (65%)	0.34
No. of Zero Balance Accounts	0.57 (27%)	0.71 (31%)	0.14
Aggregate balance (Rs.) in the Acs.	1812	3018	1206
Average balance in the Acs	863(Rs.Actual)	1324(Rs.Actual)	461 (Rs.Actual)

\*55 lac minor accounts



## IMPACT ON ADVANCES & NPA

- Total outstanding of advances was reduced by Rs. 528 crores during 08.11.2016 to 10.01.2017. The reduction is mainly due to
- Receipt of Agriculture Insurance claim of Rs. 4400 crores.
- Repayment/deposits in loan accounts.
- Poor credit off-take
- Terminal NPA of above banks was reduced by Rs. 243 crores during 08.11.2016 to 10.01.2017. We cannot attribute reduction of advances and NPA to deposits of SBN alone as we do not have relevant data to corroborate it.

## IMPACT ON DIGITAL PAYMENT SYSTEM

Particulars	Number as on 19.01.2017
Total No. of PoS machines deployed as on date	47237
No. of PoS deployed since 09.11.16	6162
No. of new Internet banking users added since 09.11.16	130974
No. of UPI users added from 09.11.16	220198
No. of Mobile banking users added since 09.11.16	247988

## IMPACT ON DIGITAL TRANSACTIONS

### Real Time Gross Settlement (RTGS)

Month	Volume			Value (Rs. crores)		
	Interbank	Customer	Total	Interbank	Customer	Total
Nov-16	15769	377964	393733	580	10998	11578
Dec-16	24441	438930	463371	887	12771	13658
Variation %	54.99	16.13	17.69	52.93	16.12	17.96











### National Electronic Fund Transfer (NEFT)

Month	No. of Transactions	Amount (Rs. crores)
Nov-2016	6152308	4403
Dec-2016	6606555	4752
Variation %	7.38	7.92



## MOVING AHEAD TOWARDS DIGITIZATION

### Modes of Digital Payment

 Banking Cards	 USSD	 AEPS	 UPI	 Mobile Wallets
 Banks Pre-paid Cards	 Point of Sale	 Internet Banking	 Mobile Banking	 Micro ATMs

### Constraints

The following are the important constraints which hampers the transition in to digital payments mode:

- Lack of proper digital connectivity and infrastructure.
- Attitudinal Change and Training.
- Lack of a proper cyber security and apprehension in digital transactions.
- Charges on various modes of digital payments.
- Lack of awareness and education of rural folk.
- Lack of appropriate digital payment mode for vulnerable users like farmers.
- Lack of interoperability among various banks and modes of payments.
- Low Aadhar seeding & mobile number seeding.

### PROPOSED ACTION

The proposed actions will require concerted and coordinated efforts across a broad spectrum of stakeholders, including

- Government, leading the way, giving overall direction, policy decisions and execution, incentivizing digital payments and discouraging cash transactions.
- Financial entities, like NPCI, RBI, Banks, Payment gateway providers, to expand the technical infrastructure and strengthening security;
- Telecommunication entities, like TRAI, Telecom Players, Smartphone Players, in expanding infrastructure and strengthening security; and
- Awareness partners, including a broad spectrum of entities who needs to be roped in as partners in driving awareness like the Microfinance institutions, Fertilizer Corporations, NGOs, Corporates, Panchayati Raj institutions, etc.
- Banks, aggressively promoting alternate delivery channels, digitalization & activation of RuPay cards, aadhaar and mobile number seeding

## PROGRESS IN MADHYA PRADESH

- Govt. of M.P. in coordination with State Level Bankers' Committee conducted training programmes on 24th & 26th December 2016 at Central Bank Officer's Training College, Bhopal for master trainers wherein, more than 200 participants were participated from each district. The master trainer will further train other persons in respective districts.
- There are 1231 anganwadi centres in M.P. The anganwadi workers will train and encourage women to go for cashless transactions as part of the government's ambitious **e-Laxmi scheme**.
- There are around 20 thousand Common Service Centres (CSC) in M.P. These centres are training the people and creating awareness for cashless transactions.
- The M.P. Government has launched **"Digital Dakia"** scheme where student volunteers go door to door and explain the process and benefits of cashless transactions to the common people. The volunteers will be given identity cards to identify themselves as Digital Dakias. Indore is the first city where the scheme is introduced and there are plans to spread the movement to more places in the state.
- In Madhya Pradesh, Digital Payments has been enabled in all 257 mandis. 90% of payment is through banking network.
- Payment of Minimum Support Price (MSP) is also being made through cashless i.e. RTGS, NEFT & cheque.
- The Government of M.P. has waived stamp duty on PoS agreement between banks and merchants.
- The GoMP has also relaxed VAT and entry tax on PoS machines.
- Madhya Pradesh has appointed 150 Women of Self Help Groups as Banking Correspondents (BCs). To expand the network of BCs similar steps may be taken by Banks and State Governments.
- 100% payments of Treasuries are being made through cashless.
- Around 69% revenue collections from citizens are cashless.
- Charges/fees collection at all Lok Seva Kendra in the state through cashless mode.
- E-tax collection facility has been introduced in Indore, Bhopal & Burhanpur Nagar Nigam.
- NEFT/RTGS charges have been waived off in the State Cooperative Banks.
- Digi-Dhan fair was organized in Bhopal & Indore on 19<sup>th</sup> & 24<sup>th</sup> January 2017 respectively. Another Digi-Dhan fair is scheduled at Gwalior, Jabalpur & Dewas on 30.01.17, 27.02.17 and 09.03.2017 respectively.
- The Govt. of M.P. transferred scholarship to 82 lakh school children directly in their respective accounts through DBT."

## SUGGESTIONS

- Bank Charges relating to various digital modes of payment are a burden and thus make digital payments unattractive. Holistic view should be taken in this regard to enable wide scale adoption of digital transactions.
- Security concern and fear of cyber frauds need to be addressed and awareness should be spread amongst general public.
- Payments through e-wallets should be made interoperable.
- Internet connectivity and Broadband availability need to be expanded on an urgent basis. Wi-fi centres should be made at market places and other busy centres.
- All telecom companies operating in the state should be part of the task force committee.
- The state government may pay incentive to the Business correspondence for delivery of social security pensions and MGNREGA wages as being done in other states viz. Haryana.
- Cash transactions beyond a given threshold at certain point of sale should be banned.
- Benefits of Digital Payments, modes of Digital payments etc. should be made

a part of the curriculum of school education.

- MDR and Switching charges need to be rationalized so as to make all these affordable for all stake-holders.
- Costs associated with digital payment needs to be defrayed in order to make it more attractive vis-à-vis cash transactions;
- In order to monitor progress in various methods of payments, an integrated web portal should be developed to know state wise/bank wise status.
- There should be robust mechanism to strengthen security concerns.
- Levy of 'Cash handling fee' on cash withdrawal and deposit in current account above a threshold, say Rs. 50,000.
- SLBC to review digital payment progress quarterly.
- Parameters/Benchmark to review the performance of banks is shown in Table no.34
- All banks are requested to furnish the information as per the format given in table no. 34

## AGENDA NO-6

### REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN FY 16-17 AS ON 31.12.2016

Amount in crores

Sr.	Sub Sector	Target for the FY 2016-17		Achievement during the quarter ended 30 <sup>th</sup> September 2016		Achievement % in Sep Qtr. (Amt.)	Achievement during the quarter ended 31st December 2016		Achievement % in Dec Qtr. (Amt.)	Variation amt. over previous Qtr.
		No.	Amt.	No.	Amt.		No.	Amt.		
<b>1</b>	<b>Agriculture</b>	<b>2613627</b>	<b>80988</b>	<b>2358292</b>	<b>32142</b>	<b>39.40</b>	<b>2485323</b>	<b>42992</b>	<b>53.08</b>	<b>10850</b>
<b>1a</b>	Farm Credit	2480508	75927	2298317	30135	<b>39.69</b>	2425158	40541	<b>53.39</b>	<b>10406</b>
<b>1b</b>	Crop loan out of 1a	2137653	58521	2140470	26137	39.69	2219612	34201	<b>58.44</b>	<b>8064</b>
<b>1c</b>	Agriculture Infrastructure	83990	3184	20433	579	18.18	20497	686	<b>21.55</b>	<b>107</b>
<b>1d</b>	Ancillary Activities	49129	1877	39542	1428	76.08	39668	1765	<b>94.03</b>	<b>337</b>
<b>2</b>	<b>MSME</b>	<b>382924</b>	<b>16123</b>	<b>179546</b>	<b>10408</b>	<b>64.55</b>	<b>237197</b>	<b>12269</b>	<b>76.10</b>	<b>1861</b>
<b>3</b>	<b>Export Credit</b>	<b>1311</b>	<b>425</b>	<b>52</b>	<b>175</b>	<b>41.18</b>	<b>54</b>	<b>193</b>	<b>45.41</b>	<b>18</b>
<b>4</b>	<b>Education</b>	<b>38937</b>	<b>1435</b>	<b>12896</b>	<b>184</b>	<b>12.82</b>	<b>18325</b>	<b>270</b>	<b>18.82</b>	<b>86</b>
<b>5</b>	<b>Housing</b>	<b>162521</b>	<b>5948</b>	<b>134798</b>	<b>1783</b>	<b>29.98</b>	<b>181209</b>	<b>2892</b>	<b>48.62</b>	<b>1109</b>
<b>6</b>	<b>Social Infrastructure</b>	<b>220178</b>	<b>3914</b>	<b>402</b>	<b>15</b>	<b>0.38</b>	<b>434</b>	<b>20</b>	<b>0.51</b>	<b>5</b>
<b>7</b>	<b>Renewable Energy</b>	<b>5277</b>	<b>271</b>	<b>58</b>	<b>1</b>	<b>0.37</b>	<b>98</b>	<b>16</b>	<b>5.90</b>	<b>15</b>
<b>8</b>	<b>Others</b>	<b>0</b>	<b>0</b>	<b>222140</b>	<b>2525</b>	<b>0.00</b>	<b>257513</b>	<b>2646</b>	<b>0.00</b>	<b>121</b>
<b>9</b>	<b>Total Priority Sector</b>	<b>3424775</b>	<b>109104</b>	<b>2908184</b>	<b>47233</b>	<b>43.29</b>	<b>3180153</b>	<b>61297</b>	<b>56.18</b>	<b>14064</b>
<b>10</b>	<b>Total Non-Priority Sector</b>	<b>57369</b>	<b>3252</b>	<b>252183</b>	<b>15146</b>	<b>465.74</b>	<b>299716</b>	<b>20525</b>	<b>631.15</b>	<b>5379</b>
<b>11</b>	<b>Total Credit Plan (9+10)</b>	<b>3482144</b>	<b>112356</b>	<b>3160367</b>	<b>62379</b>	<b>55.52</b>	<b>3479869</b>	<b>81822</b>	<b>72.82</b>	<b>19443</b>

Bank wise performance is shown in Table no. 9(i), 9(ii), 10, 11(i), 11(ii) & 12

- At the end of 31<sup>st</sup> December 2016, banks in the state disbursed Rs. 81822 crores registering an achievement index of 72.82%.
- In the first nine months of 2016-17, the credit disbursement made by the banks for priority sector is Rs 61297 crore and achieved 56.18% of the target of priority sector.
- The Credit Plan for the year 2016-17 envisages a total credit outlay (priority & non-priority) of 112356 crores for the priority sector as against disbursement of Rs. 79788 crores during 2015-16, which is Rs. 32568 crores (40.81%) more than the disbursement of previous financial year.
- Crop loans outlay of Rs. 58521 crores for FY 2016-17, constitutes a major share in the credit plan. Rs. 34201 crores have been disbursed till 31.12.2016 under this portfolio, which is Rs., 8064 crores more than the previous quarter and 58.44 % of the targets have been achieved.
- Similarly, under priority sector, banks disbursed Rs. 14064 crores more than previous quarter.
- There is Rs. 22467 crores outlay for agriculture term loans during current fiscal, constituting 27.74% of the agriculture outlay. Banks disbursed Rs. 8791 crores under agriculture term loans and achieved 39.12% of the target (Rs. 22467 crores).
- Against the allocation of Rs 5948 crore credit for the housing sector, the credit off take is Rs 2892 crore at the end of third quarter.
- Banks performed well under Ancillary activities category and achieved 94% of the targets. Loans up to Rs. 5 crore to co-operative societies of farmers , Loans for setting up of Agriclincs and Agribusiness

Centres, Loans for Food and Agro-processing up to an aggregate sanctioned limit of Rs100 crore per borrower , Loans to Custom Service Units , loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) etc. come under ancillary activities.

- Banks disbursed Rs. 12269 crores under MSME priority sector at the end of 31<sup>st</sup> Dec-16.

## COMPARATIVE ACP PERFORMANCE WITH CORRESPONDING PREVIOUS YEAR

Target & Achievement Amount in crores

Sr.	Sub Sector	FY 2015-16 As on 31.12.2015			FY 2016-17 As on 31.12.2016			Y-o-Y Variation Amt.	Y-o-Y Variation %
		Targets	Achi.	Achi. %	Targets	Achi.	Achi. %		
<b>1</b>	<b>Agriculture</b>	<b>67187</b>	<b>43275</b>	<b>64.41</b>	<b>80988</b>	<b>42992</b>	<b>53.08</b>	<b>-283</b>	<b>-0.65</b>
<b>1a</b>	Farm Credit			0.00	75927	40541	53.39		
<b>1b</b>	Out of Farm Credit Crop Loans	*		0.00	58521	34201	58.44		
<b>1c</b>	Agriculture Infrastructure	*		0.00	3184	686	21.55		
<b>1d</b>	Ancillary Activities	*		0.00	1877	1765	94.03		
<b>2</b>	<b>MSME</b>	<b>13396</b>	<b>13326</b>	<b>99.48</b>	<b>16123</b>	<b>12269</b>	<b>76.10</b>	<b>-1057</b>	<b>-7.93</b>
<b>3</b>	<b>Export Credit</b>			0.00	425	193	45.41		
<b>4</b>	<b>Education</b>	300	285	95.00	1435	270	18.82	-15	-5.27
<b>5</b>	<b>Housing</b>	4933	4047	82.04	5948	2892	48.62	-1155	-28.54
<b>6</b>	<b>Social Infrastructure</b>	*		0.00	3914	20	0.51		
<b>7</b>	<b>Renewable Energy</b>	*		0.00	271	16	5.90		
<b>8</b>	<b>Others</b>	4107	2751	66.98	0	2646	0.00	-105	-3.82
<b>9</b>	<b>Total Priority Sector</b>	<b>89923</b>	<b>63684</b>	<b>70.82</b>	<b>109104</b>	<b>61297</b>	<b>56.18</b>	<b>-2387</b>	<b>-3.75</b>
<b>10</b>	<b>Total Non-Priority Sector</b>	<b>3918</b>	<b>19575</b>	<b>499.62</b>	<b>3252</b>	<b>20525</b>	<b>631.15</b>	<b>950</b>	<b>4.85</b>
<b>11</b>	<b>Total Credit Plan (9+10)</b>	<b>93841</b>	<b>83259</b>	<b>88.72</b>	<b>112356</b>	<b>81822</b>	<b>72.82</b>	<b>-1437</b>	<b>-1.73</b>

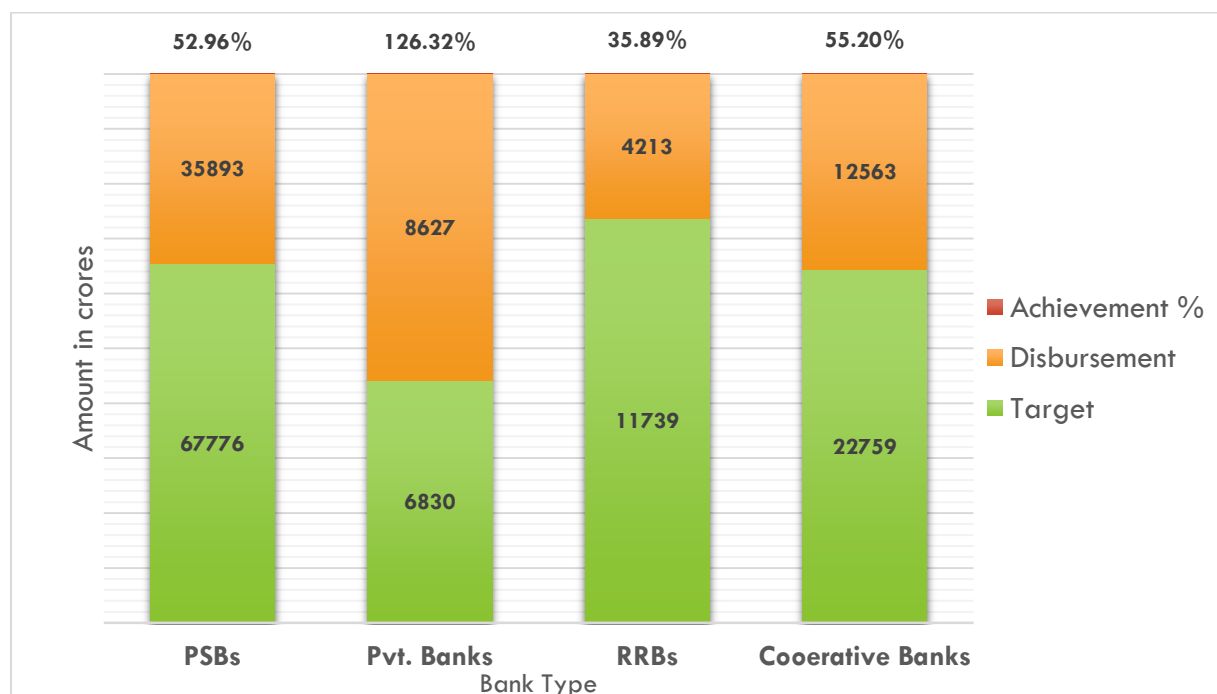
\*As per old priority sectors norms. There was no target during FY 2015-16

- Banks disbursed Rs. 81822 crores of the total credit plan during 31<sup>st</sup> December 2016, which is Rs. 1437 crores less than the corresponding previous year.
- Credit disbursement during Dec quarter was affected by demonetization resulting cash crunch and the bankers were preoccupied with demonetization related activities.
- The banks need to focus and financing agriculture infrastructure portfolio in less developed districts of the state.
- Government departments need to work in close liaison with banks not only with

regard to disbursement of loans but also in the recovery of loans to facilitate better recycling of credit and thus promote sustainable development.

- There is need for a heightened coordinated approach for enhancing capital formation, strengthening of area specific approach and knowledge sharing system among Government bodies, NABARD & banks, better monitoring and review at BLBC, DCC meetings, effective implementation of Financial Inclusion plans including coverage of oral lessees, tenant farmers in to Joint Liability Groups (JLGs).

## CHART SHOWING AGENCY WISE PRIORITY SECTOR TARGET & ACHIEVEMENT AMOUNT FY 2016-17

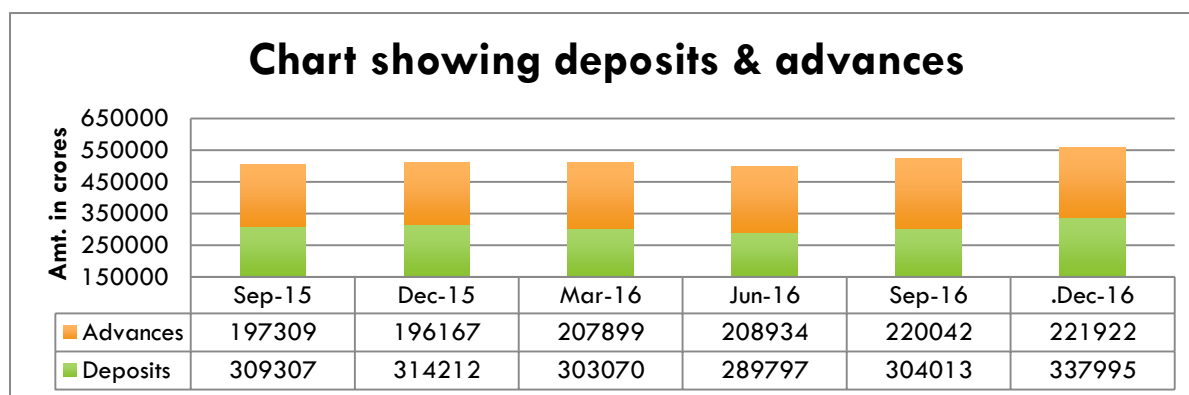
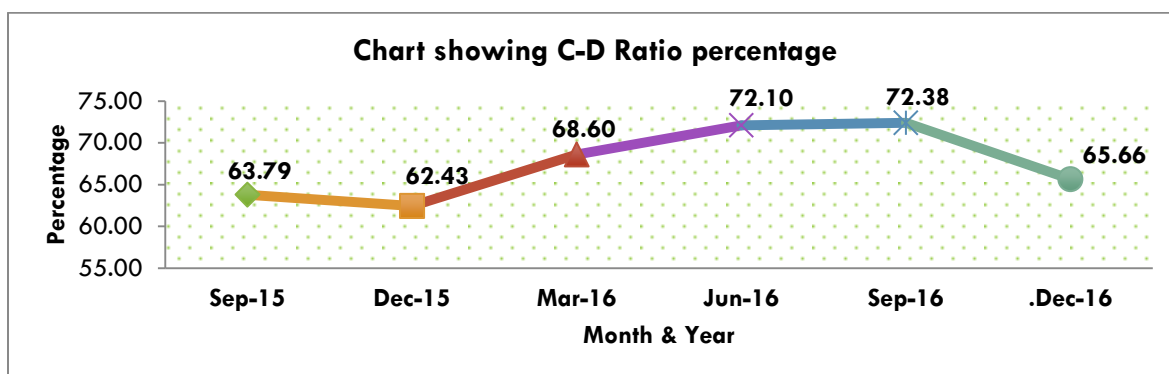


- Public sector banks have achieved 52.96 per cent of the credit target of Rs 67776 crore under priority sector. The private banks have fared better than their public-sector counterparts with an achievement of 126.44% per cent. Private Banks were given a target of Rs 6823 crore and have disbursed Rs 8627 crores by December-16 end.
- THE REGIONAL RURAL BANKS HAVE ACHIEVED ONLY 35.89 PER CENT OF THE TARGET UNDER PRIORITY SECTOR NEEDS IMPROVEMENT.
- Co-operative banks disbursed Rs. 12363 crores under priority sector and achieved 54.32% of the target for FY 2016-17.



## AGENDA NO-7

### CREDIT DEPOSIT RATIO AS ON 31<sup>ST</sup> DECEMBER 2016



### HIGHLIGHTS

- The Credit Deposit Ratio as of December 2016 decreased from 72.38% in previous quarter (September 2016) to 65.66% in Dec 16 quarter.
- CD ratio has shown growth of 3.23% over corresponding previous year.
- Decline of C-D Ratio from 72.38% in September 2016 to 65.66% at the end of Q-3 of current fiscal is due to surge in deposits following demonetization.
- The year-on-year (y-o-y) growth in aggregate deposits and bank credit worked out to 23783 crores & 25755 crores respectively in December 2016,

showing an increase of 7.57% and 13.12% respectively.

Bank wise deposits, advances & CD Ratio is shown in Table no. 3(i)

## IMPACT OF DEMONETIZATION ON THE C-D RATIO

### SURGE IN DEPOSITS

Demonetization has aided banks in high accretion of deposits. The withdrawal of legal tender character of old Rs 500/1000 notes from November 9, and subsequent caps on drawing out money from banks and ATMs, have left banks with additional deposits over the past two months. Deposits have shot up around 13.80% in previous two months (November & Dec 2016).

### CREDIT OFF TAKE

The demonetization exercise during Nov & Dec 16 affected the credit off-take. growth.

While credit growth squeezed due to work related to demonetization, there was growth in personal loans and MSME (Medium) segments.

Total outstanding under personal loans was Rs. 10162 crores as on Sep-16, which increased to Rs. 11444 crores in Dec-16. There is an increase of Rs. 1282 crores in amount and number also increased by 39246 under personal loans category.

Loan outstanding under priority sector also increased by Rs. 4363 crores during Sep to Dec-16 quarter.

Another factor, which impacted the credit growth is, payment of insurance claim amount of Rs. 4416 crores in Dec-16 under NAIS (National Agriculture Insurance Scheme) for Kharif 2015 in agriculture loan accounts.

### BANKS WITH C-D RATIO BELOW 40% AS ON 31.12.2016

Sr.	Banks	No. of Branches	Amount in crores		
			Deposits	Advances	C-D Ratio
1	Citi Bank	1	39.84	0.02	0.05
2	Dhan Laxmi Bank Ltd.	1	8.03	0.35	4.36
3	Bharatiya Mahila Bank	4	42.28	6.54	15.47
4	Catholic Syrian Bank	1	36.01	7.04	19.55
5	Jammu & Kashmir Bank	2	151.69	32.41	21.37
6	Standard Chartered Bank	3	196.77	61.2	31.10
7	Federal Bank Ltd.	11	472.55	154.84	32.77
8	Mandhyanchal Gramin Bank	454	6891.21	2504.13	36.34
9	Laxmi Vilas Bank Ltd.	4	123.14	45.38	36.85
10	South Indian Bank	3	140.15	52.18	37.23
11	Indian Bank	28	931.96	350.94	37.66

## AGENCY WISE MOVEMENT OF C-D RATIO

Amount in crores

Banks	Deposits		Advances		CD Ratio		% Variation over previous Qtr.	
	16-Sep	16-Dec	16-Sep	16-Dec	16-Sep	16-Dec	Dep.	Adv.
<b>PSBs</b>	241937	268219	153880	150442	63.6	56.09	10.86	-2.23
<b>Pvt. Banks</b>	25727	28608	36495	36744	141.86	128.43	11.20	0.68
<b>RRBs</b>	18063	20256	11066	10594	61.27	52.30	12.14	-4.27
<b>DCCBs</b>	18287	20912	18601	24142	101.72	111.45	14.35	29.79
<b>Total</b>	304013	337995	220042	221922	72.38	65.66	11.18	0.85

- Public sector banks continued to maintain their leading position accounting for 79.36 per cent of total deposits and 71.14 per cent of bank credit in December 2016.
- As on December 31, 2016, the Credit Deposit (C-D) ratio of all banks in the state stood at 65.66 per cent. At 128.43 per cent, the C-D ratio of private sector banks was higher than other banks. For public sector banks,

regional rural banks & co-operative banks, the C-D ratio stood at 56.09%, 52.30% & 111.45% respectively.

- Among the 36 States/Union Territories, 6 States/Union Territories, Madhya Pradesh ranked 10<sup>th</sup> from top in terms of CD Ratio. The CD ratio was the highest for Telangana, Tamilnadu, Andhra Pradesh, Puduchery, Chandigarh, Karnataka, Maharashtra & Rajasthan.

## DISTRICTS WITH CD RATIO BELOW 40% AS ON 31.12.2016

Amount in crores

Sr. No.	DISTRICT	Sep-16			Dec-16			% Variation over previous Qtr.		
		DEP.	ADV.	C.D RATIO	DEP.	ADV.	C.D RATIO	DEP.	ADV.	C.D RATIO
1	<b>UMARIA</b>	1488	495	<b>33.29</b>	1665	379	<b>22.77</b>	11.9	-23.46	-10.52
2	<b>SHAHNOL</b>	3258	902	<b>27.7</b>	3581	922	<b>25.76</b>	9.91	2.21	-1.94
3	<b>SATNA</b>	6358	2843	<b>44.72</b>	7695	2681	<b>34.84</b>	21.03	-5.72	-9.88
4	<b>SAGAR</b>	7938	3575	<b>45.04</b>	12264	4180	<b>34.09</b>	54.51	16.93	-10.95
5	<b>JABALPUR</b>	19257	8148	<b>42.31</b>	23743	8391	<b>35.34</b>	23.29	2.98	-6.97
6	<b>TIKAMGARH</b>	2718	1166	<b>42.9</b>	3178	1143	<b>35.97</b>	16.9	-1.99	-6.93
7	<b>PANNA</b>	1777	787	<b>44.28</b>	2114	779	<b>36.86</b>	19	-0.95	-7.43
8	<b>MANDLA</b>	2285	1076	<b>47.09</b>	2480	929	<b>37.45</b>	8.54	-13.69	-9.65
9	<b>DINDORI</b>	774	315	<b>40.72</b>	862	329	<b>38.14</b>	11.31	4.26	-2.58
10	<b>CHHATARPUR</b>	4296	1905	<b>44.34</b>	4691	1802	<b>38.42</b>	9.18	-5.4	-5.92
11	<b>BHIND</b>	2826	1403	<b>49.65</b>	3577	1386	<b>38.74</b>	26.56	-1.25	-10.91

- While Dindori, Shahdol & Umaria districts have already been categorized among low CD ratio districts (below 40%), there are new entrants (Bhind, Chhattarpur, Jabalpur, Mandla,

Panna, Sagar, Satna & Tikamgarh districts) in the list of low CD ratio districts at the end of December 2016.

- SLBC vide their letter no. ZO: SLBC: 2016-17:704 dated 21.01.2017 advised, Lead District Manager of above districts to furnish reasons for decline in CD ratio from September quarter to current quarter. All the LDMs informed that due to demonetization of old currency notes (Rs. 500 & 1000), deposits increased while credit off take was minimal. It is expected to improve the situation in the next quarter.

#### BANKS & THEIR C-D RATIO IN LOW CD RATIO DISTRICTS AS ON 31.12.2016

Sr.	Banks	Dindori	Shahdol	Umari	Satna	Sagar	Jabalpur	Tikamgarh	Panna	Mandla	Chhatarpur	Bhind
1	Allahabad Bank	53.00	46.90		41.80	56.86	32.06	34.37	41.46	48.56	39.07	
2	Andhra Bank				24.51	24.10	18.20					32.67
3	Bank of Baroda	47.00	15.96	69.14	50.18	32.30	65.67	37.94	18.39		36.92	12.70
4	Bank of India	17.00	16.53	85.93	12.82	41.22	31.95	17.85	44.21	20.05	49.48	71.91
5	Bank of Maharashtra		61.49		132.73	34.91	61.71		42.56	15.89		
6	Canara Bank	55.00	22.04	53.74	62.22	4.52	50.72	25.82	18.00	35.38	40.29	43.81
7	Central Bank of India	34.00	23.87	17.84	15.68	43.59	38.89	27.79	39.45	24.13	29.99	40.78
8	Corporation Bank				54.12	159.89	11.29			23.86		
9	Dena Bank		24.80		27.10	39.35	17.94			23.20	14.85	
10	IDBI Bank	31.00	30.00	49.04	19.97	49.19	28.80	38.07	24.23	71.33	103.45	21.21
11	Indian Bank	16.00			19.59	18.74	14.33					
12	Indian Overseas Bank				38.89	44.22	11.29				19.94	40.91
13	Oriental Bank of Comm.				9.93	18.81	17.46					11.87
14	Punjab and Sindh Bank				35.62	65.49	34.36				31.13	21.63
15	Punjab National Bank	13.00	15.78	6.17	25.30	36.84	30.28	13.27	6.32	16.25	17.67	26.38
16	S.B. of Hyderabad								3.06			
17	S.B. of Patiala						58.55					
18	State Bank of India	30.00	25.64	18.85	22.79	16.62	32.75	25.70	26.83	31.40	25.85	29.34
19	Syndicate Bank		80.83	119.15	19.03	35.94	110.02		42.77	24.27	27.49	
20	UCO Bank	61.00	29.69	29.78	12.61	27.73	17.37	45.97	12.21	120.00	100.00	20.59
21	Union Bank of India	32.00	9.01	10.44	17.80	70.76	25.16	41.73	8.21	30.25	25.69	16.64
22	United Bank of India				29.42		21.29					
23	Vijaya Bank		94.70	7.04	80.86	147.52	50.27		7.19	217.00	3.64	
24	Axis Bank	5.00	29.05		31.96	27.89	60.69	14.81	4.08	25.00	13.27	68.16
25	HDFC Bank	53.00	125.34	42.65	57.02	160.06	18.33	24.15	37.24	380.00	112.18	68.83
26	ICICI Bank		35.56	584.42	99.21	248.08	78.64	63.86	28.23	14.30	45.45	26.46
27	IDFC											
28	Indusind Bank Limited				825.55	405.71	933.54	511.63		322.00		
29	Karnataka Bank Limited						86.48					
30	Kotak Mahindra Bank					178.87					206.52	
31	Ratnakar Bank Ltd. (RBL)					397.20						
32	Yes Bank						79.21					
33	CMPGB	33.00	20.31	17.64			54.03			28.48		33.27
34	MGB				31.48	52.20		32.78	39.46		37.94	
35	NJGB											17.07
36	DCCB	84.00	69.07	80.31	120.27	297.06		103.54	165.92	80.96	151.98	149.93

## DISTRICTS WISE CD RATIO AS ON 31.12.2016

## AMOUNT IN CRORES

Sr. No.	DISTRICT	Sep-2016			Dec-2016		
		DEPOSITS	ADVANCES	C.D RATIO	DEPOSITS	ADVANCES	C.D RATIO
1	AGAR MALWA	568	1005	176.93	601	1145	190.56
2	ALIRAJPUR	910	422	46.36	1003	416	41.54
3	ANUPPUR	2477	5847	236.09	2698	5825	215.90
4	ASHOK NAGAR	1409	1345	95.47	1589	1466	92.25
5	BALAGHAT	3011	1548	51.41	3421	1562	45.65
6	BARWANI	1459	1624	111.3	193	172	89.23
7	BETUL	4344	2146	49.41	4851	2191	45.16
8	<b>BHIND</b>	<b>2826</b>	<b>1403</b>	<b>49.65</b>	<b>3577</b>	<b>1386</b>	<b>38.74</b>
9	BHOPAL	59721	41024	68.69	63399	37668	59.41
10	BURHANPUR	2162	1900	87.9	2346	1940	82.66
11	<b>CHHATARPUR</b>	<b>4296</b>	<b>1905</b>	<b>44.34</b>	<b>4691</b>	<b>1802</b>	<b>38.42</b>
12	CHHINDWARA	6593	3622	54.94	7429	3597	48.41
13	DAMOH	2358	1367	57.99	2777	1409	50.73
14	DATIA	1562	1224	78.38	1787	1236	69.17
15	DEWAS	3733	3632	97.31	4844	3333	68.80
16	DHAR	5236	4830	92.24	6860	4898	71.40
17	<b>DINDORI</b>	<b>774</b>	<b>315</b>	<b>40.72</b>	<b>862</b>	<b>329</b>	<b>38.14</b>
18	GUNA	2521	2148	85.19	2921	1929	66.05
19	GWALIOR	15265	6232	40.82	1573	671	42.63
20	HARDA	1363	2040	149.65	1634	1981	121.24
21	HOSHANGABAD	4864	4934	101.45	5312	4682	88.13
22	INDORE	42188	45522	107.9	46151	46544	100.85
23	<b>JABALPUR</b>	<b>19257</b>	<b>8148</b>	<b>42.31</b>	<b>23743</b>	<b>8391</b>	<b>35.34</b>
24	JHABUA	1481	1268	85.61	1532	1098	71.67
25	KATNI	3595	2007	55.81	4232	1713	40.49
26	KHANDWA	2757	3054	110.77	18573	19948	107.4
27	KHARGONE	4836	3719	76.9	4449	4674	105.05
28	<b>MANDLA</b>	<b>2285</b>	<b>1076</b>	<b>47.09</b>	<b>2480</b>	<b>929</b>	<b>37.45</b>
29	MANDSAUR	2998	2555	85.21	3679	2635	71.61
30	MORENA	3062	2093	68.35	3874	2055	53.04
31	NARSINGHPUR	2215	2177	98.25	2717	2512	92.49
32	NEEMUCH	2409	1852	76.84	2911	1697	58.28
33	<b>PANNA</b>	<b>1777</b>	<b>787</b>	<b>44.28</b>	<b>2114</b>	<b>779</b>	<b>36.86</b>
34	RAISEN	2391	3741	156.44	2204	2501	113.48
35	RAJGARH	2242	2965	132.25	2409	2743	113.9
36	RATLAM	4584	3286	71.68	4451	5182	116.43
37	REWA	7418	3985	53.72	9631	5617	58.33
38	<b>SAGAR</b>	<b>7938</b>	<b>3575</b>	<b>45.04</b>	<b>12264</b>	<b>4180</b>	<b>34.09</b>
39	<b>SATNA</b>	<b>6358</b>	<b>2843</b>	<b>44.72</b>	<b>7695</b>	<b>2681</b>	<b>34.84</b>
40	SEHORE	2547	3602	141.42	2683	2744	102.27
41	SEONI	2495	1620	64.9	2902	1606	55.35
42	<b>SHAHNOL</b>	<b>3258</b>	<b>902</b>	<b>27.7</b>	<b>3581</b>	<b>922</b>	<b>25.76</b>
43	SHAJAPUR	1769	2750	155.45	1736	1846	106.32
44	SHEOPUR	719	832	115.69	920	815	88.65
45	SHIVPURI	2931	1674	57.11	2931	1674	57.11
46	SIDHI	2127	2445	114.94	2282	2439	106.88
47	SINGARULI	4770	7762	162.71	6554	6493	99.07
48	<b>TIKAMGARH</b>	<b>2718</b>	<b>1166</b>	<b>42.9</b>	<b>3178</b>	<b>1143</b>	<b>35.97</b>
49	UJJAIN	9012	7731	85.79	8306	5390	64.89
50	<b>UMARIA</b>	<b>1488</b>	<b>495</b>	<b>33.29</b>	<b>1665</b>	<b>379</b>	<b>22.77</b>
51	VIDISHA	3276	4148	126.64	3907	4029	103.13

## SUB-COMMITTEE ON IMPROVING C-D RATIO

**Convenor Bank:** Union Bank of India

**Meeting held on:** 09.12.2016

### Points discussed & action points

1. While reviewing performance of the Umariya District, LDM Umariya has informed the house that in practice CD ratio has been calculated against the balance outstanding while as per RBI directives it should be calculated against the sanction limit so that real picture of the CD ratio is reflected. He has also informed that one of the big thermal Electro Power project (Sanjay Gandhi, Pali) unit established in the district & State Govt. itself invested around Rs.5000 crore, if this figure is taken into account for calculating CD Ratio, substantial improvement will be seen in the CD ratio.
2. The RBI representative expressed his serious concern about non participation of concerned LDMs in the SLBC Sub Committee & it is decided that the RBI will escalate the matter with the Zonal/State Head of the Concerned Bank. (Action by RBI)
3. Performances of the peer Private Banks under various Government Schemes in these districts are not satisfactory at all. Therefore, it is discussed & decided that Axis Bank, ICICI Bank & HDFC Bank will also be considered as a member of SLBC Sub Committee on Improving CD Ratio. (Action by SLBC)
4. LDM of Umariya district has informed the house that large numbers of tourist resorts have come into existence in the district within a short span & substantial amount of investment has come in the district in this way. However, concrete information about amount of investment is not available. In this regard it is suggested that DIF to issue an advisory to the District Collector regarding the issue and instruct these tourist resorts for providing finance related data to the LDM office at earliest or within a certain time limit. (Action by DIF)



## AGENDA NO-8

### DOUBLING FARMERS' INCOME BY 2022

#### BACKGROUND

In an effort to boost the income in agriculture sector, the government has set the ambitious goal of doubling farmers' income by 2022. In doing so, some strategies have been unveiled; from a focus on irrigation to provision of quality inputs, investments in warehousing and cold chains, promotion of food processing and crop insurance schemes, among others. For achieving this objective, all the stake holders viz. Government, Banks, RBI, NABARD, Private sector etc. will have to devise micro-level action plans to augment farmers' income from all sources and not just from crop cultivation.

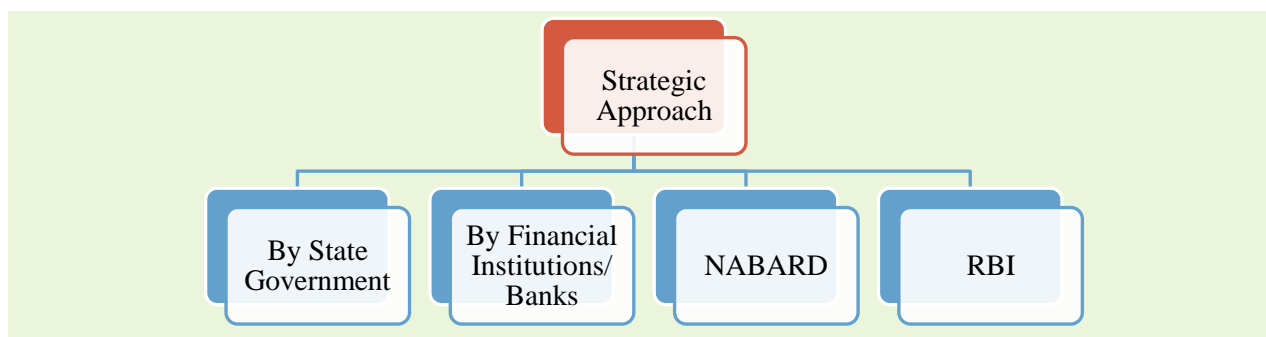
#### STRATEGY FOR DOUBLING FARMERS' INCOME BY 2022

1. Focus on irrigation with "per drop-more crop"
2. Supply of quality seeds and soil health
3. Investments in warehousing and cold storage chains
4. Value addition through food processing
5. Capital formation & increasing investment credit in agriculture
6. Creation of a national farm market
7. Strengthening crop insurance scheme to mitigate risks at affordable cost

8. Promotion of ancillary activities like poultry, beekeeping, and fisheries etc.
9. leveraging technology
10. Public-private partnership for integrated agriculture development

#### THE STATUS IN MADHYA PRADESH

Madhya Pradesh, with its large area, has diverse climatic and soil conditions suitable for a broad range of agricultural products. Agriculture sector in Madhya Pradesh forms the backbone of its economy. It contributes almost one-fourth of the Gross State Domestic Product (GSDP) and is the main source of employment for over 70 percent of the population and constitutes about 60- 75 percent of the rural income. Agricultural production has doubled in the past 10 years, and M.P is now the second largest producer of wheat from being the fourth largest some years ago. The state is major pulse producing states in the country with a 27 percent share followed by Rajasthan with an 11 per cent share and Maharashtra with a 10 per cent share. The growth in production is evident with a fact that the state is being awarded Union Government's prestigious Krishi Karman award, for the highest growth in food production for the fourth consecutive year. As per estimates, state's agriculture growth rate was 9.81 per cent during 2015-16.



## APPROACH OF THE GOVERNMENT OF M.P.

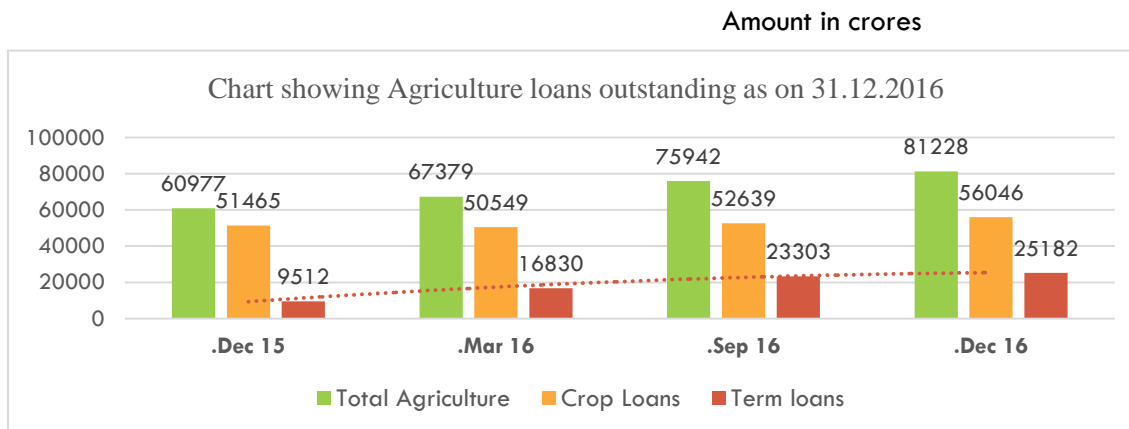
- **Kapil Dhara Yojana-** Under this scheme irrigation facility is provided to the beneficiary families. The objective is to improve the quality of farmers' livelihood and make agriculture production stable. The irrigation facilities include digging of new wells, ponds in fields through water recharging, check-dam, stop-dam and digging of small ponds. The scheme has ended uncertainty in agriculture production to a large extent resulting in qualitative improvement on the farmers' livelihood sources. Production has also increased due to availability of irrigation facility.
- Farm credit is made available at zero percent interest rate through state cooperative banks.
- There is sufficient supply of electricity for agricultural use in M.P.
- **"Bataidar Adhiniyam Bill"** passed by Government of M.P. on 29<sup>th</sup> July 2016 is a model Act, which will encourage a freely operating land lease market. A legal framework that secures operational freedom and tenure for tenants during the period of contract, protecting legal rights of the owner, and facilitating with operational flexibility to the cultivators, fair fixation of tenure, periods and rentals, etc. It should be used to bring all the farmers under the ambit of credit.

- The increased availability of certified seeds in the state.
- Building synergy in various programmes and policy initiatives of the government viz. PMKSY (Pradhan Mantri Krishi Sinchayee Yojana), e-NAM (National Agriculture Market), PMFBY (Pradhan Mantri Fasal Bima Yojana), Skill India, Direct Benefit Transfer (DBT), PMJDY, FDI in food processing sectors, etc.
- Effective implementation of PMFBY with more penetration and extensive coverage. Non-loanee farmers have been encouraged to get insurance cover under PMFBY.
- Facilitating and encouraging multi-cropping suitable to the local climate, soil type, water resources, and other inputs to increase 'cropping intensity'.
- **Sharing state-specific plans for 'Doubling of Farmers' Income by 2022' with SLBC and financial institutions.**

## APPROACH OF FINANCIAL INSTITUTIONS & BANKS

- Ensuring easy credit availability to farmers. As of now, 76.45 lac farmers out of total approximately 98.80 lac farmers in the state are under the ambit of agriculture credit. Rest 22.35 lac farmers are either tenant or land less farmers.

## STATUS- AGRICULTURE LOANS IN M.P.



- Considering the higher growth target of income of farmers, there is an urgent need to look at strategies for stimulating and directing the flow of investment credit in agriculture sector and to focus more on value addition in allied activities.
- Allied activities—thrust on diversification of farm activities** Farm income can be accelerated by engaging farmers in allied activities, thereby insulating them against risks of vagaries of climate. The opportunities available have to be tapped with appropriate investments in dairy, poultry, sheep goat, piggery, rabbit rearing, fishery, value addition, food processing, etc.
- There is an urgent need to adopt progressive agricultural practices over traditional ones to make farming remunerative. E.g. Paddy of the traditional kind has been cultivated for long in the eastern and northern parts of the state. However, the central Narmada region, including the districts of Raisen, Hoshangabad, Narsinghpur and Harda-of late, the most prosperous areas for agriculture in MP-took to rice cultivation in a big way, preparing the ground for a transformation.
- Doubling of farmers' income should be a regular agenda in State Level Bankers Committee (SLBC), District Level Coordination Committee (DLCC) and block level bankers' committees (BLBC). The action points evolving from these meetings need to be shared with the heads of concerned ministries/ departments, NABARD, banks, and other institutions.
- Every Branch Manager need to visit villages with officials of government departments on a fixed day of the month/quarter and interact with farmers to know their problems and how banks can help them.
- Banks to also give impetus to agricultural term loans under Area Development Schemes of NABARD for area-specific activities.
- Banks to achieve the 31 March 2017 credit sub-target set for small and marginal farmers at 8 per cent of Adjusted Net Bank Credit (ANBC), as per RBI guidelines issued in April 2015.

- **Presently share of agriculture advances to total advances is 36.60% in the state. And loans to small & marginal farmers are 11.33% to total advances as on 31<sup>st</sup> Dec 2016.**
- Needless to emphasize that acceleration in income generation is significantly dependent on better capital formation in

agriculture. Towards this, simplification of procedure and speedy sanctioning and disbursal of loans is also essential.

**ABOVE ISSUE IS PUT UP FOR DISCUSSION AND TO DEVISE STRATEGIES**

## APPROACH OF NABARD

### Status of the Issue in Numbers:

As per NSSO, in Madhya Pradesh the average annual income of a farmer household was Rs.17,160 in 2003 which increased to 74,508 in 2012-13- a more than fourfold increase in a span of 11 years. However, this increase is in nominal terms, whereas it is the growth in real terms i.e., after negating the impact of inflation is what matters most.

### Some Interventions suggested

- Put in place a monitorable Farmers income series preferable at the district level which can be monitored. Alternatively, if a proxy based on some other indicator such as the District Domestic Product from Agriculture can also be considered as a monitorable parameter.
- Benchmarks which shall help in gauging the progress in terms of implementation by various departments and banks in sync with the Roadmap can be devised. NABARD had recently held a meeting wherein some of these bench marks have been discussed.
- With implementation of tenancy law in MP, scope for financing the tenant farmers, sharecroppers, lessees was highlighted. Scope of aggregation of landless farmers into JLGs and financing them to bring into the banking fold was explored.
- Protected cultivation in low cost shade nets, bamboo poly houses were being

planned for smaller farmers, which could be an emerging area for bank finance, which would augment income of farmers.

- Micro Irrigation Projects for drips and sprinkler with bank finance may be prepared bank-wise / district-wise.
- Food Processing emerged as a major trigger for doubling of farmer's income in Madhya Pradesh as the state is bestowed with abundant raw material and suitable incentives were available from State Govt. Coordination between horticulture deptt, industries deptt (MSME), MPTRIFAC and bankers was agreed upon in the meeting.
- Dairy Federation could enter into MoU with banks and borrower, generate proposals for financing dairy activities, and set up more bulk milk coolers on the milk routes wherever required.
- Scope for fisheries feed unit in Madhya Pradesh was identified as critical backward linkage in fisheries sector as input raw materials such as soybean meal, rice bran, etc. were abundant in the state.
- Subsidy amount with State Govt. being limited in nature, state Govt. departments were requested to generate viable banking proposals without subsidy, which could be financed by banks.
- NABARD to consider supplying model schemes for agri term lending/agri allied activities that can be used by bank managers as per their local requirements.

## THE MADHYA PRADESH BHUMISWAMI EVAM BATAIDAR KE HITON KA SANRAKSHAN VIDHEYAK 2016

- Due to fear that Bataidar may not accrue Bhumiswami rights, Bhumiswamis hesitate to give land on Batai in writing and instead of give it orally or on verbal agreement, consequently in case of natural calamities, actual Bataidar could not get any type of relief.
- **“Bataidar Adhiniyam Bill”** passed by Government of M.P. on 29<sup>th</sup> July 2016 is a model Act, to finance tenant farmers, oral lessees, share croppers, SHGs, JLGs of farmers including tenant farmers, share croppers etc. Copy of the bill is enclosed
- As per extent guidelines of Kisan Credit Card, No collateral Security/guarantee is to be obtained on loans up to Rs.1.00 lakh. But loans above Rs. 1 lakh, Collateral security should be obtained, taking all loans granted to the borrower into consideration.
- **This bill does not give right to Bataidar to create charge of any kind on the land under agreement. Resulting, Bataidars are not able to take the loans above Rs. 1 lakh from banks.**

## INTEGRATION OF LAND RECORDS WITH BANKS

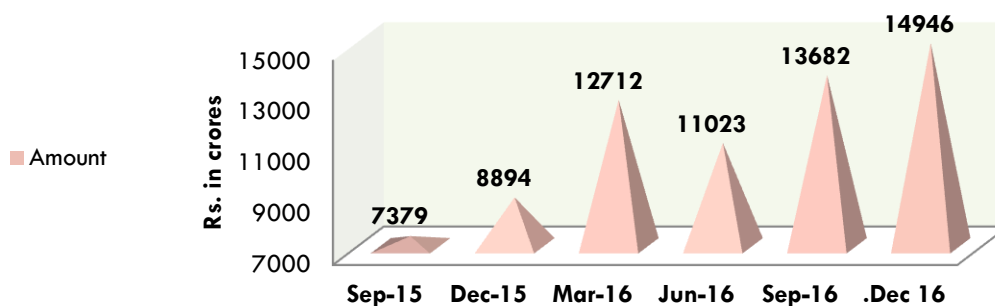
Speedy sanctioning and disbursement of loans are a part of achieving the objectives of doubling the farmers' income. Farmers pledge their land to banks for getting farm credit or released the property after paying back the loan. In the current system, it takes time for registering the charge, causing delay in disbursement of loans. Integration of land records with banks provides facility to banks to raise digitally signed request for pledge or release over internet from the bank itself. Banks can also access the land records database for confirming ownership, extents owned by the farmer, other liabilities that farmer has and also monitor the status of requests raised by them. This system is working in Karnataka, Andhra Pradesh etc.

**The state government may consider “on-line charge creation” facility to banks.**

## AGENDA NO-9

### NON PERFORMING ASSETS (NPA)

Chart showing NPA amount

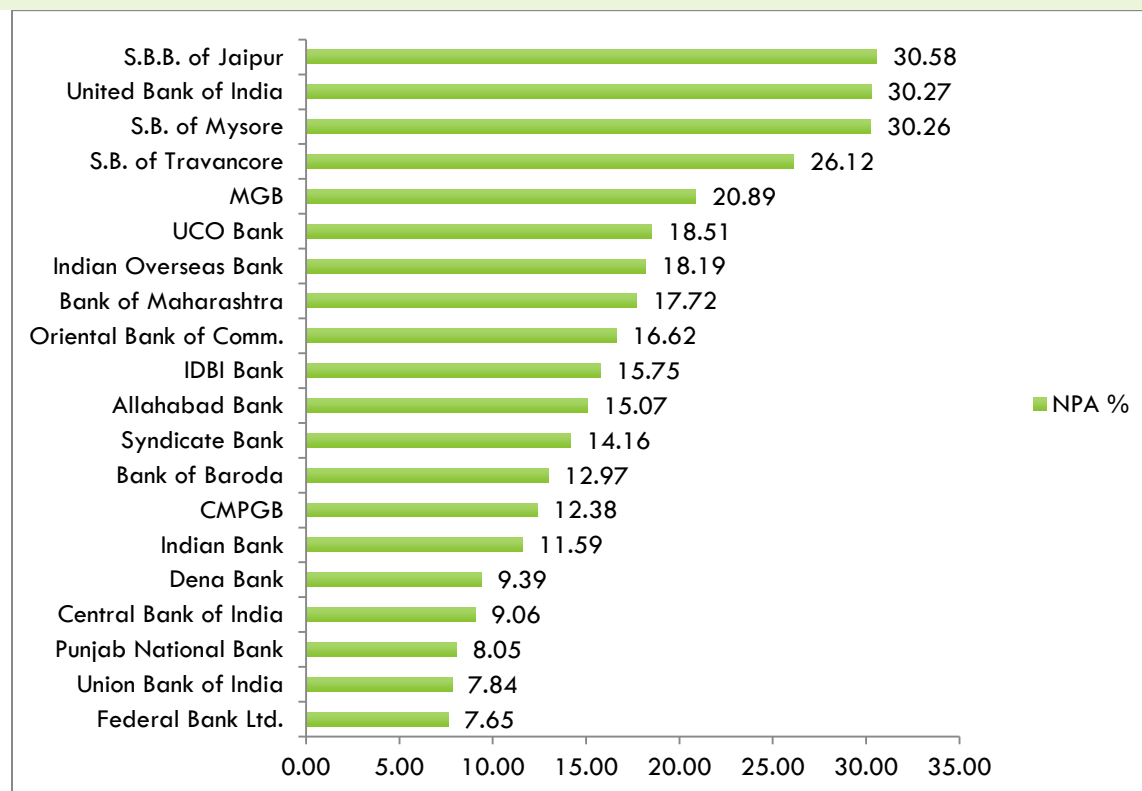


- Above chart is showing increase in NPA by Rs. 1264 crores during Sep to Dec 16 quarter. However, Y-o-Y increase in NPA percentage is 68.04% in December 2016. Gross NPA is 6.73% of the total advances as on 31.12.2016.
- In view of cash crunch after demonetization, the Reserve Bank of India provided additional 90 days for repayment of loans in case of accounts with limits up to Rs. 1 crore. The above dispensation will apply to dues payable between November 1, 2016 and December 31, 2016.
- THE ADDITIONAL TIME OF 90 DAYS WILL ONLY APPLY TO DEFER THE CLASSIFICATION OF AN EXISTING STANDARD ASSET AS SUB-STANDARD AND NOT FOR DELAYING THE MIGRATION OF AN ACCOUNT ACROSS SUB-CATEGORIES OF NPA. DUES PAYABLE AFTER JANUARY 1, 2017 WILL BE COVERED BY THE EXTANT INSTRUCTIONS FOR THE RESPECTIVE ENTITIES.

### SECTOR WISE NPA

Sector	Sep-15	Dec-15	Sep-16	Dec-16	Variation amt. over previous Qtr.	Variation % over previous Qtr.	Y-o-Y variation %
Agriculture	3271	3404	6480	6336	-144	-2.22	86.13
MSME	2203	1965	2807	2748	-59	-2.1	39.85
Education	106	95	121	114	-7	-5.79	20
Housing	409	569	532	566	34	6.39	-0.53
Others	1157	817	666	612	-54	-8.11	-25.09
Priority Sector	7146	6850	10606	10375	-231	-2.18	51.46
NPA %	3.62	3.49	4.82	4.68	-0.14	-0.14	1.18
Non-Priority	233	2044	3075	4570	1495	48.62	123.58
NPA %	0.12	1.04	1.4	2.06	0.66	0.66	1.02
Total NPA	7379	8894	13681	14945	1264	9.24	68.03
NPA %	3.74	4.53	6.22	6.73	0.52	0.52	2.2
Total Advances	197309	196167	220042	221922	1880	0.85	13.13

## TOP 20 BANKS IN M.P. IN TERMS OF NPA% TO TOTAL ADVANCES



Bank wise position is shown in table no. 13

## INCREASING EFFICACY OF SARFAESI PROCEEDINGS

- While the SARFAESI Act is intended to expedite recovery of secured debt, there have been various procedural issues which have limited the efficacy of these legislations. Accordingly, various modifications have been made to the legislations to deal with this problem.
- Recently some amendments have been made under SARFAESI Act. Amended provision of Section 14 of SARFAESI Act 2016 stipulates that DM (District Magistrate) will have to pass suitable orders for the purpose of taking possession of the secured asset **within a period of Thirty Days from the date of application.** If no order is passed within said period for reasons beyond the control of DM, he may after recording reasons, pass orders within such further period but not exceeding in aggregate sixty days.
- **IT HAS BEEN OBSERVED THAT DISTRICT MAGISTRATE (DM), WHILE ACTING UPON THE APPLICATION MOVED BY BANKS, SEEKING ASSISTANCE FOR PHYSICAL POSSESSION OF THE PROPERTIES UNDER THE SAID ACT, ARE STILL TAKING A LONG TIME IN HANDING OVER POSSESSION OF THE SECURED ASSETS. SOME CASES ARE EVEN PENDING FOR MORE THAN TWO YEARS.**

- Field functionaries informed that even the old orders passed by District Magistrates for handing over physical possession of the secured assets are not being executed by the Tehsildars. They start hearing afresh, which inordinately delay the process and is against the provision of SARFAESI Act and beyond their jurisdiction.
- Some Tehsildars provide long hearing dates on flimsy grounds which ultimately helps the borrowers. Which is unwarranted and against the objectives and spirit of the amended SARFAESI Act.
- There are 377 cases are still pending with the District Administration for disposal. District wise/ Bank wise list is enclosed.
- State Government may issue a suitable instruction to district administration to strictly comply with the provision of SARFAESI Act Amendment 2016 and help the banks in this regard & the pending cases to be disposed-off by 28<sup>th</sup> February 2017.

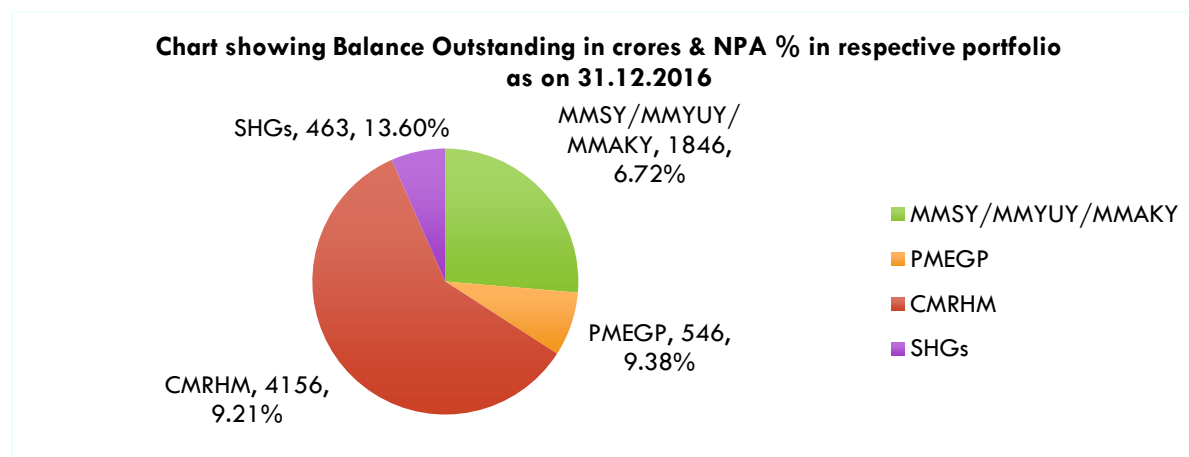
**DISTRICT WISE LIST OF PENDING APPLICATIONS WITH THE DISTRICT ADMINISTRATION FOR TAKING PHYSICAL POSSESSION OF THE PROPERTIES UNDER SECTION 14 OF SARFAESI ACT**

<b>SR.</b>	<b>DISTRICT</b>	<b>TOTAL</b>	<b>SR.</b>	<b>DISTRICT</b>	<b>TOTAL</b>
1	ANUPPUR	20	20	MANDSAUR	4
2	BALAGHAT	1	21	MORENA	1
3	BETUL	6	22	NARSINGHPUR	5
4	BHIND	8	23	NEEMUCH	2
5	BHOPAL	42	24	RAISEN	7
6	CHHATARPUR	1	25	RATLAM	4
7	CHHINDWARA	13	26	REWA	19
8	DAMOH	1	27	SAGAR	19
9	DATIA	2	28	SATNA	12
10	DEWAS	5	29	SEHORE	1
11	DHAR	3	30	SEONI	4
12	DINDORI	8	31	SHAHNOL	17
13	GWALIOR	3	32	SHAJAPUR	1
14	HOSHANGABAD	17	33	SIDHI	1
15	INDORE	74	34	SINGRAULI	14
16	JABALPUR	23	35	TIKAMGARH	1
17	KATNI	8	36	UJJAIN	11
18	KHANDWA	3	37	UMARIA	6
19	KHARGONE	1	38	VIDISHA	9
				<b>TOTAL</b>	<b>377</b>

Bank wise list is enclosed



## NON PERFORMING ASSETS UNDER GOVERNMENT SPONSORED SCHEMES AS ON 31.12.2016.



### HIGHLIGHTS

- Chief Minister Rural Housing Mission (CMRHM) scheme aiming at poor families for providing Pucca shelter at affordable cost is a pioneer scheme of the Government of Madhya Pradesh. Since inception, more than 5.52 lakh beneficiaries in the State have been benefitted through this scheme up to 31st December 2016 and banks are continuously implementing the scheme with true spirit and have gone the extra mile in making the scheme successful.
- During current financial year, up to 31st December 2016, banks have sanctioned 57854 cases out of the target of 75000 cases and constantly offering their best in this portfolio.
- The biggest hurdle in continuing the efforts is increasing trend in slippage under the portfolio. As on 30th March 2016, Non-Performing Assets under this scheme was 6.36% of the total portfolio, which have risen to 9.21% as on 31.12.2016. During current financial year 23341 new accounts are slipped to NPA category from 1st April 2016 and total number of NPA accounts under this scheme is reached to 61179 amounting Rs. 383 crores till 31.12.2016.
- The banks are incurring huge costs in terms of time & money in managing and recovering the NPA accounts as the borrower located in remote rural areas.
- To monitor delinquencies in retail advances, some banks have implemented trigger point as part of risk management wherein if any branch crosses the predetermined threshold limit of NPA say (3% for housing loans), the branch is not allowed for further financing under the scheme. As such, to make the branch eligible to finance under the scheme, its NPA has to be brought down to less than 3% by effecting recovery in the NPA accounts.
- It is observed that there is sharp increase in NPA during current fiscal itself and it has been increased by approximately 50% from 31st March 2016 in terms of amount.
- We request the State Government to advise/review the performance of the District Authorities on recovery front and advise them to put moral pressure on the beneficiaries for clearing the overdue and to repay the installments in time. There is an urgent need to send a strong message among the beneficiaries that non-payment of the bank's dues may deprive them of all benefits of the Government.

## REVENUE RECOVERY CERTIFICATES

- In order to facilitate the banks in recovery of their dues with borrower, the state Government passed "The Madhya Pradesh Lok Dhan (Shodhya Rashiyon Ki Vasuli) Adhiniyam in 1987.
- Purpose was to recover the public money and reutilized for their developments.
- The Collector or his subordinate officer specified on receiving the certificate shall take steps to recover the amount stated therein.
- To encourage the respective officers/staff for recovery, incentive scheme BRISC (Bank Recovery Incentive Scheme) was introduced on 1<sup>st</sup> April 1995.
- But it is observed that purpose of the scheme is not getting desired result, which is evident from the below mentioned table.

### BRISC STATUS [PERIOD FROM 01.04.2010 TO 31.01.2017]

		Amount in crores	
Sr	Particulars	Number	Amount
1	Submitted by Banks	619967	8456
2	Forwarded By Their Nodal Dist. Branch(s)	543815	7427
3	Allotted by District Administration to Revenue Officers	501808	6889
4	Rejected/ Returned By District Administration	4449	55.15
5	Demand Notice issued by Revenue Officers	351041	4655
6	Recovery received Against Demand Notices	29519	267.79
7	Disposed Off RRC(s) By District Administration	2193	23.22
8	RRC(s) Pending for Disposal	348848	4387

**Source: BRISC Portal, DIF, Govt. of M.P.**

- The scheme envisages incentive to Tehsildar/Additional Tehsildar/Nayab Tehsildar. If lower level of officials i.e. Patwari, Panchayat representatives, ADEO etc. are also brought under the purview of incentive, present situation may improve.
- Matter is put-up for discussion of the house.

District wise data is given in Table no. 26

## SUB-COMMITTEE ON IMPROVING RECOVERY SYSTEM

**Convenor Bank:** State Bank of India

**Meeting held on:** 31.12.2016

### Points discussed & action points

1. **JD-DIF raised the issue of data cleaning of RRCs. He advised that quite a good number of RRCs have been raised for incorrect amount running in crores of rupees in single RRC. As per instructions RRC for more than Rs. 10.00 lakh have to be removed from the list.**

Data cleaning work of RRCs not completed by Banks, RRCs lodged by the Banks for execution of recovery proceedings still showing amount more than Rs.10 Lac and it needs to be examined further and accounts above 10 lacs be removed from the pending list. DIF also asked to submit district wise list of RRCs cases where Banks dues are more than Rs.5 lakh and are pending for more than 2 years to expedite bad loan recoveries of the Banks with the help of District functionaries.

2. Banks have raised the issue that State Govt. functionaries are not cooperating in recovery cases of CM Rural Housing NPA defaulters in many Districts of M.P.

DIF indicated that in many number of cases loans were not disbursed in full, therefore house is not constructed completely a major reason for non-recovery of Banks dues. Talking to issue representatives of Banks namely Central Bank, SBI, Union Bank and others informed the house that Banks might have not released rest amount in those cases as it is found that construction has not been made and assure further to reexamine the matter. House decided to provide List of 10-15 critical NPA cases of each Banks

of CM Rural housing to DIF for initiating suitable action by District level authorities and also help in locking/Seizing in few cases for exemplary matter to others.

3. Banks are not indicating the amount of recovery received against the RRCs issued, hence the entire figure of recovery under RRC gets distorted and does not provide the real picture.

Committee advised all Banks to feed the recovery data in accounts of RRC cases lodged as soon as any recovery amount received or compromise settled by the Bank with borrower and need to remit appropriate commission amount to revenue authorities.

4. The house has expressed concern over the mounting NPAs under Education Loan scheme.

DIF assured the Banks to examine the matter and extend appropriate support. DIF also advised and reiterated that Banks re-examine and send claim immediately in cases of education loan deceased borrowers /permanently disabled account holders as Govt. will reimburse 50% of loan default amounts to Banks.

5. Notices by District Collector to the Revenue Authority for issuance of recovery certificate are not issued fully. As on 31.03.16 total RRCs allotted by DM to revenue officers were 410233 for issue of Demand Notices, out of which notices issued in 268889 cases only. This need to be toned up.

DIF advised the committee that Position has improved in the matter and 67% notices have already been issued by revenue officers. Further Instructions will be issued shortly by DIF to all District Collectors to issue notices in remaining eligible cases of RRCs filed by the Banks.

6. The Banks has disclosed that under SARFEASI Act out of 416 cases 413 cases are still pending where the permission for physical / actual possession of the property mortgaged has not been made available to the Banks . Appropriate guidelines / instructions be issued to District Collectors in this regard.

DIF has pointed out that the Banks has to re-examine the pendency list of SARFEASI act as in many accounts mentioned in the list for default amount part or full amount of recovery already received by the Banks. Committee decided that

- a fresh list be submitted to DIF by the Banks.

- DO letter from Chief Secretary to all district collector should be written and to instruct revenue Authorities to tone up the speed and clear all pending SARFASAI cases in 30 days time limit.

7. Matter of high percentage of NPA in many government sponsored schemes namely Mukhya Mantri Yuva Udhayami Yojna ,Swarojgar yojna etc. and in other NPAs loan were also discussed in the house.

Committee decided to send list of few cases of member Banks of high value i.e. 5Lac and above and quick mortality loan to DIF to instruct the district authorities to support banks in recovering these dues. DIF was also very much concerned with high percentage of Madhyanchal Gramin Bank's NPA and asked the reason and remedial support by Government with Chairmen present in the meeting.

## AGENDA NO-10

### THE YOUTH EMPOWERMENT MISSION

About 50% of the population of Madhya Pradesh is in the age group 15-45. On the basis of the projected population of M.P. in 2017, this group constitutes about 4 crore people. This group of youth is the majority working population of the state and it shoulders the economic growth of the state. The state Government envisages a “mission mode” approach to empower this youth economically. The economic empowerment of youth will centre on providing **employment as well as self-employment.** Employment will be provided through schemes for entrepreneurship and investment promotion. One of the main objectives of the mission is to consolidate and synergies various central and state schemes aimed at providing employment and self-employment.

The Central Government and the state Government implement several schemes for skill development and employment. These include Pradhan Mantri Kaushal Vikas Yojana, National Career Service, National Skill Development Mission, Mukhya Mantri Kaushal Samvardhan Yojana etc. Similarly, they implement Mudra Yojana, Stand-up India Yojana, Mukhya Mantri Swarojgar Yojana etc. to provide range of opportunities for self-employment and entrepreneurship.

It is targeted that, in the year 2017-18, 15 lakh youth of Madhya Pradesh will be provided employment and self-employment through central and state Government schemes. 7.50 lakh youth would be provided employment through skill development and 7.50 lakh would be self-employed by availing loans for entrepreneurship through the banking system.

The Youth Empowerment Mission will be steered by Commerce, Industry & Employment Department with the support of Technical Education & Skill Development Department, Micro, Small & Medium Enterprises Department, Higher Education Department, Sports & Youth Welfare Department and Directorate of Institutional Finance of Government of Madhya Pradesh.

## AGENDA NO-11

### REVIEW OF PROGRESS UNDER GOVERNMENT SPONSORED SCHEMES

MUKHYA MANTRI YUVA UDYAMI YOJANA, MUKHYA MANTRI SWAROJGAR YOJANA & MUKHYA MANTRI ARTHIK KALYAN YOJANA

Sr.	Implementing Agency	Target (No)	Jun-16	Sep-16	Dec-16	Achievement %
<b>Mukhya Mantri Yuva Udyami Yojana</b>						
1	MSME Deptt.	1500	76	451	1101	73.40
2	SC Welfare Dept.	200	0	1	55	27.50
3	ST Welfare Dept.	300	0	1	20	6.67
	<b>TOTAL</b>	<b>2000</b>	<b>76</b>	<b>453</b>	<b>1176</b>	<b>58.80</b>
<b>Mukhya Mantri Swarojgar Yojana</b>						
1	MSME Deptt.	25000	524	4435	15310	61.24
2	Panchayat & Rural Dev.	7000	51	1649	6354	90.77
3	Village Industries	7000	828	2393	4487	64.10
4	Backward & Minority	2000	178	891	1579	78.95
5	Urban Dev.	12000	196	2205	7306	60.88
6	SC Welfare Dept.	7000	224	1882	3397	48.53
7	ST Welfare Dept.	8000	317	814	2937	36.71
	<b>TOTAL</b>	<b>68000</b>	<b>2318</b>	<b>14269</b>	<b>41370</b>	<b>60.83</b>
<b>Mukhya Mantri Arthik Kalyan Yojana</b>						
1	Panchayat & Rural Dev.	7000	124	2261	7014	100.20
2	Village Industries	3000	75	330	1656	55.20
3	Backward & Minority	1000	0	31	316	31.60
4	Urban Development	10000	118	1640	6378	63.78
5	SC Welfare Dept.	4000	161	1146	2146	53.65
6	ST Welfare Dept.	5000	0	175	1388	27.76
	<b>TOTAL</b>	<b>30000</b>	<b>478</b>	<b>5583</b>	<b>18898</b>	<b>62.99</b>
	<b>GRAND TOTAL</b>	<b>100000</b>	<b>2872</b>	<b>20305</b>	<b>61444</b>	<b>61.44</b>

- Above three schemes are the flagship programmes of the Government of Madhya Pradesh to boost employment.
- The State Government vide their notification dated 29.08.2016 modified as under:

#### MUKHYA MANTRI ARTHIK KALYAN YOJANA

- Maximum amount of Project cost enhanced from Rs. 20000 to Rs. 50 thousand
- Margin money assistance 15% of the project cost maximum Rs. 15000/- (For general)
- Margin money assistance 50% of the project cost maximum Rs. 15000/- (For SC/ST/Women/PH/BPL/OBC (other than creamy layer))

## MUKHYA MANTRI SWAROJGAR YOJANA

a) Project cost Rs. 50 thousand to Rs. 10 lakh (Earlier it was Rs. 20000 to Rs. 10 lakh)

## PRIME MINISTER EMPLOYMENT GENERATION PROGRAMME (PMEGP)

Progress as on 31.01.2017

Agency	Target FY 2016-17		Disbursement of Margin Money (M.M.) Amount in crores									
			Disbursed by Nodal Bank up to 30.06.16 (Offline)		Disbursed by Corp. Bank (offline)		Disbursement through on-line portal		Total Disbursement		Achievement % over target	
	No.	M.M.	No.	M.M.	No.	M.M.	No.	M.M.	No.	M.M.	No.	M.M.
<b>DIC</b>	1995	39.89	223	10.30	214	8.74	11	0.45	448	19.49	22.46	48.86
<b>KVIB</b>	1496	29.91	93	3.46	150	5.97	20	0.74	263	10.17	17.58	34.00
<b>KVIC</b>	1495	29.92	74	3.70	53	3.25	27	0.86	154	7.81	10.30	26.10
<b>TOTAL</b>	<b>4986</b>	<b>99.72</b>	<b>390</b>	<b>17.46</b>	<b>417</b>	<b>17.96</b>	<b>58</b>	<b>2.05</b>	<b>865</b>	<b>37.47</b>	<b>17.35</b>	<b>37.58</b>

Bank wise achievement is given in table no. 27

## CHIEF MINISTER RURAL HOUSING MISSION (CMRHM)

Progress as on 31.12.2016

Target	No. of cases submitted to bank	No. of cases sanctioned	No. of cases disbursed	Achievement % [sanctioned]	Achievement % [Disbursement]
75000	108534	66623	40430	88.83	53.91

Bank wise achievement is given in table no. 28

## PRIME MINISTER MUDRA YOJANA (PMMY)

Amount in crores

Progress as on 31.12.2016

Agency	Target Amount	Shishu		Kishore		Tarun		Total		Achievement %
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	
Total	4907	194584	470	47476	919	10925	762	252985	2151	43.84

Bank wise achievement is given in table no. 29

## STAND-UP INDIA SCHEME

Progress as on 31.12.2016

Number						Amount in crores					
Women			Male			Women			Male		
Gen.	SC	ST	SC	ST	Total	Gen.	SC	ST	SC	ST	Total
505	30	1	113	15	664	99.62	5.92	0.25	17.83	3.25	126.87

Bank wise achievement is given in table no. 30

- There are 6290 branches (except Cooperative Banks, 853 Branches) in the State. The scheme is intended to facilitate at least two such projects per bank branch, on an average one for each category. The scheme envisages loans between 10 lakh to Rs 1 crore for Greenfield enterprises in the non-farm sector setup by SC, ST and women borrowers.

STATE LEVEL IMPLEMENTATION COMMITTEE ON STAND-UP INDIA SCHEME WAS CONSTITUTED BY THE STATE GOVERNMENT UNDER THE CHAIRMANSHIP OF ADDITIONAL CHIEF SECRETARY-FINANCE TO MONITOR THE PROGRESS OF THIS SCHEME. THERE ARE 16 MEMBERS OF THE COMMITTEE. FIRST MEETING OF THE COMMITTEE WAS HELD ON 24<sup>TH</sup> OCTOBER 2016. THE MAJOR POINTS DISCUSSED IN THE MEETING ARE AS UNDER:

- It was advised by the Chairman that there should not be restriction of two cases in tribal dominated districts. Banks should sanction more than two cases per bank branch if there is demand.
- Out of total number of disbursement in the country under Stand-up India scheme, Madhya Pradesh has around 7% share. Progress under this scheme is affecting due to Mukhya Mantri

Yuva Udyami Yojana of the Government of M.P, which is also for the loan ranging from Rs. 10 lac to 1 crores and also provides interest subsidy etc. whereas there is no subsidy under Stand-up India scheme. Provision of margin money of 25% also a factor of low progress.

- It has been observed that role of lead district managers is very important to drive this scheme. It was advised the LDMs to include Stand-up India Scheme as an agenda item in every DLCC meetings and monitor the progress of the districts. LDMs should also ensure that branches are feeding the data to the portal invariably. All LDMs should also login to the portal for monitoring the progress in their districts.
- The Chairman advised to SC/ST welfare department to generate leads and send them to respective bank branches.
- It has been observed that lack of awareness about this scheme is also a factor for low progress. SIDBI should outsource the agency to impart awareness about this scheme. By providing handholding support, we can bring the public to market place.
- All Banks are requested to extend loans under this scheme.**



## NATIONAL RURAL LIVELIHOOD MISSION (NRLM)

Progress as on 31.12.2016								Amount in crores	
Target		No. of cases submitted to bank		No. of cases sanctioned		No. of cases disbursed		Achievement % [sanctioned]	Achievement % [Disbursement]
No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	No.
32000	450	32804	467	21299	273	16922	205	66.56	52.88

Bank wise achievement is given in table no. 31

## LINKING URL OF SAMAST PORTAL WITH CBS/INTRANET

Directorate of Institutional Finance, Govt. of M.P. has developed a software portal “**SAMAST**” (Software Application for Monitoring Achievement of Scheme Target) to monitor the progress under Government sponsored schemes. Banks and other respective departments have been shared login ID and password to access the portal. Banks is expected to access the portal and update the progress regularly.

Since the portal is available through internet, rural/semi urban branches are facing problem to update the status due to lack of internet connectivity. **To overcome this issue, Central Bank of India has made functionality to access the url through Intranet (without internet).** Other banks are also requested to make the changes accordingly so that tracking the loan applications and their disposal can be evaluated properly.

## WEAVERS MUDRA YOJANA

- The Textile Ministry, Government of India has formulated a new model under MUDRA scheme for providing credit to handloom sector.
- The new model combines elements of concessional credit such as margin money; interest subvention and credit guarantee cover.
- The Government of India has set a target to provide credit to 5 lakh weavers in the next three years in the country.
- In Madhya Pradesh, a target of 17027 beneficiaries have been set up to 2019, starting from financial year 2016-17 (380 cases), 2017-18 (8312 cases) & 2018-19 (8336 cases). A district wise target is enclosed.
- As against target of 380 cases for current fiscal, 82 cases have been sanctioned till 31<sup>st</sup> December 2016.

## AGENDA NO-12

### PROGRESS UNDER OPENING OF BRICK & MORTAR BRANCHES IN VILLAGE WITH POPULATION MORE THAN 5000 WITH OUT A BANK BRANCH

In respect of RBI letter no. RBI/2016-16/277/FIDD.CO.LBS.BC.No.82/02.01.001 dated 31st December 2015 for opening of brick and mortar branches in villages with population more than 5000 without a bank branch of a scheduled commercial bank, 47 such centres across the State are mapped on the basis of report of the LDMs and allotted to different banks for opening of bank branches.

#### STATUS

- The matter was discussed during the task force committee meeting held on 06.02.2017 under the Chairmanship of Directorate Institutional Finance, Govt. of M.P. Representatives from RBI, Bhopal were also present in the meeting.
- Since village "Gantha" in Satna district does not exist, house approved deletion of Gantha village from the list of 47 villages. Now, there are 46 villages having population more than 5000, where brick & mortar branches have to be opened in the state.
- **As on 31<sup>st</sup> January 2017, brick & mortar branches have been opened in 3 villages so far.**
- 7 banks (Punjab National Bank, Bank of India, Syndicate Bank, Indian Bank, Corporation Bank, Bank of India & ICICI) have promised to open the branches by 31<sup>st</sup> March 2017.
- **RBI, Bhopal vide their letter no. FIDD (Bhopal) No.149/02.02.018/2016-17 dated 19.10.2016 has clarified that non-viability cannot be a reason for non-opening of branches in the allotted centres. If there are any operational or infrastructure related issues, matter should be discussed in respective DLCC for remedial action. It is again clarified by the DIF, GoMP & RBI in the meeting dated 06.02.2017 that banks have to open the branches mandatorily at their allotted village.**

#### BANK WISE POSITION IS GIVEN BELOW:

Sr.	District	Name Of Scheduled Commercial Bank selected to open brick and mortar branches in villages with population more than 5000 without	No of Villages allotted	Status
1	Sehore	NJGB	Bhonra	License obtained, VSAT Awaited
2	Barwani	NJGB	Danodroud	License obtained, VSAT Awaited
3	Mandsaur	Punjab National Bank	Khilchipura	by March
4	Mandsaur	Bank of India	Multanpura	by March
5	Panna	Bank of India	Nayagaon	10-15 Days
6	Bhind	Syndicate Bank	Sherpur	by March
7	Bhind	Vijaya Bank	Sukand	Opened on Dec 28 2016
8	Satna	ICICI Bank	Bhishampur	By 15 Feb
9	Satna	Canara Bank	Kharam Seda	Opened on Nov 19,2016
10	Hoshangabad	Indian Bank	Raipur	By March
11	Dhar	Axis Bank	Gumanpura	Taken Up with DIF (Bird sanctuary issue)

12	Barwani	Ratnakar Bank	Dugani	Ultra small bank recommended by CO,RBI-Mutual
13	Bhind	Corporation Bank	Manhad	by March
14	Tikamgarh	United Bank of India	Biawarkhas	No positive response
15	Hoshangabad	IDFC	Sangakheda kalam	Opened
16	Barwani	Federal Bank	Solwan	by March
17	Satna	Bank of Baroda	Aber	Premises not available matter to take up at DLCC
18	Barwani	Yes Bank	Khurmabad	No response from bank
19	Tikamgarh	IDFC	Muhara Khas	Not a part of annual branch expansion
20	Balaghat	IDFC	Temni	Not a part of annual branch expansion
21	Panna	MGB	Itwakalan	RBI sent to corp office
22	Barwani	Jammu & Kashmir bank Ltd	Jamati	No response from bank
23	Bhind	Bank of Maharashtra	Jawasa	No response from bank
24	Panna	Karnataka Bank	Jaswant Pura	Not Feasible
25	Bhind	HDFC	Rahawali Ubari	Not Feasible
26	Tikamgarh	IDBI	Astaun Khas	Asked to change the village
27	Balaghat	Bandhan Bank	Bisoni	As per discussions they are trying to open and they may come out with some plans.
28	Tikamgarh	Bandhan Bank	Chhandawani Khas	As per discussions they are trying to open and they may come out with some plans.
29	Barwani	State Bank of Maysore	Chiklay	No response from bank
30	Barwani	State Bank of Hyderabad	Jalkheda	No response from bank
31	Barwani	State Bank of Travancore	Khokri	No response from bank
32	Panna	State bank of India	Khora	By Feb
33	Dhar	State Bank of Bikaner & Jaipur	Timyachi	No response from bank
34	Barwani	State Bank of Patiala	Vilva	No response from bank
35	Hoshangabad	Andhra Bank	Bijanwada	Bank try to mutually exchange the location with BOB
36	Chhindwara	UCO Bank	EkalBihari	Viability Issue
37	Dhar	Punjab & Sindh	Sejwaya	Not Viable
38	Dhar	Oriental Bank of Commerce	Awaldand	No response from bank
39	Tikamgarh	South Indian Bank	Bachhoda Khas	No response from bank
40	Barwani	Indusind bank	Jhopali	Comes under muncipal corp.informed by Indusind
41	Chhindwara	Indian Overseas bank	Berdi	Restriction to open new branch
42	Bhind	Dena Bank	Goara	Sent to central office for further process
43	Khandwa	Central Bank of India	Khiralra	Escalated matter to top corporate office
44	Dewas	Citi Union Bank	Bawdikheda	To be reallocated to other bank(South Indian)
45	Bhopal	Kotak Mahindra	Ratanpur	The matter is being pursued with the bank in lack of proper response we may think to reallocate to other bank
46	Tikamgarh	Allahabad Bank	Satguwan Knas	No response from bank

### **Matter has been put up for discussion of the house**

Agenda 162<sup>nd</sup> State Level Bankers Committee, Madhya Pradesh

## AGENDA NO-13

### PRADHAN MANTRI JAN DHAN YOJANA

#### HIGHLIGHTS MADHYA PRADESH VIS-À-VIS COUNTRY

Status as on 21.01.2017 Number & amount in crores

Particulars	Status Madhya Pradesh	Status Country	Rank (M.P.) out of 36 States/U.T	% share out of total
Number of PMJDY Accounts	2.43	27.31	4 <sup>th</sup>	8.90%
Balance held in the accounts	3139	67325	7 <sup>th</sup>	4.66%
Number of Zero Balance a/cs	0.70	6.68	8 <sup>th</sup>	10.48%
% of Zero Balance accounts	28.80%	24.46%	9 <sup>th</sup>	
Number of Aadhaar seeding	1.53	15.98	2 <sup>nd</sup>	9.57%
Aadhaar seeding %	62.96%	58.51%	21 <sup>st</sup>	

- As on 25<sup>th</sup> January 2017, there were 2.43 crores Jan-Dhan accounts in the state with average balance in the accounts Rs. 1289.
- Jan Dhan accounts in Madhya Pradesh have seen 42 per cent spike in deposits from 08.11.16 to 25.01.2017 after demonetization.
- After viewing trend of movement of deposits from 08.11.16, it is observed that deposits are increasing.
- However, in terms of average balance in the accounts, the state is at the bottom in 36 States/UTs. Lakshadweep, Tripura & GOA hold top rank with Rs. 10784, 9232 & 6177 respectively.
- Madhya Pradesh has 8.91% PMJDY accounts of the total PMJDY accounts in the country with 4<sup>th</sup> rank after Uttar Pradesh, Bihar & West Bengal.
- With the share of 4.66% of total deposits, its rank is seventh.
- Out of total 2.43 crores PMJDY accounts, aadhaar number is seeded in 1.54 crore accounts with 63.02%. However, the state holds second rank in terms of total number of aadhaar seeding in PMJDY accounts in the country.
- There are 27.31 crores PMJDY accounts in the country as on 25.01.2017, wherein aadhaar is seeded in 15.98 crores accounts with 58.50%.
- Aadhaar seeding percentage in Madhya Pradesh is above the National average.
- With 29% zero balance accounts, Madhya Pradesh holds 8<sup>th</sup> rank in the country. The percentage of zero balance accounts to total PMJDY accounts in the country is 24.47% as on 25.01.2017.

## PROGRESS UNDER PMJDY AFTER 08<sup>TH</sup> NOVEMBER 2016

Number & amount in crores

Particulars	08.11.16	31.12.16	15.01.17	25.01.17	% Variation over 8th Nov-16
Number of accounts	2.10	2.31	2.37	2.43	15.71%
Balance in the Accounts Rs. Cr.	1818	3071	3098	3139	72.66%
Number of RuPay Card issued	1.59	1.70	1.72	1.76	10.69%
Number of Aadhaar seeding	1.14	1.36	1.47	1.53	34.21%
% of aadhaar seeding	54.29	58.87	62.03	62.96	8.68%
Number of zero balance accounts	0.57	0.66	0.70	0.70	22.81%
% of zero balance accounts	27.14	28.57	29.54	28.81	1.66%
Number of RuPay card activation	0.88	0.92	0.94	0.95	7.55%
% RuPay card activation	55.41	54.10	54.50	53.82	-1.58%
Number of Mobile Seeding	0.61	0.66	0.69	0.72	18.03%

- Around 33 lakh new PMJDY accounts have been opened from 08<sup>th</sup> November 2016 to 25<sup>st</sup> January 2017.
- 39 lac aadhaar were seeded in the accounts during above period but still a long way has to go to achieve 100% level. It is a fact that despite all concerted efforts of the banks; aadhaar seeding is not picked up to desired level.
- Zero balance accounts are increased from 58 lakh as on 08<sup>th</sup> Nov-16 to 70 lakh as on 25<sup>th</sup> Jan-17. It indicates that accounts are being opened with zero balance. Though, there is no restriction to open the account with zero balance under this scheme, customer may be advised to deposit a very small amount at the time of account opening for reducing zero balance accounts.

## TASK FORCE TO MONITOR THE ACTION PLAN OF FINANCIAL INCLUSION

The Secretary, Financial Services to Govt. of India held a video conference on 22<sup>nd</sup> November 2016. She advised all SLBC to prepare an action plan for completing 100% aadhaar/mobile seeding in PMJDY accounts, distribution of RuPay cards & PINs etc. .

December 2016. A task force has been formed in the State under Chairmanship of Mission Director FI/Commissioner, DIF, Govt. of M.P., who will monitor the progress of action plan.

Task force members	Activity to be performed
a) CGM, BSNL or his representative not below the rank of DGM	a) Aadhaar seeding after obtaining consent forms in all PMJDY accounts, Operative SB accounts & MNREGA accounts
b) CPMG or his representative not below the rank of Director (Postal)	b) RuPay card / PIN distribution and activation to all account holders along with necessary financial literacy to carry out card based transactions.
c) SLBC Convenor	c) Mobile seeding in all accounts. etc.
d) Zonal Heads of the Banks	
e) Representative of RBI	

## IDENTIFICATION OF PLACES FOR DISTRIBUTION OF WAGES, SOCIAL SECURITY PENSION ETC.

- It has been reported by the State Government that business correspondents are not active in some areas causing delay in the payment of wages, social security pensions etc. During last meeting of “State Level Financial Inclusion Committee”, it was decided that Tribal Welfare Department & Social Justice Department of State Government will provide the list of such area where BCs are not able to deliver services properly so that respective banks of sub service areas can be approached for coverage of the same.
- Rural Development Department of the State Government was advised to map the locations of “Weekly Haat Bazar” with business correspondents by 10<sup>th</sup> October 2016 and make it available to DIF and Convenor-SLBC. The information is yet to be made available.
- A pilot initiative of “Delivery of Pension & Wages on Predetermined Day” was started in Shahdol, Anuppur & Umaria districts where district administration decides a fixed date and location. Accordingly, the business correspondents make necessary arrangement for cash withdrawal and rendering of other services from the identified locations.
- Lead District Managers of above districts have informed that this initiative is working successfully in their districts and payments are being made without any difficulties.

### WE SUGGEST SIMILAR STRATEGIES FOR OTHER DISTRICTS ALSO AS UNDER:

- Identification of suitable locations in the nearby area of respective customers where connectivity is available.**

Action: Dist. administration.

- Mapping of those areas with respective banks having SSA.**

Action: LDM

- Shifting the accounts of other bank beneficiaries to the banks having SSA of the areas.**

Action: Dist. administration.

- Determining a fixed date for delivery of pension, wages by Dist. administration.**

Action: Dist. administration.

- Assessment of cash requirement.**

Action: Dist. administration.

- Arrangement of cash by base bank branches.**

Action: Respective Banks

- Deployment of BCs and their monitoring.**

Action: Respective Banks

## WEEKLY ACHIEVEMENT OF THE TARGET UNDER PMJDY

The Secretary, Dept. of Financial Services, Govt. of India vide her letter dated 31<sup>st</sup> January 2017 written to the Chief Secretary, Govt. of M.P on financial inclusion programme, flagged the following issues.

- a) 100% Aadhaar seeding in all the accounts by 22.03.2017
  - b) Delivery of all undelivered RuPay cards & PINs & their activation
  - c) Availability of live PINs with the customer
  - d) Facilitation of cardholders in swiping the card at the branch, ATM, micro-ATM or PoS
  - e) Financial literacy to ensure how to use the card
- To achieve above goal, weekly targets have been assigned to the banks by GOI. A meeting of the task force committee on financial inclusion was held on 06.02.2017. All banks are advised to take all necessary steps to achieve the desired goal of the Government of India within stipulated time frame.
  - It was also advised all banks to update the progress on weekly basis on the web portal of SLBC for onward reporting to the concerned authorities.

## CONVERSION OF SMALL/NO-FRILL ACCOUNTS

Initially, many accounts (no frill) were opened with relaxed KYC (without officially valid documents) to provide basic banking facilities to poor and promote financial inclusion. The accounts could be maintained without or with very low minimum balance. However, there is some restriction in these accounts. E.g.

- a) Aggregate deposit should not exceed one lakh rupees in a year.
- b) Maximum balance in the account should not exceed fifty thousand rupees at any time.
- c) The total of debits by way of cash withdrawals and transfers will not exceed ten thousand rupees in a month.

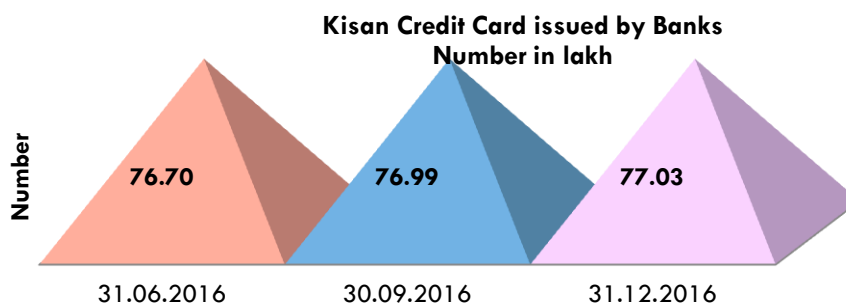
Amount is being deposited in these accounts through DBT. But it has been observed that people are facing problem in withdrawal of amount due to restriction imposed in these accounts. In order to make the basic banking facilities available in a more uniform manner across banking system, it is necessary to convert all 'no-frills' accounts into BSBDA (Basic Savings Bank Deposit Accounts) so that beneficiaries can withdraw more amount from this/her accounts. However, necessary KYC compliance should be in place.

## ENHANCEMENT OF OD LIMIT OF BUSINESS CORRESPONDENT AGENTS

In view of increasing volume of business at business correspondents, OD limit sanctioned to BCs need to be reexamined and they should be provided sufficient OD limit for doing transactions.

## AGENDA NO-14

### PROGRESS UNDER KISAN CREDIT CARD



- There are 77.03 lakh Kisan Credit Cards are issued by banks in the state as of 31<sup>st</sup> December 2016.
- Total outstanding is Rs. 52540 crores, representing average size of the loan Rs. 68 thousand.
- 7.39 lakh KCC have been issued during current financial year up to 31.12.2016 including renewal of KCC.
- As per available data, there are around 98 lakh farmers in the State and the coverage is around 77.03 lakhs. Banks still have about 20.97 lakh farmers to be covered. These farmers are either landless or tenant farmers.
- The Government has decided for conversion of operative Kisan Credit Cards into Rupay ATM cum Debit Kisan Credit Cards (RKCCs) by Cooperative Banks and Regional Rural Banks (RRBs) on priority.
- Due to fear that Bataidar may accrue Bhumiswami rights, Bhumiswamis hesitate to give land on Batai in writing and instead of give it orally or on verbal agreement, consequently in case of natural calamities, actual Bataidar could not get any type of relief.
- **“Bataidar Adhiniyam Bill”** passed by Government of M.P. on 29<sup>th</sup> July 2016 is a model Act, to finance tenant farmers, oral lessees, share croppers, SHGs, JLGs of farmers including tenant farmers, share croppers etc. Copy of the bill is enclosed
- As per extent guidelines of Kisan Credit Card, No collateral Security/guarantee is to be obtained on loans up to Rs.1.00 lakh. But loans above Rs. 1 lakh, Collateral security should be obtained, taking all loans granted to the borrower into consideration.
- **This bill does not give right to Bataidar to create charge of any kind on the land under agreement. Resulting, Bataidars are not able to take the loans above Rs. 1 lakh from banks.**



## COVERAGE OF FARMERS FOR KHARIF 2016-17 UNDER "PRADHAN MANTRI FASAL BIMA YOJANA"

Name of the insurance company	Total insured Rakba in hectare	Insured amount Rs. in crores	Premium collected Rs. in crores	No. of loanee farmers insured	No. of non-loanee farmers insured	Total insured farmers
<b>AIC</b>	4481989	10816	231	1792725	276377	2069102
<b>HDFC</b>	1191014	2998	60	438279	92950	531229
<b>ICICI</b>	1676225	5321	105	806708	19084	825792
<b>Total</b>	7349229	19045	396	3037712	388411	3426123

RESERVE BANK OF INDIA VIDE THEIR NOTIFICATION BI/2016-17/84 FIDD.FSD.BC.NO.18/05.05.010/2016-17 DATED OCTOBER 13, 2016 HAS MADE SOME CHANGES IN RESPECT OF TAKING CROP INSURANCE, ACCIDENT INSURANCE (INCLUDING PAIS), AND HEALTH INSURANCE (WHEREVER PRODUCT IS AVAILABLE) AS UNDER:

Particulars	Instructions as per Circular RPCD.FSD.BC.No.23/05.05.09/2012-13 dated August 7, 2012	Modified Instructions
Para 13 Other Features	13.ii Besides the mandatory crop insurance, the KCC holder should have the option to take benefit of Assets Insurance, Personal Accident Insurance Scheme (PAIS), and Health Insurance (wherever product is available) and have premium paid through his KCC account. Necessary premium will have to be paid on the basis of agreed ratio between bank and farmer to the insurance companies from KCC accounts. Farmer beneficiaries should be made aware of the insurance cover available and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself	13.ii Besides the mandatory crop insurance, the KCC holder should have the option to take benefit of any type of Assets Insurance, Accident Insurance (including PAIS), and Health Insurance (wherever product is available) and have premium paid through his KCC account. Premium has to be borne by farmers/bank according to the terms of the Scheme. Farmer beneficiaries should be made aware of the insurance cover available <b><u>and their consent (except in case of crop insurance, it being mandatory) is to be obtained, at the application stage itself.</u></b>

## CLAIM RELEASED UNDER NAIS (NATIONAL AGRICULTURE INSURANCE SCHEME) FOR KHARIF 2015

Agriculture Insurance Company (AIS) has released claims for Kharif 2015 of Rs. 4416.89 crores for damage of crops. Bank wise claim status is given as under:

Sr.	Name of the Bank	Claim Amount in crores
1	Allahabad Bank	25.83
2	Andhra Bank	1.17
3	Axis Bank	2.56
4	Bank of Baroda	28.28
5	Bank of India	630.83
6	Bank of Maharashtra	44.42
7	Canara Bank	25.81
8	Central Bank of India	256.23
9	CMPGB	127.31
10	Corporation Bank	8.73
11	DCB Bank Ltd.	0.38
12	Dena Bank	9.02
13	HDFC	23.99
14	ICICI	37.68
15	IDBI	4.86
16	Indian Bank	3.25
17	Indian Overseas Bank	1.08
18	Karnataka Bank	0.42
19	MGB	90.06
20	NJGB	256.95
21	Oriental Bank of Commerce	7.29
22	Punjab National Bank	164.09
23	Punjab and Sindh Bank	4.89
24	RBL	0.87
25	State Bank of India	853.04
26	Syndicate Bank	4.39
27	Federal Bank	0.06
28	UCO Bank	34.02
29	Union Bank	88.47
30	Vijaya Bank	7.38
31	Cooperative Bank	1673.53
	<b>Total</b>	<b>4416.89</b>

## AGENDA NO-15

### RURAL SELF EMPLOYMENT TRAINING INSTITUTE (RSETI)

#### PERFORMANCE OF RSETIS AS ON 31.01.2017

The 51 Rural Self Employment Training Institutes in the State, an initiative of Ministry of Rural Development (MoRD), are imparting training and skill up-gradation to rural youth encourage towards entrepreneurship development. RSETIs are managed by banks with active co-operation from the Government of India and State Governments. The bank's branches in the districts are required to provide need based credit support to the candidates trained at RSETI centers for establishing their enterprises."

From the data on progress of RSETIs up to 31<sup>st</sup> January 2017, it has been observed that:

- There was a target of 1248 number of programmes for financial year 2016-17, out of which 991 training programs were conducted till 31<sup>st</sup> January 2017.
- During third quarter of current financial year, 27628 candidates have been

trained at these centers as against target of 35500 candidates.

- Out of total 27628 trainees for FY 2016-17, 12759 were from SC/ST category, 10790 from OBC, 1254 from minority and 2825 were from other categories.
- RSETIs working in the State, have trained over 147702 numbers of candidates since its inception, out of which 92153 candidates are settled and settlement ratio is 62.39%.

#### STATE LEVEL REVIEW COMMITTEE OF RSETIS

With reference to Ministry of Rural Development, Govt. of India, D.O. letter No. 1-12011/01/2015/NRLM/RSETI dt 10.12.15 and subsequent notification of Ministry of Panchayat & Rural Development, Govt. of M.P., letter No. 3227/Koshal/NRLM/16 dt 22.04.16, State Level Review Committee has been constituted in the state, constitution of which is as follows. Meeting of the committee shall be held half yearly.

1	Principal Secretary, Panchayat & Rural Development	Chairman
2	Convenor SLBC	Co-Chairman
3	Mission Director, SRLM	Member
4	Director, Technical Education & Skill Development Dept, M.P.	Member
5	Chief General Manager, NABARD or his nominee	Member
6	National Director, RSETI	Special Invitee
7	All RSETI Directors of the state of Madhya Pradesh.	Member
8	Controlling heads of Banks having RSETIs in the state.	Member
9	State Coordinator RSETI	Convener

**FIRST MEETING OF THE COMMITTEE WAS HELD ON 25<sup>TH</sup> NOVEMBER 2016 AT BHOPAL. PROCEEDINGS ARE AS UNDER:**

- State Level Committee on RSETIs shall meet at half yearly basis to review broadly on progress made by RSETIs in implementation of Annual Action Plan (AAP), flow of credit to RSETI trained candidates from banking sector, pending claims of training expenses of RSETIs, Infrastructural issues and steps taken in organizing awareness programmes.
  - Each institute is graded annually on various parameters by the team as per MoRD guidelines and graded from AA to AB,BA,BB,BC,CC are given on the basis of their performance in these parameters. Out of 51 RSETIs, 45 institutes were graded as AA and 06 institutes were graded as AB which shows that the performance and infrastructure of the institutes have improved considerably during 2015-16.
  - All districts in the state have been allotted land and buildings have been constructed of 26 institutes. Buildings of 18 institutes are under construction and only in 06 districts construction of building is yet to start. These districts are- Bhind, Neemuch, Vidisha, Umaria, Sehore and Rewa. Representative of Central Bank of India told that the construction of building of RSETI Bhind shall begin shortly as all formalities have been completed. SBI informed that land has been re-allotted in Neemuch about 5 months back as there was dispute on the earlier land allotted to the institute. He also informed that Architect has been appointed in Vidisha and Umaria and
- construction these building will begin soon. Representative of Bank of India told that Land has been re-allotted by District Collector last year and Plan of the building has been passed and tender also has been finalized. Construction will soon begin. Director Rewa informed that land has been re-allotted to them and they have applied municipality for passing the map of the building.
- The State Director informed the house that the all India average of credit linkage of Institutes was 43% during 2016-17 and the credit linkage of RSETIs of M. P. had credit linkage of 42%. During 2016-17, up to Sep. the institutes of M. P. have credit linkage of trained candidates 41% as against national average of 43%. It was also informed to the house that the Credit linkage of 15 institutes is 43% and above, i.e. above national average. Credit linkage of 10 institutes is between 30 to 42% and the Credit linkage of 20 institutes is between 15 to 29%. 05 institutes are having credit linkage of less than 15%. Institutes having credit linkage of less than 30% were advised to take help of sponsor bank and their LDM for financing their candidates.
  - The State Director informed the house that the RSETIs are having pending claims with their Zila Panchayats / SRLMs to the tune of Rs. 6.00 crores. The year wise position of pending claims was presented in the house as follows:

Financial Year	Claim pending (Rs.)	No. of RSETIs
2010-11	867000	3
2011-12	1805400	4
2012-13	5602847	7
2013-14	5301620	9
2014-15	14364587	22
2015-16	31966966	38
<b>TOTAL</b>	<b>59908420</b>	

## PROGRESS OF ALLOTMENT OF LAND AND CONSTRUCTION OF BUILDING OF RSETIS IN M.P.

- Land has been allotted in all the districts by the State Govt.

- Buildings of 26 institutes have been completed and 20 institutes are functioning from new buildings.
- Construction of buildings of 18 institutes is in progress.
- Construction yet to start of 06 buildings.

## STATUS OF CONSTRUCTION OF BUILDING OF RSETIS

Sponsor Bank	Total number of RSETIs	Completed	Under construction	Construction yet to start
Central Bank of India	18	14	3	1 (Bhind)
State Bank of India	13	3	7	Neemuch, Vidisha & Umariyas
Bank of India	10	7	3	
Union Bank of India	3	0	2	1 (Rewa)
Bank of Baroda	2	2	-	-
Punjab National Bank	1	0	1	-
Allahabad Bank	1	0	1	-
Vijaya Bank	1	0	1	-
RUDSETI	1	-	1	-
<b>TOTAL</b>	<b>50</b>	<b>26</b>	<b>19</b>	<b>6</b>

## GRADES OF RSETIS IN 2014-15 AND 2015-16:

Year	Grades and number of RSETIs						
	AA	AB	BA	BB	BC	CC	NG
2014-15	26	9	9	4	1	1	1
2015-16	45	6	-	-	-	-	-

## SUB-COMMITTEE ON MSME/RSETI

**Convenor Bank:** Bank of India **Meeting held on:** 19.12.2016

### Points discussed & action points

The Chairperson reviewed the performance of RSETIs. The RSETIs where construction is not yet started need to be started. The Joint Director DIF Mr. Satish Gupta reviewed the district wise position of every RSETI and advised to complete the work where it has been started and resolve the issues where it has not been started. It is also reported in the meeting that in few districts though the land has been allotted, but due to

encroachment, the construction work is yet to be started and LDMs of concerned district are regularly approaching the District Collector for actual possession. The Chairperson has directed that list of such cases to be provided by the banks to DIF, MP for follow up the respective district collector. The Chairperson has directed that cases to be prepared for govt sponsored schemes on priority basis and should be covered under govt. sponsored schemes as well as MUDRA

**District wise Status is given in Table no-32**

In terms of Reserve Bank's extant guidelines on lending to priority sector, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, as on March 31 of the previous year, has been mandated for lending to the priority sector by domestic scheduled commercial banks **Within this, a sub-target of 10 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, as on March 31 of the previous year, has been mandated for lending to weaker sections.**

- Sikhs
- Muslims
- Christians
- Zoroastrians
- Buddhists
- Jains

Total outstanding loans to minority community are Rs. 7879.79 crores as of 31<sup>st</sup> December 2016, and 471575 minority communities have been given loans till date. Banks have disbursed an amount of Rs.1426 Crores covering 81992 beneficiaries of Minority Communities during period under review. Banks are requested to lend more to minorities and also to ensure correct classification of advances under social attributes.

OUTSTANDING & DISBURSEMENT TO SCHEDULED CASTES (SC) & SCHEDULED TRIBES (ST)

Bank wise status is shown in Table no. 22 & 23

## OUTSTANDING & DISBURSEMENT TO WOMEN BENEFICIARIES

Total outstanding loans to women beneficiaries are Rs. 19164.24 crores as of 31<sup>st</sup> December 2016, and 1930044 women beneficiaries have been given loans till date. Banks have disbursed an amount of Rs.4485 Crores to 644074 women beneficiaries during the review period up to 31<sup>st</sup> December 2016.

Bank wise status is shown in Table no. 24

## FINANCIAL LITERACY

Financial literacy is a part of the mission mode objective of PMJDY and all the banks & their Financial Literacy Centres (FLCs) are providing the same by conducting various programmes in their service area villages of rural branches.

District wise status is shown in Table no.

## SHG SAVINGS & CREDIT LINKAGE

30638 SHGs SB accounts are opened during the period April to Dec-2016. 28170 groups were credit linked to the tune of Rs.112.69 crores. The cumulative number of SHGs having SB accounts as on 31.12.2016 is 405691. Bandhan Bank has reported 189964 SHGs linked with SB accounts which constitute 47% of total SHGs linked with savings account.

Bank wise status is shown in Table no. 19

## SUB-COMMITTEE ON SELF HELP GROUPS

**Convenor Bank:** Allahabad Bank

**Meeting held on:** 14.12.2016

### Points discussed & action points

#### 1. Branch level pendency reported by MPDAY SRLM

Shri Akshat Pawar, ASPM-FI from MP DAY SRLM pointed out that their DPMs have reported that many cases are pending with bank branches and Shri Pawar will provide account-wise pendency details to banks through the forum. Shri Rao, CGM, NABARD; pointed out that the controllers of banks should issue specific instructions to their branches regarding pending SHG applications. Bank branches should rate the SHGs as per laid down procedure and guidelines and provide Credit-linkage to the eligible SHGs. Shri Rao pointed out that the SLBC has given due importance to SHG/JLG financing and thus formed a Sub-Committee for the same. It is important that higher level officials from all member organizations attend the meetings of the Sub-Committee as many decisions are to be taken during the meeting itself. Shri Satish Gupta, Joint Director, DIF, Bhopal; pointed out that SBI has a lot of pending applications from last year and advised that SBI should remove pendency at the earliest.

## **2. Installation of POS machines in Villages**

It was informed by NABARD that in line with the digitalization drive, it will help in installation of 2 POS machines each in 1 lakh Tier-5 and Tier-6 centers in Rural and Semi-Urban areas. NABARD will provide support of upto 60% of the cost of the device upto a limit of Rs.6000/- for new POS. Support will be provided on “First come first Serve” basis and those cases sanctioned by 31-Mar-17 and installed before 31-Dec-17. The POS should be on Bank Ownership model and all eligible claims have to be lodged before 31.12.2017. AADHAAR enabled POS deployed after 06-Dec-16 will be eligible for this claim.

## **3. Appointment of “Bank Sakhi”**

Banks are providing Banking Services through BC Model and it was desired to appoint members of women SHG as Bank Sakhi to serve as BC in allotted SSAs. Banks agreed that now on the first preference for appointment or replacement of BC will be given to member of SHG. Assistance from NABARD is available

### **ACTION POINTS**

- a) Use SAMAST Portal for forwarding applications to Banks and banks to dispose applications in a timely fashion. (Action: Sponsoring Agencies & all Banks )
- b) SRLM to provide list of SHG members for consideration for appointment as Bank Sakhi. (MP SRLM)
- c) MP SRLM representative to meet Joint Director, DIF for sorting out issues in “bye-laws”. (MPSRLM)
- d) FLCC held at Gram Panchayath level should include NABARD DDM (NABARD, all Banks)
- e) Pendency at different levels should be distributed with minutes. (NABARD, MPSRLM, LDMs and all Banks)
- f) Banks to gear up their mechanism to extend adequate credit support to Savings linked SHG formed by NGOs (all Banks)



## AGENDA NO-17

### OTHER AGENDA

#### ENGAGEMENT OF LEAD DISTRICT MANAGERS IN OTHER WORKS

The Lead District Manager in lead district is expected to undertake leadership role for coordinating the efforts of the credit institutions and the Government.

#### ROLE UNDER LEAD BANK SCHEMES AS PER RBI GUIDELINES IS AS UNDER:

1. Conducting BLBC/DLRC/DCC in the District with consultation of District authorities, RBI, NABARD etc.
2. Identification of potential for formulation of bankable schemes for inclusion in the Annual Credit Plan (ACP)
3. Finalization of District Credit Plan/ Annual Credit Plan
4. Allocation of shares of DCP/ ACP outlays
5. Monitoring overall progress in Physical & Financial terms in the implementation of ACP & Government sponsored programmes etc.
6. Reviewing/ Monitoring of the support forthcoming from the Government Departments
7. Reviewing the progress in the disposal of loan applications & ensuring that applications are sent in a phased manner and not in bunches in the last quarter of the financial year.
8. Identifying problems/ bottlenecks in the flow of credit as also of infrastructure inputs etc. and taking steps to overcome them;
9. Overseeing and ensuring smooth release of subsidies
10. Monitoring the recovery position of financial agencies & rendering necessary help for recovery of over dues

11. Taking up with State Government/ SLBC/ SLCC, items/ issues which could not be tackled at the district level and ensuring proper follow-up thereof, including security arrangement, lack of infrastructure support, etc.
12. Identification of unbanked centers for opening of branches and reviewing the progress in the opening of branches and
13. Evaluation of the ground level implementation of various schemes and benefits accruing there under to the identified beneficiaries.

But it has been reported that some other works which are primarily related to some other officials are being assigned to LDMs. For instance, banking related complaints received from CM Helpline (181 Toll Free Number), the lead district managers work as “Level 1 Officer” and Level one officer has maximum 7 days’ time to dispose the case. In case the Level 1 Officer does not respond to the complaint within 7 days then the case would be escalated to Collector, referred as “Level 2 Officer”. In case if the Level 2 officer also does not respond to the case in 7 days or if the citizen is not satisfied by the actions taken or the reply given by the Level 2 Officer then the case will be escalated to the next senior officer, referred as “Level 3 Officer” which is Commissioner. Concerned branch/bank does not take cognizance within 7 days’ time and complaints automatically escalated to the next higher authorities, causing complications at both level to resolve the complaints.

**The state Government is requested to avoid availing the services of LDMs for activities other than prescribed by RBI.**

## DIFFICULTIES FACED BY BANKS IN REGISTRATION OF POLICE COMPLAINTS IN MATTERS RELATING TO FRAUD

- A member bank (Central Madhya Pradesh Gramin Bank) has written a letter to SLBC, stating that the bank is facing challenges in regard to filing of Police complaints in Shahdol, Bhopal, Hoshangabad, Mandsaur, Gwalior, Raisen, Jabalpur & Madla district. The Police do not accept the complaints ab initio filed by the bank, citing various reasons, even in the cases where Bank/Customer have suffered actual financial loss. In respect of attempted fraud cases or where there is no financial loss to the Bank/Customer or the entire fraud loss amount has been recovered, the Police do not entertain the complaints at all.
- Recently, Reserve Bank of India has also called upon bankers to identify and declare loan accounts as fraud (if any) without wasting time. As per CVC guidelines, lodging FIR is mandatory in case of fraud. If Police do not register FIR and do not act promptly, the banks face difficulties in getting insurance claim settled and to deter the fraudsters.

We request the Government to issue suitable instructions to the Police to register the FIR immediately, if fraud has been reported by the banks.

## BANK OF MAHARASHTRA-LETTER ISSUED BY THE STATE GOVERNMENT

Bank of Maharashtra vide their letter no. AX14/SLBC AGENDAGOV2016-1714989 dated 06.02.2017 informed that the state Government has barred their bank for deployment of fresh deposits by all its department for one year and requested SLBC to include the issue in the agenda for discussion.

## AGITATION FOR SHIFTING THE BRANCH

Instances have been brought to the notice that agitation for shifting of branch premises of Central Bank of India from Sitamau to Khejadia village in Mandsaur district is being led by some political leaders. The district administration may be advised to review such case in DLCC meeting if find appropriate.

## NON-ADJUSTMENT OF SUBSIDY IN THE BORROWAL ACCOUNTS

It is informed by the state Government that some bank branches are adjusting the amount of subsidy released by the state Government in borrowal accounts without the consent of the borrower, causing dissatisfaction among the beneficiaries. The matter has been put up for discussion.

## INSIST ON COLLATERAL SECURITY UNDER GOVERNMENT SPONSORED SCHEMES

It has been reported that some bank branches invariably insist on collateral security in spite of clear provisions for collateral-free loans under some Government sponsored schemes. Banks are requested to issue suitable instructions to the branches to comply with the provision of the schemes. Further, they should be advised to claim margin money within stipulated period (3-7 days) from sanction of the loans.

## OTHER ISSUES FROM NABARD

### POLLINATION ASSISTANCE THROUGH BEEKEEPING: -PROMOTION OF BEE KEEPING TO INCREASE SUPPLEMENTARY INCOME OF FARMERS.

A subsidy at rate of 40%, limited to Rs 88000 per unit of 50 bee colonies with bee hives, super's other bee keeping equipment etc is made available under MIDH.

### SANCTION OF SUPPORT FOR SOLAR POWERED VSAT

NABARD has sanctioned grant assistance to SBI, CBI, PNB, Syndicate Bank and Central Madhya Pradesh Gramin Bank for installation of solar powered VSAT. Concerned Banks to submit the status on implementation of the scheme to NABARD.

### SUPPORT FOR DEPLOYMENT OF POS

NABARD has launched a scheme for support to banks having merchant acquirer status for deployment of POS in Tier 5 & 6 centers. Commercial Banks are eligible for support under CAPEX and OPEX Model. Bank to submit proposal to NABARD. Support upto Rs 6000 per PoS is available @ 02 POS per village.

### CLAIMS FROM RSETIS FOR CAPITAL EXPENDITURE

NABARD has sanctioned grant @ Rs. 3.00 lakh per RSETIs to 33 RSETIs in the State. The institutions to complete purchase and submit claims to NABARD by end of February 2017.

### PROPOSAL TO ENGAGE SHG MEMBER AND BANK SAKHI

Grant assistances from NABARD to bank is available for engaging SHG members as Bank Sakhi. Only Madhyanchal Gramin Bank has submitted proposal for 100 Bank Sakhis to us. Other Banks have not yet submitted the proposals.

### SUBMISSION OF UTILIZATION CERTIFICATES BY BANKS WHEREVER FINAL SUBSIDY HAS BEEN RELEASED BY BANKS IN CONNECTION WITH RG/AMIGS/ISAM.

### INVITATION TO CPMG/PMG OF DEPT. OF POSTS

To discuss the issues of India Postal Payment Bank (IPPB) and utilization of Gramin Dak Sevaks as Business Correspondent and interoperability of Micro ATMs to be deployed by IPPB, the Dept. of Financial Services, GOI advised all the SLBC to invite CPMG/PMG of Department of Posts of the state in SLBC meeting and they should be a part of SLBC. Accordingly intimation has been sent to CPMG/Director of Dept. of Posts of the state.

## AGENDA NO-18

### PROGRESS UNDER MICRO SMALL & MEDIUM ENTERPRISES (MSME)

#### BACKGROUND

- Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the economy. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socio-economic development of the state.

### GROWTH AND PERFORMANCE OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) UNDER PRIORITY SECTOR

Amount in crores				
Sr.	Particulars	30.09.16	31.12.16	% Variation over previous qtr.
A	Total of MSE Advances (Micro & Small Enterprises)	31843	31592	-0.79
B	Total advances to Micro Enterprises (Services and Manufacturing)	15591	15961	2.37
	<b>% age of advances to Micro against Total MSE Advances</b>	<b>41.30</b>	<b>42.35</b>	<b>1.05</b>
C	Total advances to Small Enterprises	16252	15631	-3.82
D	Total advances to Medium Enterprises	3734	4063	8.81
E	Khadi & Village Industries	177	213	20.34
F	Others under MSMEs	1994	1816	-8.93
G	<b>Total advances to MSME Enterprises</b> (Total of B, C, D, E & F)	<b>37748</b>	<b>37684</b>	<b>-0.17</b>
	<b>% age of advances to MSE sector to total advances</b>	<b>14.47</b>	<b>14.24</b>	<b>-0.23</b>
H	<b>Total Advances</b>	220042	221922	0.85

Bank wise outstanding advances to MSME under Priority Sector is shown in Table no. 5

Domestic Commercial Banks are required to achieve a sub-target of **7.5 percent** of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, for lending to Micro Enterprises by March 2017.

In terms of the recommendations of the Prime Minister's Task Force on MSMEs, banks are advised to achieve:

- 20 per cent year-on-year growth in credit to micro and small enterprises,
- 10 per cent annual growth in the number of micro enterprise accounts and
- 60% of total lending to MSE sector to Micro enterprises.

## OBSERVATIONS:

- Total MSME advances is 16.98 % of the total advances as on 31<sup>st</sup> December 2016 as against norms of 7.5%.
- Total lending to Micro enterprises is 42.35% of total MSME advances, which is below the benchmark i.e. 60%.
- Y-o-Y growth is 31.13% under MSME sector. Total outstanding as of 31.12.2015 was Rs. 28736 crores, which is increased to Rs. 37684 crores as on 31.12.2016.
- Total outstanding to MSME sector during Dec-16 quarter is reduced by Rs. 64 crores from previous quarter, showing decline of 0.85%.

## COMPARATIVE POSITION OF ACP ACHIEVEMENT OF MICRO, SMALL & MEDIUM ENTERPRISES (MSMES) UNDER PRIORITY SECTOR

Particulars	Amount in Rs. crores									
	31.12.2015		30.09.2016		31.12.2016		Variation % over Sep-16		Y-o-Y Variation %	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Target	323815	13396	382924	16123	382924	16123	0.00	0.00	18.25	20.36
Achievement	257184	13326	179546	10408	237197	12269	32.11	17.88	-7.77	-7.93
Achievement%	79.42	99.48	46.89	64.55	61.94	76.10	15.06	11.54	-17.48	-23.38

## COMPARATIVE POSITION OF NPA OF MICRO, SMALL & MEDIUM ENTERPRISES (MSMES) UNDER PRIORITY SECTOR

Amount in Rs. crores						
Particulars	31.12.15	30.03.16	30.09.2016	31.12.16	Variation % from previous qtr.	Y-o-Y Variation %
Total MSME	28736	30082	37748	37684	-0.17	31.14
NPA of MSME	1965	1579	2807	2748	-2.10	39.85
% of NPA to total MSME	6.84	5.25	7.44	7.29	-0.14	0.45
Total NPA Rs. in cr.	8894	11023	13682	14946	9.24	68.05
% of NPA to total NPA	22.09	14.32	20.52	18.39	-2.13	-3.71
Total Advances	196167	207899	220042	221922	0.85	13.13
% NPA of total Advances	4.53	5.30	6.22	6.73	0.52	2.20

## REHABILITATION OF SICK MSME UNITS, COLLATERAL FREE LOANS & CGTMSE COVERAGE OF MSME LOANS

### Framework for Revival and Rehabilitation of MSMEs

- The Ministry of Micro, Small and Medium Enterprises, Government of

India, vide their Gazette Notification dated May 29, 2015 had notified a 'Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises' to provide a

simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs. The Reserve Bank issued necessary instructions to banks for effective implementation and monitoring of the said Framework.

- The revival and rehabilitation of MSME units having loan limits up to Rs.25 crore would be undertaken under this Framework. Banks were required to put in place their own Board approved policy to operationalize the Framework by June 30, 2016.

**The salient features of the Framework are as under:**

- Before a loan account of an MSME turns into a Non-Performing Asset (NPA), banks or creditors should identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the Framework

- Any MSME borrower may also voluntarily initiate proceedings under this Framework
- Committee approach to be adopted for deciding corrective action plan
- Time lines have been fixed for taking various decisions under the Framework
- Reserve Bank of India advised banks to furnish the following information to enable an appropriate environment for monitoring timely credit needs of MSMEs.

- a) Status of Rehabilitation of SICK MSME Units
- b) Collateral free loans extended by banks under MSMEs
- c) Status of CGTME coverage of MSME loans

**All banks are requested to furnish above additional information on MSME advances on quarterly basis through SLBC portal [www.slbcmadhyapradesh.in](http://www.slbcmadhyapradesh.in)**

## MODIFICATION IN THE CREDIT GUARANTEE FUND SCHEME FOR MICRO AND SMALL ENTERPRISES (CGTMSE)

### **Increase in ceiling of coverage**

In terms of the announcement made by the Hon'ble Prime Minister, Government of India, in his address to the Nation on December 31, 2016, CGTMSE vide their circular no. 121/2016-17CGTMSE/(44)/4417 dated January 09, 2017, increased the coverage of the eligible credit limit per borrower under the CGS **from 100 lakh to 200 lakh extended by Scheduled Commercial Banks and select Financial Institutions to the units in Micro and Small Enterprises (MSEs).**

The consequential changes in the CGS are given below:

### **Chapter I – Clause 2 (v)**

'Guarantee Cover' means maximum cover available per eligible borrower of the amount in default in respect of the credit facility extended by the lending institution.

### **Chapter II – Clause 4) ( para-1)**

### **Credit facility eligible under the Scheme:**

The Trust shall cover credit facilities (Fund based and / or Non fund based) extended by Member Lending Institutions (MLIs) to a single eligible borrower in the Micro and Small Enterprise's Sector for credit facility (i) not exceeding 50 lakh (Regional Rural Banks / Financial Institutions) and (ii) not exceeding 200 lakh (Scheduled Commercial Banks and select Financial Institutions) by way of term loan and / or working capital facilities, without

any collateral security and / or third party guarantee.

## **Chapter II - Clause 5 (Serial No. vi)**

### **Credit facilities not eligible under the Scheme**

Any credit facility which has been sanctioned by the lending institution with the maximum interest rate not more than 14% p.a. (including cost of guarantee cover) would be eligible for coverage under CGS. This supersedes the existing guidelines of CGTMSE on ceiling of interest rate that could be charged by MLIs on guaranteed loans. The revised guidelines on

ceiling on Interest Rate that could be charged for the guarantee covered credit facilities would be applicable also to those MLIs who would not be eligible for enhanced credit guarantee coverage from 100 lakh to 200 lakh

## **Chapter IV – Clause 9 (Para.1)**

Extent of guarantee

The Trust shall provide guarantee as under:

Category	Maximum extent of Guarantee where credit facility is		
	Upto 5 lakh	Above 5 lakh upto 50 lakh	Above 50 lakh and upto 200 lakh
Micro Enterprises	85% of the amount in default subject to a maximum of 4.25 lakh	75% of the amount in default subject to a maximum of 37.50 lakh	50% of amount in default subject to a maximum of 100 lakh
Women Entrepreneur's/Units located in North East Region (including Sikkim) (other than credit facility upto 5 lakh to micro enterprises)	80% of the amount in default subject to a maximum of 40 lakh.		
All other category of borrowers	75% of the amount in default subject to a maximum of 37.50 lakh		

- All proposals for sanction of guarantee approvals for credit facilities above 50 lakh upto 200 lakh will have to be rated internally by the MLI and should be of investment grade. Proposals Sanctioned by the MLIs on or after January 01, 2017. The enhancements in existing guarantee cover beyond 100 lakh in respect of working capital facilities, where such enhancements are approved on or after January 01, 2017, would also be eligible for the enhanced coverage up to 200 lakh provided the proposal meets the guidelines of CGS.
- The cost of guarantee cover will be as per the extent guidelines.

- All other terms and conditions of existing CGS, along with its subsequent amendments, would remain unchanged.

## SUB-COMMITTEE ON MSME

**Convenor Bank:** Bank of India

**Meeting held on:** 19.12.2016

### Points discussed & action points

1. **Progress under MSME** – The performance under MSME of banks as on 30.09.2016 is not upto the desired level and the same should be accelerated. Member-Banks were asked to sanction maximum cases of all the applicants eligible and fit for disbursement submitted to the branches in this quarter. The Chairperson also expressed her concern about slow progress with regards to PMEGP of KVIB department and need to take corrective measures especially pendency of applications at branch level. Further she advised the banks to disburse all the sanctioned cases as the progress is to be considered after disbursement only. She clearly expressed that rejection of applications should be done on Justifiable grounds and not in a casual manner. Good number of cases is sanctioned under PMEGP scheme but the number of cases disbursed is less due to demonetization. She advised that Private sector banks must expedite process of sanction and disbursement. The Chairperson expressed her concern over pendency of applications in Government sponsored schemes which results into grievances and complaints over CM helpline and asked the bank representatives as well as Government officials to sort out the issue at grass root level.
2. **Prime Minister Weaver Mudra Card-** The Commissioner Handloom Mrs. G.V. Rashmi elaborated the scheme of Prime Minister Weaver Mudra Card and told the house that most of the banks have entered into MOU with the Govt to finance under the scheme. She further instructed the concerned officials to sit with lead bank officers to fix the targets for the specified pockets of the weavers of the state for this financial year as the last quarter is in the offing.



## AGENDA NO-19

### SUB COMMITTEE MEETINGS OF THE SLBC

#### SUB-COMMITTEE ON INDUSTRY

**Convenor Bank:** Punjab National Bank

**Meeting held on:** 15.12.2016

#### Points discussed & action points

1. Creating special field for govt sponsored schemes in their CBS system.

Shri S.K.Dokania Deputy General Manager Punjab National Bank informed SBI,CBI,UBI and Allahabad banks have created special field in CBS and PNB have taken up matter with our HO & expect that code will be created by end of march quarter .

2. Shri V.L. Kanta Rao suggested to all Banks for minimize the rejection percentage of application at branch level. Once application is approved by TFC then branch manager should not reject application on viability reason because bank LDM/ DCO participate in the TFC and viability of project discussed. If project is found non-viable then it is rejected at TFC level. Members informed that it is not possible that each Branch Manager of the district be present in TFC meeting because if loan application relates to 10 branches of a bank, all the branch managers cannot be present for TFC. District Coordinator may be present and involved in the selection process.
3. Shri V.L.Kanta Rao suggested that in case of Mukhya Mantri Yuva Udhmi Scheme which come between range of 10 lakh to 1 crore, after sanctioning of loan ,financing branch must cover the loan in Credit Guarantee Scheme and should not ask borrower any other security and further CGTMSE coverage certificate should be issued to beneficiary by financing branch and its copy be sent to MSME department Govt of Madhya Pradesh. In this context Shri S.K.Dokaniya stated that Banks are covering have been 100 % c loan accounts in credit guarantee schemes. Loans up to 10 lakh are covered under portfolio Guarantee of NCGTC and above 10 lakh by CGTMSE. Shri V.L.Kanta Rao further advised that all Banks should confirm within a month for all accounts of MMYU have been covered in CGTSME and its coverage certificate should be provided to beneficiary in all cases sanctioned previous year as well as current year and submit copy of CGTSME coverage certificate to MSME department MP Bhopal.
4. While reviewing the performance of the four govt sponsored schemes namely, Mukhya Mantri Udhmya Yojna, Mukhya Mantri Swarojgar Yojna & Mukhya Mantri Arthik Kalyan Yojna and Prime Minister Employment Generation Programme, Principal Secretary Shri Rao advised banks step up the effort and achieve the target .
5. Shri Jitendra kumar Gupta State Director KVIC discussed the progress of PMEGP scheme & PMEGP online portal. During the discussion, state director pointed out no single case has been disbursed by any bank in online PMEGP E-portal. However PNB has put the sanction in the portal & in six cases claim margin money by Nodel bank . Shri V.L. Kanta Rao suggest to KVIC officials to provide sufficient PMEGP application and resolve the issue of pending PMEGP margin money claim

6. Shri Rao has also advised to the banks to collect certificate from their branch offices that interest subsidy for the respective branch has been claimed. While discussing about the reporting of progress in various Govt Sponsored Schemes, Shri Rao has suggested the bankers to create special fields for the schemes in their CBS system up to 30.03.2017.

## **SUB-COMMITTEE ON EDUCATION LOAN**

**Convenor Bank:** Canara Bank

**Meeting held on:** 09.12.2016

### **Points discussed & action points**

#### **STAREGY TO IMPROVE EDUCATION LOAN**

1. All banks should organize Education loan Camps in regular intervals.
2. During July-Aug & Nov-Dec all banks can canvass for education loan for the students interested in foreign studies specially in US.
3. Banks should have MOUs with various colleges for lending under education loan.
4. Interest should be reduced across the Banks to project the product more attractive.
5. Govt should increase the eligibility under EL for interest subsidy.
6. More emphasis should be given to girls students by way of interest concession & subsidy
7. Sri Raghvendra Shukla ,Senior Manager, Union Bank Of India suggested to call the representatives of Private sector Banks also because their performance in education loan is not reflecting the satisfactory sign.

#### **NPA ASPECT OF EDUCATION LOAN**

1. No of Account classified as NPAs as on 30.09.2016 all public sector Banks are 9845 accounts with an amount of Rs.172.00 crore out of which BOI is having highest no of NPA accounts is followed by CBI & SBI.
2. Amount wise NPA has increased by 67% from 30.09.2015.

#### **STAREGY FOR RECOVERY IN EDUCATION LOAN**

1. Guide lines should be modified to include the financial institutions name & employer should route the salary of the employee through financing Bank.
2. Combined credit recovery camp should be held by all the banks in Important locations
3. Bank's need govt support in recovery camps for the recovery exercise.
4. During Campus Placements the colleges should share the full details of students getting the employment in various organizations