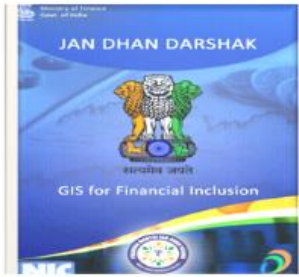




'Every household' to 'Every adult'



Agenda note of the 169th Meeting of

# STATE LEVEL BANKERS' COMMITTEE *Madhya Pradesh*

SEPTEMBER 20, 2018, BHOPAL

*Jan Dhan Darshak Mobile App- A Citizen centric mobile application to locate the banking infrastructure service points like Bank branch, ATM, Bank Mitra and Post office locations across the country*



CONVENOR- CENTRAL BANK OF INDIA

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## ABBREVIATION

ACP	: Annual Credit Plan
ACS	: Additional Chief Secretary
APC	: Agriculture Production Commissioner
APY	: Atal Pension Yojana
BC	: Business Correspondent
BRISC	: Bank Recovery Incentive Scheme
CASA	: Current Account Savings Account
CIF	: Commissioner Institutional Finance
CLR	: Commissioner Land Records
DFS	: Department of Financial Services
DEDS	: Dairy Entrepreneurship Development Scheme
EWS	: Economically Weaker Sections
FLCC	: Financial Literacy Credit Counselling Centres
HFC	: Housing Finance Company
IPPB	: India Post payment Bank
JLG	: Joint Liability Group
KCC	: Kisan Credit Card
LDM	: Lead District Manager
MFI	: Micro Finance Institution
MFIN	: Micro Finance Institution Network
M.M	: Margin Money
MIG	: Middle Income Group
MMAKY	: Mukhya Mantri Arthik Kalyan Yojana
MMSY	: Mukhya Mantri Swarojgar Yojana
MMYUY	: Mukhya Mantri Yuva Udyami Yojana
MSME	: Micro, Small & Medium Enterprises
MoU	: Memorandum of Understanding
NABCON	: NABARD Consultancy Services
NBFC	: Non-Banking Finance Company
NPA	: Non Performing Asset
ODF	: Open Defecation Free
PMAY	: Pradhan Mantri Awas Yojana
PMJDY	: Pradhan Mantri Jan Dhan Yojana
PMJJBY	: Pradhan Mantri Jeevan Jyoti Bima Yojana
PMMY	: Pradhan Mantri Mudra Yojana
PMSBY	: Pradhan Mantri Suraksha Bima Yojana
RRC	: Revenue Recovery Certificate
SARFAESI	: Securitization & Reconstruction of Financial Assets & Enforcement of Sec. Int. Act
SCB	: Scheduled Commercial Banks
SHG	: Self Help Group
SOF	: Scale of Finance
SUI	: Stand-up India



## **ADOPTION OF THE MINUTES OF THE 168<sup>th</sup> SLBC MEETING HELD ON 30.05.2018**

The Minutes of 168<sup>th</sup> meeting of SLBC held on 30<sup>th</sup> May, 2018 were circulated to all concerned and were uploaded on website of SLBC ([www.slbcmadhyapradesh.in](http://www.slbcmadhyapradesh.in)) and website of Directorate of Institutional Finance, Government of Madhya Pradesh ([www.dif.mp.gov.in](http://www.dif.mp.gov.in)).

**NO AMENDMENTS/SUGGESTIONS WERE RECEIVED. THEREFORE, THE HOUSE IS REQUESTED TO CONFIRM AND ADOPT THE MINUTES.**

## AGENDA NO-1

### ACTION TAKEN REPORT ON ACTION POINTS OF 168<sup>th</sup> SLBC MEETING HELD ON 30.05.2018

Sr.	Agenda Item/Action Points	Action Taken Report
1	<p><b>Credit Deposit Ratio</b></p> <p>Hon'ble Chief Minister expressed concern about 7 districts registering less than 40% CD ratio. He suggested that the state government as well as the banks should together draw an actionable and implementable plan to improve the CD ratio of these 7 districts.</p> <p><b>Action: State Government and LDM, Shahdol, Dindori, Mandla, Anuppur, Umaria Tikamgarh and Singrauli.</b></p>	<p>Substantial improvement in CD ratio of these districts has been observed during the quarter ended June 2018 except Shahdol district. One new district "Rewa" has entered in the list of low CD ratio district during the current quarter.</p> <p>Details are given in the agenda note.</p>
2	<p><b>Agriculture Term Loan</b></p> <p>Chief General Manager-NABARD requested banks to extend more term loans for projects. So that state can achieve share of agriculture term loan in total agricultural credit to minimum Norm of 32% for the country.</p> <p><b>Action: All Banks</b></p> <p><b>Animal Husbandry</b></p> <p>Principal Secretary, Animal Husbandry requested to include animal husbandry in the next SLBC agenda for discussion. All banks were requested to provide data from June-2018 quarter in this regard.</p> <p><b>Action: SLBC &amp; All Banks</b></p>	<p>No improvement has been observed on this score. The share of agriculture term loan to total agricultural credit was 23.42% during current quarter. However, it was 32.52% for the Commercial Banks as of June 2018, which is slightly more than the minimum Norm of 32% for the country.</p> <p>Details of credit flow to Animal husbandry is given in the agenda note.</p>
3	<p><b>Synchronizing Annual Credit Plan and Corporate Plan of the Banks</b></p> <p>Citing reference to the new guidelines of RBI, Chief General Manager-NABARD said that the annual credit plan and the corporate credit plan of the banks should be synchronized and a confirmation to this aspect should be given by June 30, 2018.</p> <p><b>Action: All Banks</b></p>	<p>No bank has given confirmation on this score.</p>



4	<p><b>On-line charge registration on land by Banks</b></p> <p>It was informed by the state government that pilot project would be started in four districts namely Indore, Jabalpur, Gwalior and Shivpuri in the month of June 2018.</p> <p><b>Action: CLR, Govt. of M.P.</b></p>	<p>The pilot project for creation of Bank's charge on the land records electronically will be commencing shortly in districts Shivpuri, Gwalior, Jabalpur, Hoshangabad &amp; Indore. To put this module in usage, Branch Managers of these districts are being trained. Once the training will be completed, final roll out will be made in these districts.</p> <p>Lessons learnt and best practices shall be incorporated in the application module.</p>
5	<p><b>Rejection of government grant, welfare benefits etc. in inoperative accounts</b></p> <p>It was brought to notice by the state government about non-credit of scholarship, welfare benefits etc. extended by the government in some beneficiaries' accounts due to becoming the accounts dormant/inoperative. Citing reference to RBI circular dated 17.09.2013, banks were requested to follow the RBI circular and advised to approach their corporate office to make necessary changes in product code of such accounts.</p> <p><b>Action: All Banks</b></p>	<p>Banks informed that they have approached their corporate office to make necessary changes in the product code.</p> <p>In the meanwhile, banks have requested to provide the list of such beneficiaries. The concerned departments of the state government are requested to provide the list of such beneficiaries to respective banks for further action.</p>
6	<p><b>Special committee to monitor Business Correspondents</b></p> <p>It was proposed to form a special subcommittee to work out the modalities to commence door step pension payment to old age pensioners, MGNREGA workers etc. The committee will monitor the business correspondents.</p> <p><b>Action: State Government</b></p>	<p>Special committee has been formed under the chairmanship of the Principal Secretary, Social Justice and Disability Welfare of the state government.</p> <p>Details are given in the agenda note.</p>
7	<p><b>Currency chest for Cooperative Banks</b></p> <p>Principal Secretary, Finance &amp; Commissioner, Institutional Finance informed that cooperative banks do not have currency chest, which may be considered by Cooperation Department for smooth currency management in cooperative banks</p> <p><b>Action: State Government</b></p>	<p>RBI has not considered request of Apex Bank for opening of currency chest.</p>
8	<p><b>Government Sponsored Schemes</b></p> <p><b>(i) Swarojgar Sammelan</b></p> <p>Hon'ble Chief Minister informed that "Swarozgar Sammelans" will be organized on 4<sup>th</sup> August 2018 at all the districts. He appealed banks to identify the potential borrowers and complete due diligence</p>	<p>(i) The sammelans were organized on the day. More than 50,000 cases were sanctioned/disbursed during the day.</p>

<p>exercise at the earliest so that sammelans attain success.</p> <p><b>Action: All Banks</b></p> <p><b>(ii) Participation of MFIs in Swarojgar Sammelans</b> MFIs were requested to participate in Swaraojgar Sammelans.</p> <p><b>Action: MFIs</b></p> <p><b>(iii) PMEGP</b></p> <p>a) The department informed that during current financial year, banks have already been sanctioned Rs. 39 crores. However, cases are pending for disbursement.</p> <p><b>Action: Concerned Banks</b></p> <p>b) It was raised that uniform distribution of loan applications are not happening at the field level. The concerned departments were advised to address the issue.</p> <p><b>Action: KVIC, KVIB &amp; DIC</b></p> <p><b>(iv) NRLM</b> CEO-MPSRLM said that there are many cases of previous year pending with bank branches, which have neither sanctioned nor returned. He suggested that these cases may be treated as new one for current fiscal.  He requested banks to advise their branches to use right product code, while opening account under this scheme.</p> <p><b>Action: Concentred Banks</b></p> <p><b>(v) On boarding banks on MP-Online portal</b>  It was informed that only three private banks have on boarded on MP On-line portal for processing the loan applications of DIC. Remaining private sector banks were requested to on-board the same at the earliest.</p> <p><b>Action: Private Banks other than ICICI, Axis &amp; Tamilnadu Mercantile Bank</b></p> <p><b>(vi) PMAY-Urban</b></p>	<p>(ii) MFIs participated in the events.</p> <p>(iii)</p> <p>a) Banks have disbursed Rs. 19.55 crore (margin money) up to June 30, 2018.</p> <p>b) It is observed that uniform distribution of loan applications are still not happening at the field level.</p> <p>(iv) Banks disbursed 9,183 cases of Rs 133 crore upto June 30, 2018. However, 2,353 cases of previous year are still pending with banks for disbursement.</p> <p>Banks have informed that they have given instructions to their branches to use right product code for NRLM cases.</p> <p>(v) In addition to ICICI Bank, Axis Bank and Tamilnadu Mercantile Bank, Federal bank, Yes Bank and Karanakata Bank have also on-boarded on the MP Online portal.</p>
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	<p>Banks were requested to extend credit under this scheme. Action: All Bank</p>	<p>(vi) Banks and HFCs have disbursed 11,515 cases as on June 30, 2018 as compared to 9,469 during the previous quarter i.e. March 2018. Out of which, banks have disbursed 2281 cases of Rs. 272 crore under this scheme as on June 30, 2018.</p>
<b>9</b>	<p><b>Opening of Banking Outlets in villages having population more than 5000</b></p> <p>As of March 31, 2018, out of 47 identified centres, 43 centres have been covered. Remaining 4 centres in Bhind district are to be covered by Central Bank of India. <b>Action: Central Bank of India</b></p>	<p>Central Bank of India has operationalized its Banking Outlets manned by business correspondent in the villages Manhad, Goara, Rahawali Ubari &amp; Jawasa in Bhind district.</p>
<b>10</b>	<p><b>Revamped Lead Bank Scheme</b></p> <p>In view of Revamped Lead Bank Scheme of RBI, convener bank of the sub-committees requested to collate information/data from various other sources and prepare comprehensive agenda note with data for fruitful discussions. They were also advised to release the minutes of the sub-committee meeting(s) within 7-10 days after the meeting. <b>Action: Convenor Banks of the Sub-committees</b></p>	<p>A little bit improvement has been observed. However, it requires more perfection. Details of sub-committee meetings are placed in the agenda note.</p>
<b>11</b>	<p><b>Financial inclusion</b></p> <p>The Principal Secretary, Finance &amp; Commissioner, Institutional Finance stated the need to cover all Panchayats in the state through business correspondents so that various scholarships to the students, old age pensions, wages to MGNREGA workers etc. can be delivered conveniently. <b>Action: All Banks</b></p>	<p>Mapping of gram panchayats with sub service areas and business correspondents have been completed.  Details are given in the agenda note.</p>
<b>12</b>	<p><b>Chief Minister Rural Housing Mission (CMRHM)</b></p> <p>The house expressed concern on increasing trends of NPA under government sponsored schemes. It was mentioned that banks are finding ways to address the issue through compromise scheme of respective banks or set off the account. But, they are unable to do this because there is no such provision in the MoU signed with the state government. Additional Chief Secretary, Panchayat and Rural Development assured banks to look into the matter and come out with a solution. <b>Action: Panchayat &amp; RD, Govt. of M.P.</b></p>	<p>The matter was discussed in SLBC subcommittee meeting on Recovery. Banks were of the view that the state government may made correction/amendment in MoU or issue administrative guidelines for settlement of borrower's portion through One Time Settlement scheme of the respective banks.</p>

## AGENDA NO-2

### REVIEW OF BANKING DEVELOPMENT IN MADHYA PRADESH Q-1 FY 2018-19

#### KEY BANKING PARAMETERS OF THE STATE AS ON 30.06.2018

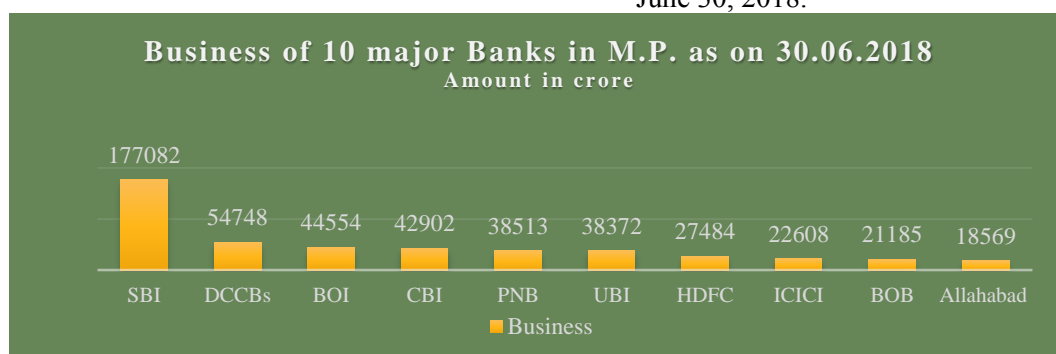
Number in actuals & Outstanding amount in Rs. crores

Sr.	Parameters	Outstanding Amount			Y-o-Y Variation in absolute term		Y-o-Y Variation %	
		Jun-16	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18
1	Total number of Branches	7,299	7,259	7,426	-40	167	-0.55	2.30
2	Total number of ATMs	8,983	9,316	9,621	333	305	3.71	3.27
3	Total Deposits	2,89,797	3,40,488	3,68,859	50,691	28,371	17.49	8.33
4	<b>Total Advances</b>	<b>2,08,934</b>	<b>2,37,792</b>	<b>2,73,313</b>	<b>28,858</b>	<b>35,521</b>	<b>13.81</b>	<b>14.94</b>
4a	Credit as per place of utilization	*	*	7,626	*	*	*	*
5	<b>Credit Deposit Ratio</b>	<b>72.10</b>	<b>69.84</b>	<b>74.10</b>	<b>-2.26</b>	<b>4.26</b>	<b>-2.26</b>	<b>4.26</b>
5a	CD Ratio including credit as per place of utilization			76.16				
6	<b>Total Business [3+4]</b>	<b>4,98,731</b>	<b>5,78,280</b>	<b>6,42,172</b>	<b>79,549</b>	<b>63,892</b>	<b>15.95</b>	<b>11.05</b>
<b>PRIORITY SECTOR ADVANCES</b>								
7	Agriculture	66,427	85,142	92,976	18,715	7,834	28.17	9.20
8	Crop Loans out of total agriculture	48,128	62,919	71,201	14,791	8,282	30.73	13.16
9	<b>% of Agriculture advances to Total advances [RBI Norm: 18%]</b>	<b>31.79</b>	<b>35.81</b>	<b>34.02</b>	<b>4.01</b>	<b>-1.79</b>	<b>4.01</b>	<b>-1.79</b>
10	MSME	36,084	40,254	47,662	4,170	7,408	11.56	18.40
10a	Credit to Micro Enterprises	16,420	17,389	23,634	969	6,245	5.90	35.91
11	<b>% of credit to micro enterprises to total advances (RBI Norm-7.5%)</b>	<b>7.86</b>	<b>7.31</b>	<b>8.65</b>	<b>-0.55</b>	<b>1.33</b>	<b>-0.55</b>	<b>1.33</b>
12	Export Credit	570	42	123	-528	81	-92.63	192.86
13	Education	1,814	1,880	1,910	66	30	3.64	1.60
14	Housing	18,031	19,805	19,823	1,774	18	9.84	0.09
15	Social Infrastructure	132	118	177	-14	59	-10.61	50.00
16	Renewable Energy	57	480	62	423	-418	742.11	-87.08
17	Others	8,431	1,326	1,945	-7,105	619	-84.27	46.68
18	<b>Total Priority Sector Advances [7+10+12+13+14+15+16+17]</b>	<b>1,31,546</b>	<b>1,49,047</b>	<b>1,64,678</b>	<b>17,501</b>	<b>15,631</b>	<b>13.30</b>	<b>10.49</b>
19	<b>% of Priority Sector advances to Total advances [RBI Norm: 40%]</b>	<b>62.96</b>	<b>62.68</b>	<b>60.25</b>	<b>-0.28</b>	<b>-2.43</b>	<b>-0.28</b>	<b>-2.43</b>
20	<b>Total Non-Priority Sector Advances</b>	<b>77,388</b>	<b>88,745</b>	<b>1,08,635</b>	<b>11,357</b>	<b>19,890</b>	<b>14.68</b>	<b>22.41</b>
21	Advances to small & marginal farmers	21,386	23,370	30,498	1,984	7,128	9.28	30.50
22	<b>% of advances to small &amp; marginal farmers to total advances [RBI Norm: 8%]</b>	<b>10.24</b>	<b>9.83</b>	<b>11.16</b>	<b>-0.41</b>	<b>1.33</b>	<b>-0.41</b>	<b>1.33</b>
23	Total NPA	11,023	18,773	36,503	7,750	17,730	70.31	94.44
24	<b>% of NPA to total advances</b>	<b>5.28</b>	<b>7.89</b>	<b>13.36</b>	<b>2.62</b>	<b>5.46</b>	<b>2.62</b>	<b>5.46</b>
25	Advances to Weaker Sections	42,961	46,646	57,930	3,685	11,284	8.58	24.19
26	<b>% of advances to Weaker Sections to total Advances [RBI Norm: 10%]</b>	<b>20.56</b>	<b>19.62</b>	<b>21.20</b>	<b>-0.95</b>	<b>1.58</b>	<b>-0.95</b>	<b>1.58</b>

\*Not available

## MAJOR HIGHLIGHTS OF Q-1 FY 2018-19

1. Total Business of the Banks increased to Rs.6,42,172 crore as of June 30, 2018 as compared to Rs. 5,78,280 crore as on June 30, 2017 registering y-o-y growth of 11.05%.
2. Total Deposits stood at Rs. 3,68,859 crore in June 30, 2018 from Rs. 3,40,488 crore as at June 30, 2017. The year-on-year (y-o-y) growth in aggregate deposits worked out to 8.33% in June 30, 2018 which was lower as compared with that in June 2017 i.e. 17.49%.
3. The shares of savings, current and term deposits stood at 39.59 per cent, 7.34 per cent and 53.07 per cent, respectively, in June 2018,
4. Gross Advances of the Banks increased to Rs.2,73,313 crore as at June 30, 2018 as against Rs. 2,37,792 crore as at June 30, 2017 registering y-o-y growth of 14.94 %, which is higher than the growth of a year ago i.e. 13.81%.
5. Agriculture Advances increased by 9.20% y-o-y to Rs.92,976 crore in June 2018 from Rs. 85,142 crore in June 2017. Agriculture credit is constituting 34.02% of the total credit portfolio as on June 30, 2018.
6. MSME Advances stood at Rs. 47,662 crore in June 2018, showing y-o-y growth of 18.40% as compared to 11.56% a year ago.
7. The credit-deposit (C-D) ratio of the state increased to 74.10% at the end of June 30, 2018 from 69.84% a year ago. However, actual CD ratio stood at 76.16% as on 30.06.2018 after including the utilization of credit of Rs. 7,626 crore as per “place of utilisation Norm” of RBI.
8. Housing Loan portfolio of the Banks under priority sector stood at Rs.19,823 crore as on June 30, 2018, showing marginal increase of 0.09% year on year basis. However, overall housing sector (priority & non-priority) has registered a growth rate of 14.42% y-o-y during June 2018.
9. Gross NPA to Gross Advances constrained at Rs. 36,503 crore as on June 2018 as against Rs. 18,773 crore as on June 2017. In percentage terms, it was 13.36 % as on June 30, 2018 as against 7.89 % a year ago.
10. Ten Banks State Bank of India, DCCBs, Bank of India, Central Bank of India, Punjab National Bank, Union Bank of India, HDFC Bank, ICICI Bank, Bank of Baroda and Allahabad Bank continued to be accounted for over two-thirds of total business as on June 2018.
11. Banks in Madhya Pradesh have a network of 7,426 branches spanning 37%, 31% and 32% in rural, semi-urban and urban & metropolitan areas respectively with 9,621 ATMs as on June 30, 2018.



## PERFORMANCE AND SIGNIFICANT DEVELOPMENTS

### BANKING FACILITIES

Banking services in the State are covered through a network of 7,426 branches as on 30.06.2018. Of which 2740 (37%), 2336 (31%) and 2350 (32%) branches comprised rural, semi urban & urban branches respectively. Besides brick and mortar branches, banking facilities are being extended by 10,343 business correspondents in 11,864 rural Sub Service Areas.

At the end of June 30, 2018, there were 42 Commercial Banks (CBs), 3 Regional Rural Banks (RRBs), 1 State Cooperative Bank (MPStCB), 38 District Central Cooperative Banks (DCCBs) and 7 Small Finance Banks

(SFBs). Payment Banks viz. FINO and IPPB are also functioning in the state.

In Madhya Pradesh, each bank office serves 10,209 people compared to the all-India average of 9,280 people. However, as per the Sub Service Areas, banking facilities are being provided by bank branch and business correspondents within the radius of 5 km from each village. Public Sector Banks constitute 57% of the banking network in Madhya Pradesh followed by Regional Rural Banks (18%), Private Sector Banks (12%), Cooperative Banks (11%), and others (2%).

As of June 2018, total number of ATMs in the State increased to 9,621 from 9,316 a year ago.

As on 30.06.2018

### All Banks vis-a-vis Commercial Banks

As on 30.06.2018

Particulars ▼	All Banks	Commercial Banks
Aggregate Deposits (Lakh)	36,885,915	32,337,044
Bank Credit (Lakh)	27,331,259	22,796,237
Credit Deposit Ratio	74	71
Number of Bank Branches	7,426	5,129
Per Capita Credit (Rs. Actual)	36,057	30,074
Per Capita Deposit (Rs. Actual)	48,662	42,661
Population per Bank Branch	10,209	14,781

Population of the State: 7.58 crore

### CREDIT OFFTAKE

The Banks in the state continued to accord importance to varied goals under national priorities, including agriculture, micro & small enterprises, micro-credit, weaker sections etc. Banks credit grew at 8.33 percent year-on-year to Rs 3,68,859 crore on June 2018 from Rs 3,40,488 crore in June 2017. Credit expansion by Commercial Banks recorded 12.17% y-o-y growth during June 2018.

### AGRICULTURE

Credit flow to agriculture and allied sectors increased to Rs 92,976 crore during June 2018 from Rs 85,142 crore during previous year, recorded 9.20% y-o-y growth. Agriculture credit of Commercial Banks grew by 7.60% y-o-y to reach at Rs 58,955 crore.

The share of agriculture term loan to total agricultural credit was 23.72% during current quarter. However, it was 32.52% for the Commercial Banks as of June 2018, which is slightly more than the minimum Norm of 32% for the country.



## MSMEs

Micro Small and Medium Enterprises have shown growth of 18.40% as on June 30, 2018, on a year-on-year basis, above from 11.56% last year. Annual growth rate of micro enterprises was 35.91% during June 2018 quarter.

## EDUCATION

Education loans under priority sector (Up to Rs 10 lakh) has shown 1.60% growth over previous year during June 2018. However, it was 42.93% for the loans above Rs. 10 lakh.

## HOUSING

As of June 2018, housing loans under priority sector has shown 0.09% marginal growth over previous year. This is due to housing loans portfolio of State Bank of India under priority sector reduced by Rs. 1,228 crore during June 2018 from the previous year. However, overall housing sector (priority & non-priority) has registered y-o-y growth rate of 14.42%.

### Housing Loans

Amount in crore

	June-17	June-18	Variation	Variation %
Priority	19,805	19,823	18	0.09
Non-Priority	7,717	11,669	3,952	51.21
Total	27,522	31,492	3,970	14.42

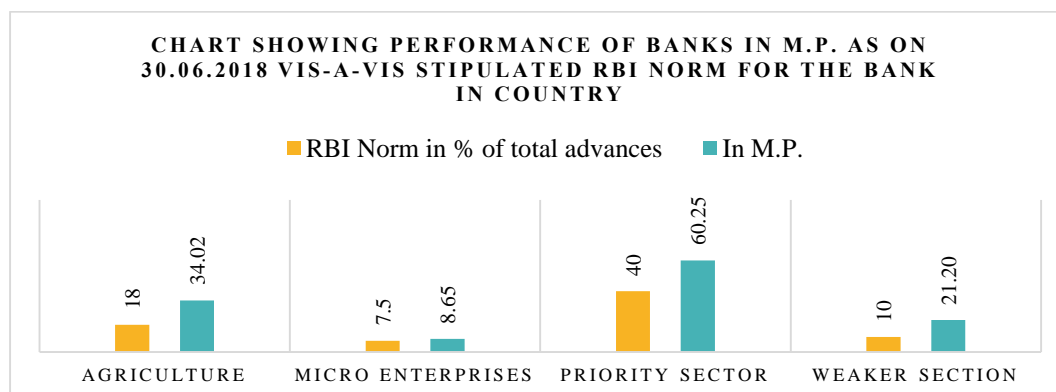
Recently, the housing loan limits for eligibility under priority sector lending has been revised by RBI to **Rs 35 lakh in metropolitan centres** (with population of ten lakh and above) from Rs 25 lakh and **Rs 25 lakh in other centres**

from Rs 20 lakh, provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed **Rs 45 lakh and Rs 30 lakh respectively**. Earlier it was Rs 35 lakh and Rs 25 lakh for metropolitan and other centres respectively.

Further, the existing family income limit of Rs 2 lakh per annum for the purpose of construction of houses for Economically Weaker Sections (EWS) and Low Income Groups (LIG), is revised to Rs 3 lakh per annum for EWS and Rs 6 lakh per annum for LIG, in alignment with the income criteria specified under the Pradhan Mantri Awas Yojana.

### RBI NORM VIS-À-VIS PERFORMANCE OF BANKS IN MADHYA PRADESH AS ON JUNE 30, 2018

- Priority Sector advances were 60.25% of total credit. Which is more than the stipulated RBI Norm of 40% for the Banks.
- Agriculture credit was 34.02% of total credit. Which is above the RBI Norm of 18%.
- Credit to micro enterprises under MSME was 8.64% of the total advances higher than the RBI Norm of 7.5%.
- Advances to weaker sections was 21.20% of the total credit. Which is higher than the RBI Norm of 10%



**This agenda is placed for discussions**

## AGENDA NO-3

### PERFORMANCE OF COMMERCIAL BANKS IN MANDHYA PRADESH VIS-À-VIS COUNTRY

Outstanding amount in crore

SR	SECTOR	MADHYA PRADESH					COUNTRY*				
		Outstanding Amount			Y-o-Y Variation %		Outstanding Amount			Y-o-Y Variation %	
		Jun-16	Jun-17	Jun-18	Jun-17	Jun-18	Jun-16	Jun-17	Jun-18	Jun-17	Jun-18
1	Agriculture & Allied	48,788	54,790	58,955	12.30	<b>7.60</b>	9,04,400	9,71,852	10,35,461	7.46	<b>6.55</b>
2	MSME	35,133	39,174	44,870	11.50	<b>14.54</b>	26,46,900	26,18,500	26,41,700	-1.07	<b>0.89</b>
3	Education	1,735	1,793	1,821	3.34	<b>1.56</b>	59,900	58,200	56,300	-2.84	<b>-3.26</b>
4	Housing	16,318	17,801	17,616	9.09	<b>-1.04</b>	3,47,300	3,57,100	3,73,900	2.82	<b>4.70</b>
5	Priority Sector	1,10,485	1,15,449	1,25,034	4.49	<b>8.30</b>	22,58,825	23,49,190	24,97,515	4.00	<b>6.31</b>
6	Total Credit	1,86,816	2,03,227	2,27,962	8.78	<b>12.17</b>	66,47,840	69,27,914	76,94,894	4.21	<b>11.07</b>
7	Weaker Section	34,217	34,429	41,971	0.62	<b>21.91</b>	4,92,703	52,5772	5,76,546	6.71	<b>9.66</b>

\*Source- [https://www.rbi.org.in/scripts/BS\\_PressRelease](https://www.rbi.org.in/scripts/BS_PressRelease)

#### OBSERVATIONS:

- On y-o-y basis, performance of Commercial Banks in Madhya Pradesh was higher than the country in all above mentioned sectors except housing as on June 2018.
- Total credit of commercial banks in the state increased by 12.17 percent y-o-y in June 2018 as compared with an increase of 11.07 percent in the country.
- On a year-on-year (y-o-y) basis, credit by Commercial Banks in Madhya Pradesh to agriculture and allied sectors increased by 7.60% in June 2018 as compared with an increase of 6.55% by Commercial Banks in the country.
- There was a robust y-o-y growth under MSME sectors in Madhya Pradesh as compared to growth in the country.
- While education sector in the country has shown negative growth y-o-y, there was a growth of 1.56% in the state.
- There was a y-o-y growth of 8.30% under priority sector in the state as compared to growth of 11.07% in the country.
- Housing under priority sector has shown negative y-o-y growth in the state, due to change in the classification of housing loans by State Bank of India for priority and non-priority. Other commercial banks in the state have shown positive growth y-o-y in the first quarter of current fiscal except Bank of Maharashtra, Corporation Bank, Axis Bank, HDFC Bank etc.

**The agenda is placed for discussion.**

## AGENDA NO-4

### MICRO FINANCE INSTITUTIONS IN MADHYA PRADESH-AN OVERVIEW

#### MICRO FINANCE

Microfinance, involving extension of small loans and other financial services to low income groups, is a very important economic conduit designed to facilitate financial inclusion and assist the poor to work their way out of poverty. It has the potential to fill the critical gap left by formal financial institutions in providing financial services to low income groups.

Microfinance plays three critical roles in development. Firstly, it enables the very poor households to meet their most basic needs and protect/hedge against risks. Secondly, concomitantly it is associated with improvements in households' economic welfare. Thirdly, by supporting women's economic participation it helps to empower women and promote gender equity.

However, microfinance cannot be as a panacea for poverty reduction, when properly harnessed, it can make sustainable contributions through financial investment leading to the empowerment of people, which in turn promotes confidence and self-esteem, particularly for women.

MFI model comprising of various entities, such as, nonbanking financial companies (NBFCs), non-governmental organisations (NGOs), trusts, cooperatives, etc. has also been growing significantly in the recent years.

Reserve Bank had constituted a Committee (Chairman: Shri Y H Malegam) to study issues and concerns in the MFI sector. The Committee examined the issues and made recommendations to address the concerns. Some of the significant recommendations are as under:

- i. creation of a separate category of NBFCs operating in the microfinance sector to be designated as NBFC-MFIs.

- ii. imposition of a margin cap and interest rate cap on individual loans;
- iii. requirement of transparency in interest charges;
- iv. lending by not more than two MFIs to individual borrowers;
- v. creation of one or more credit information bureaus;
- vi. establishment of a proper system of grievance redressal procedure by MFIs;
- vii. creation of one or more "social capital funds";
- viii. continuation of categorisation of bank loans to MFIs, complying with the regulation laid down for NBFC-MFIs, under the priority sector, etc.

#### MICRO FINANCE INSTITUTIONS NETWORK

Micro Finance Institutions Network (MFIN) is the self-regulatory organization (SRO) for the Indian Microfinance industry. It was established in December 2009 with the sole purpose of promoting the key objectives of Microfinance in India and establishing guidelines for responsible lending and client protection in the Microfinance industry. MFIN aims to be an engine of inclusive growth for the vast un-served segments of the population, by facilitating access to inclusive financial services in a responsible and transparent manner.

Currently MFIN consist of 51 members of the leading NBFC-MFIs (Non-Banking Financial Companies – Micro Finance Institutions) as primary members along with 40 associates (Small Finance Banks, NBFCs, BCs etc.) under the self-regulatory framework stipulated by the RBI. The associates also include institutions such as credit rating agencies, funders, social funders, Insurance companies, bringing in enhanced accountability, information sharing, and transparency.

**In Madhya Pradesh, 21 NBFC-MFIs and 12 Associate members including 4 Commercial Banks, 7 Small Finance Banks and other companies are servicing around 22 lakh clients. They have disbursed nearly Rs. 4,772 crore through a network of 966 Branches during financial year 2017-18.**

FY	No. of NBFC-MFIs	Gross Loan Portfolio (crore)	Clients (No. in Lakh)	Branches (No.)	Loan Disbursed (Crore)	Loan Disbursed (No.)	Average loan amount (Rs)
2016-17	19	2,492	19	829	2,940	14,64,220	20,081
2017-18	20	3,898	22	966	4,772	20,15,462	23,677

The Government of India and the RBI have recognized the strength of the regulated microfinance sector by granting Small Finance Bank Licenses to eight NBFC-MFIs. This will enable the sector to offer the complete bunch of financial services to the needy and leverage the core strength of the sector.

While the SFB licenses are on tap licenses, it is a direction for the existing MFIs to explore various options to deliver a variety of financial services which best suits the needs of the end

client. The government also recognized the strength of the microfinance institutes in reaching out to the underserved segment of the society and partnered with them to be a vehicle of the Prime Ministers Mudra Yojana. As a result, NBFC-MFI sector emerged as the largest contributor to the Shishu category of loans under the PMMY. **During current financial year MFIs have disbursed a sum of Rs 1,069 crore to 3,94,923 beneficiaries under Mudra loans up to June 2018.**

#### **MFIs WORKING IN MADHYA PRADESH AS ON 05.04.2018**

Sr.	Name of the MFI	Sr.	Name of the MFI
1	Annapurna Microfinance Private Ltd.	18	Spandana Sphoorty Financial Ltd.
2	Arohan Financial Services Pvt Ltd	19	Svatantra Microfin Private Limited
3	Asirvad Micro Finance Limited	20	S.V. Credit line Private Limited
4	Belstar Investment and Finance Pvt Ltd	21	Svasti Microfinance Pvt Ltd
5	Bharat Financial Inclusion Limited	22	Basix Sub K
6	Credit Access Grameen Limited.	23	BSS Microfinance Pvt Ltd
7	Fino Finance Pvt. Ltd	24	Kamal Fincap Pvt Ltd (BC of Yes Bank)
8	Fusion Microfinance Pvt Ltd	25	L & T Finance Ltd.
9	Light Microfinance Pvt Ltd	26	Fullerton India Credit Company Ltd
10	MSM Microfinance Pvt Ltd	27	MAS Financial Services Ltd.
11	Muthoot Microfin Ltd.	28	New Opportunity Consultancy Pvt Ltd
12	Namra microfinance Ltd	29	SAGGRAHA Mgmt. Services Pvt. Ltd.
13	Pahal Financial Services Pvt Ltd	30	Axis Bank
14	Satin credit care Network Ltd.	31	Yes Bank
15	Satya Microcapital Ltd	32	Indusind Bank
16	Share Microfin Ltd	33	IDFC Bank
17	Sonata Finance Pvt Ltd		

## KEY CHALLENGES –

- Since microfinance activities are mostly a door step service and timely collection of the dues is important for the sustainability of the JLG modal, cash handling being integral to the service, there have been instances of MFIs being wrongly perceived as deposit taking chit fund companies resulting in police action on the employees of the MFIs and notices for closure of the Branch. The state government and the RBI have been very helpful but there remains a need of regular sensitization of the key officials and police officers.
- There have been a lot of instances of non-registration of FIR in relation to the cases of Loot and snatching at various parts of the state. Similarly, non-registration of FIR in relation to the complaints by the financial institutions against fraudulent staff with documentary evidence has also resulted in negative impact on the credit score of the victim clients.
- Inability of the media to understand the sector sometimes results in framing the sector in grey light. The information about the regulatory

aspect of the microfinance and the client protection mechanisms adopted by the industry needs to be percolated to the lowest levels of stakeholders related to the financial inclusion.

- Key stakeholders including the researchers, academicians and media need to understand that private institutions have also supplemented the financial inclusion and credit linkage efforts of the government initiated through the SHG bank linkage models.

At a time when financial inclusion is at the centre stage of the regulatory landscape, the last mile connectivity provided by the MFIs has to be leveraged upon, to include the hitherto financially excluded. There is a fair degree of opportunity to build long-term sustainable business around microfinance. Balancing the interests of the vulnerable borrowers as also the microfinance institutions; effective regulations, well calibrated transition time and some breathing space to the institutions could help the microfinance sector to turn around, expand and help achieve inclusive growth.

**This agenda is put up for information.**

## AGENDA NO-5

### SMALL FINANCE BANKS & PAYMENT BANKS IN MADHYA PRADESH AN OVERVIEW

#### SMALL FINANCE BANKS

Small Finance Banks and payments banks are differentiated banks; with the common objective of furthering financial inclusion. While small banks provide a whole suite of basic banking products, such as, deposits and supply of credit, but in a limited mode, payments banks provide a limited range of products, such as, acceptance of demand deposits and remittances of funds, but will have a widespread network of access points particularly to remote areas, either through their own branch network or through Business Correspondents (BCs) or through networks provided by others. They add value by adapting technological solutions to lower costs.

#### SCOPE OF ACTIVITIES FOR SFBs

- The small finance banks shall primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.
- There will not be any restriction in the area of operations of small finance banks.
- The minimum paid-up equity capital for small finance banks shall be Rs. 100 crore.
- The small finance banks will be required to extend 75 per cent of its Adjusted Net Bank Credit (ANBC) to the sectors eligible for classification as priority sector lending (PSL) by the Reserve Bank of India.
- SFBs have to maintain Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as per RBI norms.
- At least 50 per cent of its loan portfolio should constitute loans and advances of up to Rs 25 lakh. Etc.

#### STATUS IN MADHYA PRADESH AS ON JUNE 30, 2018

Sr.	Bank	NO. OF BRANCHES					BUSINESS		
		Rural	Semi Urban	Urban	Total	ATM	Deposits	Credit	Per Branch Business
1	AU	0	16	21	37	37	502	1788	61.90
2	Equitas	5	4	16	25	20	553	301	34.15
3	Fincare	0	0	1	1	1	11	0	11.18
4	Jana	0	3	6	9	0	3	510	57.01
5	Suryoday	0	0	22	22	1	56	94	6.81
6	Ujjivan	0	1	1	2	2	6	61	33.6
7	Utkarsh	26	3	4	33	3	140	135	8.32
	<b>Total</b>	<b>31</b>	<b>27</b>	<b>71</b>	<b>129</b>	<b>64</b>	<b>1271</b>	<b>2889</b>	<b>32.25</b>

As per the directives of Reserve Bank of India, Small Finance Banks is a part of the credit planning exercise from the financial year 2018-19 under Lead Bank Scheme. Accordingly, in the respective locations, they need to be participated in various fora of the lead bank scheme i.e. SLBC, DLCC/DLRC and BLBC as

a regular member from the first quarter of 2018-19.

Implementing agencies of government sponsored schemes may assign the target to these banks as per their eligibility to finance.



## PAYMENT BANKS

In the State, FINO payment bank and India Post payment Bank are operational. Brick and mortar presence is not necessary for the payment Banks. Due to technological advancement, they provide services through Digital platform.

### SCOPE OF ACTIVITIES

- Acceptance of demand deposits- Payments bank will initially be restricted to holding a maximum balance of **Rs. 1,00,000 per individual customer**.
- Issuance of ATM/debit cards- Payments banks, however, cannot issue credit cards.
- Payments and remittance services through various channels.
- Business Correspondents (BC) of another bank, subject to the Reserve Bank guidelines on BCs.

- Distribution of non-risk sharing simple financial products like mutual fund units and insurance products, etc.
- The payments bank **cannot undertake lending activities**.

### WHAT CAN PAYMENT BANKS DO?

- Offer internet banking, sell mutual funds, insurance and pensions.
- Have business correspondents and ATMs.
- Offer bill payment service for customers
- They can enable transfers and remittances from a mobile phone.
- They can offer forex services.
- They can provide forex cards to travellers, usable as debit or ATM card all over India.
- They can also offer card acceptance mechanism to third parties.

	PAYMENTS BANKS	SMALL BANKS
WHO CAN PROMOTE	> Prepaid card issuers, telecom companies, NBFCs, business correspondents, supermarket chains, corporates, realty sector co-ops & PSUs	> Individuals/professionals with 10 years experience in finance, NBFCs, microfinance cos, local area banks
WHAT THEY MUST DO	> Have a minimum capital of Rs 100cr > Maintain 75% of deposits in govt bonds > Maintain 25% of deposits in other banks > Have at least 26% investment by Indians > Get listed if net worth crosses Rs 500cr > Have 25% of branches in unbanked areas > Be fully networked and technology driven > Have Rs 1 lakh cap for deposits in one a/c	> Have a minimum capital of Rs 100cr > Extend 75% of loans to priority sector > Have 25% of branches in unbanked areas > Maintain reserve requirements > Cap loans to individuals and groups at 10% and 15% of net worth > Have a business correspondent network
WHAT THEY CAN DO	> Offer internet banking > Sell mutual funds, insurance, pensions > Offer bill payment service for customers > Have ATMs and business correspondents (BC) > Can function as BC of another bank	> Sell forex to customers > Sell mutual funds, insurance, pensions > Can convert into a full-fledged bank > Expand across the country
WHAT THEY CAN'T DO	> Offer credit cards > Extend loans > Handle cross-border remittances > Accept NRI Deposits	> Extend large loans > Float subsidiaries > Cannot deal in sophisticated financial products

## FINO PAYMENT BANK

FINO has **78 branches** and more than 5000 Customer Service points (CSP) in the state. The bank has more than 1.20 lakh customer base in the state as on August 2018. The bank also offers health benefit and insurance products to their customers.

## INDIA POST PAYMENT BANK (IPPB)

- Hon'ble Prime Minister launched India post payment Bank on 1<sup>st</sup> September 2018 with a view to provide banking and financial services to people in rural areas.
- India Post Payments Bank (IPPB) has opened **42 branches** in MP Circle

covering more than 80% districts of the State in one go.

- All IPPB Branches are situated in Post Office premises.
- All 8276 Post Offices (Head Post office, Sub Post office & Branch Post Office) in MP Circle will work as Access Points (APs) of IPPB under RBI's Bank-BC model.
- All 42 Branches of IPPB in MP are already live with 210 Access Points as on 01-Sep-2018.
- IPPB has on-boarded Total 57,825 SB accounts & 600 current accounts in 42 Branches having balance of Rs.11.09 lakhs as on 10.09.2018.

**Future Rollout Plan of IPPB for Madhya Pradesh State is as below-**

Roll Out Plan	IPPB Branch	Head Post Office	Sub Post Office	Branch Post Office	Total no. of Access Point Mapped	Actual/Proposed go-live Date
Launch Access point (5 Per Branch)	42	40	45	125	210	01.09.2018
Access Points Roll out priority Wave 1 (10%)	-	3	127	695	825	30.09.2018
Access Points Roll out priority Wave 2 (30%)	-	NA	336	2,146	2,482	31.10.2018
Access Points Roll out priority Wave 3 (30%)	-	NA	244	2,238	2,482	30.11.2018
Access Points Roll out priority Wave 4 (28%) (Remaining)	-	NA	224	2,053	2,277	31.12.2018
<b>Total</b>	<b>42</b>	<b>43</b>	<b>976</b>	<b>7,257</b>	<b>8,276</b>	<b>31.12.2018</b>

**This agenda is put up for information.**

## AGENDA NO-6

### INVESTMENT CREDIT IN AGRICULTURE SECTOR

#### STATUS AS ON 30.06.2018

Loans to agriculture and allied activities showed a growth of 9.20% as on June 30, 2018, on a year-on-year basis. While production credit has shown y-o-y growth rate of 13.16% during June 2018, investment credit has shown a negative growth of 2.02% during current quarter.

There were nearly 92.97 lakh agriculture credit accounts with the banks as on June 30, 2018 with the average size of credit at Rs. 1.10 lakh. Of which, Commercial Banks, Regional Rural Banks, Cooperative Banks and Small Finance Banks had average size of credit at Rs. 1.96 lakh, 1.33 lakh, 0.55 lakh and 0.38 lakh respectively.

#### Outstanding amount in crore

	June-2017	June-2018	Variation	Variation %
Agriculture Credit	85,142	92,976	7,834	9.2
Production Credit	62,919	71,201	8,282	13.16
Investment Credit	22,223	21,775	-448	-2.02

#### AGENCY WISE STATUS AS ON JUNE 30, 2018

#### Outstanding amount in crore

Agency	Agriculture Credit		Production Credit		Investment Credit		Investment Credit variation Y-o-Y	
							Amount	%
	Jun-17	Jun-18	Jun-17	Jun-18	Jun-17	Jun-18	Jun-18	Jun-18
Public Sector Banks	44,238	45,723	31,204	33,678	13,033	12,045	-988	-7.58
Private Sector Banks	10,553	13,232	4,713	6,106	5,840	7,126	1,287	22.03
Regional Rural Bank	7,193	7,596	6,479	6,847	714	749	36	4.98
Cooperative Bank	23,159	25,933	20,523	24,562	2,636	1,371	-1,265	-48.00
Small Finance Banks	0	492	0	8	0	484	484	0.00
<b>Total</b>	<b>85,142</b>	<b>92,976</b>	<b>62,919</b>	<b>71,201</b>	<b>22,223</b>	<b>21,775</b>	<b>-447</b>	<b>-2.01</b>

Total institutional credit to agriculture and allied sector during current quarter has grown at an annual growth rate of 9.20 %. However, the share of term credit in total agriculture credit was only at around 23.42 % as on June 2018, below the national average of 32%. It is clear that there is a gap of investment credit, requiring a large increase in credit to facilitate capital formation in agriculture and to achieve the stipulated growth rate/doubling the farmers' income by 2022.

The continued higher proportion of short-term credit could probably be due to the relatively higher comfort level of those who demand and those who supply credit. Since expenditure on inputs is inevitable to sustain their agricultural operations, irrespective of weather conditions obtaining in the field, farmers prefer to borrow short-term credit as it provides them necessary control over resources through continued liquidity.

The present trend indicates that cooperative banks and public sector banks need to shoulder the responsibility of supporting investment in

## **CONSTRAINTS ON INVESTMENT**

Major factors constraining growth in investment include:

- i. Declining public sector investment;
- ii. Limited credit absorptive capacity;
- iii. Limited infrastructure for agro processing, storage, warehousing, value addition and marketing;
- iv. Weather aberrations and output price fluctuations and
- v. Lack of effective mechanism to develop technical skill under agriculture sector.

Besides the above, the following factors in particular affect the banking institutions in deployment of investment credit.

- a) **Issues related to credit worthiness**
- b) **Increasing non-performing assets and potential NPA under agriculture sector. NPA under agriculture sector was 11% of the total portfolio as on June 30, 2018 in the State.**
- c) **Non availability of credit history of majority of the farmers etc.**

## **SUGGESTIONS**

**Legal Provisions of creation of Bank's charge on land records-** Presently, banks are finding themselves difficult to ascertain multiple finance on the same agriculture land. A new project for creation of bank's charge on the land record electronically has to be started in Madhya Pradesh. It is proposed that banks would be given a chance to apply bank's charge

agriculture. At the same time cooperative banks would need to be appropriately strengthened to provide investment credit to the farmers.

on the existing loanee (if not reflects on-line). It would enable banks to lend to those with good track record and provides a strong deterrent to wilful default.

**Legal support for recovery-** Poor recovery of loans and increasing NPAs and potential NPA not only affect financial health of the credit institutions, but also arrest the flow of funds to various sectors. While farmer-borrowers need to be educated about the real benefits arising out of loan facilities provided by banks, the banks should, on their part, take steps to provide adequate and timely credit in order to ensure proper end use of funds.

The role of State Governments has been repeatedly emphasized to strengthen in the Public Demand/Revenue Recovery Act and extend all possible help to banks in their recovery efforts. The Government may also take recourse to the services of outsourcing agency for recovery under pending RRCs on commission basis.

**Improving credit absorption capacity-** Increase in credit flow in a given area depends on credit absorption capacity, which in turn depends on supporting infrastructure in the form of connectivity, and other linkages including market related linkages etc. Such infrastructure gaps need to be identified for financing.

**Reforms in agricultural marketing-** The need for appropriate investments in market cannot be underestimated as they will continue to be the biggest stumbling block for productive and sustainable investments in agriculture. Weak marketing links often deny farmers their due share in price, thereby adversely affecting their cash flows.

**Capacity building of credit institutions by NABARD-** Proper appraisal and close

monitoring result in efficient project management, cost saving and better impact. NABARD may take special steps to facilitate capacity building of credit institutions in appraisal skill.

**Sharing the pool of technical expertise-**

NABARD has prepared area specific model bankable projects and forwarded the same to banks and also available on the website of SLBC for their use. All rural/semi urban branches of banks may not possess the technical expertise to evaluate and appraise different types of projects in agriculture. In that case, there will be a need to create an arrangements for sharing of a pool of available technical knowledge at the district level, who could facilitate identification and formulation of projects. The technical personnel could be involved in project formulation and credit plan preparation.

**Strengthening infrastructure-** The State Governments efforts in strengthening infrastructure need to be stepped up. In the state, where agriculture production base has been established and agriculture is diversified, promotion of public private partnership model for building infrastructure needs to be encouraged.

**Reorient R & D activities-** In the changing agricultural environment, R & D in agriculture needs to be demand driven, with involvement of farmers in technology development. While public sector should continue to play a catalytic role the entire R & D process could be made more pluralistic by involving public, private farmers organizations, voluntary sector and banks. There is a need to refocus R & D agenda from crop centric research.

**Synchronisation of State Government's initiative with banks-**

The State has shown a tremendous growth rate of around 14.2% per annum during last few years. The state has formulated many favourable policies for the farmers. There is a need to synchronize the Government's initiative with banks for capital formation in agriculture.

**Incentive for high tech agriculture-**

The state government may consider to provide incentive to those farmers to shift to high tech agriculture from the conventional methods.

**Increasing public sector investment-**

Public sector investment is required for creation of the necessary infrastructure, which enables private investment to acquire new assets or to use existing assets more efficiently. For instance, public investments in major and medium irrigation projects facilitate transformation of rainfed farming into irrigated farming, resulting in adoption of better technology which is more input intensive, thereby enhancing income. This boosts the farmers' pent up demand for agriculture implements, farm machinery, milch and draft animals substantially. This happens not in one shot, but it is a continuous process which extends over the life of the asset.

Capital formation in agriculture will help in improving the stock of equipment, tools and productivity of natural resources, which in turn enables farmers to use their resource more productively. Creation of capital goods, thus, is necessary for raising productivity of existing resources and realising long term growth potential.

**This agenda is put up for discussion.**



## AGENDA NO-7

### PENSION APKE DWAR SCHEME

#### PENSION PAYMENT TO SOCIAL SECURITY PENSIONERS

During 168<sup>th</sup> SLBC meeting held on 30.05.2018, Hon'ble Chief Minister of the State suggested to work out the modalities of door step pension payment to old age beneficiaries etc. by BCs at least one day in a month at Gram Panchayat. It was proposed to form *a special committee of SLBC on business correspondents to implement door step pension payment and monitor the activities of business correspondents*. Accordingly, a committee has been formed comprising of the following:

**Chairman- Principal Secretary, Social Justice & Disability Welfare, Govt. of M.P.**

#### Members-

a) Principal Secretary, Tribal Affairs	f) Chief General Manager, State Bank of India
b) Commissioner, Directorate of Institutional Finance	g) General Manager, Union Bank of India
c) Regional Director, Reserve Bank of India	h) General Manager, Bank of Baroda
d) Convener, SLBC- Member Secretary	i) General Manager, Punjab National Bank
e) Chief Post Master General	j) General Manager, Allahabad Bank
	k) Zonal Manager, Bank of India

Six meetings of this committee have been conducted so far up to 12<sup>th</sup> September 2018. Shri Ashok Shah, Principal Secretary, Social Justice and Disability Welfare, Govt. of Madhya Pradesh and the Chairman of the committee during its first meeting held on 29<sup>th</sup> June 2018 mentioned that the state government is operating through “**Single Click Scheme**” for Elder persons, wherein around 35 lakh beneficiaries are receiving financial assistance from the state government through Direct Benefit Transfer. He mentioned that these people belong to vulnerable group of our society and it is hard to imagine what kind of trouble these peoples are facing day to day due to non-availability of banking services within their reach. He urged upon the bankers to do some efforts towards such people to provide easy access to the banking services at their doorstep.

The major highlights of the deliberations held during the meetings are as mentioned below:

#### **1. Commencing door step pension payment on a pre-determine day**

Initially, pilot project was started in 7 districts namely Alirajpur, Datia, Khandwa, Mandla, Satna, Sidhi, Umaria districts on 7<sup>th</sup> August 2018. In Seoni district, it was started on 13<sup>th</sup> August 2018. These districts were monitored by Bank of Baroda, Punjab National Bank, Bank of India, Central Bank of India, Allahabad Bank, Union Bank of India, State Bank of India and Postal Department respectively.

After successful run of the pilot project, the committee decided to roll out such facility (Pension Apke Dwar) in all 51 districts on 7<sup>th</sup> of every month from September 2018 onwards. In case of holiday on 7<sup>th</sup>, pension will be distributed on previous working day. All the gram panchayats have been mapped with respective sub service areas of the banks. Pension has been distributed by the business correspondents and the respective branches as per mapping.



## 2. Shifting beneficiary's accounts to Post Offices from Banks

Initially, many accounts of such beneficiaries were shifted to the banks from post offices due to not having core banking facility in post offices. Assistant Director-Postal Department informed the house that now all post offices, sub-post offices are enabled with core banking solution and there are around 7,000 post offices in the state. It has been decided to again shift accounts from Banks to post office wherever post offices are near the beneficiary's village instead of BC or Bank Branch point.

## 3. Making all BC points functional

There are 11,864 Sub Service Areas (SSAs) and more than 10,000 business correspondents in the state. Banks were requested to ensure that all BC points are functional.

- All inactive BCs to be activated/replaced by banks 30<sup>th</sup> September 2018.
- Women SHG members would be given priority to be deployed as BCs.
- Banks should create a robust BC monitoring mechanism.

## 4. Deployment of additional BCs

It was observed that some banks had already appointed additional BC outside

their sub service areas. In conformity with DFS, GOI letter F.No-21(23)/2014-FI (Mission)(347323) dated 17.05.2018 on deployment of additional BC, the committee was of the view that it would be scientific and practical to deploy additional BCs by banks after getting the report on gap analysis.

## 5. Felicitation of good BCs

The Chairman mentioned that good BCs in each district will be felicitated by the department.

### Action points for the Banks –

- Keeping readiness of the BC locations.
- Maintaining adequate cash at BC locations and base branch on 7<sup>th</sup> day of every month.
- Banks/BCs to know about the number of pensioners in each gram panchayat for efficient management of required cash.
- Keeping liasoning with the respective department at district/gram panchayat level.
- Banks to submit progress report by the next day of pension payment to SLBC.
- Activation of inactive BCs so that all SSAs can be served.

### BANKS HAVING INACTIVE BCS AS ON 12.09.2018

Sr. No	Bank	No. of SSAs	BC required	Active BCs	Inactive BCs
1	State Bank of India	2,884	2,779	2,511	268
2	Madhyanchal Gramin Bank	1,474	1,173	953	220
3	Bank of India	950	950	832	118
4	Central Madhya Pradesh Gramin Bank	1,461	1,289	1,172	117
5	Narmada Jhabua Gramin Bank	938	700	583	117
6	UCO Bank	281	249	200	49
7	Punjab National Bank	520	409	376	33
8	Bank of Baroda	205	159	148	11
9	Corporation Bank	27	21	14	7
10	Central Bank of India	1,197	1,016	1,012	4
11	Indian Overseas Bank	23	17	13	4
12	Syndicate bank	76	69	66	3
13	Other Banks	1,828	1,786	1,786	0
	<b>Total</b>	<b>11,864</b>	<b>10,617</b>	<b>9,666</b>	<b>951</b>

**This agenda is put up for discussion.**

## **GAP ANALYSIS FOR DEPLOYMENT OF ADDITIONAL BUSINESS CORRESPONDENTS**

During PMJDY campaign in 2014, all 54, 903 villages including 23,043 Gram Panchayats in the State have been mapped with 11,864 Sub Service Areas in such a way that people can avail CBS enabled banking facilities either through bank branch or through business correspondents within 5 km radius. A Sub service area is catering to 1000-1500 households located in one or more than one villages/gram panchayats. Of late, it has been observed that there are some gap in some of the locations.

SLBC has mapped all the gram panchayats with respective sub service areas and mapped

the BCs. The State government has also issued a letter to all District Collectors to identify such locations (if any) where people have to travel more than 5 km for getting banking facilities. So that, additional BCs can be deployed in such locations in conformity with the Department of Financial Services letter F.No-21(23)//2014-FI (Mission)(347323) dated 17.05.2018. SLBC has already shared a matrix with the state government and the LDMs for mapping gram panchayats. However, the task is yet to be completed.

**The matter is placed for discussion.**

## AGENDA NO-8

### DIRECT BENEFIT TRANSFER TO MGNREGA WORKERS

There are 67.95 lakh family job card holders and 159.18 lakh MGNREGA workers in Madhya Pradesh. Wages are being paid directly in the account using account number and IFSC code or through Aadhaar enabled payment systems (AEPS). Govt. of India has mandated to migrate entire wage payment to Aadhaar Payment Bridge System (APBS). The nodal agency MPSEGC (Madhya Pradesh State Employment Guarantee Council) expressed that large number of workers' accounts are to be seeded for APBS and the new individual accounts to be opened.

#### 1. Conversion of Joint accounts into individual accounts

A large number of workers draw the wages through the account of the family head. In view of AEPS payment, individual account of the beneficiary needs to be opened. Opening of large number of individual accounts through branches is a cumbersome task and it won't be possible to open new individual accounts in a given period of time. Therefore, the Govt. has decided for opening of such accounts through business correspondent's channel.

For this purpose, the Govt. of Madhya Pradesh in coordination with banks has decided to start pilot project for opening of individual account of MGNREGA workers in two blocks namely Nainpur and Narayanganj of Mandla district. After successful completion of the task and lesson learnt from this project, the process will be roll out in the entire state.

#### 2. Rejection of FTO

Of late, it has been observed that many FTOs (Fund Transfer Orders) are getting rejected due to several reasons. It is gathered that main reasons of rejection are inactive Aadhaar, joint accounts of the beneficiary, inactive/dormant account etc. **The rejection reasons are already standardized by NPCI.** Banks need to parameterize rejection reasons in their CBS in-line with NPCI and they should convey the same to their field functionaries as well as customer for rectification.

#### 3. Crediting DBT into inoperative/dormant account

As per RBI Circular no. DBOD. No. Leg.BC.34/09.07.005/2008-09 dated August 22, 2008 on unclaimed deposits/inoperative accounts, a savings or current account should be treated as inoperative/dormant if there are no transactions in the account for over a period of two years.

State Governments had expressed difficulties in crediting DBT into accounts opened for the benefits under various Central/State Government schemes but had been classified as dormant/inoperative due to non-operation of the account for over two years.

Keeping the above in view, RBI vide Circular no. RBI /2013-

14/262/DBOD.No. Leg. BC.53 / 09.07.005/2013-14 dated September 17, 2013 advised banks that they may allot a different “product code” in their CBS to all such accounts opened by banks so that the stipulation of inoperative/dormant account due to non-operation does not apply while crediting proceeds as mentioned above. In view of the above, it is requested that

- a) All banks to meticulously comply with the above instructions of RBI.
- b) The State Government is requested to provide account number and name of such workers to respective Bank for necessary changes in the system.

#### **Role of Banks/BCs are as follow:**

1. BCs have to be sensitize to open accounts based on Aadhaar verification.
2. Prospective MGNREGA beneficiary will submit copy of Aadhaar card, two photographs, and consent form for Aadhaar seeding for DBT benefit along with name of mother, mobile number and nominee details. BC has to enter mothers’ name of the prospective beneficiary, mobile number and nominee details while opening the account.
3. Banks to arrange for delivery of debit cards immediately on Aadhaar authentication at the BC point. Subsequently banks while opening the account can activate the debit cards. This will help delivery of the ATM RuPay cards on real time to the account holders.
4. Accounts to be opened at each camp location. Banks and business correspondent have to make adequate

arrangements for opening accounts well in advance.

5. All accounts to be opened under Jan Dhan scheme.
6. **It is informed that the KIOSK of State Bank of India charges Rs 20/- from beneficiary for opening of Savings/Jan Dhan account. However, PMJDY guidelines stipulate that there will be no charge/fee for opening an account under PMJDY. Further RBI circular no. RBI/2012-13/164 DBOD.No.Leg.BC.35/09.07.005/2012-13 dated 10.08.2012 on ‘Access to Banking Services- Basic Savings Bank Deposit Account (BSBDA)’ stipulates that below mentioned common facilities will be provided to BSBDA account holders without any charge.**

- a) Issuance of ATM card
- b) Four withdrawals in a month
- c) No limit on the number of deposits.
- d) No requirement of minimum balance etc.

#### **Role of State Government (MPSEGC)**

1. A large number of MGNREGA workers migrate from their native places for seeking job opportunities. The concerned department of the state government needs to bring these workers at BC locations for opening of their accounts.
2. In case of illiterate workers, an official needs to attest their thumb impression on the Aadhaar seeding consent form.

#### **The issue is placed for discussion.**

## AGENDA NO-9

### REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN Q-1 FY 2018-19

Number in actuals and amount in crores

Sr. No.	Sector	Q-1 OF FY 2017-18			Q-1 OF FINANCIAL YEAR 2018-19				
		Target	Achie.	Achi. %	Target		Achievement		Achi. %
		Amt.	Amt.	Amt.	No.	Amt.	No.	Amt.	Amt.
1	<b>Agriculture</b>	<b>94,868</b>	<b>22,451</b>	<b>24</b>	<b>40,05,666</b>	<b>1,09,264</b>	<b>16,97,068</b>	<b>20,644</b>	<b>19</b>
1a	Farm Credit	88,374	20,855	24	37,75,495	1,02,578	16,88,468	19,433	19
1b	Crop loan out of 1a	67,229	17,872	27	30,37,033	80,319	15,19,689	17,162	21
1c	Agriculture Infra.	3,905	244	6	1,23,708	3,733	2,307	196	5
1d	Ancillary Activities	2,589	1,352	52	1,06,463	2,953	6,293	1,015	34
2	<b>MSME</b>	<b>18,441</b>	<b>6,351</b>	<b>34</b>	<b>4,27,566</b>	<b>20,945</b>	<b>1,75,670</b>	<b>7,462</b>	<b>36</b>
2a	Micro Enterprises	11,493	3,119	27	2,44,680	9,436	1,65,768	4,319	46
2b	Small Enterprises	2,865	2,388	83	1,44,038	9,601	7,640	2,392	25
2c	Medium Enterprises	1,101	581	53	351	1,007	995	587	58
2d	KVIC	910	26	3	17,187	543	401	30	6
2e	Other under MSME	2,072	237	11	21,310	358	866	134	37
3	Export Credit	529	15	3	3,074	672	29	122	18
4	Education	1,138	132	12	35,535	1,194	5,279	131	11
5	Housing	6,996	1,091	16	1,39,394	6,839	14,936	726	11
6	Social Infrastructure	1,410	17	1	1,14,018	2,042	231	19	1
7	Renewable Energy	356	0	0	2,7936	402	21	1	0
8	Others	3,141	861	27	1,09,602	2,077	36,506	308	15
9	<b>Total Priority Sector</b>	<b>1,26,879</b>	<b>30,918</b>	<b>24</b>	<b>48,62,791</b>	<b>1,43,435</b>	<b>19,29,740</b>	<b>29,413</b>	<b>21</b>
10	Total Non-Priority Sector	5,076	27,949	551	1,33,198	4,184	1,70,756	16,017	383
11	<b>Total Credit Plan (9+10)</b>	<b>1,31,955</b>	<b>58,867</b>	<b>45</b>	<b>49,95,989</b>	<b>1,47,619</b>	<b>21,00,496</b>	<b>45,430</b>	<b>31</b>

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

#### HIGHLIGHTS

- The potential credit outlay FY 2018-19 for priority sector lending was estimated as Rs. 1,43,435 crore, with an increase of 13.05% over the projections of the previous financial year.
- As against the target of Rs 1,47,619 crore (priority & non-priority), under Annual Credit Plan for FY 2018-19, an amount of Rs 45,430 crore was disbursed during the first quarter of current fiscal, recording an achievement of 31% less than corresponding period of last year, which was 45%.
- The Banks disbursed Rs 29,413 crore to the priority sector as on June-18 against the target of Rs 1,43,435 crore with achievement index of 21%, which is below the achievement of 24% during corresponding period of previous financial year. However, in terms of absolute term, it was only 1,505 crore less from corresponding period of previous financial year.
- The Banks disbursed Rs 20,644 crore as on June 30, 2018 to the agriculture sector against the target of Rs 1,09,264 crore and achieved 19% of the target as against the achievement of 24% during same period of FY 2017-18. Achievement of Commercial Banks, Regional Rural Banks & Cooperative

banks were 17%, 16 and 24% respectively during the first quarter of current fiscal.

- Crop loans outlay of Rs. 1,02,578 crores for current fiscal, constitutes a major share of 54.41% in the credit plan. The credit flow to this sector was Rs 17,162 crore with achievement of 21% during current quarter.
- Achievement under agriculture infrastructure and ancillary activities was 5% and 34% respectively during the quarter under review.

- Under MSME sectors, banks disbursed Rs. 7,462 crores during the current quarter as against the target of Rs. 20,945 crores and achieved 36% of the target, which is higher than the achievement of 34% during same period of previous financial year.
- Credit offtake under education loans, housing sector of priority sector was Rs 131 crore and Rs 726 crore and achievement index was 11% and 11% respectively against the target of current fiscal.
- Social infrastructure and renewable energy sector are yet to be picked up and achievement index was 1% and 0.25% respectively.

#### AGENCY WISE ACP PERFORMANCE FY 2018-19 UP TO JUNE 30, 2018

Bank Type	Agriculture			MSME			Priority Sector		
	Target	Achiev.	Achi. %	Target	Achiev.	Achi. %	Target	Achiev.	Achi. %
<b>CBs</b>	69568	12008	17	19253	7035	37	100708	20312	20
<b>RRBs</b>	13284	2177	16	1011	181	18	15211	2392	16
<b>Co-Ope.</b>	26401	6333	24	668	6	1	27479	6340	23
<b>SFBs</b>	11	126	1127	13	240	1906	38	369	965
<b>Total</b>	<b>109264</b>	<b>20644</b>	<b>19</b>	<b>20945</b>	<b>7462</b>	<b>36</b>	<b>143435</b>	<b>29413</b>	<b>21</b>

- Data shows that CBs (Commercial Banks) disbursed Rs. 12,008 crore, 7,035 crore and Rs. 20,312 crore under agriculture, MSMEs and priority sector and achieved 17%, 37% and 20% of the targets respectively. RRBs could achieve 16%, 18% & 16% and cooperative banks could achieve 24%, 1% and 23% in these sectors respectively.
- As per the directives of Reserve Bank of India, Small Finance Banks (SFBs) are now the members of State Level Bankers' Committee and part of credit

**planning exercise. Out of 7 SFBs functional in the state, target has been allotted to only AU Bank. It is proposed to allot the targets to remaining Small Finance Banks under Annual Credit Plan and Government Sponsored Schemes.**

**This issue is presented for discussion.**



## AGENDA NO-10

### PRADHAN MANTRI JAN DHAN YOJANA BEYOND 28.08.2018

Department of Financial Services, Ministry of Finance, Government of India vide letter F.No.6/7/2018-FI ) C-300383044) dated 07.09.2018 has informed that the Government has decided to continue the National Mission of Financial Inclusion namely “Pradhan Mantri Jan Dhan Yojana (PMJDY) beyond 20.08.2018, with the change in focus of opening of accounts from ‘every household’ to ‘every adult’, with following modifications:

- i. Existing overdraft limit to PMJDY account holders of Rs 5,000 has been raised to Rs 10,000.
- ii. Age limit of 18-60 years has been raised to 18-65 years.
- iii. There will not be any conditions attached for OD up to Rs 2,000.
- iv. Accidental insurance cover for new RuPay card holders has been raised from Rs 1 lakh to Rs 2 lakh to new PMJDY accounts opened after 28.08.2018

As a part of financial inclusion plan, a digital pipeline in the frame of JAM (Jan Dhan, Aadhaar and Mobile) has been created which is facilitating disbursement of credit. Providing social security, channelization of DBT under various government schemes to the beneficiaries. This pipeline is also being used for promoting digital transactions, AePS and mobile banking. JAM will continue to provide the necessary backbone for coverage of these activities and thereby accelerating the pace for a digitalized, financially included and insured society.

Banks are requested to publicise the changes through brochures, pamphlets, displays at prominent places in all bank branches.

As per data submitted by banks, only 2.74 lakh of PMJDY account holders had availed Over Draft facility as against 2.78 crore Jan Dhan accounts in the state till June 30, 2018. This was mostly because the facility was available after six months of the satisfactory conduct of the account. Now, with relaxed guidelines, it is expected more disbursement under OD. The

following banks have shown NIL OD under Jan Dhan accounts as on 30.06.2018.

*Bank of Maharashtra, Indian Bank, Axis Bank, Bandhan Bank, Kotak Mahindra Bank, IDFC, Indusind Bank Limited, Yes Bank, Federal Bank Ltd., DCCB, Catholic Syrian Bank, City Union Bank, Development Credit Bank, Dhan Lakshmi Bank, Karnataka Bank Limited, Karur Vysya Bank Ltd Lakshmi Vilas Bank and Ratnakar Bank Ltd.*

**Department of Financial Services, GOI conducted VC on 12.09.2018 with EDs of the banks and SLBC Convenor. The following instructions have been issued.**

1. Focus of PMJDY scheme is now on every adult having a bank account instead of every household.
2. Banks to launch a week campaign for opening of new Jan Dhan account, enrolments under micro insurance schemes, issuance and activation of RuPay cards.
3. All PMJDY accounts to be issued RuPay cards. Distribution and activation of the cards is essential and it must be ensured that all cards issued are distributed and activated. Gap between number of Jan Dhan accounts and issuance of RuPay card to be addressed soon.
4. Along with opening PMJDY accounts for all adults, the micro insurance schemes i.e PMJJBY and PMSBY have also to be prompted and this social security cover to be made available to all account holders.
5. The overdraft scheme for PMJDY account holders must be popularize.
6. DFS has launched “**Jan Dhan Darshak**” mobile app for information on bank branches, ATMs and BCs.

**This agenda is put up for discussion.**

## AGENDA NO-11

### FINANCIAL INCLUSION

The main objective of Financial Inclusion is to promote access to basic banking services. Gram Swaraj Abhiyan (GSA) & Extended Gram Swaraj Abhiyan (eGSA) are the part of this initiative.

#### EXTENDED GRAM SWARAJ ABHIYAN

In continuation of “Gram Swaraj Abhiyan”, started from 14<sup>th</sup> April this year on the occasion of Ambedkar Jayanti, Govt. of India has extended it in 115 Aspirational Districts across the country identified by the NITI Aayog. eGSA campaign was started from 1<sup>st</sup> June 2018 till 15<sup>th</sup> August 2018 to promote social harmony, spread awareness about pro-poor initiatives of the government, reach out to poor households to enrol them as also to obtain their feedback on various welfare programmes.

During this abhiyan, the thrust was on saturation of eligible households/persons of the following programmes in the selected villages:

1. Pradhan Mantri Jan Dhan Yojana
2. Pradhan Mantri Jeevan Jyoti Bima Yojana
3. Pradhan Mantri Suraksha Bima Yojana
4. Pradhan Mantri Ujjwala Yojana
5. Saubhagya
6. Ujala scheme
7. Mission Indradhanush

In Madhya Pradesh, 3,048 villages were selected in 8 districts Barwani, Khandwa, Rajgarh, Guna, Chhatarpur, Vidisha, Damoh and Singrauli. Out of above seven programmes three programmes i.e. PMJDY, PMSBY and PMJJBY have been implemented through bank branches and business correspondents. Banks have achieved all targets under eGSA. All allotted villages are saturated in all three schemes. Progress is as mentioned below:

Status as on 13.08.2018, Target & Achievement- Number in actuals

Sr.	District	No. of villages	PMJDY			PMJJBY			PMSBY		
			Target	Achi.	Achi. %	Target	Achi.	Achi. %	Target	Achi.	Achi. %
1	Barwani	437	29,218	33,879	116	8,194	10,449	128	21,266	26,249	123
2	Chhatarpur	517	43,451	48,631	112	13,268	13,937	105	43,451	45,541	105
3	Damoh	321	22,470	29,424	131	1,525	2,250	148	14,982	19,313	129
4	Guna	259	12,100	13,500	112	11,529	11,996	104	19,142	20,235	106
5	Khandwa	435	18,812	29,313	156	2,249	6,328	281	12,461	28,456	228
6	Rajgarh	399	4,110	7,899	192	6,560	7,889	120	13,908	17,360	125
7	Singrauli	372	49,890	50,550	101	31,792	32,222	101	53,887	54,217	101
8	Vidisha	308	54,513	58,178	107	10,763	11,591	108	26,923	28,967	108
	<b>TOTAL</b>	<b>3,048</b>	<b>2,34,564</b>	<b>2,71,374</b>	<b>116</b>	<b>85,880</b>	<b>96,662</b>	<b>113</b>	<b>2,06,020</b>	<b>2,40,338</b>	<b>117</b>

**OPERATIVE CASA-CUMULATIVE STATUS AS ON 30.06.2018 IN M.P.**

Number in lakh

Age group	Population as per Census 2011
All ages	726.27
Adolescent (10-19 years)	160.11
Young (15-24 years)	141.74
Adult (18 years and above)	437.84
(A) Adult (18-40 years)	272.35
(B) Adult (Above 40 years)	165.49
<b>Account/Enrollment status</b>	
• Total number of Operative CASA (Current Account Savings A/c)	608.39
• No. of Aadhaar seeded CASA	519.67
• % of Aadhaar seeded CASA	85.42
• No. of Aadhaar Authentication CASA	303.20
• % of Aadhaar Authentication CASA	49.84
• No. of Pradhan Mantri Jeevan Jyoti Bima Yojana	18.50
• No. of Pradhan Mantri Suraksha Bima Yojana	75.03
• No. of Atal Pension Yojana	5.65

As per census 2011, total population of the state is 7.26 crore. Of which, persons of age group 0-9 years are 0.83 crore. Persons above 10 years are 6.44 crore. Above data suggest that there are 6.08 crore operative CASA accounts (including PMJDY accounts) in the state as against eligible persons of 6.44 crore.

**PRADHAN MANTRA JAN-DHAN YOJANA- STATUS IN M.P.**

Number in lakh

PMJDY Accounts	30.06.2017	30.06.18	Y-o-Y variation
No. of PMJDY Accounts	258.03	278.42	20.39
Balance held in the accounts (Rs lakh)	3,07,189	3,97,475	90,286
Average Bal. in the accounts (Rupees actual)	1190	1428	238
No. of Zero Balance a/cs	68.13	53.06	-15.07
% of Zero Balance accounts	26.40	19.06	-7.35
No. of Aadhaar seeding	184.42	221.04	36.62
Aadhaar seeding %	71.47	79.39	7.92
RuPay card issued	186.40	197.50	11.10
RuPay card activation %	42.12	53.14	11.02

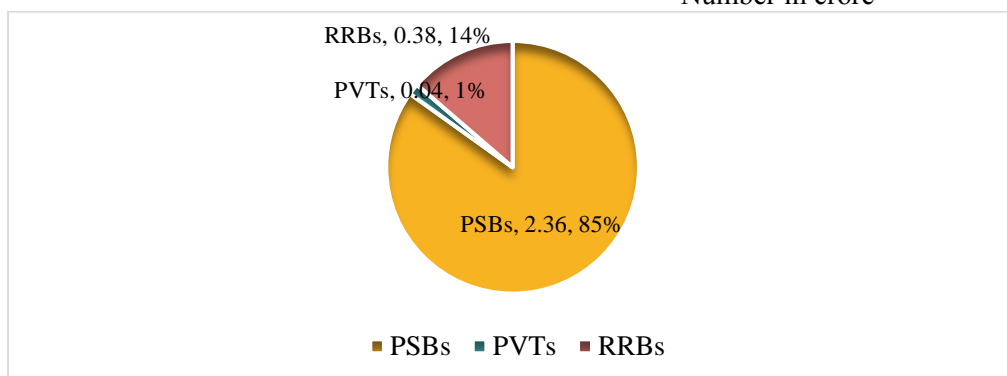
As of June 2018, the total balance in Jan Dhan accounts stood at Rs 3,974 crore, with 2.78 crore total beneficiaries as against Rs 3,072 crore balance with 2.58 crore beneficiaries a year ago. The cumulative balances during a year witnessed a steep rise of Rs 902 crore. This is perhaps the largest inflow into these accounts since the launch of the scheme in 2014. **Push being given to Aadhaar linkage could be a reason for the increase in the balance.**

**With the increased focus on Aadhaar, DBT and promoting access to basic banking services by the Government, new accounts are still being opened. The increased use of RuPay cards, which offer many advantages, is also incentivising the rural population to keep balances in their accounts.**

19.06% accounts are still inoperative and there was no balance in these accounts as of June 30, 2018 as against 26.40% a year ago.

## NUMBER OF ACCOUNTS (PMJDY) AGENCY WISE AS ON 30.06.2018

Number in crore



The chart for number of accounts opened under PMJDY Scheme shows that most of the accounts (85%) opened by Public Sector Banks followed by Regional Rural Banks (14%) and Private Sector banks (Only 1%).

## BUSINESS CORRESPONDENTS STATUS IN MADHYA PRADESH AS ON 30.06.2018

Total no. of SSA	11,864
No. of SSAs covered through Bank branches	1,521
Total BCs deployed*	12,037
No. of Active BCs	11,034
No. of Inactive BCs	1,003
Inactive BCs %	8.33
No. of txn. during FY 2018-19 upto June-18 (crore)	3.07
Average no. of txn per day by a BC	27
Amt. of txn. during FY 2018-19 upto June-18 (crore)	6,697.56
Average amt. of txn per day by a BC (Rs.)	61,823
No. of account with BCs (crore)	2.11
Average no. of a/c per BC	1756
Commission paid during FY 2018-19 upto June-18 (crore)	39.84
Average commission paid in a month to a BC (Rs.)	11,031

Bank wise status is shown in table no-32

\*Some BCs are working in other than SSAs.

## CAPACITY & PRODUCT ENHANCEMENT AT BC POINT

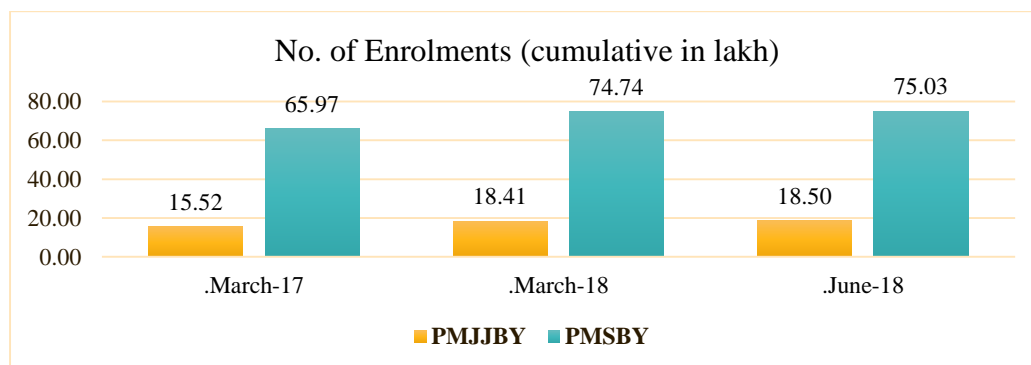
Department of Financial Services, GOI hold a VC on 4<sup>th</sup> August 2018. The following issues with respect to business correspondents were flagged.

- Integration of Credit Products on BC Agent Software;
- Customised products suitable to local needs to be encouraged to promote saving and usage of bank accounts ;

- Aadhaar Pay, UPI / USSD, BHIM to be operationalised at BC points
- Housing Loan, Mudra Loan, SHG/JLG, Other Micro/Small Loan to be delivered through BC channel ;
- PMMJBY and PMSBY enrolment through e-KYC / paperless
- Promotion of Bill Pay, LIC/GIC payments.
- Deployment/activation of BCs with regular monitoring

DFS has given a timeline upto 31<sup>st</sup> October 2018 for implementation of the above.

## PMJJBY AND PMSBY- STATUS IN MADHYA PRADESH AS ON 30.06.2018



### PRO-RATA PREMIUM IN PMJJBY SCHEME

In order to encourage eligible and potential account holders to join PMJJBY scheme at a later stage **payment of pro-rata premium for enrolment** under PMJJBY has been allowed, with the minimum premium of Rs 86/- for one quarter required to be paid even if a person enrolls under the scheme one or two months before the end of the policy year (i.e. if he/she enrolls in March, April or May). If the enrolment takes place during the months of-

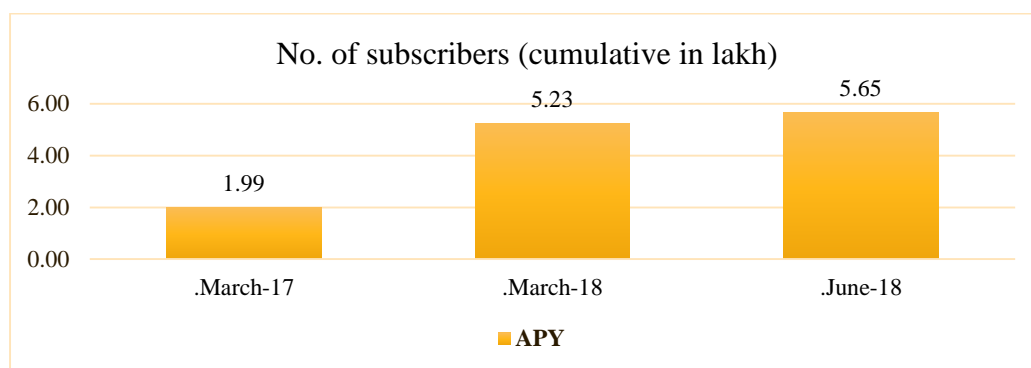
- June, July & August-Annual Premium of Rs. 330/- is payable.
- September, October & November-3 quarters of premium @ Rs 86/- i.e. Rs 258/- is payable.

- December, January & February- 2 quarters of premium @ Rs 86/- i.e. Rs 172/- is payable.
- March, April & May- 1 quarter of premium i.e. Rs 86/- is payable.

Lien period of 45 days shall be applicable from date of enrolment. Full year's premium @ Rs 330/- would be payable at the time of renewal under the scheme and pro-rate payment would not be allowed.

**In the State, 1,721 and 7,275 number of claims under PMSBY and PMJJBY have been settled respectively since inception of the scheme.**

## ATAL PENSION YOJANA- STATUS IN MADHYA PRADESH AS ON 30.06.2018



During current financial year, 52,805 number of subscribers have been enrolled under Atal Pension Yojana as of June 30, 2018.

**This agenda is put up for discussion.**

## AGENDA NO-12

### NON-PERFORMING ASSETS IN BANKS

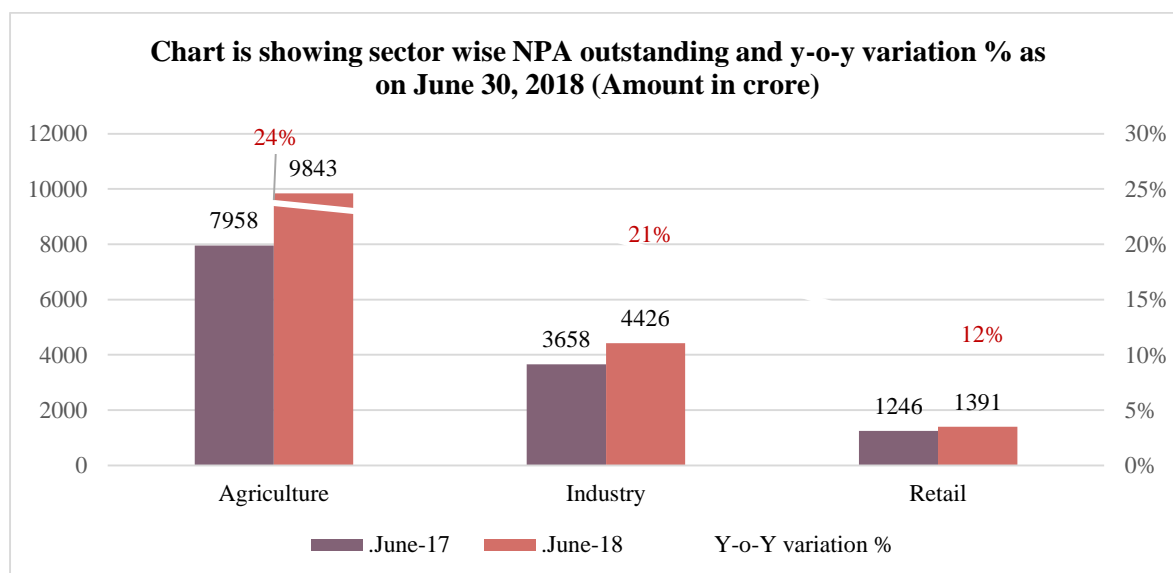
**STATUS AS ON 30.06.2018**

The stress in the banking sector continues as non-performing advances (NPA) ratio rises further. NPA ratio of the banks in Madhya Pradesh rose from 7.89% of total credit in June 2017 to 13.36% by June 2018. In absolute term, NPA increased from 18,773 crore in previous year to 36,503 crore during June 2018, showing 94% increase y-o-y.

Amount in crore

Agency	Deposits				Credit				Non-Performing Assets			
	Jun-17	Jun-18	Y-o-Y variation	Y-o-Y variation %	Jun-17	Jun-18	Y-o-Y variation	Y-o-Y variation %	Jun-17	Jun-18	Y-o-Y variation	Y-o-Y variation %
PSBs	269586	286186	16599	6.16	162616	176375	13759	8.46	12978	26405	13427	103.45
PVBs	30641	37185	6544	21.36	40611	51587	10976	27.03	1089	4023	2934	269.40
RRBs	19017	20249	1233	6.48	11155	11682	528	4.73	1487	1939	452	30.40
Co-op.	21244	23969	2725	12.83	23411	30779	7369	31.48	3219	3929	710	22.06
SFBs	0	1271	1271	0.00	0	2889	2889	0.00	0	207	207	0.00
<b>MP.</b>	<b>340488</b>	<b>368859</b>	<b>28371</b>	<b>8.33</b>	<b>237792</b>	<b>273313</b>	<b>35520</b>	<b>14.94</b>	<b>18773</b>	<b>36503</b>	<b>17730</b>	<b>94.44</b>

Non-performing assets (NPAs) are a key concern for the banks. They are the indicator of the health of the banking industry. Bank's credit growth has grown up on a year on-year (y-o-y) basis by 14.94% as compared to growth in deposit, which was 8.33% during June quarter of current fiscal. However, the crucial problem of the banks is the increasing level of non-performing assets, year by year.



The NPA ratio in the agriculture sectors rose from 7,958 crore in June 2017 to 9,843 crore during June quarter of current fiscal, showing 24% y-o-y increase. Whereas NPA under industry and retail sectors increased by 21% and 12% respectively y-o-y as on June 2018. NPA under agriculture, industry and retail sectors was 10.59%, 9.29% and 4.10% of the portfolio respectively as on June 2018.

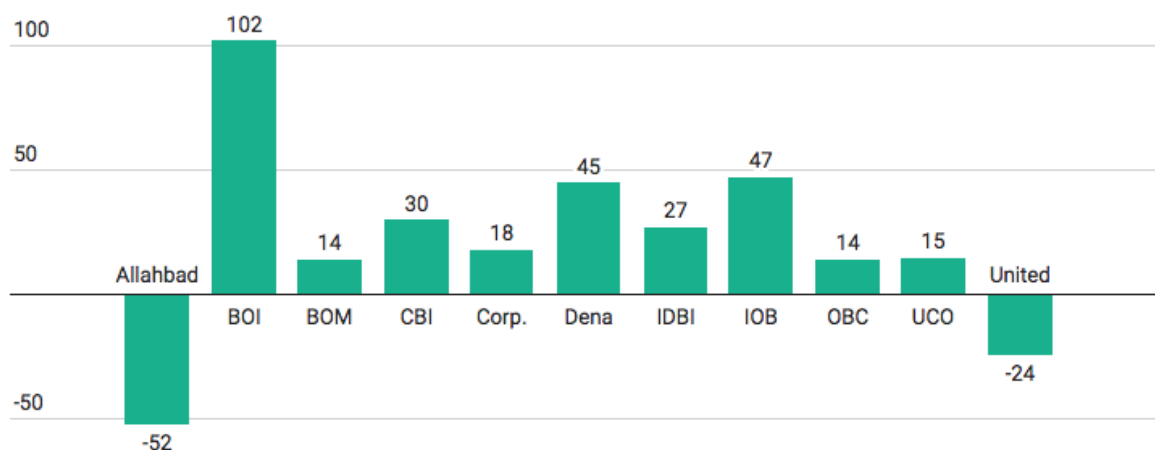


## NPA STATUS IN PCA PSBs VIS-À-VIS NON-PCA PSBs

### YEAR ON YEAR NPA % VARIATION IN PCA BANKS

**Chart is showing y-o-y variation in NPA % to total credit**

As on June 30, 2018

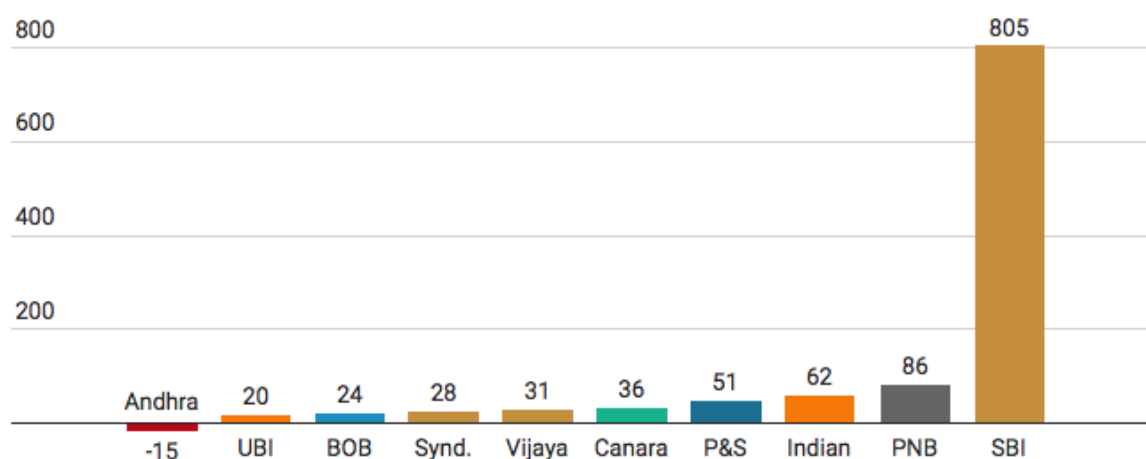


Currently, 11 Banks under Prompt Corrective Action (PCA) are Dena Bank, Allahabad Bank, United Bank of India, Corporation Bank, IDBI Bank, UCO Bank, Bank of India, Central Bank of India, Indian Overseas Bank, Oriental Bank of Commerce and Bank of Maharashtra. Above data shows that there is y-o-y increase in NPA in the banks facing prompt corrective action except Allahabad Bank and United Bank of India.

### YEAR ON YEAR NPA % VARIATION IN NON-PCA BANKS

**Chart is showing y-o-y variation in NPA % to total credit**

As on June 30, 2018



Above data suggest that NPA is also rising y-o-y in the banks which are not under prompt corrective action of RBI except Andhra Bank as on June 30, 2018. NPA in State Bank of India rose drastically by 805% y-o-y during June 2018.

## GROWTH IN THE ASSETS - PCA PSBs VIS-À-VIS NON-PCA PSBs

Amount in crore					
Sr.	Banks under PCA	June-17	June-18	Variation	Variation %
1	Allahabad Bank	7,384	6,327	-1057	-14
2	Bank of India	18,839	17,916	-923	-5
3	Bank of Maharashtra	3,106	3,208	102	3
4	Central Bank of India	13,639	13,961	322	2
5	Corporation Bank	3,251	1,492	-1759	-54
6	Dena Bank	1,637	1,983	347	21
7	IDBI Bank	4,063	4,175	112	3
8	Indian Overseas Bank	1,039	1,043	5	0
9	Oriental Bank of Comm.	2,506	2,329	-177	-7
10	UCO Bank	4,921	4,699	-222	-5
11	United Bank of India	649	329	-321	-49

Above data indicate that assets of the banks under prompt corrective action has decline year on year basis as on June 2018 except Bank of Maharashtra, Central Bank of India, Dena Bank and IDBI Bank. In contrary, there is a growth in the assets of the banks which are not under PCA. However, Indian Bank has shown decline in the bank's assets during the current quarter under review.

Amount in crore					
Sr.	Banks not under PCA	June-17	June-18	Variation	Variation %
1	Andhra Bank	750	986	236	32
2	Bank of Baroda	8,312	9,845	1,532	18
3	Canara Bank	5,407	5,984	577	11
4	Indian Bank	910	682	-228	-25
5	Punjab and Sindh Bank	652	753	101	15
6	Punjab National Bank	14,933	15,525	592	4
7	State Bank of India	54,944	65,791	10,847	20
8	Syndicate Bank	1,602	3,161	1,559	97
9	Union Bank of India	13,132	14,523	1,391	11
10	Vijaya Bank	940	1,662	723	77

The increase in NPAs shows the necessity of provisions, which bring down the overall profitability of banks. Therefore to improve the efficiency and profitability of banks, NPAs need to be reduced and controlled. We need to devise an improved mechanism to keep a check in NPA.

## NON-PERFORMING ASSETS UNDER GOVERNMENT SPONSORED SCHEMES

STATUS AS ON JUNE 30, 2018

Amount in crores

Name of the scheme	June-17		June-18		Y-o-Y variation		NPA % of total loan portfolio as on June-18	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
MMYUY/MMSY	16,851	155	25,581	302	8,730	147	18%	7.92%
PMEGP	3,416	70	4,374	105	958	35	18%	11.52%
CMRHM	80,839	532	1,18,345	798	37,506	266	21%	16.95%
SHGs	19,493	83	20,132	94	639	11	24%	15.89%
MUDRA LOANS	0	0	57,037	461	57,037	461	11%	7.37%

\*Excluding MFIs/NBFC

### OBSERVATIONS

- Increasing delinquencies in government sponsored schemes appear to be on a high side and a matter of concern for the Banks.
- In terms of number of accounts, delinquency ratio is more than 10% of the portfolio, whereas overdue position is also alarming.
- The State government may give a serious thought on this score so that delinquency ratio can be curbed under government sponsored schemes.

### BRISC (BANK RECOVERY INCENTIVE SCHEME) -STATUS

Period from 01.04.2010 to 30.06.2018		Amount in crores	
Sr.	Particulars	Number in lac	Amount
1	Submitted by Banks	7.72	11,093
2	Forwarded by Their Nodal Dist. Branch(s)	6.74	9,438
3	Allotted by District Administration to Revenue Officers	6.19	8,619
4	Demand Notice issued by Revenue Officers	4.79	6,977
5	Recovery received against Demand Notices	0.33	309
6	Disposed of RRC(s) By District Administration	0.04	25
7	RRC(s) Pending for Disposal	4.75	6,668

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

**The matter is put up for discussion.**

## AGENDA NO-13

### MICRO, SMALL AND MEDIUM ENTERPRISES

#### MSME STATUS AS ON 30.06.2018

Numbers in actual & Amount in crores

Sr.	Particulars	June-2017		June-2018		% Y-o-Y variation	
		No.	Amt.	No.	Amt.	No.	Amt.
1	MSE Advances (Micro & Small Enterprises)	9,89,873	35,375	12,71,710	41,877	28.47	18.38
2	<b>% age of lending to Micro enterprises to MSE</b>	<b>89.72</b>	<b>49.16</b>	<b>92.56</b>	<b>56.44</b>	<b>2.84</b>	<b>7.28</b>
3	Micro Enterprises	8,88,078	17,389	11,77,047	23,634	32.54	35.91
4	<b>% of advances to Micro Enterprises to total advances</b>	<b>7.08</b>	<b>7.31</b>	<b>9.07</b>	<b>8.65</b>	<b>1.99</b>	<b>1.33</b>
5	Small Enterprises	1,01,795	17,986	94,663	18,243	-7.01	1.43
6	Medium Enterprises	4,885	4,372	25,125	4,556	414.33	4.21
7	Khadi & Village Industries	5,797	122	6,795	175	17.22	43.44
8	Others under MSMEs	15,213	386	2,01,476	1,054	1224.37	173.06
9	<b>Total advances to MSME Enterprises</b>	<b>10,15,768</b>	<b>40,255</b>	<b>15,05,106</b>	<b>47,662</b>	<b>48.17</b>	<b>18.40</b>
10	Total Advances	1,25,46,586	2,37,792	1,29,82,658	2,73,313	3.48	14.94
11	NPA under MSMEs	2,14,375	3,658	2,35,249	4,426	9.74	21.00
12	% NPA of the portfolio	21.10	9.09	15.63	9.29	-5.47	0.20

Bank wise data is given in Table no- 6 & 14

#### OBSERVATIONS

- MSME advances increased by 18.40% year on year basis during June 30, 2018.
- Advances to Micro Enterprises was 8.65 % of total credit as on June 30, 2018, which is above the prescribed Norm of 7.5%.
- In terms of the recommendations of the Prime Minister's Task Force on MSMEs, there was 18.38% year-on-year growth in credit to micro and small enterprises as on June 30, 2018 as against the Norm of 20%.
- There was a 32.54% annual growth in the number of micro enterprise accounts during current quarter under review as against Norm of 10%.
- Lending to micro enterprises was 56.44% of total lending to MSE sector during the first quarter of current fiscal, which is lower than the Norm of 60%.

- NPA under MSME sectors increased by Rs 768 crore y-o-y and stood at Rs 4,426 crore during June-18 quarter.

#### REMOVAL OF CREDIT CAPS ON MSME (SERVICES) UNDER PRIORITY SECTOR

In view of the increasing importance of the service sectors and to encourage Banks to lend more to these sectors, the Reserve Bank of India has removed the per borrower loan limits to MSME (Services) for classification under priority sector lending. So far, loans to Micro, Small and Medium Enterprises (Services) upto Rs 5 crore and Rs 10 crore, respectively were classified as priority sector lending. Accordingly, all bank loans to MSMEs will now "qualify under priority sector without any credit cap."

**The agenda is put up for discussion.**

## AGENDA NO-14

### EDUCATION LOANS

#### STATUS IN MADHYA PRADESH AS ON JUNE 30, 2018

Data as on June 2018 show that total education loan outstanding stood at Rs 2,455 crore, against Rs 2,261 crore in previous year of same period, showing a growth of 8.58% y-o-y. Education loans under the priority sector

lending accounts for 78 per cent of education loan lending portfolio as on June 2018. In contrast, on account of higher ticket size of loans, it was around 22 percent of the portfolio.

Sector	June-2017		June-2018		Y-o-Y variation		% variation	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
Priority sector	78,448	1,880	77,122	1,910	-1,326	30	-1.69	1.59
Non-priority sector	4,313	382	4,691	545	378	164	8.76	42.93
<b>Total</b>	<b>82,761</b>	<b>2,261</b>	<b>81,813</b>	<b>2,455</b>	<b>-948</b>	<b>194</b>	<b>-1.15</b>	<b>8.56</b>
<b>NPA</b>	<b>7,873</b>	<b>188</b>	<b>8,316</b>	<b>169</b>	<b>443</b>	<b>-20</b>	<b>5.63</b>	<b>-10.41</b>
NPA %	9.51	8.33	10.16	6.88	0.65	-1	0.65	-1.46

Average ticket size of education loans up to Rs. 10 lakh was Rs. 2.48 and it was Rs. 11.63 lakh for the loans above Rs 10 lakh as on June 30, 2018. Banks face 6.88% default on this portfolio – that is Rs. 169 crore as on June 30,

2018 as against Rs. 188 crore during previous year. Reduction is due to recovery of loans and settlement of accounts under One Time Settlement scheme.

#### AGENCY WISE GROWTH UNDER EDUCATION LOANS

### Chart showing agency wise outstanding

Amount in crore

	PSBs	PVTs	RRBs	Coop.
2017	2,118	57	83	3
2018	2,280	86	86	3

Out of total exposure of all the banks to education loans, contribution of Private sector banks is negligible and held the share of only 3.54%. Public Sector Banks have a share of 92.86%.

#### HIGHER EDUCATION LOANS TARGET VIS-À-VIS ACHIEVEMENT Q-1 OF FY 2018-19

Directorate of Institutional Finance, Govt. of Madhya Pradesh allocated a target of 10,000 cases of Rs. 200 crore for providing higher education loans by bank during current fiscal. As on June 30, 2018, banks sanctioned 6,727 number of cases of Rs. 336 crore. Out of which, Rs. 149 crore was disbursed in 5,345 accounts with achievement index of 67.27% (Number).

Bank wise progress is given in Table no-18

## HIGHER EDUCATION LOAN SETTLEMENT SCHEME & CGFSEL

The State government had brought “**Higher Education Loan Settlement Scheme**” (circular no. 2286/2522/2015/E4 Ministry of Finance, Government of M.P.) on 14.09.2015, to provide relief to the family of the student in case of demise/permanent disability of the students, who had taken the education loan. Under this scheme, in case of demise/permanent disability of the student, loan amount would be adjusted through insurance claim (if any) and remaining amount will be adjusted by the contribution of the state government and the bank in the ratio 50:50.

Later, the Government of India has set up a higher education credit guarantee fund that will guard against default of education loans. The Credit Guarantee Fund Scheme for Education Loans (CGFSEL) was launched by the Government of India in 16.09.2015. All Educational Loans upto Rs.7.50 lacs sanction conforming to the guidelines of “IBA Model Education Loan Scheme for pursuing studies in India and Abroad” are eligible for coverage under CGFSEL by National Credit Guarantee Trustee Company (NCGTC)

The fund will guarantee 75% of the amount in default. To avail the coverage, the Member Lending Institution (MLIs) shall sign a MoU with National Credit Guarantee Trustee Company (NCGTC) and shall pay an annual guarantee fee (AGF) of 0.5% of the outstanding amount. All subsequent AGFs will be calculated on the basis of the outstanding loan amount at the beginning of the financial year

and to be paid within 30 days. As, CGFSEL is now operational and the MLIs have signed MoU on various dates or will sign MoU with NCGTC in future on various dates, the State Government proposes the following.

1. The benefits under the scheme of Higher Education Loan Settlement Scheme of state government will not be available to education loan accounts already covered under CGFSEL by NCGTC and education loan accounts that will be covered by MLIs under CGFSEL by NCGTC.
2. Students availing education loan should be persuaded to insure under Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana as annual premium of these scheme are lower and this will not create any additional financial burden on the students/guardians.

**This agenda is placed for information**



## MEMBER LENDING INSTITUTIONS (MLIs) REGISTERED UNDER CGFEL

Sr. No.	Name of the MLIs registered	MLI Type	Registration Date
1.	Allahabad Bank	Public Sector	31-Dec-15
2.	Andhra Bank	Public Sector	25-Apr-16
3.	Bank of Baroda	Public Sector	1-Mar-16
4.	Bank of India	Public Sector	16-Feb-16
5.	Bank of Maharashtra	Public Sector	18-Apr-16
6.	Canara Bank	Public Sector	29-Jan-16
7.	Central Bank of India	Public Sector	30-Aug-16
8.	City Union Bank	Private Sector	31-Dec-15
9.	Corporation Bank	Public Sector	17-Mar-16
10.	Dena Bank	Public Sector	18-Mar-16
11.	Dhanlaxmi Bank	Private Sector	22-Jun-16
12.	IDBI Bank Ltd.	Public Sector	5-Feb-16
13.	Indian Bank	Public Sector	31-Dec-15
14.	Indian Overseas Bank	Public Sector	5-Mar-17
15.	Jammu & Kashmir	Private Sector	9-Mar-16
16.	Karnataka Bank Ltd.	Private Sector	6-Feb-16
17.	Karur Vysya Bank	Private Sector	27-Oct-17
18.	Laxmi Vilas Bank	Private Sector	19-Oct-16
19.	Oriental Bank of Commerce	Public Sector	31-Dec-15
20.	Punjab & Sind Bank	Public Sector	18-Jan-16
21.	Punjab National Bank	Public Sector	14-Mar-16
22.	South Indian Bank	Private Sector	22-Sep-16
23.	State Bank of India	Public Sector	31-Dec-15
24.	Syndicate Bank	Public Sector	10-Feb-16
25.	Tamilnad Mercantile Bank Ltd.	Private Sector	31-Dec-15
26.	UCO Bank	Public Sector	12-Apr-16
27.	Union Bank of India	Public Sector	6-Mar-16
28.	United Bank of India	Public Sector	29-Jan-16
29.	Vijaya Bank	Public Sector	31-Dec-15

Note:- Two SBI Associates and BMB, which are registered under CGFEL, has been merged with State bank of India.

## AGENDA NO-15

### GOVERNMENT SPONSORED SCHEMES



As on 04.08.2018

Number of beneficiaries

<b>Mukhya Mantri Yuva Udyami Yojana (MMYUY)</b>			
Year	Target	Achievement	Achievement %
2014-15	1,000	995	100
2015-16	1,500	1,510	101
2016-17	2,000	2,030	102
2017-18	1,750	1,650	94
<b>2018-19 up to 04.08.18</b>	<b>1,376</b>	<b>375</b>	<b>27</b>
<b>Mukhya Mantri Swarozgar Yojana (MMSY)</b>			
Year	Target	Achievement	Achievement %
2014-15	31,600	32,611	103
2015-16	54,000	54,318	101
2016-17	68,000	68,386	101
2017-18	74,400	73,467	99
<b>2018-19 up to 04.08.18</b>	<b>62,100</b>	<b>37,657</b>	<b>61</b>
<b>Mukhya Mantri Arthik Kalyan Yojana (MMAKY)</b>			
Year	Target	Achievement	Achievement %
2014-15	20,700	17,953	87
2015-16	16,000	17,848	112
2016-17	30,000	31,079	104
2017-18	36,100	35,477	98
<b>2018-19 up to 04.08.18</b>	<b>35,700</b>	<b>21,140</b>	<b>59</b>
<b>Total (all 3 Self Employment Schemes)</b>			
Year	Target	Achievement	Achievement %
2014-15	53,300	51,559	97
2015-16	71,500	73,676	103
2016-17	1,00,000	1,01,495	102
2017-18	1,12,250	1,10,594	99
<b>2018-19 up to 04.08.18</b>	<b>99,176</b>	<b>59,172</b>	<b>60</b>
<b>Mukhya Mantri Krishak Udyami Yojana</b>			
<b>2018-19 up to 04.08.18</b>	<b>31,300</b>	<b>292</b>	<b>1</b>

- Banks are requested to sanction all the cases of CM Self Employment Generation Schemes by 30<sup>th</sup> October 2018.

**PRADHAN MANTRI EMPLOYMENT GENERATION PROGRAMME (PMEGP)  
Q-1 , FY 2018-19**

Agency	Target		Sanctioned		Disbursed		Achievement % (Sanctioned M.M.)	
	No.	Margin Money	No.	Margin Money	No.	Margin Money	(Sanctioned M.M.)	(Disbursed M.M.)
KVIC	1,409	35.23	155	6.96	45	2.06	19.76	5.85
KVIB	1,409	35.23	237	8.46	116	4.94	24.01	14.02
DIC	1,963	49.08	741	25.33	311	12.55	51.61	25.57
<b>Total</b>	<b>4,781</b>	<b>119.54</b>	<b>1133</b>	<b>40.75</b>	<b>472</b>	<b>19.55</b>	<b>34.09</b>	<b>16.35</b>

**NATIONAL RURAL LIVELIHOOD MISSION (NRLM) Q-1 FY 2018-19**

Particulars	Number	Amt.
Target (Fresh & Renewable)	1,00,730.00	1410.00
Cases submitted	16,577.00	262.00
Sanctioned	10,150.00	161.00
Disbursed	9,183.00	133.00
Achievement% (Sanctioned over submission)	61.23	61.45
Achievement% (Disbursed over submission)	55.40	50.76

**PRADHAN MANTRI MUDRA YOJANA (PMMY) Q-1 FY 2018-19**

Number in actuals & Amount in crores									
Sr	State	Shishu		Kishore		Tarun		Total	
		No.	Disb.	No.	Disb.	No.	Disb.	No.	Disb.
1	Tamil Nadu	9,05,645	2,611	67,776	995	12,052	700	9,85,473	4,306
2	Karnataka	8,41,922	2,045	81,378	1,205	10,777	661	9,34,077	3,912
3	Maharashtra	6,81,924	1,748	54,910	983	11,481	801	7,48,315	3,532
4	Odisha	6,89,622	1,655	30,551	484	4,408	307	7,24,581	2,446
7	Uttar Pradesh	5,62,831	1,385	49,408	989	13,137	936	6,25,376	3,311
<b>8</b>	<b>Madhya Pra.</b>	<b>4,83,362</b>	<b>1,281</b>	<b>25,832</b>	<b>493</b>	<b>6,933</b>	<b>460</b>	<b>5,16,127</b>	<b>2,234</b>
9	Rajasthan	3,39,448	821	28,660	587	9,035	691	3,77,143	2,100
10	Jharkhand	2,39,129	577	11,926	241	2,687	197	2,53,742	1,015
12	Gujarat	2,13,010	645	25,828	473	6,267	417	2,45,105	1,535
13	Punjab	1,42,621	360	22,287	372	6,103	450	1,71,011	1,181
14	Haryana	1,46,797	390	16,935	310	4,661	347	1,68,393	1,046
15	Chhattisgarh	1,30,501	318	10,531	158	2,436	172	1,43,468	648
16	Andhra Pr.	50,194	162	63,808	1,205	6,077	428	1,20,079	1,794
19	Telangana	15,596	48	25,002	524	3,365	239	43,963	811
	<b>All India</b>	<b>75,09,560</b>	<b>18,947</b>	<b>6,92,007</b>	<b>12,249</b>	<b>131828</b>	<b>9,156</b>	<b>83,33,395</b>	<b>40,352</b>

Bank wise list is given in Table no.27

Out of total number at all India level, the share of Madhya Pradesh is 6.19% in numbers, which is in line with the share of population of state i.e. 5.77% approximately.

### STANDUP INDIA SCHEME Q-1 FY 2018-19

Amount in crore

Sr.	District	Female		Male		Total	
		Number	Amt.	Number	Amt.	Number	Amt.
1	Barwani			1	21.25	1	21.25
2	Bhopal	7	94.75			7	94.75
3	Chhatarpur	1	20.00			1	20.00
4	Dewas	1	80.00			1	80.00
5	Dhar	1	25.00	1	28.50	2	53.50
6	Gwalior	2	92.00			2	92.00
7	Indore	11	214.15	1	48.15	12	262.30
8	Jabalpur	1	15.00			1	15.00
9	Katni	1	18.00			1	18.00
10	Mandsaur	1	63.00			1	63.00
11	Raisen	1	40.00			1	40.00
12	Ratlam	1	40.00			1	40.00
13	Rewa	1	16.33			1	16.33
14	Seoni			1	14.48	1	14.48
15	Shahdol	2	70.13			2	70.13
16	Sidhi	1	18.75			1	18.75
17	Singrauli	1	18.50			1	18.50
18	Ujjain	2	63.75			2	63.75
	<b>TOTAL</b>	<b>35</b>	<b>889.36</b>	<b>4</b>	<b>112.38</b>	<b>39</b>	<b>1001.74</b>

### PRADHAN MANTRI AWAS YOJANA-URBAN-CREDIT LINKED SUBSIDY RELEASE STATUS

Amount in crore

Particulars	No. of cases disbursed up to 30.06.2018	Loan Amt. sanctioned	Subsidy released
No. of cases for (Banks & HFCs)	11,515	1,246	2,306

*Financial institution wise status is shown in Table no.29*

### DAIRY ENTREPRENEURSHIP DEVELOPMENT SCHEME- SUBSIDY RELEASED STATUS

Amount in crore

Sr.	Component	Total	
		No.	Amt.
1	Establishment of small dairy units	2,800	26.80
2	Vermi compost with milch animal unit	1	0
3	Purchase of milking machines	1	0.05
4	Establishment of dairy product transportation facilities and cold chain	1	0.03
5	Cold storage facilities for milk and milk products	2	0.09
	<b>Total</b>	<b>2,805</b>	<b>26.96</b>

## ACHARYA VIDYA SAGAR GAU SAMVARDHAN YOJANA- SUBSIDY RELEASED STATUS

Amount in crore

Sr.	Year	Number of accounts	Amount of subsidy released
1	2017-18	2,287	29.88
2	2018-19 up to 30.06.2018	1,276	14.71
	<b>Total</b>	<b>3,563</b>	<b>44.59</b>

### MUKHYA MANTRI YUVA MANDI UDYAMI YOJANA-PROPOSED SCHEME

M.P State Agricultural Marketing (Mandi) Board has introduced a new scheme “Mukhya Mantri Yuva Mandi Udyami Yojana”. A brief details are as given below:

- Purpose- With the view to facilitate the farmers to sale of their agricultural produce locally.
- Loan amount- Rs 20 lakh (Maximum)
- Loan period- 5 years
- Applicant's age- 21-35 years
- Applicant's qualification- Graduate
- Interest subsidy- up to 7% on various categories
- Applicant's selection- By a board constituted by Mandi Board

Detailed guidelines are enclosed. House is requested to deliberate & adopt the scheme.

### BANKS UNDER PCA- SANCTIONING THE PROPOSAL UNDER GOVERNMENT SPONSORED SCHEMES

It is informed that banks under Prompt Corrective Action (PCA) are not sanctioning the cases of government sponsored schemes. The matter is placed for discussion.

### PRODUCT CODE FOR MUKHYA MANTRI KRISHAK UDYAMI YOJANA

Mukhya Mantri Krishak udyami Yojana has been launched by the State government for farmer's son/daughter to establish agriculture based/allied a new manufacturing and service unit e.g. agro processing, food processing, milk processing, cold storage, cattle feed etc. Keeping a view for better monitoring and implementation, there is a need to have a separate product code for this scheme in the core banking system of all banks operating in the state.

Banks are requested to create a separate product code for this scheme.

### SWAROJGAR SAMMELAN ON 4<sup>TH</sup> AUGUST 2018

In conformity with the instructions of the Hon'ble Chief Minister of the State during last SLBC meeting held on 30.05.2018, “Swarojgar Sammelans” were organised on 4<sup>th</sup> August 2018 across the state with the objective to spread information about various government sponsored programmes and share the success stories, so that beneficiaries can get some takeaways for further improvement of their business activity. More than 50,000 cases were sanctioned/disbursed during the day at various locations in the districts.

## SOME ISSUES WITH RESPECT TO GOVERNMENT SPONSORED SCHEMES

**Turn Around Time (TAT) for disposal of loan proposals**—Some banks are having centralised loan processing cell. Of late, it has been observed that there is delay in disposal of the credit proposals by some bank branches citing reason of centralised system. However, this is an internal mechanism of respective banks. However, they are supposed to follow the laid down procedure and time norms for

processing and disposal of the proposals as contained in the Fair Practices Code formulated by BCSBI (Banking Code and Standard Board of India). Bank Branch Managers should either sanction the proposal or reject on merit basis within the stipulated time norm of BCSBI as mentioned below, but not to keep pending under any condition.

Sr.	Loan Amount	Time norms for disposal of credit proposals and credit refusal
1	All loan applications up to Rs. 5 lacs	Within 2 weeks of receipt of application complete in all respect.
2	Loans above Rs. 5 lacs and up to Rs.25 lacs	Within 3 weeks of receipt of application complete in all respect.
3	Loans above Rs.25 lacs	Within 6 weeks of receipt of application complete in all respect.

In case of rejection of proposals relating to Educational Loans & proposals of SC/ST applicants, the matter should be referred to the next Higher Authority.

it has been observed that many banks are not claiming the margin money/interest subsidy timely. All Banks are requested to advise concerned branches to utilise the portal properly.

**Claiming margin money/interest subsidy in time-** One of the implementing agencies of CM Self Employment schemes i.e. MSME has developed an online portal for processing the loan applications including margin money subsidy. All banks are supposed to claim margin money subsidy through this portal. But,

**Login to MP-Online portal-** Banks are supposed to enter the status of proposal into the MPOnline portal. However, report as of 16<sup>th</sup> August 2018 shows that 1,098 branches in 28 banks are not yet logged in to the portal. Details are as under:

			Number		
Bank Name	Total branches	Branches not yet logged in	Bank Name	Total branches	Branches not yet logged in
ICICI Bank	238	204	Federal Bank	10	8
State Bank of India	1,048	197	Bank of Maharashtra	144	6
Madhyanchal Gramin Bank	450	178	Oriental Bank of Comm.	77	6
CMPGB	450	140	Andhra Bank	45	5
Axis Bank	137	93	Bank of Baroda	193	5
Uco Bank	168	46	Punjab and Sind Bank	40	5
Yes Bank	56	41	Indian Bank	35	4
Central Bank of India	480	35	Indian Overseas Bank	60	4
IDBI Bank	103	27	Karnataka Bank	7	3
Union Bank of India	292	24	United Bank of India	15	3
Punjab National Bank	285	15	TMB	3	2
Canara Bank	221	13	Corporation Bank	64	1
NJGB	392	12	J&K Bank	2	1
Allahabad Bank	205	11	<b>Total</b>	<b>5,332</b>	<b>1,098</b>
Syndicate Bank	112	9			

**The matter is put up for discussion.**



## AGENDA NO-16

### RECONSTITUTION OF THE SUB COMMITTEES OF SLBC

Sub-committees of State Level Bankers' Committee play vital role in successful implementation of various schemes thereby thrusting upon to focus on "enablers" and "impeders" in banking development. It is expected that the Convenor bank of the sub-committee will collect/compile relevant latest data from banks, districts, government departments & other agencies and prepare comprehensive agenda note for the meeting.

Considering upon the present scenario of the banking sector, 9 sub-committees of SLBC were constituted in the year 2012 as under:

1. Agriculture, Convenor Bank-State Bank of India
2. Recovery, Convenor Bank-State Bank of India
3. SHGs, Convenor Bank-Allahabad Bank
4. Improving CD ratio, Convenor Bank-Union Bank of India
5. Industry, Convenor Bank-Punjab National Bank
6. MSME & RSETI, Convenor Bank-Bank of India
7. Education loan, Convenor Bank-Canara Bank
8. Housing, Convenor Bank-Central Bank of India
9. Scheduled Tribes- Convenor Bank-Central Bank of India

The Reserve Bank of India on 6<sup>th</sup> April 2018 came up with the "Revamp of Lead Bank Scheme". As per the revised guidelines, State Level Bankers' Committee meetings will primarily focus on policy issues. All routine issues should be delegated to sub-committee(s) of the SLBC to deliberate on detailed agenda. Further, area of model agenda has been revised and includes more market/business intelligence etc. **In view of the above, there is a need to reconstitute the subcommittees. The proposed structure is as mentioned below:**

#### 1. STEERING SUB-COMMITTEE

**Convenor Bank-** Central Bank of India

**Purpose-** to deliberate on agenda proposals from different stakeholders and finalise a compact agenda for the SLBC meetings.

**Chairman-** Commissioner, Institutional Finance, Govt. of M.P.

##### Members-

- a) Chief General Manager, NABARD
- b) General Manager (FIDD), Reserve Bank of India
- c) Convenor, SLBC
- d) General Manager, State Bank of India
- e) General Manager, Punjab National Bank
- f) Zonal Head, HDFC Bank

#### 2. SUB-COMMITTEE ON MSME & GOVERNMENT SPONSORED SCHEMES

**Convenor Bank-** Punjab National Bank

**Purpose-** to discuss on the issues on MSME and government sponsored programmes. Discussion on policy initiatives of the Central/State Government/RBI (Industrial Policy, MSME Policy, Start-Up Policy, etc.), and expected involvement of banks.

**Chairman-** Principal Secretary, MSME/Industry, Govt. of M.P.

##### Members-

- a) All Implementing agencies of government sponsored schemes of the State Government
- b) Additional/Joint Director, DIF, Govt. of M.P.

- c) General Manager (FIDD), Reserve Bank of India
- d) Zonal Head, All Lead Banks
- e) Chairman, All RRBs
- f) Zonal Head, HDFC Bank
- g) Zonal Head Axis Bank
- h) Zonal Head ICICI Bank

### 3. SUB-COMMITTEE ON EDUCATION LOANS AND SKILL DEVELOPMENT

**Convenor Bank-** Canara Bank

**Purpose-** Education loans related issues and efforts towards skill development on mission mode partnering with Kaushal Vikas Kendra, National Skill Development Corporation etc. including a review of functioning of RSETIs

**Chairman-** Commissioner, DIF, Govt. of M.P.

**Members-**

- a) All Implementing agencies of government sponsored schemes of the State Government
- b) General Manager (FIDD), Reserve Bank of India
- c) Zonal Head, All Lead Banks
- d) Chairman, All RRBs
- e) Zonal Head, HDFC Bank
- f) Zonal Head Axis Bank
- g) Zonal Head ICICI Bank

### 4. SUB-COMMITTEE ON FINANCIAL INCLUSION

**Convenor Bank-** Central Bank of India

**Purpose-** To discuss the Financial Inclusion related issues, as financial inclusion is on the prime agenda of the Government.

**Chairman-** Commissioner, Institutional Finance, Govt. of M.P.

**Members-**

- a) All Implementing agencies of government sponsored

schemes of the State Government

- b) General Manager (FIDD), Reserve Bank of India
- c) Zonal Head, All Lead Banks
- d) Chairman, All RRBs
- e) Zonal Head, HDFC Bank
- f) Zonal Head Axis Bank
- g) Zonal Head ICICI Bank

### 5. SUB-COMMITTEE ON DIGITAL TRANSACTIONS

**Convenor Bank-** Bank of India

**Purpose-** Progress in increasing digital modes of payment in the State, provision of continuous connectivity with sufficient bandwidth, resolving connectivity issues/ connectivity options (Bharat Net, VSAT, etc.), installation of ATMs and PoS machines and status of implementation of e-receipts and e-payments in the State

**Chairman- Commissioner, Institutional Finance, Govt. of M.P.**

**Members-**

- a) All Implementing agencies of government sponsored schemes of the State Government
- b) General Manager (FIDD), Reserve Bank of India
- c) Zonal Head, All Lead Banks
- d) Zonal Head, HDFC Bank
- e) Zonal Head Axis Bank
- f) Zonal Head ICICI Bank
- g) BSNL

**THE FOLLOWING SUB-COMMITTEES  
ARE PROPOSED TO KEEP IN THE  
EXISTING STRUCTURE.**

**6. SUB COMMITTEE ON SELF  
HELP GROUPS**

Convenor Bank-Allahabad Bank

**7. SUBCOMMITTEE ON  
AGRICULTURE**

Convenor Bank-State Bank of India

**8. SUBCOMMITTEE ON  
RECOVERY**

Convenor Bank-State Bank of India

**9. IMPROVING CREDIT DEPOSIT  
RATIO**

Convenor Bank-Union Bank of India

**10. SUBCOMMITTEE ON HOUSING**

Convenor Bank-Central Bank of India

In view of discontinuation of CMRHM scheme and importance of PMAY-Urban scheme, the chairman of the sub-committee may be changed from ACS-P&RD to Secretary, Urban Administration & Development Deptt. Govt. of M.P.

**DISSOLUTION OF THE SUB  
COMMITTEES**

It is proposed to dissolve the following subcommittees.

**(i) MSME & RSETI, Convenor Bank-  
Bank of India**

The MSME subcommittee was formed to discuss the matter on MSMEs and RSETIs under chairmanship of the Principal Secretary, KVIB, Govt. of M.P. New MSME department has been established in the state after 2012. PNB is already holding meetings on MSME related issues.

**(ii) Industry-Punjab National Bank**

Industry subcommittee was formed to discuss the matter on big industry under chairmanship of the Principal Secretary-Industry. PNB is already holding meetings on MSME related issues.

**(iii) Scheduled Tribes-Central Bank of  
India**

The subcommittee on Scheduled Tribes was formed to discuss the matter on financing to ST category under chairmanship of the Commissioner, ST Welfare, Govt. of M.P. ST finance related issues and data is now a regular part of SLBC meeting.

**The matter is presented for discussion.**

## AGENDA NO-17

### CREATION OF BANK'S CHARGE ON THE LAND RECORDS ELECTRONICALLY- COMMENCING THE PROJECT

The Commissioner, Land Records (CLR), Government of Madhya Pradesh chaired a meeting on 24<sup>th</sup> July 2018 with the representative of some major banks to commence the project "creation of Bank's charge on land records electronically". The major discussion points are as given below:

1. **Bank User Creation:** CLR Admin will create 2 Bank Admin one being Verifier and other being Approver for creation of Bank Branch user. Bank Branch Manager who wishes to apply for mortgage in land records will apply as user to be verified and approved by Bank Admin.

2. **Branch Manager's Mortgage Application:** Authorized Bank Branch Manager shall login to <https://mpbhulekh.gov.in> portal.

- 2.1 He will select the Survey number for mortgage application. All the survey numbers of that particular Khata with basic information Khasra Area, Owner name, address etc shall be displayed.
- 2.2 If land has existing mortgage it shall also be displayed.
- 2.3 Land Owner shall be Aadhaar verified. If it multiple owners at least one owner shall be Aadhaar verified provided bank has collected signed authorisation from other owners to mortgage.
- 2.4 Branch manager will select one or many Khasra of the Khata to apply mortgage.
- 2.5 Branch Manager will enter loan account number, loan amount, loan sanction date in the respective field.
- 2.6 A suggestion to add purpose of loan i.e crop loan, tractor loan, pump set loan, fertilizer loan house loan etc. shall be added. Bank shall provide the list of purpose as master.
- 2.7 System generated Aadhaar authorisation consent, consent to

mortgage will be generated which branch manager shall print. SLBC shall provide a common consent text to incorporate in the system generated form.

- 2.8 Consent will be signed by land owner and counter signed by branch manager, scanned and uploaded in the WebGIS application. Signed copy shall be retained by bank.
- 2.9 Branch Manager shall submit the mortgage application. Before submitting the requisite fee shall be deducted from bank's top up (wallet with WebGIS system) or payment can be made through payment gateway.
- 2.10 Before submitting the application Bank Branch Manager shall give his Aadhaar based authentication.
- 2.11 Bank Manager can submit one application at a time or select many applications and submit them in bulk after Aadhaar authentication.
- 2.12 After submitting application a remark in Khasra a Remark "Land Mortgage application has been made by XXXXXX Bank is pending for approval" shall appear in the remark of Khasra.
- 2.13 Mortgage will move to respective Patwari's bucket in WebGIS application

### 3. **Patwari's Verification:** Respective

Patwari in who's jurisdiction Khasra fall will open the mortgage application.

- 3.1 Patwari as per his knowledge shall put his recommendation for approval, and shall forward the application to Tehsildar for approval.
- 3.2 If Patwari has objection to mortgage he will put suitable remark as reason of objection and forward to Tehsildar.
- 3.3 If Patwari does not take any action within 3 working days the application

- will automatically move to Tehsildar's bucket for approval.
- 3.4 An e-mail and SMS notification shall be sent to Bank Branch manager about the Patwar's action.
4. **Tehsildar's Approval:** Respective Tehsildar in whose jurisdiction Khasra fall will open the mortgage application.
- 4.1 Tehsildar shall approve the mortgage. If he finds a discrepancy he may reject the application with assigning the reason.
- 4.2 If Tehsildar does not take any action within 4 working days the mortgage application will automatically be approved.
- 4.3 An e-mail and SMS notification shall be sent to Bank Branch manager about the Tehsildar's action.
5. **Land Mortgage Removal:** Same above steps shall be followed for removal of mortgage as for application of mortgage. That means Bank Branch shall apply, Patwari will verify and Tehsildar will approve the removal of mortgage.
6. **Mortgage Removal:** Two options for removal of mortgage will be available
- 6.1 *Option 1* : Application for removal of mortgage can be submitted online using e-KYC by both the bank and the bhumiswami. Subsequent to submission of the process for removal of mortgage will be similar to that for the creation of mortgage and the application decided.
- 6.2 *Option 2* : Bhumiswami can apply for removal of mortgage separately. In such a case, the following process will be adopted.
- Patwari/Tehsildar will receive affidavit for removal of mortgage by landowner. Patwari will submit his report and recommendation for removal of mortgage.
  - Application shall move to Tehsildar's bucket. A Revenue case shall automatically be registered in "Revenue Case Management System (RCMS)".
  - Notice to the interested parties including bank shall be issued from tehildar's court.
  - After hearing claims and objection of all the parties case will be decided by Tehsildar.
7. **Data to be recorded in the Land Records:** Information of the charge of mortgage will be made available in the public domain. However, details of the mortgage such as purpose, loan amount sanctioned etc will not be available in the public domain. This will however be captured and provided in the bank login, since this information is useful for decisions on extending additional credit to the bhumiswami on a land on which a charge of mortgage already exists. This can be implemented going forward and not on already recorded mortgages.
8. **Online submission of Form P-5:** Banks requested facility for online submission of Form P-5. It was agreed that if the signed P-5 form after self-attestation is scanned and uploaded by the bank official, it will be accepted. CLR stated that the use of e-sign for enabling submission of digitally signed documents shall be made available as soon as possible.
9. **Use of aadhaar related information:** The banks will comply with the provisions of the Aadhaar Act and guidelines issued by UIDAI while dealing with the aadhaar related information.
10. **User Fee:** No separate user fee is being charged for the services. However, it is understood that banks require certified copies of 'land records before sanction of loan and after sanction and record of mortgage in the land records. These copies are currently obtained by either the bank official or the bhumiswami visiting the tehsil office. Provision for download of certified copies of land records on payment of fees will be made available along with this module to increase ease of obtaining service by the loanee and the lender (banks). The banks stated that this facility will be useful and reduce the efforts taken by banks to obtain the information.

10.1 Following versions of the Certified Khasra copies shall be made available to Bank Branch.

- Certified and digitally signed Khasra copy before application of mortgage application.
- Certified and digitally signed Khasra copy after mortgage application with remark “Land Mortgage application has been made by XXXXXX Bank is pending for approval”.
- Certified and digitally signed Khasra copy after mortgage application with remark “Land has been mortgaged by XXXXX Bank on date XX/XX/XXXX for purpose of XXXXXXXX”.
- Banks shall pay the fee at the time of submitting application and shall be able to download the certified copies of the documents from the portal.
- User fee for the above 3 certified copies shall be as per the rates notified by of the CLR/Revenue Department, Government of Madhya Pradesh.

11. **Wallet System for online purchase of certified copies:** The banks agreed to the top up/wallet system proposed by CLR. The banks requested that the wallet should be maintained at the level of the individual units applying for mortgage.

## 12. Facility Roll out

12.1 **Pilot Run:** Central Bank of India, HDFC, State Bank of India and Bank of Baroda Bank shall select one branch each in Jabalpur, Indore, Shivpuri and Hosangabad districts

respectively to run pilot for 2 weeks, starting from 1<sup>st</sup> August. Lessons learnt and best practices shall be incorporated in the Application Module.

12.2 **Training:** After pilot run district-wise training shall be conducted for Bank Branch managers for the mortgage module. Training shall be done in the premises (with computer labs) provided by banks. Trainers and training material (in electronic form) shall be provided by WebGIS team.

12.3 **Full rollout:** As soon as training is complete in district final roll-out in that district will be done. A training and rollout calendar shall be prepared jointly by Banks and CLR team after completion of pilot run.

## **PRESENT STATUS AS ON 10<sup>TH</sup> SEPTEMBER 2018**

The pilot project for creation of Bank's charge on the land records electronically will be commencing shortly in districts Shivpuri, Gwalior, Jabalpur, Hoshangabad & Indore. To put this module in usage, Branch Managers of these districts are being trained. Once the training will be completed, final roll out will be made in these districts.

Lessons learnt and best practices shall be incorporated in the application module and will be implemented in remaining districts.

**The matter is presented for discussion.**



## AGENDA NO-18

### CREDIT DEPOSIT RATIO AS ON JUNE 30, 2018

Amount in crore

SR.	IMPORTANT INDICATORS	June-17	June-18	Y-o-Y variation	Y-o-Y variation %
	<b>ALL BANKS</b>				
<b>1</b>	<b>(i) Aggregate Deposits</b>	<b>3,40,488</b>	<b>3,68,859</b>	<b>28,371</b>	<b>8.33</b>
	• Rural	46,124	52,959	6,835	14.82
	• Semi Urban	99,880	93,606	-6,275	-6.28
	• Urban	1,94,484	2,22,295	27,811	14.30
	<b>(ii) Bank Credit</b>	<b>2,37,792</b>	<b>2,73,313</b>	<b>35,520</b>	<b>14.94</b>
	• Rural	38,952	50,393	11,441	29.37
	• Semi Urban	70,821	65,639	-5,182	-7.32
	• Urban	1,28,020	1,57,281	29,261	22.86
<b>2</b>	<b>COMMERCIAL BANKS</b>				
	• Aggregate Deposits	3,00,227	3,23,370	23,143	7.71
	• Bank Credit	2,03,227	2,27,962	24,735	12.17
<b>3</b>	<b>REGIONAL RURAL BANKS</b>				
	• Aggregate Deposits	19,016	20,249	1,233	6.48
	• Bank Credit	11,155	11,682	527	4.72
<b>4</b>	<b>COOPERATIVE BANKS</b>				
	• Aggregate Deposits	21,244	23,968	2,724	12.82
	• Bank Credit	23,411	30,779	7,368	31.47
<b>5</b>	<b>Credit Deposit Ratio (Percent)</b>				
	• Commercial Banks	<b>67.69</b>	<b>70.50</b>	<b>2.80</b>	<b>2.80</b>
	• Regional Rural Banks	58.66	57.69	-0.97	-0.97
	• Cooperative Banks	110.20	128.42	18.22	18.22
	• All Banks	<b>69.84</b>	<b>74.10</b>	<b>4.26</b>	<b>4.26</b>
	• All Banks as per credit place of utilisation	72.08	76.16	4.08	4.08

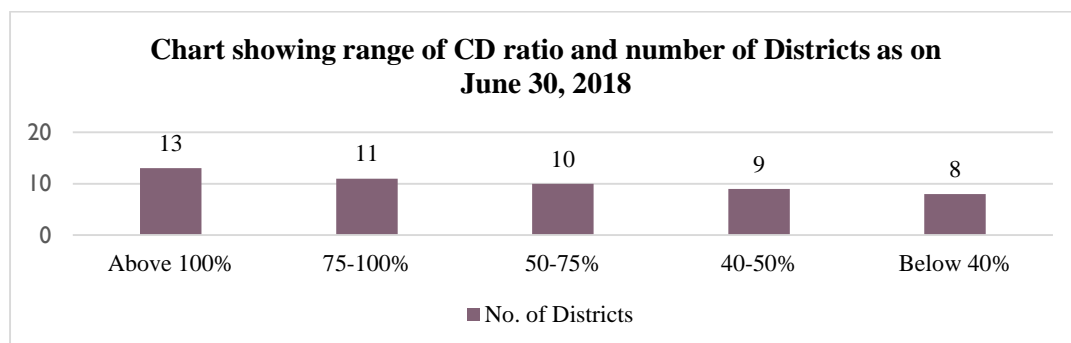
Bank wise deposits, advances & CD Ratio is shown in Table no. 3(i)

- Aggregate deposits moderated for the first quarter of current fiscal. Year-on-year (y-o-y) basis, aggregate deposits grew at the rate of 8.33% and bank credit grew at the rate of 14.94% (y-o-y).
- Bank credit growth in rural and urban centres recorded double-digit growth (y-o-y). Credit growth in rural centres was maximum followed by urban centres. Semi urban centres recorded negative growth y-o-y.
- The pick-up in credit growth helped in improving the banking system's credit-

deposit (C-D) ratio to 74.10% at end-June 2018 from 69.84% a year ago.

- CD ratio of Commercial Banks improved from 67.69% in June 2017 to 70.50% in the current quarter.
- Including the credit, which has been financed from outside the state but it is being utilized in the state, the CD ratio comes to 76.16% during June 2018. An amount of Rs 7,626 crore credit is being utilized in the state.
- Branches/ offices in urban/metropolitan centres accounted for nearly 59% banking business followed by semi-urban (25%) and rural (16%) centres.

## DISTRICT WISE CD RATIO



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

- The districts, where C-D ratio was more than 100% as on June 2018 are, Dhar, Narsinghpur, Khargon, Vidisha, Ashok Nagar, Dewas, harda, Sehore, Rajgarh, Raisen, Barwani, Shajapur and Agar Malwa.
- District having C-D ratio between 75-100% are, Hoshangabad, Guna, Bhopal, Burhanpur, Jhabua, Ratlam, Sehopur, Indore, Ujjain, Khandwa and mandsaur.

### DISTRICTS WITH CD RATIO BELOW 40% AS ON 30.06.2018

Amount in crores

Sr.	Districts	Lead Bank	Deposits		Advances		Variation		CD Ratio%*	
			Jun-17	Jun-18	Jun-17	Jun-18	Dep.	Adv.	Jun-17	Jun-18
1	ANUPPUR	CBOI	3,087	3,160	649	720	73	71	21.02	22.78
2	DINDORI	CBOI	1,020	1,118	293	376	98	83	28.73	33.66
3	MANDLA	CBOI	2,521	2,780	907	1,042	259	135	35.98	37.49
4	SHAHNOL	CBOI	3,453	4,141	1,107	1,122	688	15	32.06	27.10
5	SINGRAULI	UBI	6,941	7,329	2,297	2,522	388	225	33.09	34.41
6	TIKAMGARH	SBI	3,128	3,717	1,143	1,303	589	160	36.54	35.06
7	UMARIA	SBI	1,736	2,202	425	485	466	60	24.48	22.04
8	REWA	UBI	9,809	10,299	3,204	3,486	490	282	32.66	33.84

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

- The credit dispensation in certain districts viz. Anuppur, Dindori, Mandla, Shahdol, Singrauli and Umaria in the state has been historically low, as a result of various factors such as lack of necessary infrastructure, varying ability to absorb credit, etc.
- In terms of RBI guidelines, a Special Sub Committee has been formed in respective districts which is supposed to draw up Monitorable Action Plans for improving the CD ratio. As these

districts are generally located in hilly, colliery terrains and the people are dependent solely on the primary sector. In such areas, conventional methods are not likely to work unless the all stake holders come together in especially meaningful way. **There is an urgent need to give a serious thought on this score by the State Government, RBI and other stake holders.**

**This issue is presented for discussion.**

## AGENDA NO-19

### CM HELPLINE COMPLAINT

#### PROPOSED CHANGE IN L1 AND L2 OFFICER

Different modes are available for the general public for making complaints against the Banks. The Chief Minister Helpline complaint redressal mechanism is one of them, wherein the different levels of redressal of complaints have been defined by the State Government. The LDM is made grievance redressal officer at Level-1. If the complaint is not resolved within 7 days, it will be escalated to Level-2 officer i.e. District Collector automatically. There are 4 different levels for redressal.

Of late, it has been reported that the District Coordinators and branches are not supporting LDMs in submission of reply. Due to non-submission of reply by the District Coordinators and branches, large no. of complaints remain pending for closure. As many as 29,074 complaints are pending with various banks as on 12.09.2018.

Further, due to vast network of bank branches and large number of schemes under implementation, the volume of complaints received is huge and the time period allotted to the L-1 officer for redressal is 7 days. As such, major chunk of the LDM's time is being consumed in grievance redressal and in the process, the main focus on coordination and developmental activities in the district gets impaired.

Time and again, this issue has been taken up with appropriate authority. But issue is yet to be

resolved. In order to discuss the above issue a meeting under chairmanship of the Principal Secretary-Finance, Government of Madhya Pradesh was held on 08.08.2018 at Bhopal. It was suggested that

- a) The complaints redressal cell/department at the Zonal/Regional Office may be designated as L-1 Officer of the bank as provided in CPGRAMS Portal of GoI.
- b) Zonal/Regional Office will directly coordinate with concerned branch for redressal of complaint and feed the reply in the portal.
- c) On Scrutiny of the reply, concerned level officer will close the complaint.
- d) Some banks suggested that necessary modifications in the software should be made so that state level officer may assign the complaints to respective Regional heads without manual intervention and referred as L-0.
- e) LDM may be designated as L-2 officer.

District wise status of complaints is given in  
Table no-33

## REDRESSAL OF CM HELP LINE COMPLAINTS PENDING AT L-1 TO L-4 LEVEL

Status as on 12.09.2018

Level	Designation	Lead Bank/DIF	DIF	Total
L-1	LDM	1,171	2,768	3,939
L-2	Collector	784	815	1,599
L-3	Commissioner	1,254	1,555	2,809
L-4	CIF	9,534	11,193	20,727
Total		12,743	16,331	29,074

The Principal Secretary-Finance and Commissioner, Institutional Finance, Govt. of M.P. reviewed bank wise status of pending complaints on 14<sup>th</sup> September 2018. He instructed the banks to continue the current redressal system of CM Helpline complaints till the new system is implemented.

He instructed the concerned department of state government to provide status of pending complaints to the banks in excel format every fortnight along with L1, L2, L3 levels duly segregated age wise.

He expressed concern over not taking part of senior official in the meeting by some banks.

Hon'ble Chief Minister personally monitors these complaints through 'Samadhan On-line'.

Redressal of complaints pertaining to Banks/Banking services will be the focus area during the next 'Samadhan On-line'. Hon'ble Chief Minister will review the progress in the next Samadhan On-line meeting scheduled during 1<sup>st</sup> week of October 2018. Therefore, the PS advised all banks to redress all pending complaints and bring the number of long pending cases to NIL.

The PS advised that Banks can visit CIF with redressed cases for uploading in the portal. This will facilitate in real time data mining.

**The matter is placed for discussion.**

## AGENDA NO-20

### OPENING OF “BANKING OUTLETS” IN VILLAGES HAVING POPULATION 5000 AND ABOVE

In terms of RBI circular FIDD.CO.LBS.BC.No.82/02.01.001/2015-16 dated December 31, 2015, for opening of Banking Outlets in villages having population 5000 and above, all 47 identified centres in the state have been covered by the banks as on 31<sup>st</sup> August 2018. Bank wise details are as given below:

Status as on 31.08.2018

S.No.	Name of District	Name of Scheduled Commercial Bank selected to open brick and mortar branches	Name of Villages covered
1	<b>Bhind</b>	Central Bank of India	Manhad
		Central Bank of India	Goara
		Central Bank of India	Rahawali Ubari
		Syndicate Bank	Sherpur
		Vijaya Bank	Sukand
		Central Bank of India	Jawasa
2	<b>Balaghat</b>	State Bank of India	Bisoni
		State Bank of India	Temni
3	<b>Barwani</b>	Bank of India	Khurmabad
		Bank of India	Dugani
		Bank of India	Solwan
		Narmada Jhabua Gramin Bank	Danodroud
		State Bank of India	Jalkheda
		Bank of India	Jhopali
		Bank of India	Jamati
		State Bank of India	Vilva
		State Bank of India	Khokri
		State Bank of India	Chiklay
4	<b>Bhopal</b>	Bank of Baroda	Kanhasaiya
5	<b>Chhindwara</b>	Yes Bank	Berdi
		State Bank of India	Ekalbihari
6	<b>Dewas</b>	Ratnakar Bank	Bawdikheda
7	<b>Dhar</b>	Axis Bank	Awaldand
		Bank of India	Sejwaya
		State Bank of India	Timayachi
		Bank of India	Gumanpura
8	<b>Khandwa</b>	Bank of India	Khirala
9	<b>Hoshangabad</b>	State Bank of India	Bijanwada
		Indian Bank	Raipur
		State Bank of India	Sangakheda kalan
10	<b>Mandsaur</b>	Punjab National Bank	Khilchipura
		Bank of India	Multanpura
11	<b>Panna</b>	State Bank of India	Itwan Kalan
		State Bank of India	Khora
		Bank of India	Nayagaon
		State Bank of India	Jaswant Pura
12	<b>Satna</b>	State Bank of India	Aber
		ICICI Bank	Bhishampur
		Canara Bank	Kharam Seda
		Allahabad Bank	Deomau Dalal
13	<b>Sehore</b>	Narmada Jhabua Gramin Bank	Bhonra
14	<b>Tikamgarh</b>	State Bank of India	Astaun Khas
		State Bank of India	Bachhoda Khas
		State Bank of India	Chhandawani Khas
		State Bank of India	Muhara Khas
		State Bank of India	Biawarkhas
		State Bank of India	Satguwan Khas

Brick & Mortar Branch: 15

Banking Outlets manned by BCs: 32

**The matter is placed for information.**

## AGENDA NO-21

### NOTICE ISSUED TO BANKS BY NAGAR PALIKA NIGAM-KHANDWA

The Commissioner, Nagar Palika Nigam-Khandwa citing the reason of “traffic jams” has issued a notice to various bank Branch Managers in Khandwa. It is directed that either make proper parking arrangement at existing premises or shift the branch to alternate premises having adequate parking arrangement, otherwise, the premises may get sealed by Nagar Nigam at Bank’s risk and responsibility. It is also informed that similar type of letter had been issued earlier by the Collector, Khandwa. In this regard, it is submitted that,

- a) While looking for premises, a commercial assessment is made by the Banks on volume of banking business that will be generated during the next ten/twenty years. Banks give the utmost importance to the business requirements, the customers it intends to target and business potential etc.
- b) Preferences are given to premises located on the main road or in the strategic place in a prominent business locality to tap the business potentiality of the area.

- c) Safety needs viz. distance from Police station, Fire station etc. are also taken care of to avert the untoward incidents.
- d) Bank enters into a lease agreement with the landlord for premises and requirement of additional space in the existing premises depends upon the availability of space and other terms and conditions.

In view of the above, it will be appropriate to advise Nagar Nigam/District Administration, Khandwa to improve traffic management system and vehicle control system to avert congestion. Shifting of branch will not be a viable proposition for the Banks as they have already entered into a lease agreement. However, in case of new premises at these locations, banks may be directed to take care of proper vehicle arrangements in the basement or any other nearby location.

**The agenda is put up for discussion.**

## AGENDA NO-22

### CREDIT FINANCING TO WATER AND SANITATION SECTOR

To accelerate the efforts to achieve universal sanitation coverage and to put focus on safe sanitation, the Hon'ble Prime Minister launched the **Swachh Bharat Mission (SBM)** on 2<sup>nd</sup> October, 2014. The Mission aims to achieve a Swachh Bharat by 2<sup>nd</sup> October, 2019.

Swachh Bharat, in rural areas includes improving the levels of cleanliness through Solid and Liquid waste management activities and making Gram Panchayats Open Defecation Free (ODF). SBM also envisages adequate safe water for drinking, cooking and other domestic basic needs on a sustainable basis. Safe water is to be readily and conveniently accessible at all times and in all situations.

#### Status in Madhya Pradesh\*

- There are around 10 lakh households that still do not have a toilet.
- Overall as per SBM, currently there are 1.55 lakh dysfunctional toilets.
- Total APL others without toilet: 1.53 lakh

#### Why credit is required for ODF?

- 10 lakh household (say 10×5=50 lakh persons, which is 6.51% of total population) do not have toilet.
- Dysfunctional toilets
- Not eligible for incentive
- Cannot afford up-front investment before receiving incentive
- Toilets require repair/upgradation
- Water connection etc.

#### Proposed loan delivery model by banks

- Water and sanitation is included under 'Social Infrastructure' category of priority sector lending.
- Loan amount will be ranging from 5,000 to 25,000/-
- Since, these are micro credit, the loan may be given to people through MPSRLM as group finance under Self Help Groups.

*\*Source-water.org*

#### The matter is placed for discussion.



## AGENDA NO-23

### CASH MANAGEMENT PROTOCOL DURING ELECTION PERIOD

Elections to the Madhya Pradesh Legislative Assembly will be due shortly. In order to ensure smooth transportation of clean and genuine cash by banks during election period, the following guidelines have been issued by Department of Financial Services, GOI.

- The Bank shall ensure that the cash vans of outsourced agencies/ companies carrying bank's cash shall not, under any circumstances, carry cash of any third party agencies/ individuals. Towards this, the outsourced agencies/ companies shall carry letters/ documents etc. issued by the banks giving details of the cash released by the banks to them and carried by them for filing the ATMs and delivering cash at other branches, blanks or currency chests.
- The personnel of the outsourced agencies/ companies accompanying cash van shall carry identity card issued by the respective agencies.
- The aforesaid procedure has been stipulated for the reason that during the period of election if the authorized officials of the Election Commission (District Election Officer or any other authorized official) intercepts the outsourced agency/ company's cash van for inspection, the agency/ company should be in a position to clearly show to the Election Commission through document and also physical inspection of the currency that they have collected the cash from the banks for the purpose of replenishing the bank's ATMs with cash or delivery of the cash to some other branches of the banks or currency chest on the instructions of the bank.
- The aforesaid procedure shall be part of the standard operating rules and procedure of banks for transport of cash.

**The matter is placed for information.**

## AGENDA NO-24

### OTHER AGENDA

#### RURAL SELF-EMPLOYMENT TRAINING INSTITUTE

Performance highlights of RSETIs in the State as on 30.06.2018 FY 2018-19

- There is a target of 1,226 number of programmes for current financial year, out of which 215 training programs were conducted at the end of first quarter.
- Out of the target of total 35,740 trainees, 6,072 candidates were trained up to 30.06.2018.
- Since inception (2011), 7,476 programmes have been conducted wherein 2,06,956 candidates were trained. Out of these, 1,38,122 candidates are settled and settlement ratio was 66.74%.

Performance highlights of RSETIs in the State as on 30.06.2018 FY 2018-19 is given in table no-26

#### PENDING CLAIM FOR REIMBURSEMENT

A sum of Rs. 289.48 Lac of State Bank of India is pending for reimbursement from the Govt. of MP on account of training costs for the years 2010-11 to 2017-18. A list of RSETIs along with year wise pending claim amount is enclosed.

#### SELF HELP GROUPS BANK LINKAGES

During the first quarter of financial year 2018-19, 8,453 SHGs were credit linked and 5,761 SHGs were savings linked by the banks.

Data of some banks need to be reconciled. Despite repeated reminders, some banks did not submit the data. Further, banks should take care of previous data, while reporting to SLBC. Bank wise data is shown in the table no. 19

#### CREDIT FACILITY TO MINORITY COMMUNITIES, SC/ST & WOMEN

##### Outstanding & Disbursement to Minority Community

Total outstanding loans to minority community were Rs. 11,011 crores to 7,34,891 minority communities as of 30<sup>th</sup> June 2018. Banks have disbursed an amount of Rs.1,054 Crores covering 56,537 beneficiaries of Minority Communities during the first quarter of FY 2018-19.

Bank wise status is shown in Table no. 20 & 21

##### Outstanding & Disbursement to Scheduled Castes (SC) & Scheduled Tribes (ST)

Total outstanding loans to scheduled caste & scheduled tribe community were Rs. 8,235 crores and 6,424 crore respectively as on June 30, 2018. During current financial year, 696 crore and 583 crore were disbursed to SC and ST communities respectively.

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

##### Outstanding & Disbursement to Women beneficiaries

Total outstanding loans to women were Rs. 25,739 crores to 27,14,882 women beneficiaries as on 30<sup>th</sup> June, 2018. Banks disbursed an amount of Rs.4,732 crores to 3,64,691 women beneficiaries during the first quarter of current fiscal.

Bank wise status is shown in Table no. 24

**This issue is presented for information.**

## AGENDA NO-25

### SUB COMMITTEE MEETINGS OF SLBC

Details of the sub-committee meetings of SLBC as on 06.09.2018 are as given below:

#### A. SUBCOMMITTEE ON SELF HELP GROUP

Convenor Bank- Allahabad Bank

Meeting held on- 07.06.2018

##### Actionable points-

##### 1. SHG: Progress under SHG Financing

- a. In the state of MP a potential of 10 Lakh SHGs exists against which as on March 2018, around 3 Lakh SHGs have been SB Linked and 1.75 Lakh have been credit linked. For financial year 2018-19, a target of credit linkage of 1 Lakh SHGs has been given to the banks. Banks may make all efforts to achieve the target.

[Action By: SRLM and NABARD]

- b. Banks to organize credit camps to credit link 10,000 SHGs by 10<sup>th</sup> July 2018 in association with SRLM and NABARD.

[Action By: All Banks, SRLM and NABARD]

- c. 50% of the target for FY 2018-19 to be achieved by Sept'18.

[Action By: All Banks]

- d. Banks to circulate the latest circular of RBI regarding KYC verification of SHG members wherein banks to open Savings account for SHGs by obtaining KYC of office bearers of the SHG and not to insist on collection of information of all members of the SHGs.

[Action By: All Banks]

- e. Banks to circulate to all their branches the correct product code for opening of SHG A/cs. SRLM to provide flow chart of product code to the controlling offices of Banks to SLBC in this regard. Banks and SRLM may explore use webinar for understanding the use of product code

[Action By: SRLM]

- f. Banks to ensure that the codes used for the SHGs for the transactions done on or after 01<sup>st</sup> April 2018 are corrected and disbursement figures are tallied with SRLM. Five banks i.e BOI, UBI, Allahabad Bank, NJGB and CMPGB to achieve 100 percent compliance for usage of product code and other banks should also strive for achieving 100 percent compliance.

- g. Bank of India, NJGB, CMPGB and Union Bank of India may undertake a test check for correction of data entered by them from 1<sup>st</sup> April 2018 by using correct product code on pilot basis.

[Action By: Concerned Banks]

##### 2. JLG: Progress under JLG Financing

Bank-wise target of 53500 JLG was given to the banks for FY 2018-19. House has agreed upon to explore the potential under the area to work out the strategies for achievement of the target. Most important part under these is NABARD is providing grant assistance @Rs.2000/ per JLG.

[Action By: All Banks]

### **3. Village Level Programmes**

In order to give push to SHG-BLP program, NABARD has decided to conduct 6000 VLPs during the FY 2018-19. NABARD provides financial assistance of Rs.2000.00 per VLP to the branches conducting VLPs. The Banks may conduct the VLPs and forward the claims to NABARD through the DDMS concerned. House has agreed upon to take the advantage of this forum for linkage of SHGs along with Financial Literacy. As suggested by RBI, all rural branches have to conduct one VLP in all villages by December 2018.

**[Action by: All Banks and NABARD]**

### **4. Livelihood Enterprise Development Programme (LEDP)**

NABARD has introduced Livelihood and Enterprise Development Programme for creating sustainable livelihoods amongst SHG members. So far, total 28 LEDPs has been sanctioned by NABARD and 33 LEDPs are likely to be sanctioned during the year 2018-19. House has agreed upon to take the advantage of this programme for financing in livelihood activities in cluster mode.

**[Action by: All Banks and NABARD]**

### **5. Training of Bankers on SHGs**

All the Banks conduct training programmes for newly joined Branch Managers in rural branches for making them understand SHG concept and financing to SHGs. NABARD provides financial as well as faculty support through DDMS for training and capacity building of the Bankers on SHGs and JLGs in the districts. Banks may indicate their needs through LDMs/RMs to our DDMS for conduct of such programmes. Banks may also consider conducting capacity building programmes for their officers/staffs at their training institutes through NABARD support. Banks to provide requirement/list for the NABARDs support on training needs.

**[Action By: All Banks and NABARD]**

### **6. E-Shakti**

NABARD has initiated the project E-Shakti for digitization of books and records of SHGs and it is being implemented in 9 districts of MP ( Indore, Ujjain, Mandsaur, Mandla, Vidisha, Dewas, Jabalpur, Chhindwara and Gwalior) . For better handholding and speedy credit linkage, the banks will be provided Login /id and Password for viewing and verifying the status of SHGs before taking credit decisions. Since, E-Shakti portal is not linked with the CBS of banks, CGM, NABARD advised bankers to take up the matter with their controller for giving access to E-Shakti Portal in CBS and NABARD to take up the matter with corporate office of Banks. Banks and SRLM may issue necessary instructions to their Regional Offices/District Units for participating under the project.

**[Action By: NABARD and All Banks]**

### **7. Replication of Bank Sakhi**

- a. Bank Sakhi model has emerged as successful model for providing support to individual and SHGs in their transactions at village level. Banks to promote and expedite the process by reporting inactive locations for induction of Bank Sakhi.
- b. NABARD requested all banks to contact their corporate offices for appointing SHG members as BC. A separate meeting of Head of Department of banks and corporate BC may be called to discuss the matter further in consultation with RBI, SRLM and banks.

**[Action by: All Banks, RBI, SRLM and NABARD]**

## **8. Model of financing SHG-JLG:**

NABARD has entered into MOU with three RRBs for financing of JLGs. 6000 JLGs are proposed for financing during FY 2018-19. Banks may adopt the OU model of financing under SHG/JLG with NABARD supported SHPIs/JLGPIs.

## **B. SUBCOMMITTEE ON INDUSTRY/MSME**

Convenor Bank- Punjab National Bank

Meeting held on- 27.07.2018

### **Major Actionable points-**

#### **1. Whitelisting of MP Online Portal-**

It was pointed out that only 8 banks have successfully whitelisted the MP Online Portal on their network viz. BOB, BOI, Canara Bank, CBI, Dena Bank, IOB, PNB and SBI. The convenor-SLBC said that as major banks have already whitelisted the MP Online Portal, all other banks should also ensure whitelisting.

Action Point: Concerned Banks viz. Allahabad Bank, Andhra Bank, Axis Bank, Bandhan Bank, BOB, Bank of Maharashtra, CMPGB, Corporation Bank, DCB Bank, DCCB, Federal Bank, HDFC, ICICI, IDBI, Indian Bank, Indusind Bank, J&K Bank, Jila Sahakari, Karnataka, Karur Vaisya, Kotak Mahindra, MGB, Nagpur Nagrik Sahakari, NJGB, OBC, Punjab & Sind Bank, RBL, SBI, Syndicate, Tamilnadu Merchantile, UCO, UBI, United Bank, Vijaya Bank and Yes Bank to ensure whitelisting within 1 month.

#### **2. Reconciliation of subsidy of the Government Sponsored Schemes.**

The agenda was left open for discussion in the next Sub-Committee meeting. All Banks to submit the reconciled data by 15<sup>th</sup> August 2018.

#### **3. Collateral free loan up to Rs. 10.00 lacs**

Shri Pankaj Agarwal, Principal Secretary-MSME, GoMP inquired about the status with RRBs. CMPGB and all other RRBs confirmed that they are following the RBI guideline and no collateral security is being obtained for loans up to Rs. 10.00 lacs. Sh. Jatin Rawal, GM, RBI pointed out that the Banks which are not eligible for CGTSME scheme also needs to abide by the policy of RBI and provide collateral free loan for the amount up to Rs. 10.00 lacs.

## **C. SUBCOMMITTEE ON AGRICULTURE**

Convenor Bank- State Bank of India

Meeting held on- 14.08.2018

### **Major Actionable points-**

1. The Agriculture Production Commissioner (APC), desired that a confirmation be obtained from all Banks by 30/09/2018 that their corporate targets for 2018-19 are in line with the ACP (Annual Credit Plan)
2. APC stressed the need to link ADHAR Card in all KCC accounts.
3. CGM NABARD expressed concern at over financing of farmers by Banks and stressed upon the need for credit according to the Scale of finance, without exception.
4. Rabi crop insurance premium to be reconciled by 30/09/2018.

5. Shri Kaushik Sinha, GM, State Bank of India suggested that there must be a structured interaction between NABARD and Banks. The Regional Manager or Chief Manager (Credit) should attend the DLCC meeting.
6. CGM NABARD requested for activation of e-Shakti portal in CBS of all the Banks so that the SHG credit linkage could be improved upon.
7. GM, RBI advised that list of FPOs should be uploaded by NABARD in the SLBC portal
8. Shri Rajesh Rajora, Principal Secretary, impressed upon the need for long term credit investment to the farm sector with special focus on post-harvest management, rural godowns and combined harvesters and High tech custom hiring services.

## **D. SUBCOMMITTEE ON IMPROVING CD RATIO**

Convenor Bank- Union Bank of India

Meeting held on- 21.08.2018

### **Major Actionable points-**

1. SLBC had requested IIM-Indore for conducting scientific study in historically low CD ratio districts for improving the same. IIM-Indore submitted the proposal to SLBC for conducting study in Shahdol district. The matter was discussed in the meeting. The committee was of the view that professional fee submitted by IIM-Indore is appearing the higher side for a district. Therefore, the committee decided to entrust the task to 'NABCON' (NABARD Consultancy Services).
2. NABARD

## **E. SUBCOMMITTEE ON RECOVERY**

Convenor Bank- State Bank of India

Meeting held on- 05.09.2018

### **Major Actionable points-**

3. Sub-committee meeting should be attended by senior most or second senior most executive of member banks.
4. ATRs must be submitted by all participant of the meeting immediately after receipt of minutes of meeting.
5. RRC portal must be updated by all Banks on regular basis.
6. Government officials will send a letter to collector regarding pending DM permission in SARFEASI cases.
7. Task force committee will select beneficiary in DLCC meeting of first quarter.
8. All banks will analysis to 10 to 15 NPA in Government sponsored cases and will put the reasons to SLBC.
9. Under financing should be avoided by all banks in Government Sponsored cases.

## **F. SUBCOMMITTEE ON EDUCATION LOAN**

Convenor Bank- Canara Bank

Meeting held on- 14.09.2018

### **Major Actionable points-**

1. State Govt Education loan schemes to be mobilized by all the bank and claim to be sent timely to all eligible students.
2. All banks review the rate of Interest of education loan which are comes under state or central subsidy schemes.
3. All banks monitor the Vidya Lakshmi scheme portal and process application on time.
4. All banks to confirm whether ITR is required every year or only require at a time of sanction of loan, whereas SBI confirm that he is taking every year.
5. All bank to send claim application under Higher Education loan guarantee scheme on time.
6. With respect to the life insurance coverage of the students, Canara bank is sharing 25% of the total premium amount , other banks are advised to take up the matter with the respective banks for sharing some portion of the premium amount as their share.

## **G. SUBCOMMITTEE ON HOUSING**

Convenor Bank- Central Bank of India

Meeting held on- 12.09.2018

### **Major Actionable points-**

1. It is observed that progress under CLSS (Credit Linked Subsidy Scheme) is not satisfactory. It was advised that all banks should appoint nodal officer for improving the performance in the State.
2. In view of discontinuation of CMRHM scheme and importance of PMAY-Urban scheme, the house decided that the chairman of the sub-committee may be changed from ACS-P&RD to Secretary, Urban Administration & Development Deptt. Govt. of M.P. The same may be placed at SLBC forum for ratification.



## AGENDA NO- 26

### PRADHAN MANTRI FASAL BIMA YOJANA- DESCRIPTION OF DIFFICULTIES

Pradhan Mantri Fasal Bima Yojana (PMFBY) provides a comprehensive insurance cover against failure of crops. The Government has made Aadhaar mandatory for availing crop insurance under PMFBY. As the PMFBY is compulsory for loanee farmers availing crop loans for notified crops in notified areas, banks have been mandated to play a vital role in increasing the coverage under the scheme. Under this scheme, the role of banks is to facilitate the farmers and the insurance companies. However, some problems are being faced by the banks, which need to be redressed. The main problem, which are facing by bank branches is:

- There is no proper mapping of all notified crops, villages, Patari halka etc. into the portal.
- The branches are facing difficulty in uploading and reconciling the data on the portal.

#### OTHER PROBLEMS

- The branches are remitting the premium to the Insurance Companies on the due dates. But as the amount is directly credited in their Bank's Account, the reconciliation is not done by the Insurance Companies on real time basis because of which the branches have to face lot of problem.
- Due to mistake committed by certain branch the Insurance premium is remitted to the wrong Insurance Companies which the branch comes to know after the claim amount starts coming and they do not receive it. At this juncture the Insurance Companies also do not cooperate.

#### REQUEST AND SUGGESTIONS:

- In case the area, crop, scale of finance and the premium amount are correct and the premium amount is remitted on time then clerical mistakes like name of the branch, name of the village, patwari halka no., name of the tehsil should not become the issue for non-payment of Insurance claim.
- Insurer must not repudiate such claims, where the delay is proved to be for reasons beyond the control of the banks/financial institutions.
- The branch should be given 2-3 chances for uploading the data in the portal after which the insurance companies should accept the data in offline mode as the mapping is not proper in the portal.
- The insurance companies should provide support to the branches.

**The matter is placed for discussion.**

**ANY OTHER ISSUE WITH  
PERMISSION OF THE CHAIR**