

166TH/167TH MEETING OF



सेंट्रल बँक ऑफ इंडिया
Central Bank of India

"CENTRAL" TO YOU SINCE 1911

STATE LEVEL BANKERS' COMMITTEE

MADHYA PRADESH



AGENDA NOTE

February 8, 2018



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
BRISC	: Bank Recovery Incentive Scheme
CA	: Chartered Accountants
CAGR	: Compound Annual Growth Rate
CDR	: Credit Deposit Ratio
DCC	: District Consultative Committee
DCCB	: District Central Cooperative Banks
DFS	: Department of Financial Services
EWS	: Economically Weaker Sections
FLCC	: Financial Literacy Credit Counselling Centres
GCA	: Gross Cropped Area
GDP	: Gross Domestic Products
GLC	: Ground Level Credit
GVA	: Gross Value Added
HFC	: Housing Finance Company
IBC	: Indian Bankruptcy Code
JLG	: Joint Liability Group
KCC	: Kisan Credit Card
LDM	: Lead District Manager
LWE	: Left Wing Extremism
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
MSP	: Minimum Support Price
NPA	: Non Performing Asset
PMAY	: Pradhan Mantri Awas Yojana
PMJDY	: Pradhan Mantri Jan Dhan Yojana
PMJJBY	: Pradhan Mantri Jeevan Jyoti Bima Yojana
PML	: Prevention of Money Laundering
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
UIDAI	: Unique Identification Authority of India
TReDS	: Trade Receivables Discounting System
GeM	: Government e-Market Place

ADOPTION OF THE MINUTES OF THE 164th /165th SLBC MEETING HELD ON 18.09.2017

The Minutes of 164th /165th meeting of SLBC held on 18th September 2017 were circulated to all concerned and were uploaded on website of SLBC (www.slbcmadhyapradesh.in) and website of Directorate of Institutional Finance, Government of Madhya Pradesh (www.dif.mp.gov.in). The actionable points have been indicated for desired actions. SLBC received a communication from NABARD, Bhopal for modification in point no. 5-G of the minutes as under:

“CGM, NABARD suggested that, to enable Lead Banks to organize the Bank-Prospective Entrepreneurs Interface Meeting at block level, wherein all banks representatives will be invited, it is better to conduct the same after the BLBC meeting where all stakeholders including representative of Banks, NABARD, DIC etc. will also be present.”

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

AGENDA NO-1

ACTION TAKEN REPORT ON ACTION POINTS OF 164th /165th SLBC MEETING HELD ON 18.09.2017

Sr.	Agenda Item/Action Points	Action Taken Report
1	The Chief Secretary, Govt. of M.P mentioned that scheduled commercial banks need to increase their CD ratio.	CD ratio of Scheduled Commercial Banks (SCBs) was 67.69% as of June-2017, which is increased to 71.47% during Dec-17 quarter.
2	Export Credit exhibited negative Y-O-Y growth during June 2017 quarter. Banks were advised to focus on this sector as state is large producer of oilseed.	<ul style="list-style-type: none"> • Export credit under priority sector is yet to be picked up, which is registered a negative growth of 13.99% year on year during Dec-17 quarter. • Though banks have exposure under export credit but many of them are classified under non-priority sector.
3	Performance of banks in the state under agriculture, priority sector, small & marginal farmers and weaker sections was above the Norm as on June 30, 2017. However, it was marginally lower for micro enterprises of MSME sector. Banks need to extend credit to this sector.	Credit deployment to micro enterprises has shown growth of 72% year on year. During current financial year, it has also shown growth of 57% from Mar-2017. The State Government has been supporting entrepreneurs/ Self-Employment by providing a conducive environment for job creation and entrepreneurship. Further, bankers are continuously extending their support, which was resulted in growth in micro enterprises.
4	It was suggested to form a task force on Standup India scheme. The task force will examine the reasons of low progress specially in tribal dominated districts and submit the ways for improvement before the next SLBC meeting.	<ul style="list-style-type: none"> • The Industry Commissioner, Govt. of M.P. has given the consent about the constitution of the proposed task force. However, formal meeting is yet to be convened. • In the subcommittee meeting of scheduled tribes held on 01.02.2018, house requested the Chairman of the committee, to get the task force formed under the aegis of Senior Govt. Officials. After due deliberation, the Commissioner, Tribal Affairs, GoMP advised DIF to form the task force at the earliest.
5	<i>Opening of “Banking Outlets” in villages having population more than 5000 and above-</i> The house approved the allotment of 32 remaining unbanked villages to the banks based on respective Sub Service Areas (SSAs) of the centres. Concerned banks were advised to open “Banking Outlets” latest by 31st December 2017.	Out of 32 remaining unbanked centres, 28 centres have been covered through Banking Outlets manned by BCs till 31 st December 2017. 4 more unbanked centres are yet to be covered.
6	The agriculture growth rate of the state in the last five years has been around 20% which is near the growth rate of agriculture credit by Banks. However, Banks were asked to extend loans to farmers for capital formation also.	As of 31 st December 2017, ratio of term loan to total agriculture credit was 22.66% for all the Banks. RRBs and cooperative Banks are required to increase their investment credit loans in agriculture so that it can be increased for the state. As of 31 st Dec-17, ratio of term loan to total agriculture credit for RRBs and cooperative banks was 9.74% and 2.79% respectively. However, it was 34% for the scheduled commercial banks.

7	<p>Financial Inclusion</p> <p>a) <u>Monitoring of Business Correspondents through GPS</u></p> <p>Banks were requested to submit the proposal to their corporate offices for installing GPS tracking system for business correspondents. Action: All Concerned Banks</p> <p>b) <u>Appointment of Bank Sakhi as business correspondent agents</u></p> <p>Banks were advised to issue an advisory to their Technical Service Providers (TSPs) to approach Bank Sakhi when engaging BCs in the vacant SSAs (if any). Action: All Concerned Banks</p>	<p>a) Some major banks viz. SBI, BOB, BOI, CBoI etc. have informed that they have approached their corporate office for installation of GPS tracking system for BCs.</p> <p>b) 214 and 32 Bank Sakhis are appointed by Narmada Jhabua Gramin Bank and Bank of India respectively and they are also working as business correspondents.</p> <p>For other banks, it has been informed that they have issued an advisory to their TSPs to approach Bank Sakhi while engaging BCs in the vacant SSAs.</p>
8	<p>Disposal of pending RRCs- the Chief Secretary stated that there is a meeting scheduled on 27th September 2017 of Revenue Officers. Disposal of pending RRCs is one of the agenda items of the meeting. Banks expected that after this deliberation, disposal of pending RRCs would be accelerated.</p>	<ul style="list-style-type: none"> Data of BRISC portal reveals that out of total number of 4.51 lakh demand notices of Rs 6540 crores issued by the revenue officer from 01.04.2010 to 31.01.2018, recovery of Rs 294 crores have been received so far in 32357 cases and only 4145 RRCs of Rs 24.85 crores have been disposed of during last seven and half years. BRISC portal shows that some districts did not dispose of even a single RRC between the periods 01.04.2010 to 31.01.2018. Those districts are Anuppur, Ashoknagar, Bhind, Datia, Dindori, Jabalpur, Jhabua, Khandwa, Mandla, Sheopur, Sidhi, Singrauli & Umaria.
9	<p>Disposal of pending cases under Sec-14 of SARFAESI Act & providing Police escort in time for physical possession of the properties- As of June 30, 2017, there were 168 cases pending with District administration under Sec-14 for physical possession of the properties. The State Government assured banks to expedite recovery proceedings.</p>	<p>Cases are still pending with district administration. Detailed list is enclosed in agenda no. 14.</p>
10	<p>Hon'ble Chief Minister mentioned that despite achieving more than 100% targets by banks there were some dissatisfaction among the beneficiaries. This is because of more cases are being sponsored than targets. He asked implementing agencies of the State Govt. of above schemes, to sponsor quality cases to banks equivalent to the targets, so that there should be minimum rejection, otherwise, it gives the scope of corruption.</p>	<p>In order to minimize rejection rate, MSME department of the state government has issued an instruction/advisory to implementing agencies of the respective schemes to sponsor proposal of 125% of the target. However, It has been reported that uniform distribution of applications for loan under different government sponsored schemes is still not happening at the field level.</p>

AGENDA NO-2

REVIEW OF BANKING DEVELOPMENT IN MADHYA PRADESH Q-3 OF FY 17-18

KEY BANKING PARAMETERS OF THE STATE AS ON 31.12.2017

Outstanding amount in Rs. crores

SR.	PARAMETERS	DEC-15	DEC-16	MAR-17	DEC-17	Y-o-Y growth % (Dec-15--Dec-16)	Y-o-Y growth % (Dec-16--Dec-17)	Growth % FY 17-18 upto Dec-17
1	Total number of Branches	7029	7143	7218	7249	1.62	1.48	0.43
2	Total number of ATMs	8750	8958	9284	9602	2.38	7.19	3.43
3	Total Deposits	314212	337995	336950	351186	7.57	3.90	4.22
4	Total Advances	196167	221922	240064	260860	13.13	17.55	8.66
4a	Credit as per place of utilization	*			10647			
5	Credit Deposit Ratio	62.43	65.66	71.25	74.28	3.23	8.62	3.03
5a	CD Ratio including credit as per place of utilization				77.31			
6	Total Business [3+4]	510379	559917	577014	612046	9.71	9.31	6.07
PRIORITY SECTOR ADVANCES								
7	Agriculture	60977	81228	92362	92338	33.21	13.68	-0.03
8	Crop Loans out of total agriculture	44581	56047	52733	71409	25.72	27.41	35.42
9	% of Agriculture advances to Total advances [RBI Norm: 18%]	31.08	36.60	38.47	35.40	5.52	-1.20	-3.08
10	MSME	28736	37684	40887	50040	31.14	32.79	22.39
10a	Credit to Micro Enterprises	*	15961	17546	27510		72.36	56.79
11	% of credit to micro enterprises to total advances [RBI Norm-7.5%]	*	7.19	7.31	10.55	*	3.35	3.24
12	Export Credit	786	193	148	166	-75.45	-13.99	12.16
13	Education	1789	1877	2018	1945	4.92	3.62	-3.62
14	Housing	17328	18782	19363	21150	8.39	12.61	9.23
15	Social Infrastructure	182	136	141	102	-25.27	-25.00	-27.66
16	Renewable Energy	35	677	675	58	1834.29	-91.43	-91.41
17	Others	9378	2532	2823	4150	-73.00	63.90	47.01
18	Total Priority Sector Advances [7+10+12+13+14+15+16+17]	119211	143109	158417	169949	20.05	18.75	7.28
19	% of Priority Sector advances to Total advances [RBI Norm: 40%]	60.77	64.49	65.99	65.15	3.72	0.66	-0.84
20	Total Non-Priority Sector Advances	76956	78813	81647	90912	2.41	15.35	11.35
21	Advances to small & marginal farmers	18388	25134	26242	30078	36.69	19.67	14.62
22	% of advances to small & marginal farmers to total advances [RBI Norm: 8%]	9.37	11.33	10.93	11.53	1.95	0.20	0.60
23	Total NPA	8894	14946	16445	22729	68.05	52.07	38.21
24	% of NPA to total advances	4.53	6.73	6.85	8.71	2.20	1.98	1.86
25	Advances to Weaker Sections	34054	53171	55917	57544	56.14	8.22	2.91
26	% of advances to Weaker Sections to total Advances [RBI Norm: 10%]	17.36	23.96	23.29	22.06	6.60	-1.90	-1.23

* Data not available

PERFORMANCE DURING Q-3 OF FY 2017-18

HIGHLIGHTS

- The year-on-year (y-o-y) growth in aggregate deposits worked out to 3.90% in December 2017 which was lower as compared with that in December 2016.
- The year-on-year (y-o-y) growth in credit worked out to 17.55 % in December 2017, higher than a year ago.
- Public sector banks continued to maintain their leading position accounting for 79.51% of total deposits and 67.31% of bank's credit in December 2017.
- Term deposits constituted the highest share (55%) in aggregate deposits followed by savings deposits (39%) and current deposits (11%) of public sector banks.
- While deceleration in growth of bank deposits and credit spanned across all population groups, the growth rates in the metropolitan areas were abysmally low (y-o-y).
- The credit-deposit (C-D) ratio of the state increased to 74.28% at the end of December 2017 from 65.66% a year ago. Including credit as per place of utilisation, the CD ratio stood at 77.31%.
- Excluding cooperative banks and RRBs, CD ratio of scheduled commercial banks (SCBs) was 71.47% as on December 31, 2017.
- Two-third of aggregate deposits and credit continued to be concentrated in ten banks namely State Bank of India, Central Bank of India, Punjab National Bank, Bank of India, Bank of Baroda, Union Bank of India, Allahabad Bank, ICICI Bank, HDFC Bank and DCCBs.

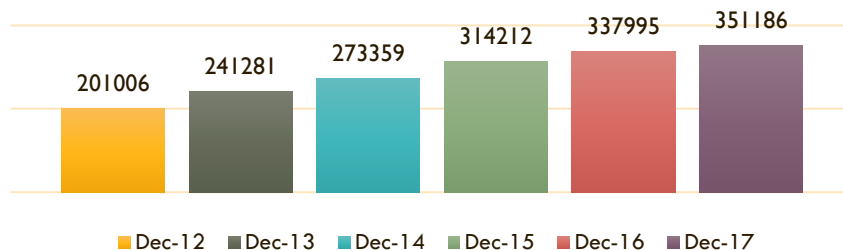
BRANCH NETWORK

- Presently, banking services in the State are covered through a network of 7249 branches. Of which 2674 (37%), 2307 (32%) and 2268 (31%) branches comprised rural, semi urban & urban branches respectively.
- At the end of December 31, 2017, net increase of 106 new bank branches have been registered Y-o-Y.
- Some private sector banks and south based PSU banks have been steadily growing their presence in rural and semi urban centres, which indicates considerable potential for business exists at these centers.
- Out of 106 new branches opened during a year, 59 and 57 branches were opened in rural and semi urban centres respectively. Whereas, some branches closed/merged their branches to rationalize the bank branches.

DEPOSITS

Amount in crores

Growth in deposits over the past few years

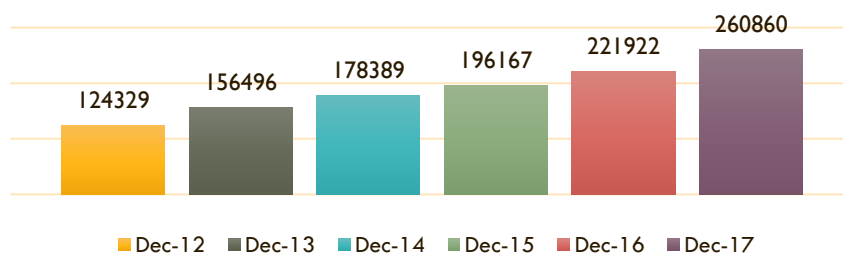


- At the end of Dec-17, deposits grow by 3.90% y-o-y, which is below the growth of 7.57% during previous year in same period. Even in absolute terms, deposits grew by Rs. 13191 crore (y-o-y) during Dec-17, whereas it was Rs. 23783 crore in last year.

CREDIT

Amount in crores

Growth in advances over the past few years



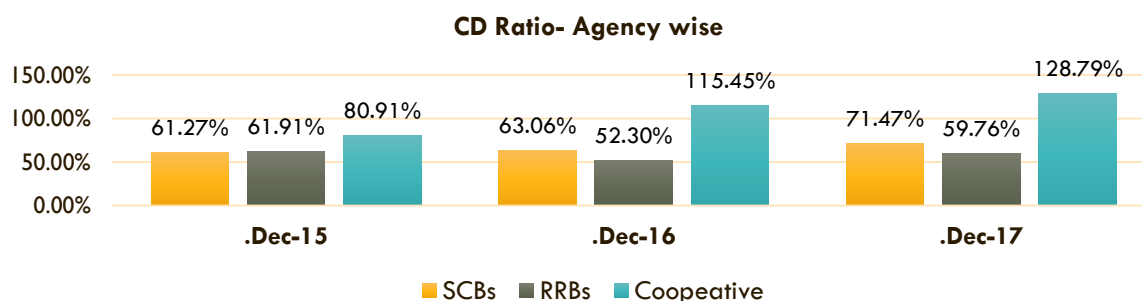
- Bank's credit grew by 13.13% (y-o-y) during the period Dec-16 to December 31, 2017, as against 17.55% during the corresponding period of 2016.
- However, a modest pick-up in bank credit has occurred during the first three quarters of current fiscal, alongside the improvement in transmission that was observed post-demonetization. Growth in gross advances of scheduled commercial banks (SCBs) improved to 22% (y-o-y) at end- December 2017 from 8% (y-o-y) in the last year, due to improved credit delivery by both PSBs as well as private sector banks.
- In total Bank's credit, the share of Public Sector Banks, Private Banks, Regional Rural Banks and Cooperative Banks were 67%, 18%, 4% and 10% respectively as on December 31, 2017.

BUSINESS

- Total business of the Banks increased to Rs. 612046 crore during December 2017 from Rs. 559917 crore in the last year, registering a growth of Rs. 52129 crore (y-o-y) in absolute terms and 9.31% and in percentage terms in line with 9.71% during corresponding period of last year.
- This growth is in line with the previous growth rate of five years.

CREDIT DEPOSIT RATIO

- Credit-Deposit Ratio (CD ratio) of Madhya Pradesh has increased to 74.28% during Q-3 of current fiscal from 65.66% in previous year i.e. Dec-16. Including credit as per place of utilization, the CD ratio stood at 77.31% as on Dec-17.
- CD ratio of Scheduled Commercial Banks (SCBs) also increased to 71.47% as on December 31, 2017 from 63.06% in the last year.



NON-PERFORMING ASSETS

- The total non-performing assets as percent of total advances were placed at 8.71% during Dec-17 quarter of current fiscal. Total NPA increased from Rs. 14946 crore in Dec-16 to Rs. 22729 crore during Dec-17. Which is showing increase of Rs. 7783 crore in absolute terms year on year.
- Among bank groups, non-performing assets of PSBs hovered around 8.41%, while NPAs of Private sector banks, RRBs and cooperative banks were 8.41%, 5.09%, 14.43% and 14.11% of total credit respectively as on December 31, 2017.

This agenda is put up for information/discussion

SECTORIAL DEPLOYMENT OF BANK'S CREDIT-DECEMBER 2017

Sectorial growth in credit

Amount in crore

Sector	Dec-15	Dec-16	Dec-17	Y-o-Y Growth	
				Dec-16	Dec-17
Gross Bank Credit	196167	221922	260860	13.13	17.55
Agriculture & Allied Activities	60977	81228	92338	33.21	13.68
Industry (Priority Sector)	28736	37684	50040	31.14	32.79
Priority Sector	119211	143109	169949	20.05	18.75
Housing (Pri + Non-Priority)	29555	25260	29983	-14.53	18.70
Education (Pri + Non-Priority)	2091	2228	2486	6.55	11.58
Personal loans	*	11444	11771	*	2.86

*Data not available

- Credit to agriculture and allied activities increased by 13.68% in December 2017 year on year, less than the increase of 33.21% in last year.
- Credit to industry grew by 32.79 per cent (y-o-y) in December 2017, higher than the growth of last year.
- Within the services sector, credit offtake by the real estate sector grew by 18.70 percent on a y-o-y basis, in December 2017 as compared to negative growth in the previous year.
- Education loans also increased by 11.58% (y-o-y), higher than the growth of previous year i.e. 6.55%.
- Banks in Madhya Pradesh has shown commendable performance under Priority Sector Lending (PSL). Percentage of priority sector loans to total advances was 65.15% during December 2017 quarter as against the RBI Norm of 40%. The priority sector lending registered Y-o-Y growth of 18.75 during December 2017 in line with the trend of the growth of previous few years.
- Under retail segment, personal loans has shown growth of 2.86% (y-o-y) as on December 2017.

This agenda is put up for information/discussion

AGENDA NO-3

REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN Q-3 OF FY 2017-18

Number in actuals and amount in crores

Sr. No.	Sector	FY 2016-17 [April to Dec-2016]			Financial Year 2017-18				
		Target for FY 2016-17	Achi.Q-3 of 16-17	Achi. %	Target		Achievement Q-3 of FY 2017-18		Achi. %
		Amt.	Amt.	Amt.	No.	Amt.	No.	Amt.	Amt.
1	Agriculture	80988	42992	53	3700878	94868	3559730	47416	50
1a	Farm Credit	75927	40541	53	3418692	88374	3536364	44900	51
1b	Crop loan out of 1a	58521	34201	58	2594512	67229	3127991	37333	56
1c	Agriculture Infrastructure	3184	686	22	187088	3905	8445	370	9
1d	Ancillary Activities	1877	1765	94	95098	2589	14921	2146	83
2	MSME	16123	12269	76	444309	18441	313256	14802	80
2a	Micro Enterprises	*	*	*	315927	11493	281462	7264	63
2b	Small Enterprises	*	*	*	21729	2865	25654	5417	189
2c	Medium Enterprises	*	*	*	11803	1101	1249	1823	166
2d	KVIC	*	*	*	11183	910	1230	41	5
2e	Other under MSME	*	*	*	83667	2072	3661	257	12
3	Export Credit	425	193	45	2518	529	98	316	60
4	Education	1435	270	19	28775	1138	12072	294	26
5	Housing	5948	2892	49	188147	6996	53369	2231	32
6	Social Infrastructure	3914	20	1	90492	1410	174	29	2
7	Renewable Energy	271	16	6	31470	356	76	9	3
8	Others	0	2646	0	118795	3141	158764	1664	53
9	Total Priority Sector	109104	61297	56	4605384	126879	4097539	66761	53
10	Total Non-Priority Sector	3252	20525	631	156715	5076	586793	51933	1023
11	Total Credit Plan (9+10)	112356	81822	73	4762099	131955	4684332	118694	90

*No targets

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

HIGHLIGHTS

- The potential credit outlay FY 2017-18 for priority sector lending was estimated as Rs. 126879 crore, with an increase of 16.29% over the projections of the previous financial year.
- As against the target of Rs 1,31,955 crore (priority & non-priority), under Annual Credit Plan for FY 2017-18, an amount of Rs 118694 crore was disbursed till December 31, 2017, recording an achievement of 90% above than corresponding period of last year, which was 73%.
- The Banks disbursed Rs 66761 crore to the priority sector as on Dec-17 against the target of Rs 126878 crore with achievement index of 53%, which is below the achievement of 56% during corresponding period of previous financial year.
- The Banks disbursed Rs 47416 crore as on December 31, 2017 to the agriculture sector against the target of Rs 94868 crore and achieved 50% of the target as against the achievement of 53% during same period of

FY 2016-17. Achievement of Commercial banks, regional rural banks & cooperative banks were 53%, 32% & 50% respectively during Dec-17 quarter of current fiscal.

- Banks performed well under Ancillary activities category and achieved 83% of the targets during Dec-17. Loans up to Rs. 5 crore to co-operative societies of farmers, Loans for setting up of Agri-clinics and Agribusiness Centres, Loans for Food and Agro-processing up to an aggregate sanctioned limit of Rs100 crore per borrower , Loans to Custom Service Units , loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) etc. come under ancillary activities.
- Against the allocation of Rs 6996 crore credit for the housing sector (priority sector), the credit off take was Rs 2231 crore at the end of

- Crop loans outlay of Rs. 67229 crores for FY 2017-18, constitutes a major share (51%) in the credit plan. The credit flow to this sector was Rs 29259 crore with achievement of 44% during Q-3 of FY 2017-18.

third quarter of current fiscal and achievement index was 32%.

- Under MSME (priority sector), banks disbursed Rs. 14802 crores during third quarter of FY 2017-18 as against the target of Rs. 18441 crores and achieved 80% of the target higher than the achievement of 76% during same period of previous financial year.
- Performance under Social Infrastructure & Renewable Energy sectors are yet to be picked up as achievement during 2017-18 was only 2% & 3% respectively as on Dec-17.

Agency wise ACP performance FY 2017-18 up to December 31, 2017

Amount in crore

Bank Type	Agriculture		MSME		Housing		Education		Priority Sector	
	Target	Achiev.	Target	Achiev.	Target	Achiev.	Target	Achiev.	Target	Achiev.
PSBs	54633	25669	13933	9319	5651	1929	947	263	79281	38483
PVBs	5267	6319	2805	5127	771	199	99	25	9505	12097
RRBs	12001	3864	940	337	370	82	74	5	13858	4576
Co-Ope.	22966	11564	765	20	204	21	19	0	24237	11605
Total	94868	47416	18442	14802	6996	2231	1138	294	126880	66761

- Data suggests that private banks are disbursing more towards agriculture and MSME sectors and achieved 120% and 183% of their targets respectively for FY 2017-18 during third quarter of current fiscal. Achievement index of cooperative banks under agriculture sector was 50% up to December 31, 2017.
- Regional Rural Banks could achieve only 32% of their target under agriculture up to Dec- 2017. RRBs need to give a serious thought to the issue and increase finance to agriculture sector as they are among the drivers of agricultural credit in the State, which is primarily an agrarian economy.
- The MSME sector contributes significantly to the State's manufacturing output, employment and exports and is credited with generating high employment. The Government of Madhya Pradesh is poised to enable entrepreneurship through access to resources and support in terms of infrastructure and incentives. The MSME sector in Madhya Pradesh has witnessed significant

transformation in recent times wherein new business opportunities have come up and several diverse investments are being undertaken by the public and private sector players.

- Private Banks achieved 183% of their targets under MSME during Dec-2017. However, targets given to private sector banks constitute only 15.21% of total targets under MSME, while it is 75.55% for Public Sector Banks. Looking to the performance of private sector banks, their targets need to be increased in the credit plan of next fiscal.
- While Public Sector Banks disbursed Rs. 1929 crores to housing sector with achievement index of 34%, Private sector Banks disbursed Rs. 199 crores and achieved 26% of the targets.
- Public Sector Banks were pioneer in disbursement of education loans (Loans up to 10 lakh). Out of total disbursement of Rs. 293 crore during third quarter of current fiscal, they disbursed Rs. 263 crores, whereas Private sector banks could disburse only Rs. 25 crores.
- Under priority sector, Public Sector Banks achieved 49% of the credit target for FY 2017-18 and private banks achieved 127% of their targets. However, PSBs disbursed Rs. 38484 crores, Pvt. Sector Banks could disbursed Rs. 12097 crores.
- Co-operative banks and Regional rural banks disbursed Rs. 11605 crores and 4576 crores under priority sector and achieved 48% & 33% of the target respectively.

This issue is presented for discussion.

AGENDA NO-4

LEVY OF PENAL CHARGES ON NON-MAINTENANCE OF MINIMUM BALANCES IN SAVINGS BANK ACCOUNTS OF BENEFICIARIES OF DIFFERENT PENSION SCHEMES OF THE GOVERNMENT.

BACKGROUND

It has been brought to the notice of the State Government that due to wrong classification of the savings accounts, opened for the purpose of getting pension under different schemes of the Government, some banks are charging penalty on non-maintenance of minimum monthly balance. Further to this, some banks are collecting charges for receiving Social Security Pension.

With regard to levy of penal charges on non-maintenance of minimum balances in savings bank accounts, the banks have been prescribing the minimum balance to be maintained taking into consideration the cost involved in maintaining and servicing such accounts and also levying specific charges, if minimum balance is not maintained. There is, however, no uniform approach in this regard.

RBI circular no. RBI/2014-15/308/DBR.Dir.BC.No.47/13.03.00/2014-15 dated 20.11.2014 on Levy of penal charges on non-maintenance of minimum balances in savings bank accounts stipulates that

- The policy on penal charges to be so levied may be decided with the approval of Board of the bank.
- Banks should inform customers regarding the requirement of minimum balance at the time of opening the account in a transparent manner. Any subsequent changes in this regard should also be intimated to the account holders.
- Instead of levying penal charges for non-maintenance of minimum balance in ordinary savings bank accounts, banks should limit services available on such accounts to those available to Basic Savings Bank Deposit Accounts and restore the services when the balances improve to the minimum required level.

In the above matter Board of some banks have already exempted pensioners, minors and beneficiaries of social benefits from government from the requirement of minimum balance in savings account.

If, it is not exempted their ordinary savings accounts may be converted into BSBDA (Basic Savings Bank Deposit Accounts). This account shall not have the requirement of any minimum balance.

FEATURES OF BSBDA

- a) While there will be no limit on the number of deposits that can be made in a month, account holders will be allowed a maximum of four withdrawals in a month, including ATM withdrawals.
- b) Facility of ATM card or ATM-cum-Debit Card.
- c) Holders of 'Basic Savings Bank Deposit Account' will not be eligible for opening any other savings bank deposit account in that bank. If a customer has any other existing savings bank deposit account in that bank, he / she will be required to close it within 30 days from the date of opening a 'Basic Savings Bank Deposit Account'.
- d) If such account is opened on the basis of simplified KYC norms, the account would additionally be treated as a '*Small Account*' and would be subject to conditions stipulated for such accounts as indicated in paragraph 2.7 of Master Circular of RBI no. DBOD.AML.BC.No.11/14.01.001/2012-13 dated July 02, 2012 on KYC norms.

The matter is presented for discussion.

BANKING FACILITY FOR SENIOR CITIZENS AND DIFFERENTLY ABLED PERSONS

Reserve Bank of India vide circular no. RBI/2017-18/89 DBR.No.Leg.BC.96/09.07.005/2017-18 dated 09.11.2017 instructed banks to put in place explicit mechanisms for meeting the needs of senior citizens and differently abled persons with the following specific provisions.

a) Dedicated Counters/Preference to Senior Citizens, Differently abled persons

Banks are advised to provide a clearly identifiable dedicated counters or a counter which provides priority to senior citizens and people who are differently abled including visually impaired persons.

b) Ease of submitting Life Certificate

Pensioners can submit physical Life Certificate form at any branch of the pension paying bank. Banks shall ensure that when a Life Certificate is submitted in any branch, including a non-home branch, of the pension paying bank, the same is updated/ uploaded promptly in CBS by the receiving branch itself, to avoid any delay in credit of pension.

c) Cheque Book

Banks are advised to provide minimum 25 cheque leaves every year, if requested, in savings bank account, free of charge. Banks shall not insist on physical presence of any customer including senior citizens and differently abled persons for getting cheque books whenever a request is received, through a requisition slip.

d) Automatic conversion of status of accounts

Banks are advised that a fully KYC compliant account should automatically be converted into a 'Senior Citizen Account' based on the date of birth available in bank's records.

e) Door Step Banking

RBI vide circular no. DBOD.No.BL.BC.42/C-168-83 dated May 24, 1983 advised the Banks not

to extend any banking facilities at the premises of their customers, without obtaining the required permission from Reserve Bank of India. However, in view of several requests received from various government departments for making available banking services including collection of cash at their premises and representations from banks, RBI advised banks to formulate a scheme for providing services at the premises of a customer within the framework of Section 23 of Banking Regulation Act, 1949 with the approval of their Boards and submitted to the Reserve Bank for approval. According to above mentioned framework, banks can provide the following services to Individual Customers/Natural persons: (i) Pick up of cash, (ii) Pick up of instruments & (iii) Delivery of demand drafts

These facilities can be provided either through own employees or through Agents. Where banks engage the services of Agents for delivery of services, it should be ensured that the policy approved by the Board lays down the board principles for selection of Agents and payment of fee/commission etc.

Further to that viewing of the difficulties faced by senior citizens of more than 70 years of age and differently abled or infirm persons (having medically certified chronic illness or disability) including those who are visually impaired, banks were advised by RBI to make concerted effort to provide basic banking facilities, such as pick up of cash and instruments against receipt, delivery of cash against withdrawal from account, delivery of demand drafts, submission of Know Your Customer (KYC) documents and Life certificate at the premises/ residence of such customers.

All Banks have been advised to implement these instructions in letter and spirit and give due publicity in their bank branches.

The matter is put up for information/discussion

AGENDA NO-5

PRADHAN MANTRI FASAL BIMA YOJANA- IMPLEMENTATION CHALLENGES

In order to provide financial support to farmers suffering crop loss/damage arising out of unforeseen events, Pradhan Mantri Fasal Bima Yojana (PMFBY) has been launched replacing National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS).

The main objective is to provide a comprehensive insurance coverage against failure of the crops thus helping in stabilising the income of the farmers.

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. The major roles of the banks are as under:

- a) enrolling all eligible loanee farmers and interested non-loanee farmers under crop insurance.
- b) remitting collected premium to insurance companies within defined timeline.
- c) entering farmer details in the unified portal www.agri-insurance.gov.in for crop insurance etc.

Under this scheme, the role of banks is to facilitate the farmers and the insurance companies, whereas, it is purely a contract between the insurance company and the farmer in which insurance company agrees to indemnify farmer against a predefined category of risks in exchange for a premium. The insurer promise to financially protect the insured from the loss, damage, or liability stemming from some events.

It is reported that claims are being rejected by the insurance companies on technical or flimsy grounds i.e. delay in remitting the premium, clerical mistake in feeding the data etc., which is defeating the purpose of the scheme. Some instances are reported, whereas,

- (i) **banks deducted the premium on time but it was delayed in remitting the premium to the insurance companies due to some exigencies.**
- (ii) **banks mentioned wrong Patwari Halka number due to clerical mistake.**

However, such type of cases are very limited. Some another implementation challenges are as under:

- a) No direct linkage of farmers with insurance companies; farmers in fact unaware of their coverage status – as they are not provided any policy document or details.
- b) There has been no concerted efforts by the insurance companies to build awareness of farmers on PMFBY.
- c) Poor capacity of insurance companies - lack manpower and infrastructure in rural areas, have no functional office in tehsils and no agents at block level.
- d) Lack of coordination and non-existent grievance redressal mechanism.
- e) Non-payment of service charges on collected premium to banks by the insurance companies.
- f) Lack of farmers involvement in PMFBY.
- g) Sum insured lower than scale of finance in some areas.
- h) Delay in claim settlement etc.

In view of the aforesaid, it is suggested that;

- (i) **Contractual conditions should not prevent the insurance companies from considering genuine claims. This is especially if unavoidable circumstances prevented the banks from following some of the policy conditions like time-frame for intimation etc.**

- (ii) The insurer's decision to reject a claim shall be based on sound logic and valid grounds. They need to see the merits and good spirit of the clause, without compromising on bad claims.
- (iii) Rejection of claims on purely technical grounds in a mechanical fashion will result in farmers, banks & financial institutions losing confidence in the PMFBY, giving rise to excessive litigation.
- (iv) Insurer must not repudiate such claims, where the delay is proved to be for reasons beyond the control of the banks/financial institutions.
- (v) If there is an evidence that premium is deducted within stipulated timeline by the bank and concerned bank is ready to pay interest (at prevailing rate of interest for saving account) for the delay period to the insurance company (Para XXIV/4/f of PMFBY guidelines), claim must be settled by the insurance companies.
- (vi) Premium deducted but not remitted by bank branches on last day due to some exigencies i.e. technical reasons etc., should be accepted.
- (vii) Allowing grace period of 3-7 days from last day for insurance premium deductions and also their remittance to insurance companies.
- (viii) Sum insured should not be less than scale of finance and/or cost of production.
- (ix) Robust scheme monitoring and grievance redressal mechanism should be in place.
- (x) In the present system banks are using different formats for capturing requisite data of land and crop details of farmers which is not accessible on the system for all concerned agencies for cross verification. Developing an integrated IT Platform for capturing all relevant data by concerned agencies will go a long way in providing real time data.
- (xi) A Crop Insurance Portal www.agri-insurance.gov.in has been operationalised by GOI for effective administration of the Crop Insurance Programme but its integration with banks is essential for capturing the requisite data/information on real time basis.
- (xii) IRDAI report indicates that PMFBY played a significant role in the growth of non-life insurance industry in the financial year 2016–17. Under PMFBY, profit is private but liability is public - if premium-to claim ratio at the national level in a crop season exceeds 1:3.5, or percentage of claims to sum insured exceeds 35%, whichever is higher, the government will provide protection to insurance companies. In such case, insurance companies should not find the ways to reject the valid claims and farmers should not be deprived the benefits of PMFBY.

The matter is put up for discussion.

AGENDA NO-6

MAKING AADHAAR MANDATORY FOR AVAILING LOANS UNDER VARIOUS GOVERNMENT SPONSORED SCHEMES

Increasing delinquency ratio under various government sponsored schemes is a cause of concern for banks. Delinquency in terms of number of accounts is more than 10% in some schemes; whereas the overdue position is extremely alarming. Banks are also following up these accounts and also trying to identify the root cause.

- It is gathered that the Task Force meeting has become a routine meeting and the purpose of which they have been formed is defeated.
- Multiple loans under various government sponsored schemes are being sponsored/given to the same person.
- The main purpose of such beneficiaries is to get the benefits of subsidy, and not to actually establish an enterprise.

In this regard, we suggest the following:

- a) Making Aadhaar as a prerequisite to avail loans under various government sponsored schemes. It will help the lenders to prevent borrowing multiple times to the same person. Further, it will prevent the beneficiaries from over-indebtedness.
- b) It has been observed that allowing a long list of alternative documents was leading to individual manipulating multiple identities as demographic data differs in different Know Your Customer documents. This results in a situation where Credit Information Report extracted for an 'individual' with a particular set of KYC does not capture all records pertaining to this individual. Aadhaar will help the lenders to establish creditworthiness of its borrowers by comparing their financial profiles using databases of credit bureaus.
- c) The proposals received from the prospective entrepreneurs should be

screened by a committee consisting of professionals, including bankers, to evaluate the capability of the applicant, both technical and financial.

- d) Training to the entrepreneurs through Entrepreneurship Development Programmes (EDPs). The EDPs should be more objective and professional, so that required traits can be inculcated in the entrepreneurs.
- e) Monitoring and hand-holding support after financing needs to be in place.

The Ministry of Finance amended the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 through a notification dated June 1, 2017. As per the amended rules, new bank accounts opened post the above-stated notification will have to be linked with Aadhaar at the time of opening the account or within 6 months from the date of opening the bank account. Further, existing bank accounts are have to be linked with Aadhaar by March 31, 2018.

The government so far has also been trying to push the use of Aadhaar by making it mandatory for availing various social welfare benefits like Direct Benefit Transfers etc. The Reserve Bank of India vide notification no. RBI/2017-18/48 FIDD.CO.FSD.BC.No.14/05.02.001/2017-18 dated August 16, 2017 also made Aadhaar linkage mandatory to farmers for availing benefits under Interest Subvention Scheme for short-term crop loans in 2017-18.

In view of the aforesaid, we request the state government

- (i) **to make Aadhaar linkage mandatory for getting loans under various government sponsored schemes.**
- (ii) **to issue instructions to seed Aadhaar in all existing government sponsored loans.**

The matter is put-up for discussion.

AGENDA NO-7

MUKHYA MANTRI KRISHAK UDYAMI YOJANA AND AMENDMENTS IN MUKHYA MANTRI SELF EMPLOYMENT SCHEMES

MSME department, Government of Madhya Pradesh vide letter no. F2-121/2017/A-73 dated 16.11.2017 has launched a new scheme namely “Mukhya Mantri Krishak Udyami Yojana” and amended 3 flagship self-employment generation schemes. A brief note is given below:

Mukhya Mantri Krishak Udyami Yojana (New Scheme)

This scheme has been launched 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, poultry feed, fish feed, custom hiring Centre, tissue culture, cattle feed, vegetable dehydration, Dal mill, rice mill, oil mill, flour mill etc.

Project cost- Rs. 10 lakh to 2 crores

Eligibility

- *Age-* 18-40 years
- *Educational Qualification-* Minimum 10th pass
- *Income-* No limit but the applicant's family should not have already established any business or industry and should not be an income tax payer.
- **Financial assistance**
 - a) Margin money-
 - 15% of the project capital cost (Max 12 lakh) for General category
 - 20% of the project capital cost (Max 18 lakh) for BPL category
 - b) Interest subsidy-6% per year of the project capital cost for women & 5% per year for others for 7 years (max 5 lakh per year)
 - c) CGTMSE Guarantee fees- At the prevailing rate for 7 years.
- Farmer’s son/daughter will be those whose parents or self-have agriculture land and they are not an income tax payer.

Mukhya Mantri Yuva Udyami Yojana

Amendments-

- (i) **Project cost increased from Rs. 1 crore to Rs. 2 crore**
- (ii) **Income- applicant's family should not be an income tax payer.**
- (iii) **Interest subsidy- Maximum cap will be 5 lakh per year**
- (iv) **Eligible units- New clause “Eligible to get CGTMSE cover” is added.**

Project cost- Rs. 10 lakh to 2 crores

Eligible project- Industry (Manufacturing) and Services Sector (eligible to get CGTMSE cover) **Applicable for new units only.**

Eligibility

- *Age-* 18-40 years
- *Educational Qualification-* Minimum 10th pass
- *Income-* No limit but the applicant's family should not have already established any business or industry and should not be an income tax payer.
- **Financial assistance**
 - a) Margin money-
 - 15% of the project capital cost (Max 12 lakh) for General category
 - 20% of the project capital cost (Max 18 lakh) for BPL category
 - b) Interest subsidy-6% per year of the project capital cost for women & 5% per year for others for 7 years (max 5 lakh per year)
 - c) CGTMSE Guarantee fees- At the prevailing rate for 7 years.

Security- No collaterals required. Loans will be covered through credit guarantee schemes.

Mukhya Mantri Swarojgar Yojana

Amendments-

- (i) **Income-** applicant's family should not be an income tax payer.
- (ii) **Interest subsidy-** Specifically women is added and it would be 6%
- (iii) **Eligible units-** New clause "Eligible to get CGTMSE cover" is added.

Project cost- Rs. 50000 to 10 lakh

Eligible project- All Industry (Manufacturing), Service and trading (eligible to get CGTMSE/CGFMU cover) **Applicable for new units only.**

Eligibility

- **Age-** 18-45 years
- **Educational Qualification-** Minimum 5th pass
- **Income-** No limit but the applicant's family should not have already established any business or industry and should not be an income tax payer.
- **Financial assistance**
 - a) **Margin money-**
 - 15% of the project cost (Max. 1 lakh) for General category
 - 30% of the project cost (Max 2 lakh) for BPL/SC/ST/Women/Handicapped/Minority/OBC (except creamy layer) category
 - b) **Interest subsidy-**6% per year of the project cost for women & 5% per year for others for 7 years (max 25000 per year)
 - c) **CGTMSE Guarantee fees-** At the prevailing rate for 7 years.

Security- No collaterals required. Loans will be covered through credit guarantee schemes.

Mukhya Mantri Arhik Kalyan Yojana

Amendment-

(i) **Margin money subsidy-Minority & Vimukt ghumakkad & Ardh ghumakkad added**

Project cost- Maximum Rs. 50000

Eligible project- Street vendor, Kesh Shilpi, Haath Thela, Cycle/Rikshaw driver & Potter **Applicable for new units only.**

Eligibility

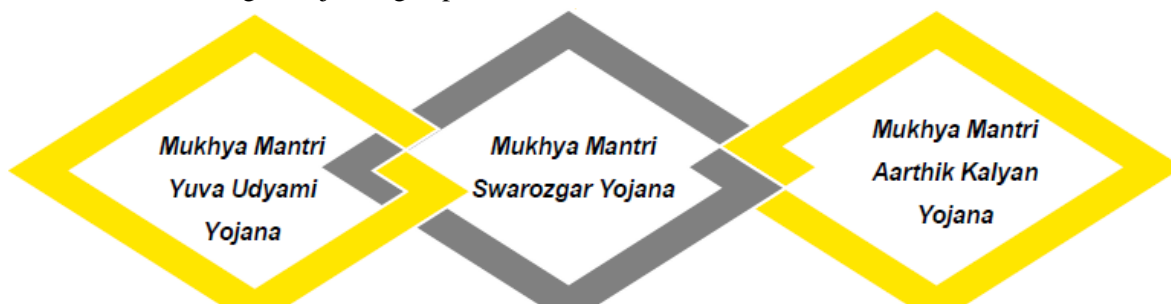
- **Age-** 18-55 years
- **Educational Qualification-** No any
- **Income-** Member of National Food Mission/PDS card holder
- **Financial assistance**
 - d) **Margin money-**
 - 15% of the project cost for General category
 - 50% of the project cost for BPL/SC/ST/Women/Handicapped/Minority/OBC (except creamy layer) /Vimukt Ghumakkad & Ardh Dhumakkad Tribes (maximum Rs. 15000)

Security- No collaterals required.

This issue is put up for discussion.

GROWTH PATTERN IN FLAGSHIP EMPLOYEMENT GENERATION PROGRAMMES OF THE STATE GOVT. DURING LAST THREE YEARS & CUURENT FISCAL

- In Madhya Pradesh, 30% of population is in the age group of 15-30 years; huge potential for employment growth.
- Madhya Pradesh Government has been supporting entrepreneurs/ Self-Employment by providing an enabling environment for job creation and entrepreneurship.
- In the year 2014, 13 self-employment schemes of Madhya Pradesh Government were merged into following 3 major flagship schemes.



- The below mentioned figures show growth and coverage of these schemes, which resulted in achievement of 100% against target.

Number of beneficiaries			
Mukhyamantri Yuva Udyami Yojana			
Year	Target	Disbursement	Achievement %
2014-15	1000	995	99.50
2015-16	1500	1510	100.67
2016-17	2000	2030	101.50
2016-17 upto Dec	2000	1176	58.80
2017-18 upto Dec	2000	933	46.65
Mukhyamantri Swarozgar Yojana			
Year	Target	Disbursement	Achievement %
2014-15	31600	32611	103.20
2015-16	54000	54318	100.59
2016-17	68000	68386	100.57
2016-17 upto Dec	68000	41370	60.83
2017-18 upto Dec	85400	47458	55.57
Mukhyamantri Arthik Kalyan Yojana			
Year	Target	Disbursement	Achievement %
2014-15	20700	17953	86.73
2015-16	16000	17848	111.55
2016-17	30000	31079	103.60
2016-17 upto Dec	30000	18898	62.99
2017-18 upto Dec	43600	22247	51.02
Total (all 3 Self Employment Schemes)			
Year	Target	Disbursement	Achievement %
2014-15	53300	51559	96.73
2015-16	71500	73676	103.04
2016-17	100000	101495	101.50
2016-17 upto Dec	100000	61444	61.44
2017-18 upto Dec	131000	70728	53.99

This is for information.

AGENDA NO-8

PROGRESS UNDER OTHER GOVERNMENT SPONSORED SCHEMES



P.M.E.G.P

Khadi & Village Industries Commission
Ministry of M.S.M.E
(Government of India)

Prime Minister's Employment Generation Programme

Amount in crore

Year	Financial Target (Margin Money)	Beneficiary		
		Number	Margin Money disbursed	Achievement %
2014-15	81.82	2847	95.63	116.87%
2015-16	81.27	1979	81.16	99.86%
2016-17	99.72	1941	83.42	83.65%

Progress report FY 2017-18

M.M.-Margin Money amount in crores

As on 31.12.2017

AGEN CY	TARGET		FORWAR DED TO BANK	SANCTIONED BY BANK		DISBURSEMENT		Achi% (Sanc. over target)
	NO.	M.M.		NO.	M.M.	NO.	M.M.	M.M.
DIC	3825	75.87	4599	1205	48.26	410	19.15	63.61
KVIB	2868	56.9	1629	479	19.63	200	8.62	34.50
KVIC	2868	56.9	842	367	15.88	177	7.88	27.91
Total	9561	189.68	7070	2051	83.77	787	35.65	44.16



Livelihoods – NRLM

Achievement up to 31.12.2017

Amt. in crore

Particulars	FY 2017-18	
	Number	Amt.
Target	73650	822
Cases submitted	43121	682
Sanctioned	32757	510
Disbursed	28098	431
Achievement% (Disbursed)	44.48	62.04
Sanctioned % over submission of cases	75.97	74.78



प्रधानमंत्री
कपरेव
योजना

As on 31.12.2017

Amount in crores

BANKS' TYPE	Target FY 2017-18	SHISHU		KISHORE		TARUN		TOTAL		Achie %
	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.	Amt.
Public Sector Banks	5000	197264	164	74380	1631	23683	1081	295327	2876	57.52
Private Sector Banks	752	532439	1442	13991	301	3205	199	549635	1943	258.36
Regional Rural Banks	675	22189	79	11571	184	778	51	34538	314	46.53
BANK'S TOTAL	6427	751892	1686	99942	2116	27666	1331	879500	5133	79.87
Micro Finance Companies	3283	1528345	3157	7639	55	10	1	1535994	3213	97.88
Small Finance Banks & NBFCs	*	251864	544	13000	339	2694	188	267558	1072	*
GRAND TOTAL	9710	2532101	5387	120581	2511	30370	1520	2683052	9418	96.99

Bank wise list is given in Table no.29



Disbursed amt. in crores

Category	As on 31.03.2017		As on 31.12.2017		Progress over Mar-17	
	Number	Amt.	Number	Amt.	Number	Amt.
Female	1392	309.89	2030	464.09	638	154.20
General	1089	245.83	1622	378.91	533	133.08
Minority	71	17.64	90	21.81	19	4.17
OBC	161	32.56	221	44.51	60	11.95
SC	54	10.07	73	13.31	19	3.24
ST	17	3.79	24	5.56	7	1.77
Male	323	60.79	411	77.92	88	17.13
SC	231	43.74	287	55.19	56	11.45
ST	92	17.05	124	22.73	32	5.68
Total	1715	370.68	2441	542.02	726	171.34

Bank wise performance is shown in Table no.30

Performance of Top 10 Districts (Number) in M.P. under Standup India Scheme

Cumulative progress as on 31.12.2017

Amt. in crore

Sr.	Name of the District	Number	Sanctioned Amt.	Outstanding	Average Ticket size in lakh
1	Indore	430	98.91	51.53	23
2	Bhopal	305	69.93	24.96	23
3	Jabalpur	197	46.18	19.90	23
4	Gwalior	164	39.70	18.23	24
5	Ujjain	114	26.50	9.92	23
6	Narsinghpur	68	12.24	3.66	18
7	Rewa	63	16.02	7.16	25
8	Hoshangabad	60	9.23	3.70	15
9	Chhindwara	58	13.54	7.59	23
10	Satna	55	15.32	5.77	28

Bank wise performance is shown in Table no.31



AMENDMENT

The Cabinet has recently approved the increase in the carpet area of houses eligible for interest subsidy under the credit linked subsidy scheme for the middle income group under Pradhan Mantri Awas Yojana (PMAY).

- After the latest amendment is incorporated, carpet area has been increased in the middle income group (MIG-I) category of credit linked subsidy scheme (CLSS) from the existing 90 square metre to **up to 120 square meter**.
- In respect of the middle income group (MIG) II category of credit linked subsidy scheme, Carpet area has been raised from the existing 110 square meter to **up to 150 square meter**.
- The CLSS for MIG covers two income segments in the MIG, including Rs. 6 lakh to Rs. 12 lakh (MIG-I) and Rs. 12 lakh to Rs. 18 lakh (MIG-II) per annum.
- In the middle income group 1 category, an interest subsidy of 4% is allowed for loan amounts up to Rs. 9 lakh while in the middle income group 2 category an interest subsidy of 3% is allowed for loan amount of Rs. 12 lakh. Housing loans above 9 lakh and 12 lakh will be at non-subsidized rates.
- The interest subsidy will be calculated at 9% NPV over maximum loan tenure of 20 years or the actual tenure, whichever is lesser.
- The above changes are effective from 01.01.2017.
- The CLSS for MIG is currently effective up to 31.03.2019.

PROGRESS UNDER PMAY-URBAN

Particulars	Cumulative up to 31.03.2017	Cumulative up to 31.01.2017	FY 2017-18
No. of sanctioned cases (Banks & HFCs)	1874	5480	3606
Subsidy released Rs. in crores	32	102.43	70.43

ISSUES

- With a view to provide easy Home loans to EWS beneficiaries, Urban Administration and Development (UAD) has issued guidelines and model tripartite agreement during last SLBC meeting. Under Affordable Housing in Partnership (AHP) Vertical of Pradhan Mantri Awas Yojana 1,30,682 EWS houses have been sanctioned. Loan tie-ups for EWS beneficiaries is to be done by banks and FIs. – Review of progress under this vertical and future course of action shall be discussed.
- Government of Madhya Pradesh is committed to provide Pucca House to all the Houseless Urban Poors. Till now state has got sanction of more than 4 lakh houses under Pradhan Mantri Awas Yojana(Urban). For faster implementation of the scheme and time-bound completion of EWS houses, Urban Administration and Development (UAD) is planning to raise Rs. 1500 Crores Funding from Bank/FIs – UAD will be floating tender in this regard and shall expect participation from Banks/FIs.
- Any other issue from Central Nodal Agency, Bank/HFI or SLNA side with the permission of Chairperson.

**CREDIT LINKED SUBSIDY RECEIVED BY BANKS/HFIs- STATUS AS ON
31.12.2017**

Sr. No.	Name of Bank/HFIs	No. of Cases	Rs. in Lakhs
1	Allahabad Bank	55	49.09
2	Axis Bank Ltd.	173	324.79
3	Bank of Baroda	10	17.39
4	Canara Bank	105	195.21
5	Corporation Bank	5	8.25
6	ICICI Bank Ltd.	15	33.94
7	Karnataka Bank Ltd.	1	2.15
8	Madhyanchal Gramin Bank	5	5.22
9	Narmada Jhabua Gramin Bank	84	134.60
10	Oriental Bank of Commerce	47	33.09
11	Punjab National Bank	19	32.06
12	State Bank of India	669	1,295.14
13	Syndicate Bank	16	30.08
14	UCO Bank	1	1.17
15	Vijaya Bank	82	152.25
16	Yes Bank	51	69.16
	Sub Total Banks	1338	2383.59
	HFIs	4142	7859.05
	Grand Total	5480	10242.64

AGENDA NO-9

ISSUES RELATED TO GOVT. SPONSORED SCHEMES

EXEMPTION OF STAMP DUTY FOR LOAN UP TO 10 LAKH BY WOMEN SHGs

The State Government vide its notification no. 8-4-01/2018/2/V(03) dated 10.01.2018 exempted stamp duty chargeable on the instruments executed under article 6 of Stamp Schedule 1A by women self-help groups in favour of banks for securing loan up to Rs 10 lakh for economic development of group members under government schemes.

All banks are requested to issue suitable instructions to their bank branches for implementation.

USING UNIQUE PRODUCT CODE FOR NRLM SCHEME

- Government of India has announced Interest Subvention Scheme for the women SHGs wherein the regular SHGs would be incentivized in terms of Interest Subvention so that they can avail the credit at 7% rate of Interest.
- This further demands a dynamic database wherein the monthly transactions of the SHGs are captured to disburse the benefits under the scheme to the eligible SHGs in a transparent manner. In view of the above, NRLM has developed a SHG-bank linkage portal. Banks are sharing SHG Bank-Linkage transaction data directly from CBS with the NRLM in a specified format, at monthly intervals. NRLM is using the information shared by the banks to generate various reports.
- The reports are placed in the portal (www.nrlmbl.aajeevika.gov.in). There are broadly three types of reports – 1) SHG Bank-Linkage achievement, 2) Loan Outstanding & Delinquency report and 3) Report on eligibility for Interest subvention. Each report can be drill down up to SHG level.
- However, it has been observed that some bank branches do not use proper product code of the scheme, at the time of opening the account in CBS. Due to which, true progress of the scheme is not appearing in the state. Further, it creates problems in claiming the subsidy amount.

All banks are requested to note that all accounts for the SHGs, both savings as well as loan accounts should be maintained under the unique code of NRLM. The data cleansing exercise for this purpose to be completed before 31st March 2018.

ENTERING ACTION TAKEN ON THE APPLICATIONS OF GOVERNMENT SPONSORED SCHEMES INTO “SAMAST” PORTAL

- Directorate of Institutional Finance, Govt. of M.P. has developed a software portal “SAMAST” (Software Application for Monitoring Achievement of Scheme Target) to monitor the progress under Government sponsored schemes. Banks and other respective departments have been shared login ID and password to access the portal.
- Banks are supposed to access the portal and update the progress regularly.
- During 159th meeting of SLBC, the Chief Secretary of the state had directed to review the progress of government sponsored schemes on the basis of progress achieved through SAMAST portal.
- It has been reported that some banks do not update the portal and many actions are pending for disposal in bank branches.
- In absence of updation of record on the portal, true progress of the schemes does not reflect.
- In order to ease the beneficiaries from visiting the bank branch to know the status of their submitted application, an “Automated sms alert facility” has been introduced from 27.11.2017. The beneficiary will receive a sms at 6 various stages completed by the banks/departments on the

portal. Further, this application has been linked with the CM DASHBOARD and it is also monitored by the Chief Minister's office.

All banks are requested to enter action taken on the applications of government sponsored schemes into SAMAST portal and update regularly.

PRADHAN MANTRI MUDRA YOJANA (PMMY)- INCREASED VISIBILITY & ACCESS FOR POTENTIAL BORROWERS

Department of Financial Services, Ministry of Finance, Government of India, vide their letter no. F.No. 27/01/2015-CP/RRB (Part-I) PMMY dated 09.11.2017 informed that following things must be made available at Branch level.

1. PMMY logo to be prominently displayed externally outside the Branch through a poster / Flex etc.
2. Mudra Scheme facilitation desk in each Branch with display of PMMY logo.
3. Availability of Mudra Nodal Officer of the Branch on a fixed day & time at least once a week. Details of the same must be displayed prominently in the Branch.

All banks are requested to ensure that all the 3 points mentioned above are available at their branches

IMPROPER DISTRIBUTION OF LOAN APPLICATIONS

It has been reported that uniform distribution of applications for loan under different government sponsored schemes is not happening at the field level, which results in a situation in which some of the bank branches find themselves saddled with quite a large number of applications whereas many other branches receive relatively less number of applications.

Ideally, uniform distribution of applications amongst bank branches is desirable in the interest of expeditors processing and completion of associated formalities for consideration of loan applications on merit by branches. This will also help in achieving of the targets allotted to branches within the time limits.

Implementing agencies of various government sponsored schemes may be advised to ensure proper distribution of applications amongst bank branches for effective implementation of the schemes.

In order to reducing the rejection rate, submitted proposal should not be more than 125% of the targets (as decided in the last SLBC meeting).

The matter is put up for discussion.

AGENDA NO-10

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

- During last SLBC meeting held on 18.09.2017, the house approved the allotment of 32 remaining unbanked villages to the banks based on respective Sub Service Areas (SSAs) of the centres. Concerned banks were advised to open “Banking Outlets “latest by 31st December 2017. It was mentioned that RRBs are not granted permission by the RBI. After discussion, it was decided that the sponsor banks of the Central Madhya Pradesh Gramin Bank and Madhyanchal Gramin Bank should shoulder the responsibility of its own RRB and if RRBs are unable to open banking outlet then sponsor bank should open the banking outlets at those places.
- During the quarter, 28 more centres have been covered through banking outlets manned by business correspondents. Now, out of 47 identified centres, 43 centres have been covered by banks till 15.12.2017. 15 Centres have been covered through brick and mortar branches and 28 centres have been covered through Banking Outlets manned by business correspondents.
- 4 centres still remain to be covered. Sub service areas of these village in Bhind districts fall under Central Madhya Pradesh Gramin Bank (CMPGB)/Central Bank of India. Due to prompt corrective action which puts restriction on expansion of branches, it could not be opened. Now, it is gathered that the Reserve Bank of India has allowed opening banking outlets in Banks under PCA. The bank has informed that on receipt of permission from the competent authority, the said task will be completed before stipulated time.

The matter is placed for discussion.

AGENDA NO-11
CREDIT DEPOSIT RATIO

SR.	IMPORTANT INDICATOR	DEC-16	DEC-17	Y-O-Y Growth %
	ALL BANKS			
1	(i) Aggregate Deposits (crore)	337995	351186	3.90
	(ii) Bank Credit (crore)	221922	260860	17.55
2	SCHEDULED COMMERCIAL BANKS			
	(i) Aggregate Deposits (Crore)	296827	310778	4.70
	(ii) Bank Credit (Crore)	187186	222105	18.65
3	Credit Deposit Ratio (Percent)			
	Commercial Banks	63.06	71.47	8.41
	Regional Rural Banks	52.30	59.76	7.46
	Cooperative Banks	115.45	128.79	13.34
	All Banks	65.66	74.28	8.62
	All Banks as per credit place of utilisation		77.31	

- On a year-on-year (y-o-y) basis, aggregate deposits grew at the rate of 3.90% in all population groups (except in urban areas); on the other hand, however, bank credit grew at the rate of 17.55% (y-o-y).
- Annual growth rate in aggregate deposits of scheduled commercial banks (PSBs & Pvt. Banks) was 4.70%, whereas it was 18.65% for credit as on December 31, 2017.
- The credit-deposit (C-D) ratio of all SCBs in the state increased to 71.47% during Dec- 2017 from 63.06% a year ago.
- CD ratio of the state increased from 65.66% a year ago to 74.28% during Dec-2017.
- Including the credit, which has been financed from outside the state but it is being utilized in the state, the CD ratio comes to 77.31% during December 2017. An amount of Rs 10647 crore credit is being utilized in the state.

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

DISTRICTS WITH CD RATIO BELOW 40% AS ON 31.12.2017

Amount in crores

SR.	DISTRICTS	LEAD BANK	DEPOSITS*		ADVANCES*		CD RATIO%*	
			31.12.16	31.12.17	31.12.16	31.12.17	31.12.16	31.12.17
1	UMARIA	SBI	1665	1920	379	389	22.77	20.26
2	DINDORI	CBOI	862	895	329	263	38.14	29.39
3	SHAHDOL	CBOI	3581	3523	922	865	25.76	24.55
4	MANDLA	CBOI	2480	2298	929	773	37.45	33.64
5	TIKAMGARH	SBI	3178	2933	1143	891	35.97	30.38

*excluding data of cooperative banks.

District wise deposits, advances & CD Ratio as on 31.12.2017 is shown in Table no. 3(ii)

- Where Dindori, Shahdol, Mandla & Umaria districts always fall under the category of low CD ratio districts, Tikamgarh district ever go out of this category and then come back.
- A special DCC meeting was conducted in Umaria district on 27.04.2017 to draw monitor able action points to increase the credit deposit ratio.

Action taken report on Minutes of Special DLCC meeting held on 27.04.2017 at UMARIA-Status as on 30.11.2017

Sr.	Action Point	Department	Action Taken
1	Agriculture loan melas should be arranged with the help of district administration and Banks to provide information regarding loans on low interest rate, interest subvention on timely repayment and financial institutions.	Banks and Dy. Director Agriculture	The Banks and District Administration have arranged following loan camps to provide informations to farmers :- (1). Kisan Vigyan Mela 24.05.17. (2). Hariyali Mahotsav on 10.07.17 (3). Krishi Melas from 15th Sept. To 30th sept 17 in three Blocks. (4) Krishi Mela on 03.11.2017. (5) Swarojgar mela on 02.12.2017. Large number of people visited the camps and sight.
2	For recovery of Banks loan a recovery team consisting of Bank's Officials and Tehsildar should be formed. They will visit 5 large borrowers of village with the help of Police. It will create awareness among farmers to repay the Bank loans.	Banks and District administration	District administration has informed that Bank Officials are not coming forward for recovery with the support of them. District administration has assured for their whole hearted support.
3	Employment and income of farmers may be increased by encouraging Dairy activity. Collector has requested that each Banks should finance minimum 10 dairy loans to large farmers to increase CD ratio of district. Bankers has given consent to provide loans in. viable cases	Banks and Dy. Director Veterinary	29 dairy cases have been sanctioned out of 229 applications forwarded to Banks. A few banks are in the process of execution of Tripartite Agreement with M.P Dugdha Sangha. A few banks are insisting for a collateral security due to their Corporate policies. However, they have taken up the issue with their Controlling Officers for guidance.
4	Scale of Finance for crop loan should be revised and agriculture loan to be increased by sanctioning new crop loans and increasing existing crop loans.	Banks and Dy. Director Agriculture	The scale of finance has been fixed based on the recommendations of a committee comprising of District Collector DCCB & Agri Department. The same is being reviewed every year. The banks will follow the scale of finance fixed by the committee.

5	Mudra loans should be sanctioned by Banks in SME segment, specially to youths have ITI, Polytechnic and RSETI training.	Banks and DIC	We have provided the list of Trainees of RSETI to Govt. Departments to prepare loans cases under various Govt. Sponsored Schemes. The forms have been made available at RSETI and duly filled in forms are being forwarded to respective departments for onward submission to banks.
6	Possibility of finance for Bamboo cultivation should be searched on the line of Amlai Paper Mill financed.	Banks and Dy. Director Agriculture	Farmers are being encouraged for Bamboo plantation with the help of Horticulture and Agriculture Department.
7	Stand up India scheme should be popularised to increase advance of district.	DIC	Efforts are being made by all Banks to finance all viable cases.
8	Collector has directed to Dy. Director Agriculture to provide list of farmers who has not availed loan from Banks with the help of Chief Executive Officer Janpad Panchayat. He should also informed that crops that can be cultivated.	Banks and Dy. Director Agriculture	Banks have arranged 5 Kisan Mela from May,17 to december,17 to create awareness among the farmers about the huge of loans available for Agriculture purpose. Efforts are being made by Banks, but due to huge level of NPA, bankers are not enthusiastic about the same.
9	Awareness to be created among Farmers for cultivation of Cash crops by arranging camps jointly by Banks and Agriculture department.	Banks and Dy. Director Agriculture	Farmers have been provided information regarding advantage of cash crop by arranging 5 camps from May,17 to December,17 by Banks.
10	Collection Centers for forest produce to be established to increase income of Farmers.	Dy. Director Agriculture	Effort are continued with the help of Forest department.
11	Loan to Farm Mechanisation, Power Tillers, Tractors, Pump set, Solar Pump to be provided to increase advance. Financing of Power Tillers should be given importance due low land holding.	Banks and Dy. Director Agriculture	The survey has been completed by the Agriculture Department. Banks will provide finance to all such Agriculturist subject to eligibility.
12	Loans should be provided to Self Help groups of ladies, because their repayment of loan is good.	Banks and Jila Panchayat/ Janapad Panchayat	The Banks and SRLM Department are working in close liaisoning and have been persuading for opening of accounts of SHGs.
13	Banks should give preference to construction of Warehouse, because District has shortage of godown for warehousing of crops.	Banks and Dy. Director Agriculture	Agriculture department is encouraging big farmers for construction of warehouse.
14	Flyash is available in the district, hence Industries related to flyash should be encouraged.	Banks and DIC	Efforts are being made by DIC to mobilise entrepreneurs for such industry .
15	Establishment of Agro based industries such as Rice Mill, Dal Mill, Edible Oil Mill etc Should be given preference.	Banks and DIC	DIC is conducting market survey for entrepreneur for these activities.
16	Minerals exploration work is undertaken mainly in Umari district, hence loan for related work as Transport Operators, Cargo Operators and exploration's Machines may be provided preferably.	Banks and DIC	Presently large entities from outside from Umari district are engaged in these activities and do not transact with Banks of Umari. These entities are availing Banking facilities from their Corporate Offices situated outside. However, Banks are trying for their business.

17	Education loans to Students of Umaria district to be given preferably. Committee has opinion that Banks should have positive	Banks	Banks are sanctioning education loans to students on priority.																				
18	Banks should complete 100% targets of different GSS schemes as MMYUY, MMUSY, MMAKYetc.	Bank and DIC	Position of GSS as on 30.11.2017 is as under:- <table border="1"> <thead> <tr> <th>Scheme</th> <th>Target</th> <th>Appl sent</th> <th>sanction</th> </tr> </thead> <tbody> <tr> <td>MMYU</td> <td>11</td> <td>13</td> <td>08</td> </tr> <tr> <td>MMYSY</td> <td>771</td> <td>1629</td> <td>513</td> </tr> <tr> <td>MMAKY</td> <td>410</td> <td>616</td> <td>191</td> </tr> <tr> <td>PMEGP</td> <td>61</td> <td>25</td> <td>03</td> </tr> </tbody> </table> Banks will ensure achievement of targets under various Govt. Sponsored Schemes.	Scheme	Target	Appl sent	sanction	MMYU	11	13	08	MMYSY	771	1629	513	MMAKY	410	616	191	PMEGP	61	25	03
Scheme	Target	Appl sent	sanction																				
MMYU	11	13	08																				
MMYSY	771	1629	513																				
MMAKY	410	616	191																				
PMEGP	61	25	03																				
19	Banks should preferably sanction loans for House, Car, and Personal Loan	Banks	Banks are sanctioning loans to Personal Banking segment on regular basis.																				

This issue is presented for discussion.

AGENDA NO-12

DIGITAL TRANSACTIONS- STATUS COUNTRY AS ON DECEMBER 31, 2017

- a) Giving impetus to digital payments, last month, union cabinet approved a proposal that government will bear the merchant discount rate (MDR) charges on transactions up to Rs. 2000 made through debit cards, BHIM, united payments interface (UPI) or Aadhaar-enabled payment systems.
- b) This is the first time that the digital transaction volume has crossed the 1 billion mark in December 2017 according to provisional data released by the Reserve Bank of India.
- c) The overall value of these transactions was also the second highest in a month in the last one year. Transactions worth about Rs125.51 trillion were carried out in December through credit and debit cards, the unified payments interface (UPI), unstructured supplementary service data (USSD), prepaid payment instruments (PPIs) and internet banking. The highest was in March at Rs149.59 trillion.
- d) Transactions across UPI yet again reached a new peak in December. The transaction volume was 145.5 million, up around 40% from 104.8 million in the previous month. The value of transactions rose around 36% to Rs131.4 billion in December from Rs. 96.4 billion in the previous month. In the last one year, the UPI transaction volume has risen by more than 7000%. Last December (in 2016), only around 2 million transactions were recorded.
- e) UPI BHIM touches 145 million in December 2017. Until now, there have been more than 21.65 million downloads of the Bhim app on the Android platform and around 1.03 million downloads on the iOS platform. According to NPCI, around 9 million transactions took place on the Bhim app in December.
- f) Usage of PPIs such as mobile wallets peaked in terms of both volume and value during December. The volume of PPI transactions in December was 99.1 million as compared with 96.2 million in October. Rs35.1 billion worth of transactions were recorded in December compared with Rs32.7billion in October.
- g) Debit and credit card usage at point-of-sale (PoS) machines rose both in terms of value and volume. The volume of transactions increased by around 5% in December to 257.2 million transactions from 244.6 million transactions in the previous month. The value of transactions went up by 6.7% to Rs. 515.9 billion in December from Rs. 483.3 billion in the previous month.
- h) Payments using National Electronic Funds Transfer (NEFT) and Real Time Gross Settlement (RTGS) increased by around 4% and 1%, respectively, in December from the preceding month.

DIGITAL TRANSACTIONS STATUS MADHYA PRADESH AS ON 31.12.2017

Number in lakh

Sr.	Mode of Digital txn.	No. of txn. Between 01.04.2017 to 30.06.2017	No. of txn. Between 01.07.2017 to 30.09.2017	No. of txn. Between 01.10.2017 to 31.12.2017	Total no. of txn. During third qtr. of current fiscal
1	UPI	22.55	89.40	90.29	202.24
2	USSD	0.02	0.08	0.08	0.18
3	Aadhaar Pay	0.78	4.14	4.18	9.10
4	IMPS	39.74	140.32	161.72	341.78
5	Debit Cards@ATMs	2277.21	1472.04	1786.76	5536.01
6	Bharat QR Code	0.13	0.10	0.10	0.33
7	Debit/Credit cards @POS	178.39	220.35	222.55	621.29
8	Mobile Banking	56.51	88.55	101.44	246.50
9	Internet Banking	590.97	455.07	559.62	1605.66
	Total	3166.30	2470.05	2926.75	8563.10

*Above data pertain to 20 major banks, which shows that 56.36 crore (No.) digital transactions have been made against the **annual target of 129 crore** set for the current year and we may project that such target will be achieved.*

AGENDA NO-13
FINANCIAL INCLUSION

Status as on 31.12.2017 Number & amount in lac

[A] Operative CASA Accounts	31.03.2017	30.06.2017	31.12.2017	Progress over Mar-17
<i>No. of operative CASA bank a/c</i>	521	530	582	61.03
<i>No. of a/c seeded with Aadhaar</i>	358	367	473	114.89
<i>Aadhaar seeding %</i>	68.74	69.23	81.28	12.54
<i>No. of Aadhaar authenticated CASA</i>	*	*	278	*
<i>% of Aadhaar authenticated CASA</i>	*	*	47.77	*
<i>No. of a/c seeded with mobile no.</i>	309	317	385	75.48
<i>Mobile seeding %</i>	59.42	59.78	66.17	6.74
[B] PMJDY Accounts				
<i>No. of PMJDY Accounts</i>	249	258	268	19.03
<i>Balance held in the accounts</i>	283274	307189	316660	33386
<i>Average Bal. in the accounts (Rupees actual)</i>	1140	1190	1183	43.29
<i>No. of Zero Balance a/cs</i>	67.79	68.13	56.98	-10.81
<i>% of Zero Balance accounts</i>	27.27	26.40	21.29	-5.98
<i>No. of Aadhaar seeding</i>	160	184	206	45.74
<i>Aadhaar seeding %</i>	64.47	71.47	76.98	12.51
<i>RuPay card issued</i>	180	186	192	12.35
<i>RuPay card issuance %</i>	72.27	72.24	71.75	-0.52

*Not available

Bank wise data is given in Table No. 25

- As on 31st December 2017, there were 5.82 crores operative CASA accounts including PMJDY accounts. Total numbers of PMJDY accounts were 2.68 crores in the State.
- Out of total operative CASA accounts, percentage of Aadhaar and mobile seeding was 81.28% and 66.17% respectively.
- In PMJDY accounts, percentage of Aadhaar seeding was 76.98%.
- 21.29% PMJDY accounts are still inoperative and there was no balance in these accounts as of DECEMBER 31, 2017.
- Total balance in PMJDY accounts was increased to Rs. 3166 crores as of December 31, 2017 from Rs. 2832 crores in March 2017, which comes to Rs. 1183 per account on an average.
- During current fiscal, 19.03 lakh new PMJDY accounts were opened till 31.12.2017. However, zero balance accounts reduced by 10.81 lakh from March 2017.

Aadhaar authentication status as on 31.12.2017

- As of 31.12.2017 Aadhaar authentication percent on CASA accounts were 47.77%.
- Now the deadline to link Aadhaar with bank accounts has been expended to March 31, 2018.

Bank wise Aadhaar Authentication is shown in Table no.-31

Aadhaar seeding process to be followed for obtaining consent from the customer

One of the important aspect of Aadhaar Seeding is obtaining explicit consent from the customer for receiving subsidy and other credits as per mapper data. NPCI vide circular number NPCI/2017-18/NACH/Circular No.251 dated 26.10.2017 informed that as per the mapper design, if more than one bank uploads the Aadhaar number in NPCI mapper, the mapper will hold the last record updated. NPCI has advised that Aadhaar seeding is carried out only after obtaining the declaration from the customers as specified in the circular referred above.

All Banks are requested to comply with the above instructions of NPCI.

OPENING OF AADHAAR ENROLLMENT CENTRES IN M.P.-STATUS AS ON 31.01.2018

Sr. No	Banks	Aadhaar Centres	Training imparted to officers	Certification-Supervisor	Operational Centres
1	Allahabad Bank	21	21	21	21
2	Andhra Bank	3	3	3	3
3	Bank of Baroda	30	30	30	0
4	Bank of India	41	41	38	35
5	Bank of Maharashtra	18	18	18	0
6	Canara Bank	30	25	25	19
7	Central Bank of India	47	47	42	2
8	Corporation Bank	6	0	0	0
9	Dena Bank	7	7	0	4
10	IDBI Bank Ltd.	9	18	18	0
11	Indian Bank	3	3	3	3
12	Indian Overseas Bank	10	10	10	3
13	Oriental Bank of Commerce	5	5	4	0
14	Punjab & Sind Bank	4	8	8	0
15	Punjab National Bank	48	48	0	0
16	State Bank of India	110	110	80	78
17	Syndicate Bank	40	40	35	35
18	UCO Bank	19	19	19	19
19	Union Bank of India	35	35	25	0
20	United Bank of India	4	4	4	4
21	Vijaya Bank	7	7	7	0
22	Axis Bank	13	13	13	13
23	HDFC Bank	13	13	13	13
24	ICICI Bank	24	24	24	24
25	CMPGB	46	46	42	0
26	MGB	46	90	80	22
27	NJGB	41	41	41	0
	TOTAL	680	726	603	298

PERFORMANCE OF RURAL SELF EMPLOYMENT TRAINING INSTITUTES (RSETIs)

- The 50 Rural Self Employment Training Institutes (RSETIs) and 1 RUDSETI in the State, an initiative of Ministry of Rural Development (MoRD), are imparting training and skill up-gradation to rural youth encourage towards entrepreneurship development. Recently, the scheme has been aligned with the common norms for Skill Development schemes notified by Ministry of Skill Development and Entrepreneurship, GoI.
- In the state of Madhya Pradesh minimum settlement rate is 64.76%, which needs to be achieved minimum 70% for trained candidates within one year of training. 'Settlement' in RSETI means either self-employment or wage employment in the ratio of 90:10 respectively.
- Some of the ways suggested by the Joint Secretary (Skills), Ministry of Rural Development, GOI vide letter addressed to the Additional Chief Secretary, Panchayat & Rural Development, GoMP are as given below:
 - a) Sensitizing RSETIs in the state on the need to organize demand driven training courses with high prospects of settlement through regular interaction with the industry/businesses.
 - b) Monitoring of bank linkage of trained candidates and evaluation with RSETI Directors with Banks and specially in SLBCs.
 - c) Direct involvement of local state officials in mobilization of candidates to ensure right and deserving candidates are given training.
 - d) Regular tackling of the candidates for one year after completion of training with focused hand holding support to facilitate credit linkages/placements.

Performance highlights of RSETIs in the State as on 31.12.2017 FY 2017-18

- There was a target of 1231 number of programmes for financial year 2017-18, out of which 820 training programs were conducted till December 31, 2017.
- Out of the target of total 35570 trainees for FY 2017-18, 21844 candidates were trained up to 31.12.2017.
- Out of total trained candidates, 4718, 4371 & 4675 were from SC, ST and BPL categories respectively.
- Since inception, 6397 programmes have been conducted wherein, 176687 candidates were trained. Out of these, 113301 candidates are settled and settlement ratio was 64.12%.

Opening of RSETI in Agar Malwa District

It has been brought to the notice that no full-fledged RSETI is functioning in Agar Malwa district, which is the lead district of Bank of India. The Lead Bank of this district is supposed to establish a RSETI for imparting training and skill up-gradation to rural youth.

The matter is placed for discussion.

STATUS OF PENDING CLAIMS WITH DRDA/NRLM FOR SETTLEMENT

As many as, claims of Rs. 3.42 crores are pending for reimbursement of training expenses of BPL candidates incurred by RSETIs with SRLM of the State for settlement. Even some of the claims for settlement are pending since last 7 years. Details are as under:

Amount in Rs. lakh

Sl. No.	Name of the RSETI	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18. UP TO 30.11.2017	Total
1	AshokNagar		2.75	1.74	0.00	11.74	9.57	1.21	2.38	29.39
2	Nowgaon		0	0.00	0.00	0.00	1.14	11.67	7.44	20.25
3	Damoh		0	17.93	6.99	15.19	1.10	10.96	9.85	62.02
4	Guna		0	0.00	0.00	4.49	4.30	9.99	2.52	21.30
5	Harda		0	0.00	0.00	0.00	0.00	4.90	3.94	8.84
6	Katni		0	0.00	0.00	0.00	0.00	15.57	10.06	25.63
7	Neemuch		0	0.00	0.00	0.00	0.00	8.63	4.95	13.58
8	Panna		0	0.00	0.00	3.05	10.91	13.52	4.84	32.32
9	Sheopur		0	0.00	0.00	0.00	0.00	2.26	9.28	11.54
10	Shivpuri		0	0.00	0.00	0.00	0.00	6.02	3.10	9.12
11	Tikamgarh		0	0.00	0.00	0.00	0.00	20.63	13.62	34.25
12	Umaria		0	0.00	0.00	0.00	5.28	12.37	8.06	25.71
13	Vidisha	0.51	5.47	6.74	6.06	5.15	1.60	15.58	6.72	47.83
	Sub Total	0.51	8.22	26.41	13.05	39.62	33.9	133.306	86.764	341.78

The State government is requested to settle the claim at the earliest.

This agenda is placed for discussion.

SOCIAL SECURITY SCHEMES-STATUS

(Numbers in actuals) as on 31.12.2017

Bank Type	PMJJBY			PMSBY		
	30.06.17	31.12.17	Variation	30.06.17	31.12.17	Variation
PSBs	1210868	1510417	299549	4935225	5934130	998905
Private Banks	47695	50955	3260	166332	198801	32469
RRBs	183337	183600	263	1182971	1193291	10320
Co-operative	101164	101172	8	590329	590331	2
Total	1543064	1846144	303080	6874857	7916553	1041696

Bank wise data is given in Table No. 26 & 27

ATAL PENSION YOJANA- STATUS

Numbers in actuals

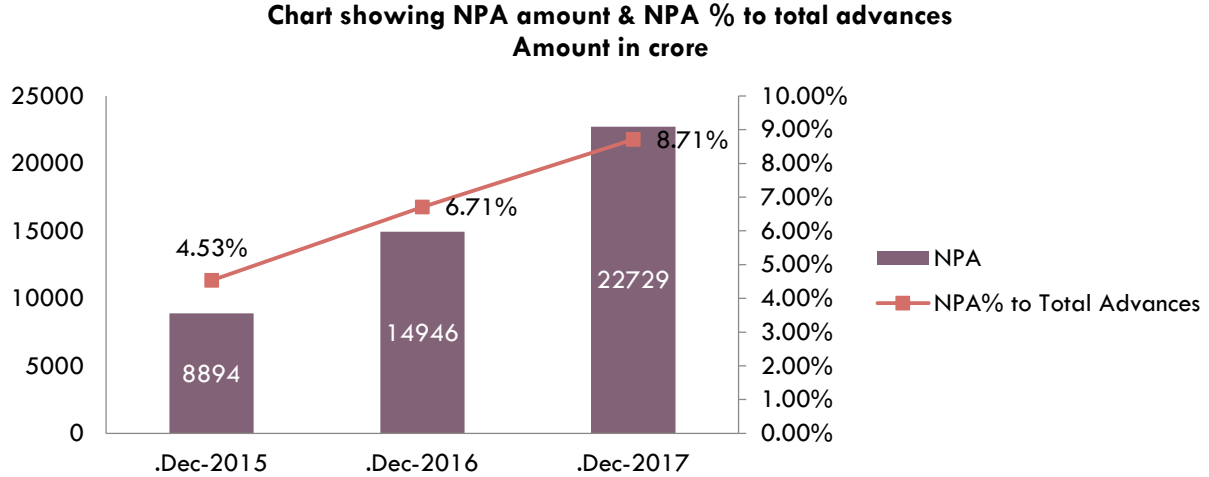
Banks	2015-16	2016-17	2017-18
Public Sector Banks	81537	82353	144995
Pvt. Sector Banks	5029	8266	9957
Regional Rural Banks	47050	24482	19879
Cooperative Banks	2096	492	22
Dept. of Post	177	468	213
Grand Total	135889	116061	175044

Bank wise data is given in Table No. 26 & 27

AGENDA NO-14

NON-PERFORMING ASSETS (NPA)

Stressed assets have been consistently rising for the past few years. Here's a look at the non-performing asset (NPA) in the chart.



SECTOR WISE NPA

(Amount in crores)

Sector	Dec-16	Mar-17	Dec-17	Y-o-Y variation	Y-o-Y variation %	Variation over Mar-17	% variation over Mar-17	Total exposure O/s as on 31.12.17	% NPA of the portfolio as on 31st Dec-17
Agriculture	6336	7398	9157	2821	44.52	1759	23.78	92338	9.92
MSME	2748	3220	3841	1093	39.77	621	19.29	50039	7.68
Education	114	110	120	6	5.26	10	9.09	1945	6.17
Housing	566	539	855	289	51.06	316	58.63	21150	4.04
Others	611	575	958	347	56.79	383	66.61	4476	21.40
Priority Sector	10375	11842	14931	4556	43.91	3089	26.09	169948	8.79
Non-Priority	4571	4601	7798	3227	70.60	3197	69.48	90912	8.58
Total NPA	14946	16443	22729	7783	52.07	6286	38.23		
Total Advances	221922	240064	260860	38938	17.55	20796	8.66	260860	100.00
NPA %	6.73	6.85	8.71	1.98	29.37	1.86	27.20		

*Others include-Social infrastructure, Renewable energy, loans to SHGs/JLGs, Loans to distressed persons other than farmers etc.

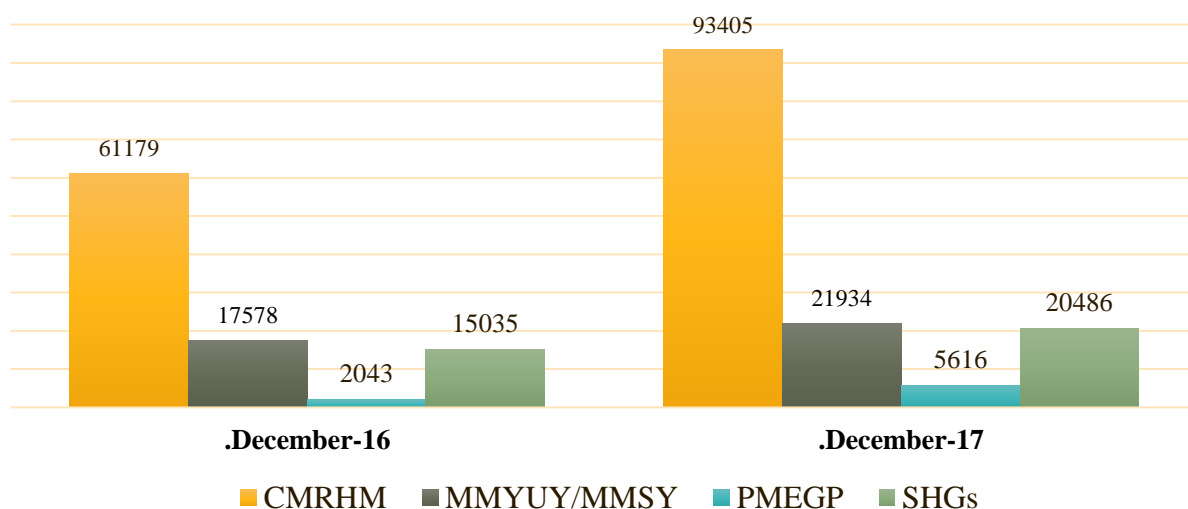
The issue is put up for discussion

OBSERVATIONS

- Total NPA of banks increased by Rs 7783 crore (y-o-y) as on December 31, 2017.
- Private sector banks maintained lowest gross non-performing assets to gross advances at 5.09 % in Sep-17 as against 8.41% for Public sector banks. It was 14.43% and 14.42% for Regional Rural Banks and Cooperative Banks respectively.
- Agriculture sector at 9.92% NPA of the portfolio was top amongst other sectors, followed by MSME at 7.68 % during December-17 quarter.

NON-PERFORMING ASSETS UNDER GOVERNMENT SPONSORED SCHEMES

Chart showing the numbers of NPA accounts



STATUS (as on 31.12.2017)

Amount in crores

Name of the scheme	Outstanding		NPA		NPA%	
	No.	Amt.	No.	Amt.	No.	Amt.
MMYUY/MMSY	125114	3049	21934	225	17.53	7.39
PMEGP	18208	878	5616	104	30.84	11.90
CMRHM	671291	4424	93408	600	13.91	13.57
SHGs	96274	642	20486	81	21.27	12.09
MUDRA LOANS	755924	4846	26005*	308*	3.44	6.36

*Excluding private sector banks.

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.
- It is gathered that the Task Force meetings have become a routine meeting and the purpose for which they have been formed is defeated. In this regard, some suggestions are as given below.
 - a) The proposals received from the entrepreneurs should be screened by a committee consisting of professionals, including banker to evaluate the capability of the applicant both technical and financial. This should be an ongoing process and not an event. The report of screening committee should be placed before the task force for approval.
 - b) To provide hand-holding support to the prospective entrepreneurs.
 - c) Training to the entrepreneurs through Entrepreneurship Development Programmes (EDPs). The EDPs should be more objective and professional, so that required traits can be inculcated in the entrepreneurs.
 - d) Monitoring and hand-holding support after financing needs to be in place.
 - e) Forward and backward linkages to these entrepreneurs may be explored.

REVENUE RECOVERY CERTIFICATES

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

BRISC STATUS [Period from 01.04.2010 to 31.01.2018]

Sr.	Particulars	Amount in crores	
		Number in lac	Amount
1	Submitted by Banks	7.19	10165
2	Forwarded by Their Nodal Dist. Branch(s)	6.36	8815
3	Allotted by District Administration to Revenue Officers	5.89	8144
4	Demand Notice issued by Revenue Officers	4.51	6541
5	Recovery received against Demand Notices	0.31	294
6	Disposed of RRC(s) By District Administration	0.04	25
7	RRC(s) Pending for Disposal	4.47	6246

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

The following districts did not dispose off even a single RRC during the period from 01.04.2010 to 31.01.2018

Sr.	District Name	Numbers in actuals & Amount in crores									
		Submitted By Bank(s)		Demand Notice issued by Revenue Officers		Recovery received Against Demand Notices		Disposed Off RRC(s) By District Administration		RRC(s) Pending for Disposal	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	Anuppur	3557	35.42	1097	11.41	0	0	0	0	1097	11.41
2	Ashoknagar	14030	222.97	11906	178.06	13	0.17	0	0	11906	177.89
3	Bhind	11581	186.12	9015	151.84	100	0.93	0	0	9015	150.91
4	Datia	6081	87.68	4423	53.43	654	6.82	0	0	4423	46.61
5	Dindori	6001	702.09	3838	684.34	0	0	0	0	3838	684.34
6	Jabalpur	23486	343.2	8540	102.61	383	1.5	0	0	8540	101.11
7	Jhabua	8539	63.91	6843	48.14	0	0	0	0	6843	48.14
8	Khandwa	15441	148.71	7906	79.24	425	1.57	0	0	7906	77.67
9	Mandla	5657	45.58	3087	21.17	290	0.43	0	0	3087	20.74
10	Sheopur	4427	56.8	2822	35.69	4	0.04	0	0	2822	35.65
11	Sidhi	4697	69.2	1006	18.87	204	2.69	0	0	1006	16.18
12	Singrauli	3314	47.53	722	11.19	46	0.36	0	0	722	10.83
13	Umaria	4083	37.52	3808	33.46	0	0	0	0	3808	33.46

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

SUBCOMMITTEE MEETING ON RECOVERY HELD ON 03.02.2018

In the SLBC subcommittee meeting of recovery held on 03.02.2018, concern was raised by the members on the increasing delinquencies under Chief Minister Rural Housing Mission (CMRHM) scheme, which was 13.57% of the portfolio as on December 31, 2017. The gist of the deliberations is as under:

- It was decided to come out with a solution to address the issue by all stake holders.
- Speedy disposal of pending cases with DM under Sec-14 of SARFAESI Act.
- Since RRC model in Uttar Pradesh is successful and Bank of Baroda is the convener of SLBC, it was suggested to BOB to submit a report to SLBC, how to replicate UP model in the state of M.P.

The matter is put up for discussion

PENDING APPLICATIONS WITH DISTRICT ADMINISTRATION FOR TAKING PHYSICAL POSSESSION OF THE PROPERTIES UNDER SEC-14 OF THE SARFAESI ACT AS ON 31.12.2017

Sr.	District	Total no. of pending cases	Sr.	District	Total no. of pending cases
1	Anuppur	14	19	Khargone	2
2	Barwani	1	20	Mandsaur	4
3	Balaghat	5	21	Morena	1
4	Betul	2	22	Narsinghpur	1
5	Bhind	8	23	Neemuch	1
6	Bhopal	52	24	Raisen	6
7	Chhindwara	7	25	Ratlam	1
8	Datia	5	26	Rewa	7
9	Dewas	4	27	Sagar	5
10	Dhar	2	28	Satna	2
11	Dindori	8	29	Sehore	5
12	Guna	1	30	Seoni	4
13	Gwalior	3	31	Sidhi	1
14	Hoshangabad	13	32	Shahdol	21
15	Indore	71	33	Shajapur	5
16	Jabalpur	29	34	Ujjain	4
17	Katni	9	35	Umariya	4
18	Khandwa	4	36	Vidisha	12
				TOTAL	324

- Despite raising the issue of pending applications with district administration for taking physical possession of the properties under Section 14 of SARFAESI Act on several platforms, things are not moving satisfactorily.
- Cases are not being disposed off within stipulated timeline.
- Some District Magistrate (DM), while acting upon the application moved by banks, are still taking a long time in handing over possession of the secured assets.
- **It has been reported by the field functionaries that even the orders passed by District Magistrates for handing over physical possession of the secured assets are not being executed by the Tehsildars. They start hearing afresh, which inordinately delay the process and is against the provision of SARFAESI Act; beyond their jurisdiction.**
- In case of any discrepancies, cases either should be rejected or appropriate order need to be passed.
- **We request the state government to issue a suitable instruction to district administration to comply with the amended provision of Section 14 of SARFAESI Act 2016, which stipulates that DM will have to pass suitable orders for the purpose of taking possession of the secured asset within a period of Thirty Days from the date of application. If no order is passed within said period for reasons beyond the control of DM, he may after recording reasons, pass orders within such further period but not exceeding in aggregate sixty days.**

This issue is put up for discussion.

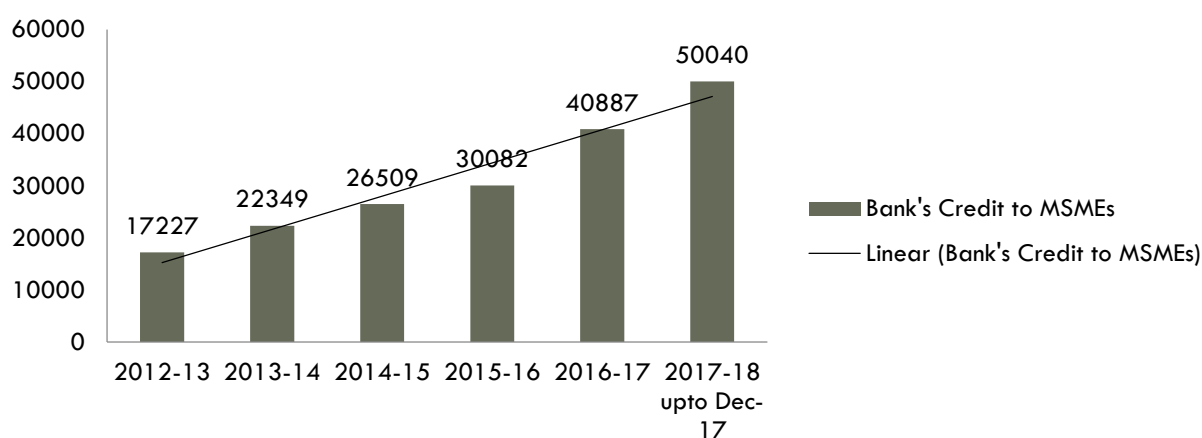
AGENDA NO-15

MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs)

- MSME is the largest employment creator after primary sector. There are around 3 lakh registered units of MSMEs in Madhya Pradesh. In the state, 30% of population is in the age group of 15-30 years; indicates huge potentiality for employment growth. Madhya Pradesh Government has been supporting entrepreneurs/ Self-Employment by providing an enabling environment for job creation and entrepreneurship.
- Monitory Policy of RBI has channelized the flow of credit. Accordingly, all banks operating in India have to necessarily lend 40% of their total loans to priority sectors. Out of this, 7.5 percent of ANBC should go to micro enterprises.

Outstanding amount in crores

Chart showing growth in MSME financing (Priority Sector) by Banks of last 6 years



STATUS MSME (PRIORITY SECTOR) AS ON 31.12.2017

Amt. in crores

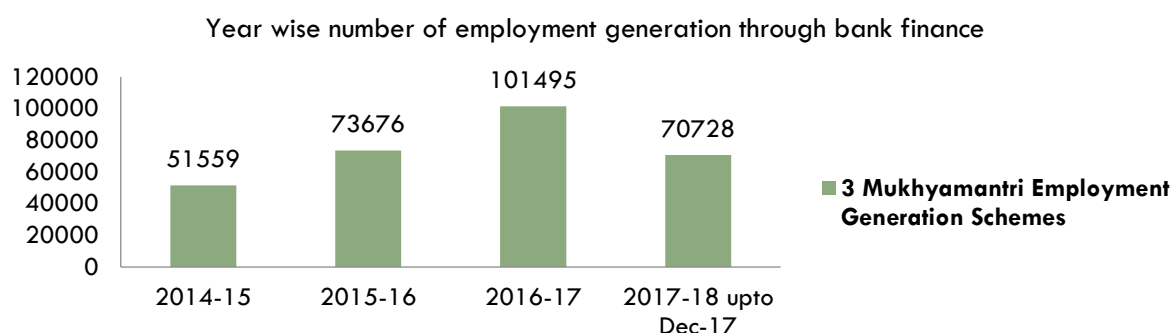
Sr.	Particulars	31.12.2016		31.03.2017		31.12.2017		% Y-o-Y variation (Amt.)	% variation over Mar-17 (Amt.)
		No.	Amt.	No.	Amt.	No.	Amt.		
A	MSE Advances (Micro & Small Enterprises)	920438	31593	954142	35561	1192921	45172	42.98	27.03
B	% age of lending to Micro enterprises to MSE	89.51	50.52	89.83	49.34	91.08	60.90	10.38	11.56
C	Micro Enterprises	823861	15961	857096	17546	1086534	27510	72.35	56.79
D	% of advances to Micro Enterprises to total advances	6.78	7.19	6.36	7.31	10.02	10.55	3.35	3.24
E	Small Enterprises	96577	15631	97046	18015	106387	17662	12.99	-1.96
F	Medium Enterprises	4905	4063	5213	4098	5037	4054	-0.22	-1.06
G	Khadi & Village Industries	6070	213	5977	149	5974	146	-31.53	-2.30
H	Others under MSMEs	106978	1816	15231	1076	21800	667	-63.24	-37.97
I	Total advances to MSME Enterprises (Total of A,F,G &H)	1038391	37684	980563	40884	1225732	50040	32.79	22.39
J	Total Advances	12148456	221922	13474467	240063	10846226	260860	17.55	8.66
K	NPA under MSMEs	177469	2748	197980	3220	222856	3841	39.78	19.29
L	% NPA of the portfolio	17.09	7.29	20.19	7.88	18.18	7.68	0.38	-0.20

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

OBSERVATIONS:

- Out of total MSME advances of Rs. 260860 crores as on 31st December 2017, advances to Micro Enterprises was Rs. 27510 crores, which comes to 10.55 % of total credit, 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 a 42.98% year-on-year growth in credit to micro and small enterprises as against the norm of 20%.
- There was a 31.88% annual growth in the number of micro enterprise accounts as against norm of 10%.
- Lending to micro enterprises was 60.90% of total lending to MSE sector as on, above the norm of 60%.

BANK'S ROLE IN EMPLOYMENT GENERATION THROUGH 3 FLAGSHIP SCHEMES OF THE STATE GOVERNMENT.



Apart from above, banks are playing an important role in employment generation in the state though financing under PMEGP, NRLM, NULM, Mudra, Stand-up India schemes etc.

PERFORMANCE UNDER ANNUAL CREDIT PLAN FY 2017-18 UNDER MSMEs

Amount in crores

Sr.	Sub Sector	Target for the FY 2017-18		Achievement during Q-3 of FY 2017-18		Achievement % (Amt.)	Financial Year 2016-17		
		No.	Amt.	No.	Amt.		Target (Amt.)	Achievement during Q-3 of FY16-17	Achievement %
1	Micro Enterprises	315927	11493	281462	7264	63	*	5744	*
2	Small Enterprises	21729	2865	25654	5417	189	*	4782	*
3	Medium Enterprises	11803	1101	1249	1823	165	*	1222	*
4	KVIC	11183	910	1230	41	4.51	*	51	*
5	Other under MSME	83667	2072	3661	257	12	*	470	*
6	Total MSME	444309	18441	313256	14802	80	16123	12269	76.10

*There were no specific target

FRAMEWORK FOR REVIVAL AND REHABILITATION OF MICRO, SMALL AND MEDIUM ENTERPRISES

The Ministry of Micro, Small and Medium Enterprises, Government of India vide their Gazette Notification dated May 29, 2015 has notified a “Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises”. The objective was to create a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs.

The revised framework on rehabilitation of sick micro and small enterprises, is applicable to MSMEs having loan limits up to Rs. 25 crore, including accounts under consortium or multiple banking arrangement. Corrective action plan (CAP) may include rectification or restructuring or restructuring.

RBI has also advised all Scheduled Commercial Banks (excluding RRBs) to put in place a board to address the stress in the accounts of MSMEs.

The following action points are required from the Banks

- Confirmation of formation of a committee for this purpose and holding meeting on regular basis.
- Number of cases resolved under the framework. Also out of these, number of cases recommended for rectification, restructuring and recovery.
- Details of other options explored by Banks to resolve the stress in the accounts.

All Banks are requested to provide above information on quarterly basis along with the data of SLBC.

The matter is placed for discussion.

SUGGESTIONS FOR INCREASING MSME FINANCING AND RESOLVING BOTTLENECK FACED BY MSMEs

- a) Standard templates for assessment of SME Credit needs
- b) Extensive use of Udyami Mitra Portal of SIDBI to fetch loan applications
- c) Incentive scheme for Industry and banks to promote TReDS platform for discounting of trade receivables
- d) Cluster based lending approach to well-defined and recognized sectors
- e) Devise suitable schemes/ products as per the requirement of the clusters
- f) Leveraging multiple data sources to build sophisticated/ analytics driven credit models to move to “real” cash flows based lending
- g) Gearing up IT systems to capture and utilize data from GST and UID infrastructure
- h) Creation of a market place for procurement of Goods & Services, like GeM
- i) Partial Collateral be permitted in loans guaranteed by CGTMSE
- j) Capacity building of entrepreneurs- activating EDIs and establishing more EDIs for skilling, mentoring, developing and upgrading the entrepreneurial skills
- k) Inclusion of Retail Trade under Credit Guarantee Schemes
- l) MSME definition to be re-visited (turnover of the units may be considered)
- m) Government Departments may also onboard on TReDS platform

AGENDA NO-16

OTHER AGENDA

ENAGAGEMENT OF LEAD DISTRICT MANAGERS (LDMs) IN ACTIVITIES OTHER THAN PRESCRIBED BY RBI

In order to implement government sponsored schemes and to have better coordination between the government and the banking fraternity, the “Lead Bank Scheme” was introduced by the RBI under which the Banks are supposed to appoint Lead District Manager in each district. The scheme is working successfully across the country.

The effectiveness of Lead Bank Scheme generally depends upon the dynamism of District Collector and Lead District Manager. RBI in their master circular has clearly defined the role of LDMs, which has been enclosed hereto. As per the scheme, the LDM is expected to undertake leadership for coordinating the efforts of credit institutions and government agencies.

Of late, it has been observed that along with the coordination job, LDMs are also made to work for complaint redressal. The State Government has brought in a very comprehensive grievance redressal mechanism through Chief Minister's help line wherein the different levels of redressal of complaints have been defined by the government. The first level of redressal is L-1 and for all complaints related to activities, the LDM is made grievance redressal officer at Level-1.

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 Directorate of Institutional Finance of the state government and other appropriate forum. But, it is yet to be resolved.

We suggest that under the grievance redressal mechanism (CM Help Line), the government may assign the role of L-1 officer to an officer of the concerned department of the government whose schemes are being financed by the Banks. This will not only help quick disposal but will also enable the LDMs to concentrate on their primary role of coordination between different stake holders for successful implementation of various schemes. However, the LDM will continue to provide grievance redressal to the extent possible at DLCC meetings.

In the recently held workshop of LDMs organized by RBI on 6th & 7th December 2017, 48 out of 51 LDMs of the State had attended the same. All raised their serious concern about this arrangement as a hindrance to their job role as defined in the LBS scheme.

The matter is placed for discussion.

ON-LINE WEB PORTAL FOR DATA COLLECTION FOR DCC/DLRC MEETINGS

DCC (District Consultative Committee) is an important forum at district level for bankers as well as Government agencies/departments to facilitate coordination in implementing various developmental activities under the Lead Bank Scheme. District Collector is chairman of this committee and its meeting is convened by LDMs at quarter intervals.

It has been observed that collecting data from various banks for preparing the agenda of DCC/DLRC meetings is a difficult task for the LDMs. To facilitate the LDMs in this score, an on-line functionality has been created by SLBC, wherein, all the banks are supposed to upload branch wise/district wise data into the existing portal of SLBC. It will also help the LDMs to get data for the meetings of Block Level Banker's Committee. This functionality has been created in such a way that Gram Panchayat wise and Block wise data also can be generated.

Since, the above functionality will be operational from December-2017 quarter, the house is requested to adopt this functionality.

The matter is put up for discussion.

AUTOMATIC SMS ALERT FACILITY IN SAMAST PORTAL

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

In order to ease the beneficiaries from visiting the bank branch to know the status of their submitted application, an "automated sms alert facility" has been introduced from 27.11.2017. The beneficiary will receive a sms at 6 various stages completed by the banks/departments on the portal.

FOLLOWING CODES OF BCSBI

Hon'ble Chief Minister of Madhya Pradesh in his letter dated 21st December 2017, addressed to Hon'ble Finance Minister, Govt. of India has brought some incidences, wherein,

- a) Some bank branches do not dispose of MSE loan application for a credit limit or enhancement in the existing credit limit up to Rs.5 lakh and up to 25 lakh within the prescribed time line formulated by the Banking Codes and Standards Board of India (BCSBI).
- b) Some bank branches sanctioned the cases by reducing the project cost recommended by the task force without any valid reason, which creates a situation of under financing. Due to which, the beneficiary cannot establish an enterprise according to its intention and such cases are very prone to becoming NPA.

The Banking Codes and Standards Board of India (BCSBI) has formulated a Code of Bank's Commitment to Micro and Small Enterprises. The Code mentions inter alia, that the banks are expected to dispose of MSE loan application for a credit limit or enhancement in the existing credit limit up to Rs.5 lakh within two weeks; and for credit limit above Rs.5 lakh and up to Rs.25 lakh within 3 weeks; and for credit limit above Rs.25 lakh within 6 weeks from the date of receipt, provided the application is complete in all respects and is accompanied by documents as per 'check list' provided. However, every effort should be taken to reduce further the time taken to process and dispose of MSE loan applications.

All banks are requested to advise their field functionaries to comply with provision of aforesaid guidelines so that borrowers are not put to hardship.

INTEGRATION OF THE IFMIS SOFTWARE WITH NPCI

The Ministry of Tribal Affairs, GOI has mandated that from the coming financial year, payment of scholarship can only be done through the Aadhaar enabled payment gateway. The State Department of Tribal Affairs is also putting in place a system where all benefits due to its beneficiaries will be passed on only through the NPCI linked Aadhaar payment gateway. Therefore, it is imperative that bank account seeding in Aadhaar database be taken up on priority by the District Administration and the Banks. In view of the above, the following tasks need to be completed before 31st March 2018.

- a) Integration of the IFMIS software application with NPCI for enabling Aadhaar enabled payments into beneficiary accounts.
- b) Updating bank account number into Aadhaar database in mission mode by Districts. If required, the number of kiosks in the districts may be increased to enable quicker and smoother seeding of the Aadhaar database with the bank accounts.

This issue is placed for information.

AGENDA NO-17

SELF HELP GROUPS BANK LINKAGES

In the state of Madhya Pradesh, there are around 3 lakh Self Help Groups. Out of this, 2.34 lakh SHGs have been savings linked and 0.96 lakh SHGs have been credit linked cumulatively up to 31st December 2017. During Q-3 of FY 2017-18, 28099 SHG accounts were opened in the Banks and 26263 SHGs were credit linked.

Sr.	Particulars	No.
1	No. of Rural Household in the State	11288946
2	Potential to form SHGs@13 members per SHG	868380
3	No. of SHGs cumulatively savings linked up to Dec 2017	234281
4	No. of SHGs that can be formed and savings linked (2-3)	634099
5	No. of SHGs cumulatively credit linked up to Dec 2017	96274
6	No. of SHGs to be credit linked (2-5)	772106

Bank wise data is shown in the table no. 19

EXEMPTION OF STAMP DUTY FOR LOAN UP TO 10 LAKH BY WOMEN SHGs

The State Government vide its notification no. 8-4-01/2018/2/V(03) dated 10.01.2018 exempted stamp duty chargeable on the instruments executed under article 6 of Stamp Schedule 1A by women self-help groups in favour of banks for securing loan up to Rs 10 lakh for economic development of group members under government schemes.

All banks are requested to issue suitable instructions to their bank branches for implementation.

Start-up Village Entrepreneurship Development Programme (SVEP)

- The Finance Minister in the budget speech of 2014-15 propose to set up a “Start-up village Entrepreneurship Programme” for encouraging rural youth to take up local entrepreneurship programs.
- SVEP is being implemented in MPSRLM in 3 districts (Barwani, Sheopur & Dindori) of Madhya Pradesh.
- The objective of SVEP is to provide self-employment to the rural underprivileged group through community managed and structured approach.

NPA in SHGs in Madhya Pradesh-Study Findings by NABARD

SHG Bank Linkage Programme is one of the leading poverty alleviation programme in India. In the past few years, one issue is being repeatedly raised by the Stake holders that NPAs in SHGs are increasing and there is need for coordinated efforts by all the stake holders to overcome the issue.

In this background, NABARD conducted study in 11 districts of Madhya Pradesh covering 18 branches of commercial banks and RRBs. The study was conducted in those branches which were reported as high NPA branches by banks. Major findings of the study are as given below:

1. 83% of the SHG accounts under old SGSY (Swarnjayanti Gram Swarajgar Yojana) were NPAs, but the NPAs in SRLM (State Rural Livelihood Mission) and NABARD supported SHPIs (Self Help Promoting Institutes) are negligible.
2. All NPA accounts covered under the study were financed in the year 2005-2006.

3. The SGSY accounts turned NPAs because the SHGs were not formed as per the basic principles of SHGs viz. homogeneity, proximity, regularity in savings and meetings etc.
4. The activities identified for financing under SGSY was decided at the behest of the promoting institutions/Govt. departments to meet the targets.
5. There was scanty arrangements for capacity and skill building of the members before taking up the project.
6. Branch managers did not interact with group members before sanction of loan though formally groups were graded by the grading team.
7. Branch Manager did not visit to the projects till it turned NPAs.
8. Out of 1184 SHGs under SRLM linked to the branches studied, 32 SHGs were NPAs which account for 3% of the sample.
9. SRLMs NPAs were observed in old SRLM districts viz. Rewa, Shivpuri and Rajgarh. The reasons observed are target approach for higher financing in first dose.
10. Branch Managers do not have time to follow the SHG accounts for regular repayment. They are totally dependent on promoting institutions for follow up.
11. Hand holding support is not provided to SHGs. Etc.

Suggestions

- Banks may adopt recovery methods like one time settlement schemes, Lok Adalat and seek support from District Administration for recovery of old loans.
- Banks may come out with recovery incentive schemes for SHPIs, BCs/BFs for recovery of loans.
- Banks may identify branch wise NPAs and take up the matter with SRLM at State level for recovery of SGSY and SRLM loans. SRLM may involve their community based recovery mechanism for recovery of such loans.
- Banks may take help of NABARD SHPIs in recovery of NPAs in their area and give them some recovery incentives.
- PSBs may consider having dedicated vertical for financing under SHGs for regular follow-up with SHPI and SHGs also.
- Digitization of SHGs can be an effective tool for monitoring the health of SHGs.
- The “Going Digital: programme may be used for spreading awareness about SHGs. Etc.

This issue is presented for information/discussion.

CREDIT FACILITY TO MINORITY COMMUNITIES, SC/ST & WOMEN

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

The Government of India has indicated that care should be taken to see that minority communities secure, in a fair and adequate measure the benefits flowing from various Government sponsored schemes. All commercial banks have been advised to ensure smooth flow of bank credit to minority communities. The following communities have been notified as minority communities by the Government of India, Ministry of Welfare:

Sikhs, Muslims, Christians, Zoroastrians, Buddhists & Jains

Outstanding & Disbursement to Minority Community

Total outstanding loans to minority community were Rs. 10312 crores as of 31st December 2017 and 579753 minority communities have been given loans till date. Banks have disbursed an amount of Rs.1736 Crores covering 71112 beneficiaries of Minority Communities during third quarter of FY 2017-18.

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

This issue is presented for information.

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

As of 31st December 2017, total outstanding loans to scheduled caste & scheduled tribe community were Rs. 8359 crores and 5662 crore respectively. During current financial year, 1205 crore and 1035 crore were disbursed to SC and ST communities respectively.

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

This issue is presented for information.

Outstanding & Disbursement to Women beneficiaries

As of 31st December 2017, total outstanding loans to women were Rs.24264 crores to 1703293 beneficiaries. Banks disbursed an amount of Rs.5289 crores to 414838 women beneficiaries during three quarters of FY 2017-18.

Bank wise status is shown in Table no. 24

This issue is presented for information.

NATIONAL SC/ST HUB (NSSH)

- The Government of India formulated the Public Procurement Policy, 2012 which states that 20% of total procurement of goods and services by Central Ministries, Departments and CPSEs (Central Public Sector Enterprises) shall be made from MSEs **and 20% of such procurement (4% of total) shall be from SC & ST owned MSEs.**
- NSSH is launched by Prime Minister on 18th October 2016. This initiative is aimed empowering SC ST owned MSEs in order to achieve the 4% mandate of the Public Procurement Policy.
- In view of the above, the NSSH initiative has the potential to work on ground and have an impact till the last mile. Due to the social and economic bearing the programme can have, it requires a strategy that delivers sustained and measureable impact, on the entire MSME ecosystem.

AGENDA NO-18

EDUCATION LOANS

STATUS IN MADHYA PRADESH

As on December 31, 2017, the total exposure of all banks in Madhya Pradesh to education loans was Rs 2486 crore, which is higher than the exposure of previous year i.e. 2227 crore. Banks face a 4.90% default on this portfolio – that is Rs. 122 crore. Default in the loan below Rs 10 lakh (priority sector) is 6.71% as on December 31, 2017.

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%. Public Sector Banks have a share of 93%.

Repayment is better in cases of loans above Rs. 10 lakh. Generally, the borrowers of these loans are settled abroad after study, and they get good employment and are able to repay their dues. Also, such loans are backed by collateral security. Students are very mobile. They move away from their place of study and it becomes very difficult to trace them. Looking to these difficulties, IBA has advised to obtain PAN/ Aadhaar details of the borrower/ co-borrower, however, it is not mandatory. Delinquency is highest in the bracket up to Rs 4.5 lakh

Loans to individuals for educational purposes including vocational courses up to Rs.10 lakh irrespective of the sanctioned amount are classified under priority sector.

CENTRAL SCHEME TO PROVIDE INTEREST SUBSIDY (CSIS) ON EDUCATION LOANS

Under this Scheme, Interest Subsidy is given during the moratorium period i.e., Course period plus one year on Education Loan taken from the Scheduled Banks under the Model Education Loan Scheme of Indian Banks Association to students belonging to economically weaker sections whose annual parental income is up to Rs. 4.5 Lakh from all sources. The subsidy is allowed for undergoing recognized Professional/ Technical courses in recognized Institutions in India. This subsidy is allowed only once.

HIGHER EDUCATION LOAN GUARANTEE SCHEME & HIGHER EDUCATION LOAN SETTLEMENT SCHEME, GOVT. OF MADHYA PRADESH

The Government of Madhya Pradesh operates a “**Higher Education Loan Guarantee Scheme**” to provide guarantee to meritorious students, who are unable to provide collateral, in case of loans above Rs. 7.5 lakh. The state government has given guarantee to 93 students of Rs. 12.97 crore till December 31, 2017.

In addition to above, in case of demise/permanent disability of the students, who had taken the education loans and their family is unable to repay the loan, “**Higher Education Loan Settlement Scheme**” is operational to provide reliefs to the family of the student. As on December 31, 2017, 7 cases have been settled of Rs. 18.10 lakh.

FY 2017-18 TARGET VIS-À-VIS ACHIEVEMENT UP TO DECEMBER 31, 2017

Directorate of Institutional Finance, Govt. of Madhya Pradesh allocated a target of 15000 cases of Rs. 300 crore for providing higher education loans by bank during current fiscal. As on December 31, 2017, banks sanctioned 15455 number of cases of Rs. 640 crore. Out of which, Rs. 365 crore was disbursed in 15081 accounts and achievement index was more than 100%.

Bank wise achievement was given in Table no. 18

CREDIT GUARANTEE FUND SCHEME FOR EDUCATION LOANS (CGFSEL)

In order to facilitate easy education loans to needy students, the government has set up a higher education credit guarantee fund that will guard against default of education loans, giving bankers confidence to lend to students. The Credit Guarantee Fund Scheme for Education Loans (CGFSEL) was launched by the Government of India in September 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 total study loan. For availing coverage, the member lending institution shall pay an annual guarantee fee (AGF) of 0.5% of the outstanding amount as on date of application of guarantee cover upfront to the fund, and within 30 days from the date of credit guarantee demand advice note. All subsequent AGFs will be calculated on the basis of the outstanding loan amount at the beginning of the financial year.

It is observed that there is no much awareness about this scheme. The government and banks need to create awareness about this scheme to make education loans a popular product.

Detailed circular is annexed as Annexure-II.

This agenda is put up for information/discussion

AGENDA NO-19

RELIEF MEASURES IN DROUGHT AFFECTED AREAS

Government's Notification

The State Government vide its Gazette notification (Attached as Annexure-1) dated 02.11.2017 has declared 133 Tehsils of 18 districts drought affected area of a severe/moderate nature, having taken into account the conditions as arising from rainfall deficiency, decline in the availability of ground and surface water, poor crop conditions, and parameters related to remote sensing and socio-economic parameters etc. The affected districts are:

Sr.	Moderate Nature	Sr.	Severe Nature
1	Bhind	12	Ashok Nagar
2	Chhatarpur	13	Damoh
3	Panna	14	Gwalior
4	Satna	15	Sagar
5	Sidhi	16	Shivpuri
6	Shajapur	17	Tikamgarh
7	Sheopur	18	Vidisha
8	Morena		
9	Datia		
10	Shahdol		
11	Umaria		

In terms of RBI circular no. FIDD No.FSD.BC.2/05.10.001/2016-17 dated 01.07.2016 on "Relief Measures by Banks in Areas Affected by Natural Calamities", Directorate of Institutional Finance, Govt. of M.P. vide its letter no. 3916 dated 28.11.2017 addressed to all Banks, LDMs and Collectors of affected districts has advised to provide relief measures to affected farmers.

Gist of RBI Guidelines for Relief Measures by Banks in Area affected by Natural Calamity

- The banks' contribution in providing relief relates to rescheduling of existing loans and sanctioning of fresh loans as per the emerging requirements of the borrowers.
- In case the calamity has affected only a small part of the State/few districts, the conveners of the District Consultative Committees (DCC) of the affected districts should convene a meeting immediately. In these special DCC meetings, the position in the affected areas should be assessed to ensure speedy formulation and implementation of suitable relief measures by banks.
- **The common thread to extend relief measures is that the crop loss assessed should be 33 per cent or more.**

- Zonal Managers of commercial banks should be vested with certain discretionary powers so that they do not have to seek fresh approvals from their central offices to the line of action agreed to by the district/State level bankers' committees (SLBCs)

Short Term Agriculture Loans

- All short-term loans, except those which are overdue at the time of occurrence of natural calamity, should be eligible for restructuring. The principal amount of the short-term loan as well as interest due for repayment in the year of occurrence of natural calamity may be converted into term loan.
- The repayment period of restructured loans may vary depending on the severity of calamity and its recurrence, the extent of loss of economic assets and distress caused. A maximum period of repayment of up to 2 years (including the moratorium period of 1 year) is to be allowed if the loss is between 33% and 50%, and if the crop loss is 50% or more, the restructured period for repayment may be extended to a maximum of 5 years (including the moratorium period of one year).

Agriculture Loans - Long term (Investment) Credit

- Natural Calamities where only crop for that year is damaged and productive assets are not damaged, the banks may reschedule the payment of installment during the year of natural calamity and extend the loan period by one year. Under this arrangement the installments defaulted wilfully in earlier years will not be eligible for rescheduling. The banks may also have to postpone payment of interest by borrowers.

Other Loans

- A view needs to be taken by SLBC/DCC depending on the severity of the calamity for reschedulement of all other loans like allied activities, rural artisan, traders, micro/small units etc. If decision is taken to postpone recovery of all the loans by the specified period, banks will assess the requirement of the individual borrowers depending on the nature of his account, repayment capacity and the need for the fresh loans. The primary consideration will be viability of the venture after the rehabilitation programme is implemented.

Sanctioning of Fresh Loans

- Once the decisions on the rescheduling of loans is taken by SLBC/DCC, pending such conversion of short-term loans, banks shall grant fresh crop loans to the affected farmers which will be based on the scale of finance for the particular crop and the cultivation area, as per the extant guidelines.
- Banks shall also grant consumption loans up to Rs. 10,000/- to existing borrowers without any collateral. The limit may, however, be enhanced beyond Rs. 10,000/- at the discretion of the bank.

Utilization of Insurance Proceeds.

- The proceeds of insurance claim from National Crop Insurance Programme should be adjusted to Restructured Accounts. However, it should be done in cases where banks have granted fresh loans to the affected farmers.

Asset Classifications

- The restructured portion of the short-term as well as long-term loans can be treated as current dues and need not be classified as NPA (non-performing asset). Nevertheless, banks are required to make higher provisions for such restructured standard advances.

ACTION BY VARIOUS STAKE HOLDERS

Sr.	Action by the State Government	Status	Sr.	Action by Banks	Status
A	Declaration of Natural Calamity in the State	Done	A	Convening special DCC meetings in affected 18 districts	Spl. DCC/DCC meetings were held in all the affected districts.
B	Notifying districts/Tehsil/Village hit/affected by the calamity	Done	B	Providing relief measures in terms of RBI circular no. FIDD No.FSD.BC.2/05.10.001/2016-17 dated 01.07.2016 on “Relief Measures by Banks in Areas Affected by Natural Calamities”	1440 accounts of Rs. 52.59 crore have been restructured till December 31, 2017.
C	Conducting a survey for assessment of the percentage of loss in standing crops in districts	Done	C		
D	Providing list of farmers with certificate of loss (Annewari Certificate) incurred in their standing crops, to banks for further action	LDMs informed that list of affected farmers with loss percent is not yet provided in Datia, Ashok Nagar, Tikamgarh, Bhind , Shivpuri, Sheopur & Shahdol districts.	D		

This issue is put up for discussion.

AGENDA NO-20

National Scheduled Castes Finance & Development Corporation (NSFDC)

BACKGROUND

National Scheduled Castes Finance & Development Corporation (NSFDC), a Government of India Undertaking, is providing refinance to Banks for the regular paying accounts of eligible SC borrowers covered by Banks under their self-employment loans. As on date, 8 Public Sector Banks and 37 Regional Rural Banks have signed Memorandum of Agreements (MoAs) with NSFDC to channelize funds under NSFDC schemes to provide low interest benefit to the regular accounts.

The State Governments operate their own schemes providing capital and interest subsidy to the Scheduled Caste entrepreneurs in their States. These subsidies are combined with the Bank loans for self-employment oriented income generating activities intended to reduce the loan burden on the SC borrowers and assist them in economic upliftment. Madhya Pradesh is one such State which implements subsidy schemes through the Banking channel.

NSFDC would be interested in tie up with Banks to provide lower interest for loans to eligible SC borrowers under all the three flagship schemes of the state government i.e. Mukhya Mantri Yuva Udyami Yojana, Mukhya Mantri Swarojgar Yojana & Mukhya Mantri arthik Klayan Yojana.

This agenda is put up for discussion.

Any other issue with permission of the Chair.....