

Minutes of the 186th SLBC meeting of Madhya Pradesh held on 17th July 2023

The 186th State Level Bankers' Committee (SLBC) meeting was held on 17th July 2023 with a dual participation mode, allowing both physical attendance at Vallabh Bhawan, Mantralaya, Bhopal and virtual attendance. The meeting was chaired by the Chief Secretary (CS) to the Government of Madhya Pradesh and was attended by senior government officials, GM (O-i-C) RBI, DMD SBI, CGM NABARD, SLBC Convenor, and officials from member banks. A list of the participants is attached as **ANNEXURE-I**. The points of discussion and actionable points are mentioned below:

1. ADOPTION OF THE MINUTES OF 185TH SLBC MEETING HELD ON 04.03.2023

In point no. 4 of the above minutes regarding the determination of crop seasons for agriculture advances, GM (O-i-C) RBI Bhopal mentioned that the duration of the crop seasons of short-term crops and long-term crops, which had been decided as 12 months and 18 months respectively, needs revision. This is because the state experiences a double crop pattern and the decision supersedes the guidelines of RBI master circular on Prudential Norms and Income Recognition, Asset Classification, and Provisioning concerning advances dated April 1, 2023. The circular defines 'Crop seasons' as the period up to the harvesting of the crop raised.'

The Chief Secretary requested the views of the house on this matter. CGM SBI mentioned that some other states like UP, Rajasthan, Karnataka, Tamilnadu, etc., have already decided to follow the same crop season as decided in the previous meeting. Additionally, including the marketing period in the crop season is also a crucial factor for farmers to optimize their earnings, access markets efficiently, and sell their produce at the right time and at a good price.

The Chief Secretary stated that the SLBC forum adopted the crop seasons after thorough discussion in the sub-committee, considering various factors. Therefore, it will be discussed in the upcoming agriculture sub-committee meeting, and the outcomes will be presented during the next SLBC meeting. However, the matter may be discussed again in the next meeting. With above amendments, minutes were adopted.

Action: Sub-committee on Agriculture & Allied Activities and SLBC

2. YEAR-ON-YEAR BUSINESS GROWTH- COMPARISON WITH THE COUNTRY

The Chief Secretary expressed satisfaction with the state's progress, matching the year-on-year growth rate of the country during FY 2022-23.

3. CREDIT DEPOSIT RATIO

It was observed that two districts, Tikamgarh and Mandla, have been come out from the low CD Ratio category list. However, five districts, namely Niwari, Rewa, Sidhi, Singrauli, Umaria, and Anuppur, still fall under the category of low CD ratio districts (below 40%). The Chief Secretary mentioned that we may consider adjusting corporate deposits in Singrauli district. Citing reference of RBI guidelines, it was informed that in case of credit proposals received at district level but not sanctionable thereat due to limitations of the sanctioning power and sanctioned at bank's Head office/ controlling offices and the loan utilised / disbursed in districts through branches, are treated as loan sanctioned and utilised at district level. Hence, it

may be considered at district level for computing CD ratio. All Banks were advised to report such amount (district-wise) to SLBC in every quarter.

Action: All Banks

The Chief Secretary instructed the Convenor of the Sub-committee on CD Ratio to select any two low CD Ratio districts and conduct a detailed analysis at the branch level to evaluate which branches have the potential to increase the CD ratio. The report should be discussed in the next sub-committee meeting on improving the CD Ratio.

Action: Convenor, sub-committee meeting on improving the CD Ratio

4. PERFORMANCE UNDER ANNUAL CREDIT PLAN (ACP) 2022-23

The achievement was noted by the house. The Convenor of SLBC informed that the achievement under the priority sector has consistently hovered between 70-80% over the last few years.

5. RELEASE OF ANNUAL CREDIT PLAN 2023-24

The Chief Secretary released the ACP Booklet for financial year 2023-24.

6. REVIEW OF PERFORMANCE UNDER SELF-EMPLOYMENT GENERATION SCHEMES 2022-23

The Chief Secretary noted the performance of banks under self-employment generation schemes. While he appreciated the performance of some banks, he expressed dissatisfaction with the performance of others. He instructed the Secretary of MSME to send a D.O. letter under his signature to the MD & CEO of the low-performing banks.

Action: MSME Department

Upon reviewing the performance of Tantya Mama Arthik Kalyan Yojana, which achieved only 17% of the target, the CS instructed the implementing department to analyze the reasons for the low achievement and identify any issues.

Action: ST Welfare Department

Similarly, the achievement index under DR Bhimrao Ambedkar Arthik Kalyan Yojana was only 12.5% of the target during the year 2022-23. The Chief Secretary instructed the implementing department to review the reasons for the low achievement and, if necessary, reevaluate the scheme.

Action: Backward Classes & Minorities Welfare Department

The CS instructed the banks to sanction and disburse the eligible cases under the PM SVANidhi Scheme to demonstrate good progress under the third Tranche, i.e. Rs 50,000/- loan.

Action: All Banks

7. LOAN CASES PENDENCY AT SAMAST PORTAL

Banks were advised to review the branch-wise pending applications, make decisions, and disburse the sanctioned cases at the earliest.

Action: All Banks

8. DELAY IN EMI SUBSIDY OF MUKHYA MANTRI GRAMIN AWAS MISSION

Convenor SLBC informed that the State Government pays the EMI towards the Mukhya Mantri Gramin Awas Mission to the nodal bank account every month. The due date for crediting the amount is the last working day of every month. However, it has been observed that the amount (full or partial) is being credited after the due date, leading to many SMA-II accounts becoming NPA. The Chief Secretary instructed the concerned departments to strictly adhere to the timeline, process the file promptly, and credit the full subsidy to the nodal bank account no later than the 27th day of every month.

Action: Panchayat & Rural Development Department and Finance Department

9. HOLDING SUB-COMMITTEE MEETINGS ON TIME

There are 11 sub-committees of SLBC. It has been observed that some sub-committee meetings are not conducted regularly, and the respective Convenor bank does not prepare comprehensive agendas and data for those meetings. According to RBI guidelines, SLBC meetings should primarily focus on policy-related issues, while routine matters are to be discussed in the sub-committee meetings. These sub-committees are responsible for in-depth examination of specific issues and formulating solutions or recommendations for adoption by the SLBC. Hence, the role of the sub-committees is crucial and vital.

Convenor SLBC informed that a calendar for holding sub-committee meetings has been prepared. The Chief Secretary has instructed the Convenor of the Sub-committees to ensure timely meetings and to prepare comprehensive agenda notes with relevant data which clearly states meeting goals and actionable points.

Action: All Convenor Banks of Sub-committees

10. COMPLIANCE BY DCCBS/APEX BANK FOR UPLOADING THE QUARTERLY SLBC DATA

The RBI issued instructions through their letter no. FIDD. CO. LBS. No. 21/02.01.001/2019-20 dated 03.07.2019, regarding the development of a standardized system for LBS-related data flow. As per these instructions, DCCB/Apex Bank is required to upload CBS-extracted block-wise data in TXT format on the SLBC portal. However, both DCCBs and Apex Bank have not yet developed an online data generation system, resulting in delays in data submission. Furthermore, district-wise data is currently unavailable from the bank.

DCCBs/Apex Bank were instructed to set a specific timeline for onboarding into this system to ensure smooth data flow and timely submission.

Action: DCCBs/Apex Bank

The meeting ended with vote of thanks to the Chair.
