

**STATE LEVEL BANKERS' COMMITTEE
MADHYA PRADESH
141ST MEETING
20th December 2010**

AGENDA

PART I: REGULAR AGENDA ITEMS

AGENDA ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 140TH MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 27TH AUGUST 2010

Minutes of the 140th meeting of SLBC held on 27th August 2010 was circulated vide Convener Bank's letter No ZO/SLBC/F-10/10-11/436 dated 08.10.10 to all members of the SLBC and also placed on website of SLBC of MP (www.slbc_mp.co.in) and DIF's website (www.dif.mp.gov.in). No comments/amendments have been received from any member. As such, house may confirm the circulated minutes.

AGENDA ITEM NO. 2: FOLLOW-UP ACTION ON DECISIONS OF EARLIER MEETINGS

Convener vide letter no. No ZO/SLBC/F-10/10-11/299 dated 07.09.10 & ZO/SLBC/2010-11/F-10/476 dated 08.10.2010 reminded all concerned to initiate follow-up action on decisions taken in the 140th SLBC. Reports received are placed below:

Action Point 2.1: Implementation of 100% coverage of KCCs:

268443 K.C.C. had been issued during the current financial year under review. Out of which only 1437 Cards were issued by private Banks .

Banks	Target 2010-11	Achievement 30.09.10
COM. BANK	193547	102857
RRB	136650	43767
DCCB	500000	121819
TOTAL	830197	268443

Updated statistics as received from banks is furnished in **table No. 19 on Page No.112-113** for information of the House.

It is evident from the data table that most of the private sector banks operating in the State viz: (1) Jammu & Kashmir Bank (2) Ing Vysya Bank (3) IndusInd Bank (4) Karnataka Bank (5) South Indian Bank (6) Federal Bank (7) Laxmi Vilas Bank and Karur VYSYA Bank have not issued even a single card .

These Banks are requested to apprise the House about their strategy to issue KCC in the State.

All the banks are once again requested to gear up their machineries to achieve the targets of 100% issuance of Kisan Credit Cards within this year and appraise SLBC and DIF.

Action Point 2.1.1: Crop Insurance Scheme:

For insurance of notified crops in notified tehsils, SLBC has advised all the LDMs to ensure 100% coverage if loan has been disbursed to raise these crops. Farmers welfare and Agri. Development Deptt., M.P. Govt. vide their letter No. 312 dated 25.06.2010 have informed all the concerned about notified crops to be raised in notified partwari halka for coverage under Crop Insurance Scheme of NAIS. SLBC vide their letter no. ZO/SLBC/F-18/2010-11/464 Dated 13.10.10 has informed to state level heads for 100% insurance coverage of Rabi crop raised in notified partwari halka with individual insurance coverage of farmers.

SLBC had also sent the guidelines received from Agriculture Insurance Co. of India Ltd. Bhopal to all the member banks with request to cover under Crop Insurance all the notified crops rose in notified Tehsils/ Patwari Halka.

Member banks are requested to direct their branches for 100% compulsory coverage under Crop Insurance Scheme.

In district Sehore, Ujjain and some other, farmers could not get benefit of Insurance claim due to non payment of insurance premium of rabi crop 2007-08 and 2008-09 by banks to insurance company. This matter was taken up in State Level Technical Committee meeting dated 13.08.2010 and the matter has been taken up Government of Madhya Pradesh with Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India.

Details of district-wise/ bank-wise coverage of notified crops in notified area for kharif 2010 is given in **Annexure I & II Page no. 43 - 44.**

Agriculture Insurance Company is requested to deliberate.

Action Point 2.2: Issuance of KCC to Kotwars

SLBC vide their letter no. ZO/SLBC/F-58/10-11/286 dated 30.08.2010 has informed to all LDMs of the state to get list of Kotwars from District Collector and to make it available to nearest bank branches for sanction of KCC to them. SLBC vide their letter no. No ZO/SLBC/F-10/10-11/299 dated 07.09.10 and ZO/SLBC/F-58/10-11/364 dated 18.09.10 and DIF vide their letter no. 984 dt.

25.08.10 have informed to all state level heads of the banks for issuance of credit card to Kotwars.

Progress of issuance of KCC to Kotwars is as follows: (Position as on 30.09.2010)

Number of Kotwars	Number of Kotwars having sevabhoomi	Out of which KCC issued to Kotwars
35000	28000	20952

Member Banks are requested to issue KCC to all leftover Sewabhoomi Kotwars in their Service Area villages.

Action Point 2.3 – Financial Inclusion in Madhya Pradesh

Action Point 2.3.1 – Financial Inclusion in all 50 districts of Madhya Pradesh

Opening of savings account-

As per data received 71,85,740 Savings accounts of job card holders have been opened by Banks (including Post Offices) under MNREGA scheme in the State.

Villages covered-

Data received from LDMs reveals that 18031 out of 55393 villages in the 50 districts have achieved 100% Financial Inclusion. All Banks volunteered for this activity are requested to ensure that their Nodal officers should make all out efforts to attain 100% Financial Inclusion. It is also desirable to obtain a certificate from the Sarpanch and Gram Sachiv jointly that the respective villages are 100% financially Included.

SLBC directed to respective LDMs for implementation of 100% Financial Inclusion. DIF has advised the State Level heads of respective Banks for it's implementation and submission of data to SLBC and also advised to complete the task of 100% Financial Inclusion before 31.03.2011.

Recommendations of the Sub-Committee-

A meeting of sub-committee of SLBC on services was held on 16.09.2010 under Chairmanship of Shri R. Parashuram, Additional Chief Secretary, Govt. of Madhya Pradesh, copy of minutes sent to all SLBC members by SLBC vide letter no. ZO/SLBC/10-11/F-69/397 dated 25.09.10. It was decided that the hurdles may be removed and pace of progress in respect of Financial Inclusion may be accelerated, a draft MOU prepared by Govt. is to be signed by Banks under concept of one district one bank, for taking care of all Govt. sponsored schemes including MNAREGA. To incentivise, the Bank will be provided float of funds

pertains to the schemes. A question of connectivity was raised by the participants. It was advised that banks, while selecting the model, they should also keep in mind the availability of connectivity in that area in which they have to operate.

Status Of 100% Inclusion in Districts

No. of Districts	No. of villages	No of villages covered under 100% F.I.
35	39914	17145
15	15479	886
Total 50	55393	18031

District-wise details are given in **table No. 12 & 12 I, Page 86-88**

Financial Inclusion Fund (FIF) and Final Inclusion Technology Fund (FITF)

Modalities of Financial Support from Financial Inclusion Fund (FIF) and Final Inclusion Technology Fund (FITF) established by the Government of India with NABARD is as under:-

Agency-wise extent of support and the pattern of assistance would be as follows:

Institution	Extent of support to be extended (as a percentage of Project outlay)
Commercial Banks	60%
RRBs	80%
Cooperatives	90%

The revised rates for extent of support are being applicable to the proposals sanctioned on or after 16th September 2010.

Action Point 2.3.2 Providing Banking Services in villages having population of 2000 and above

DIF has compiled a Financial Inclusion Plan of 2,615 villages identified by the DLCC and allotted to various banks in the District. This plan has been posted on the website of the DIF. In accordance with the original plan, Financial Inclusion activities were to be ensured by March 2011. Recently, the RBI and GoI has extended the date from March 2011 to March 2012. It has been observed that the banks are now revising its plan in accordance to the revised dates. In fact, banks must ensure providing banking services to these villages within original date of March 2011. If there is any spill over then it may be carried forward to next year.

SLBC has informed all Banks' Head with copy to LDMs regarding reviewing of the allotment of 2615 villages with population over 2000 considering the distance beyond 30 kilometer from the base branch as decided in 140th SLBC meeting, and if changed then it should be got approved from Sub-Committee and DLCC and thereafter to inform S.L.B.C. about change / reallocation of villages, if any. And as per detail given by LDMs number of villages have been added or subtracted in some districts are as per decision of 140th SLBC meeting as under:

SNo	District	No. of villages added	No. of villages subtracted
1	Gwalior		3
2	Hoshangabad	2	
3	Sagar	5	
4	Shahdol		1
5	Dhar	16	
6	Indore		5
7	Ujjain	43	
8	Khargone	1	
9	Damoh	10	
10	Katni	1	
11	Singrauli	50	
12	Satna	2	
	Total	130	9

Thus total number of villages with population over 2000 now has been 2736 in lieu of 2615, which have been allocated to the Bank as given in **Annexure III page 45**.

It has also been observed that the banks are changing the villages allotted to them between the bank and their sponsored RRB. This should be done only after the decision of DLCC. Such changes should be informed to SLBC and DIF to modify the Micro FIP. Such changes should be done only upto 31st December 2010.

Directives of the Government of India-

Ministry of Finance, Govt. of India, vide their letter No. F.No.21/13/2009-FI(P) dated 13.10.2010 has informed to draw up month-wise rollout plans for habitations with a population over 2000 for Financial Inclusion and providing Banking services in these villages. They have also asked the month wise, village wise, bank-wise plan. SLBC vide their letter No. ZO/62/2010-FI dated 01.10.2010, letter No. ZO/SLBC/F-26/415 dated 11.10.2010, letter no. 495 dated 23.10.2010 and ZO/SLBC/F-26/563 dated 09.11.2010 informed all member banks to submit the progress of financial inclusion on monthly basis.

Financial support by GoMP-

Government of Madhya Pradesh vide letter dated 28.09.2010 has sanctioned a scheme to subsidise the cost of hand held machine, cost of smart card and cost of biometric ATM. The subsidy amount for Hand Held Machine would be up to 50% of the cost or 10000 whichever is less, for smart card 50% of the cost or Rs. 60/- per card whichever is less and for biometric ATMs 25% of the cost or Rs. 1 lakh, whichever is less. This scheme would be applicable for the villages having population more than 2,000 and identified by the DLCC for the purpose of financial inclusion and villages of scheduled area having population less than 2,000 also. This scheme would also be applicable for slum areas identified by the DLCC in 4 towns i.e. Bhopal, Indore, Gwalior and Jabalpur of the State.

Directives of the Cabinet-Committee on Financial Inclusion-

On the issue of effective implementation of Financial Inclusion, Government of Madhya Pradesh has constituted a Cabinet Committee of Ministers. First meeting of the Committee was held on 08.11.2010. The Committee deliberated on the following issues:

1. Directives have been issued to provide premise in Govt./panchayat building for installation of Biometric ATMs
2. It was expected from Banks to complete the task of financial inclusion in villages in above 2000 population by March 2011
3. Banks should think about establishment of biometric ATM/ General ATM in villages. It will reduce the recurring cost of Banks.
4. State level heads of the Banks are expected to review monthly micro plan prepared and submitted by them to ensure achievement of the targets in time lines.
5. PNB, Apex Bank etc. have not submitted their micro plan (Village-wise/Month-wise), should immediately submit the micro plan to SLBC and DIF.
6. NABARD informed that Govt. of India has created two types of funds, with NABARD i.e. (a) Financial Inclusion Fund, (b) Financial Inclusion Technology Fund. Banks must avail the benefit of these funds created with NABARD.
7. For establishment of kiosks 50% of the capital cost subject to maximum Rs. 10,000/- will be provided by Govt. of MP as financial support.

Member banks are requested to implement the decisions taken in its right spirit.

House is requested to approve it and member banks are requested to submit the village-wise, month-wise programme for implementation of Financial Inclusion Plan in villages allotted to them and complete the task of 100% Financial Inclusion in these villages as per plan.

Action Point 2.3.3 Information Technology Enabled Financial Inclusion:

Initially on pilot basis it was implemented in few districts. Now it is to be implemented in all the districts. Agenda is merged in 2.3.1.

Action Point 2.4 Settlement of SLR Bonds

Matter is subjudiced. Principle Secretary Finance has informed that MPSEB has developed a strategy for OTS. A committee has been formed for settlement.

Bank wise details are given in **Table No. 33 Page 139**

Discounting of SIDBI / IDBI bills

A sum of Rs. 0.73 crores is due under branches of IDBI / SIDBI.

Bank wise data is given in **Table No. 33 Page 139**

Action Point 2.5 Rural Development and Self Employment Training Institutes (RUDSETI) – Now called R-SETI

In compliance to the guidelines issued by the Ministry of Rural Development (MORD), GOI, New Delhi, various Banks have already established R-SETIs in 34 Districts in the State. Need-based vocational training programmes to address the unemployment of rural youth and farmers, have been started. It is expected that these Training Institutes will yield desired results, thereby, arresting migration of rural population to urban areas in search of livelihood.

MORD, GOI letter No. I-12011/18/2009-SGSY.Trg dated 06.01.2010 advised banks not take rented premises for R-SETIs except in places where the State Govt. has allotted land for construction of building. In the cases where training programmes have been started in rented premises and the State Govt. has not yet allotted land, no further expenditure on payment of rent would be reimbursed beyond 31st March 2010 unless land is allotted for RSETI by State Government.

Government of Madhya Pradesh has already taken a decision to allot ½ acre land in favour of Banks for the purpose of establishing RSETI in the District. Till date, 31 Districts have allotted land for the purpose.

SLBC has also conveyed to concerned bank for getting the allotment and possession of land for RSETIs and for opening the RSETI and submission of claim for Rs.1.00 crores to NIRD Hyderabad. Till date, 18 banks have submitted claims for reimbursement/sanction to NIRD.

The sponsor banks are requested to advise Directors of the R-SETIs to take up Need Based Training Programmes followed by Hand Holding process with an aim to improve the living standard of the trainees. The Institutes should take up Entrepreneurship Development Training Programmes or Skill Development Training Programmes for up-gradation of skills. Such programmes are also eligible for reimbursement of expenditure from NABARD, provided the programme is approved by them. Ministry of Rural Development also provides subsidy for Rs. 200/ per Trainee belonging to BPL Family.

Details of present 34 R-SETIs, opened in rented buildings is given in **Annexure-IV Page no. 46.**

Bank of India vide their letter no. ZOB/PSCD/BSA/3349 dt. 30.11.10 has requested that being Lead Bank in district Bhopal, land for establishment of RSETI might be allotted to them in reference to DIF letter no. 2008 dt. 21.10.10 since they are running RSETI in Bhopal since 2005. In Bhopal District RSETI has been allotted to Syndicate Bank and Canara Bank jointly in 138th SLBC meeting and they are running RSETI in Bhopal. It is presented before House for discussion and consideration of reallocation of RSETI in Bhopal.

Members are requested to deliberate.

Action Point 2.6: AGRICULTURE DEBT WAIVER AND DEBT RELIEF SCHEME 2008

During the previous SLBC meetings, the Convener as well as representatives of RBI, NABARD and the DIF requested all the Controlling Heads of Banks to initiate suitable steps to disburse fresh loans to the beneficiaries of Agriculture Debt Waiver and Debt Relief Scheme in terms of the provisions contained therein. It is learnt that considerable progress has been made in this aspect. However, the data pertaining to the number of beneficiaries covered and the amount of fresh loans disbursed has not yet been received from Banks. There are 12,91,146 small and marginal Farmers covered under waiver who are now eligible for fresh KCCs.

All the member banks are again requested to provide benefit to such farmers.

Action Point 2.7 Reverse Mortgage Loan (RML) Scheme

This scheme was notified by Government of India on 13th September, 2008 and is being implemented in the State.

The scheme has been adopted by 23 Scheduled Banks and 2 Housing Finance Companies in the Country. NHB is operating RML counseling centers at 7 locations viz. Delhi, Chandigarh, Kolkata, Bengaluru, Hyderabad and Chennai.

All the banks are requested to take active steps for popularizing the scheme and implement it, since it is a great relief to old persons who have feeble sources for livelihood. Bankers are requested to send progress details of scheme regularly to forum.

The house may deliberate.

Action Point 2.8 Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)

Government of India, Ministry of Housing & Urban Poverty Alleviation (MH&UPA) has launched the Interest Subsidy Scheme for Housing Urban Poor (ISHUP) to address urban housing shortage in the country. The Scheme provides interest subsidy @ 5% per annum on loan of up to Rs. 1 lakh for the Economically Weaker Sections (EWS) and low income group (LIG) in the urban areas for acquisition / construction of houses. The scheme will encourage flow of institutional finance for the EWS and LIG segments and is expected to create additional housing units of 3.1 lakhs houses for EWS/LIG segments over a period of 4 years (2008-12).

The scheme is to be implemented by Scheduled Commercial Banks and Housing Finance companies. The National Housing Bank (NHB) and HUDCO have been designated as the Nodal Agencies for administration, and release of the subsidy.

District wise target has been conveyed to all LDMs vide letter No. ZO/SLBC/10-11/F-6/198 dated 26.07.2010. LDMs have been advised to allocate the target to bank branches in district to implement the scheme.

As reported by the Banks, it is observed that adequate applications have not been forwarded by DUDA of concerned district for sanction of loan by bank. UADD may issue necessary directives to DUDA to forward cases.

Central Bank of India has sanctioned 129 cases for Rs. 106 lacs in Ratlam District in August 2010. However, disbursement is still pending due the reason like verification of patta by official of government department, completion of formalities, no payment of lease rent, etc.

House may deliberate on the agenda.

AGENDA ITEM NO. 3: DECISIONS/RECOMMENDATIONS OF VARIOUS SUB-COMMITTEES CONSTITUTED BY THE SLBC

As resolved in 139th SLBC meeting the meetings of various sub- committees constituted by SLBC are to be convened regularly.

3.1 Sub- Committee on Agriculture and Allied activities

Meeting could not held.

3.2 Sub-Committee on Industries Sector

Meeting could not held.

3.3 Sub-Committee on Service Sector

Meeting of sub committee was held on 16.09.2010 and minute of the same was circulated members vide their letter no. ZO/SLBC/2010-11/F-69/397 dt. 25.09.10.

In this meeting discussion was made on Rural Housing and Financial Inclusion. Details of the discussion/ decision are given in agenda point no 2.3.1 . on financial inclusion and for rural housing finance in agenda point of MP STATE GOVT (Point No. 2 on page no. 34).

3.4 Sub-Committee on action plan for financial literacy

Meeting of this sub-committee was convened by State Bank of India on 24.11.10. Decision of the committee are as under, which is presented before House for deliberation:

1. Responsibility of opening FLCC is to be entrusted to the Lead Bank of each district and thus all 50 districts of the MP are to be covered.
2. FLCC(s) may be established singly or jointly, therefore if any proposal from the Bank other than Lead Bank is received by the SLBC it may be considered.
3. Head Office /controlling office of the Lead Bank who is given responsibility for opening of FLCC(s) may consider forming a Trust / Society to establish and manage the FLCC(s).
4. For keeping uniformity, Model by-laws for Society / Trust are to be prepared by the State Bank of India which is to be placed before SLBC for approval. SBI should complete this before 31st December 2010.
5. Head Office / controlling office of the Lead Bank who is given responsibility for opening of FLCC(s) may consider appointment of respected local citizen / retired senior Bank official as director of Trust/ Society and appointment of counselor in each FLCC(s).

6. Guideline given in annexure (A) & (B) may be adopted for appointment of director(s) and councilor(s).
7. In the beginning FLCCs can be housed in the premises of RSETI.
8. Adequate publicity is to be made to popularize FLCCs by pamphlets, posters etc.
9. Counselor shall also be provided with adequate publicity materials for spreading financial literacy.
10. RBI may arrange to provide printing material on Financial Literacy for distribution through FLCCs.
11. Expenses incurred on FLCC should be borne by all the Banks operating in that district in proportion of their number of Branches in the district.
12. NABARD/ MP state government may be requested for providing infrastructure and reimbursement of expenditure being incurred.
13. GM, Apex Bank will coordinate with NABARD for obtaining their support in setting up of infrastructure / reimbursement of expenses incurred on FLCCs.
14. Joint Director, DIF gave assurance for providing all the possible support from MP Government in setting up of FLCCs in all the districts. These minutes of the meeting are being sent to all the members of the sub committee and to the SLBC for consideration.

Proposed guidelines for appointment of Counselor(s) for FLCCs is attached at **Annexure-V & VI Page 47-48** for deliberation and adoption by the House.

3.5 Sub-Committee on improving recovery system

Meeting of sub-committee was held on 16.11.2010. Convener circulated minute of the meeting to all SLBC members vide letter dated 23.11.2010. The Committee recommended that Banks should immediately file new RRC on-line then old RRC be filed, so that clear picture of recoverable dues may come out.

3.6 Sub-Committee on promoting bank/SHG linkage to address the issues relating to provision of micro-finance

The meeting of sub-committees could not held.

AGENDA ITEM NO. 4: REVIEW OF ANNUAL CREDIT PLAN OF MADHYA PRADESH

Sector wise Breakup of Annual Credit Plan 2010-11 (up to Sept - 10)

(Amt. in Crores)

Sector	Year 2009-10 (Sept- 09)			Year 10-11 (Sept- 10)		
	Target	Ach.	%	Target	Ach.	%
Agriculture	12977	7848	60	15603	10978	70
Crop Loan	9938	6712	68	12437	8349	67
Term Loan	3039	1136	37	3166	2629	83
MSME	2247	805	36	2836	1098	39
OPS	2891	1336	46	3223	1258	39
TOTAL	18115	9989	55	21662	13334	62

Agency wise Breakup of Annual Credit Plan 2010-11 (up to Sept - 10)

(Amt in Crores)

	AGRI		MSME		OPS		Total Adv. PS		%
	T	A	T	A	T	A	T	A	
COM. Bank	7736	5749	2553	1068	2889	977	13178	7794	59
RRBs	2366	1370	136	30	189	95	2691	1494	56
Coop Bank	5501	3859	147		145	186	5793	4046	70
TOTAL	15603	10978	2836	1098	3223	1258	21662	13334	62

T-Target

A-Achievement

Bank wise data is given in **Table No. 11, Page No. 82-85**

The House may review the progress.

AGENDA ITEM NO. 5: PERFORMANCE OF BANKING SECTOR IN MADHYA PRADESH AT A GLANCE

(Rs. in Crores)

No	Parameters	March 2009	March 2010	Sept. 2010	Variation over March 2010	
					Actual	%
1.	No. of Bank Branches	5159	5347	5438	91	1.70
2.	Total Deposits	108366	130267	134939	4672	3.58
3.	Total Advances	67975	79259	79449	190	.24
4.	Investments	6087	5875	6053	178	3.03
5.	Total Adv. +Investments	74062	85134	85503	369	.43
6.	Priority Sector Advances	42592	50866	50606	-260	.51
7.	Agricultural Adv.	26225	30272	30060	-212	.70
8.	MSME Advances	6659	9826	10121	295	3.00
9.	Tertiary Sector	9708	10768	10425	-343	3.29
10.	Advances to Direct Agr.	23783	26257	26920	663	2.52
11.	Advances to Weaker Sec	10030	11216	11936	720	6.42
12.	Advances to DRI	22	30	34	4	13.33

Madhya Bharat Gramin Bank, Riwa Sidhi Gramin Bank and Vidisha Bhopal Kshetriya Gramin Bank have been migrated to CBS platform (3 RRBs out of 8 RRBs). Other 5 RRBs are yet to be migrated.

5.1 Branch expansion

The total number of branches operating in the State is 5438 as on 30th Sept. 2010. There is a net increase of 91 bank branches and 287 ATMs over March-10.

Number of ATMs in Madhya Pradesh as on Sept.-2010 is 2602

	Rural	Semi-Urban	Urban	Total	Spelized SME	ATMs
March-08	2434	1379	1136	4949	27	
March-09	2429	1475	1255	5159	29	
March -10	2420	1548	1379	5347	45	2315
Sept.- 10	2430	1604	1404	5438	63	2602

All state level heads are requested to provide Branch expansion plan in the state and submit quarterly progress report to SLBC with breakup of rural, semi urban and urban.

Bank wise position is given in **Table No. 1 Page No. 52-53.**

5.2 Deposit growth:

During the period under review, the aggregate deposits of the banks in Madhya Pradesh increased by Rs 4672 crores from Rs 130267 crores as at March 10 to Rs 134939 up to Sept. 2010, thus recording a growth of 3.58%. Area wise detailed breakup are as under:

(Amt. in Crores)

	Rural	Semi-Urban	Urban	Total
March-08	11614	23861	54129	89604
March-09	13646	29326	65394	108366
March-10	22195	30105	77967	130267
Sept-10	16891	33697	84351	134939

Bank wise position is given in **Table No. 2 & 3 Page 54-57**

5.3 Credit Expansion

The gross credit in the State increased by Rs 190 crores, from Rs. 79259 crores as at March 2010 to Rs 79449 crores as of Sept. 2010, thus exhibiting a growth of 0.24 %. Area wise details are as under:

(Amt. in Crores)

	Rural	Semi-Urban	Urban	Total
March-08	13656	11636	34765	60057
March-09	18240	13786	35949	67975
March-10	17267	15033	46959	79259
Sept-10	18137	15117	46195	79449

Bank wise position is given in **Table No. 2 & 3 Page 54-57**

5.4 Credit Deposit Ratio

The overall CD ratio of Banks for the State of Madhya Pradesh 59% as on 30.09.2010. District-wise position is given in **Annexure VII Page 49**.

Bank wise position is given in **Table No. 2 & 3 Page 54-57**

5.5 LOW CD RATIO

Though, over all CD ratio in the State is satisfactory but CD Ratio of following 8 districts is still below the minimum level of 40%.

S.N.	Name of District	Lead Bank	07-08	08-09	09-10	Sept 10
1	Umaria	State Bank of India	31	29	26	25
2	Singroli	Union Bank of India		20	19	20
3	Sidhi	Union Bank of India	35	22	33	31
4	Rewa	Union Bank of India	36	29	30	30
5	Alirajpur	Bank of Baroda		22	31	34
6	Mandla	Central Bank of India	46	40	35	36
7	Anuuppur	Central Bank of India	32	33	36	30
8	Shahdol	Central Bank of India	33	27	29	21

SLBC vide their letter no. ZO/SLBC/2010-11/436 dt. 08.10.10 has conveyed to all state level heads of the banks and LDMS to improve the CD ratio in above districts.

Bank-wise position is given in **Table No. 2 & 3 Page 54-57**

5.6 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh decreased by Rs 260 crores. Sector wise details are as under:

	Agriculture	MSME	OPS	Total
March -08	22440	5773	8915	37128
March-09	26225	6659	9708	42592
March-10	30272	9826	10768	50866
Sept-10	30060	10121	10425	50606

Bank wise position is given in **Table No. 5 Page 60-61**

5.7 Agriculture advances

The Agriculture Advances in the State during the review period has witnessed a decrease of Rs 212 crores from Rs. 32272 crores as at March 10 to Rs 30060 crores as at Sept. 2010, thus showing a negative growth of 0.07 %.

Sept. 2009	Sept. 2010	Growth over Sept. 2009
25204	30060	4856 (19 %)

Govt. of India vide their letter no. 20/10/2010-AC dt. 19.08.10 has informed regarding Interest Subvention Scheme to crop extended for the period of 2010-11 and same has been sent to all State Level Heads of the Banks by SLBC vide letter no. ZO/SLBC/F-26/2010-11/371 dt. 24.09.10. In this scheme Interest Subvention @ 1.5% is available to farmers for crop loan up to the limit of Rs. 3 lacs subject to bank finance is given at the interest rate of 7% p.a. Member banks are requested to pass on the benefit of the scheme to the eligible farmers.

Government of India is also providing additional interest subvention @ 2% on the crop loan to the farmers on payment of loan along with interest on or before due date. Hence, the effective rate of interest would be 5% for crop loans upto Rs. 3 lakh. It has been observed that there is a need of publicity campaign for the same. Farmers are not aware about the additional subvention. It would improve the recovery position and also reduce the NPA level. All banks are requested to give wide publicity to this and pass on the benefit of the additional subvention to the farmers.

Bank wise position is given in **Table No. 5 Page 60-61**

5.8 Micro, Small & Medium Enterprises (MSME Advances)

The advances to MSME sector during the period under review has witnessed increase by Rs 295 crores, from Rs. 9826 crores as at March 10 to Rs 10121 crores as at Sept. 2010, thus showing a growth of 3%.

(Amt. in crores)		
Sept. 2009	Sept. 2010	Growth over Sept. 2009
7785	10121	2336 (30%)

Decision taken in 16th meeting of empowered committee for MSME for MP State held on 20.09.10 in RBI Bhopal was conveyed to all banks by SLBC vide their letter no. ZO/SLBC/F-3/2010-11/473 dt. 14.10.10. Decisions of the meeting are as under:

1. Issuance of letter / certificate for classifying an unit as 'SICK' be ensured by all banks after due consultation with their legal departments / Head Offices.
2. All banks must identify the viable sick unit and all district level authorities of Bank, State Government and Industries Associations must discuss for rehabilitation in sub-committee meeting on MSME at district level.
3. All banks must take RBI guidelines available to their branches on collateral free loan.
4. All banks may advise their branches to see master circulars/ guidelines on MSME on RBI website www.rbi.org.in

Advances sanctioned to MSME sector are guaranteed by CGTMSE up to Rs. 1 Crore Collateral free limit. Cumulative data as well as progress during 2010-11 of

top 10 Banks of MP State regarding coverage of cases under CGTMSE as on 15.11.10 are as under:

Sr. No.	MLI	Cumulative Progress		Progress during 2010-11	
		No.	Amt. in Crore	No.	Amt. in Crore
1	Bank of India	4270	180.80	1520	63.80
2	State Bank of India	2739	114.60	635	36.97
3	Punjab National Bank	2543	59.04	938	24.10
4	Allahabad Bank	1053	66.05	471	32.16
5	Union Bank of India	985	31.54	134	5.12
6	State Bank of Indore	945	35.78	548	12.96
7	Central Bank of India	927	49.23	215	20.54
8	Canara Bank	512	17.27	90	4.32
9	Dena Bank	382	6.05		
10	Bank of Maharashtra	206	9.81	105	2.80
11	Indian Overseas Bank			77	4.02

Above data shows that while CGTMSE is giving guarantee of loans of micro and small Industries and service sector up to Rs. One Crore then the Bank of MP State is far away from other states in financing micro and small industries/ services. This sector is most important from the employment generation point of view as well as national growth.

State Bank of India, vide their letter no. RRB & LB/479 dt. 26.11.10 informed that "provision of electricity collection to the units being set up in Satlapur Industrial Area, Mandideep Phase II" may be provided by DISCOM - CENTRAL.

Bank wise position is given in **Table No. 5 Page 60-61 & Table No. 34 Page 140 -141.**

5.9 Advances to Weaker Sections

During the period under review the advances to weaker sections increased by Rs 636 crores from Rs. 11216 crores as at March 2010 to Rs 11936 crores as at Sept 2010, thus showing a growth of 6.42%.

(Amt. in crores)		
Sept-2009	Sept 2010	Growth over Sept 2009
10517	11936	1419(13.5%)

Bank wise position is given in **Table No. 7 Page 64-65**

5.10 DRI Advances

The performance of Banks under DRI is being reviewed in every meeting of SLBC. RBI and Government authorities have been showing their concern about the low progress under the scheme and non- achievement of National Goal of 1%.

(Amt. in crores)

Sept-2009	Sept 2010	Growth over Sept 2009
24	34	10 (41.67%)

Member banks are requested to take up the matter with their branches and ensure progress under this scheme and to initiate suitable steps for achieving the target and also to submit the progress to Convener Bank for review in the next meeting.

Bank wise position is given in **Table No. 7 Page 64-65**

5.11 Achievement in respect of Salient Parameters vis-à-vis National Goals

No	Parameters (RATIO)	Goal %	Mar 09 %	Mar 10 %	Sept 10 %	Variation over Mar 10
A)	C D Ratio	60	63	61	59	- 2
B)	CD Ratio (Rural + SU)	60	75	62	66	4
C)	Credit + Inv. To Depo		68	65	63	2
D)	PS Adv to Total Credit	40	63	64	64	-
E)	Agri. To Total Credit	18	39	38	38	-
F)	Advances to Weaker Section to Total Adv	10	15	14	15	1
G)	DRI Adv to Total Adv.	1	0.03	0.04	0.04	-

Bank wise position is given in **Table No. 6 Page 62-63**

Highlights

- The ratio of Priority Sector Advances to total advances, as at Sept 2010, stands at 64 % as against National Goal of 40%.
- The share of agricultural advances to total advances, as at Sept 2010, is 38 % against the stipulated level of 18%.
- The advances to weaker sections constitute 15 % of the total advances as against the stipulated level of 10%. Classification of Weaker Sections should be ensured to be reviewed strictly by member banks in conformity with directives of RBI issued on this subject.
- The CD Ratio in rural & semi urban area is above the National Goal by recording a level of 66 % as at Sept 2010.
- Though there is no variation in percentage terms in DRI advances but there is increase of Rs. 4 crores in absolute terms.

RECOVERY

5.12 NPA Position

(Amt. in Crores)

Scheme	Sub-Std.	Doubtful	Loss	Total NPA	Total Adv.	% of NPA to Total Adv
Agriculture	682	413	109	1204	30060	4
MSME	250	316	130	696	10121	7
OPS	298	206	62	566	10425	5
PMEGP	54	65	26	145	362	40
SGSY (Group)	20	18	4	42	312	14
SGSY (Ind)	26	22	8	56	426	13
KVIC	12	12	3	27	155	17
SJSRY	23	23	9	55	204	27
SRMS	3	4	1	8	49	17
Antyavyasai	7	8	2	17	83	20
Housing	109	81	24	214	7868	3
Education	24	11	10	45	1312	3

Bank wise position is given in **Table No. 8 to 8 (IV) Page 66-75.**

The recovery under PMRY, SGSY (Individual), SJSRY, SRMS and Antyavyasai is minimal. DIF has requested concerned Departments to issue necessary guidelines to their field level functionaries for assisting banks in recovery drives. All concerned departments are once again requested to help Banks in recovery in the NPA accounts under each scheme.

5.13 Year Wise Position of Written off Accounts

(Amt. In Crores)

Agency	Up to 2006-07		2007-08		2008-09		2009-10		Sept 10 quarter		Total up to Sept 2010	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
CBs	440455	1670	43266	313	42945	359	50242	186	36428	260	613336	2788
RRBs	234235	123	17867	16	19644	28	10101	15	987	11	282834	193
Co-Op	77062	37	1167	1	-	-	833	2	201	2	79963	41
Total	751752	1836	62300	330	62589	387	61176	203	38316	273	976133	3022

Bank wise position is given in **Table No. 9 Page 76-77.**

5.14 Implementation of MP Public Money Recovery Act /BRISC Scheme:

(Amt. in crores)

Item	No.	Amt.
Recovery cases pending at the beginning of the quarter	936032	1982
Cases filed during the quarter	19637	104
Total RRC	955669	2086
RRC disposed of during the quarter	3028	10
RRC withdrawn during the quarter	3815	7
RRC pending at the end of the quarter	948826	2069
Of which pending up to 1 year	143178	497
1 to 3 years	193053	499
3 to 5 years	169440	349
5 to 12 years	130561	186
Above 12 years	312594	538

Bank wise data is given in **Table No. 10 & 10 (I) Page 78-81.**

Banks Recovery Incentive Scheme (BRISC)

With a view to give impetus to the BRISC Scheme, DIF has developed a simplified technique, viz: **web-enabled BRISC software application for paperless automation of Revenue Recovery Certificates** for recovery of overdue in government sponsored schemes for meticulous follow up and effective recovery. The Web-enabled Software Application for BRISC has been up-scaled in the entire State. Web-enabled Software Application for BRISC would streamline the recovery for monitoring of pending RRCs.

This is for information of the House.

AGENDA ITEM NO. 6: PERFORMANCE / PROGRESS OF BANKING SECTOR UNDER VARIOUS GOVERNMENT SPONSORED PROGRAMMES

6.1 Prime Minister's Employment Generation Programme (PMEGP) F.Y. 2010-11 Progress is as under: (2009-10)

(Amt. in crores)

KVIC Target		KVIB Target		DIC Target		Total target	
P	MM	P	MM	P	MM	P	MM
1155	13.86	1155	13.86	1540	18.48	3850	46.20
Progress		Up to 30.09.2009					
Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM
16	0.80	187	4.31	183	23.39	386	28.50

Progress is as under: (2010-11)

(Amt in Crores)

KVIC Target		KVIB Target		DIC Target		Total target	
P	MM	P	MM	P	MM	P	MM
1166	16.32	1166	16.32	1554	21.76	3866	54.40

Progress	Up to 30.09.2010						
Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM
11	0.57	265	4.82	174	10.25	450	15.64

P- Physical MM- Margin Money

Bank wise and district wise data is given in **Table No. 13, Page. 89-96**

The Convener vide it's letter no. zo/slbc/2010-11/f-10/224 dated 10.08.2010 requested all concerns to speed up disposal of cases. It is clear from the table that as against the target of 3850 for 2009-10, only 386 cases have been sanctioned. Similarly, against the target of 3866, only 450 cases have been sanctioned during first six month of the year.

6.2 Performance under SGSY:

(Amt in Crores)

Particulars	2009-10 (Sept 09)	2010-11(Sept 10)
Target (Financial)	328.14	360.95
Sanctioned		
Individual	17.95	20.82
Group	61.54	95.16
Total	79.49	115.98
Disbursed		
Individual	15.35	19.42
Group	56.81	85.75
Total	72.16	105.17
% age Sanctioned	24.22	32.13
% age Disbursed	21.99	29.14

Bank wise and district wise data is given in **Table No. 14 Page 97-100**

Year- wise data is as under:

(Amt in Crores)

	Target (amt.)	Sanctioned	Disbursed	% Achievement
March-08	251.00	265.00	245.00	106.00
March-09	325.67	360.00	317.00	111.00
March-10	328.14	325.66	318.39	97.03
Sept-10	360.95	115.98	105.17	29.14

Further, GOI, MORD, New Delhi, vide letter.12011/26/2009-SGSY(C) Dated 17.02.2010 has directed to incorporate the information on SC/ST in SLBC in order to monitor the progress of SC/ST under SGSY.

The DIF has informed about low progress in credit mobilization under SGSY Scheme. CEO Jila Panchayat Morena has informed that SBI Branches in the district are not financing Dairy cases sponsored under SGSY. All banks are requested to ensure that their branches have issued **Cash Credit Limit** to each eligible accounts for which the **Revolving Fund has been received** and apprise the House. Convener, SLBC vide letter ZO/SLBC/2010-11/224 dated 10.08.2010 has requested the State Level Heads of all the Banks to take suitable measures to increase the SGSY Advances.

Panchyat and Rural Development Department pointed out that despite being provided fund for 113570 groups under SGSY scheme in the different panchayats, Banks have so far extended CC limits to 67336 groups only which constitute mere 59%. It has also been noted that in the districts of Sidhi, Burhanpur, Morena & Vidisha the finance in terms of percentage is still well below 20 %.

6.3 Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

Revised Target for FY 2010-11

(Amt. in crores)		
Targets	Self Employment Programme	UWSP
Physical	5238	772
Financial	59.71	62.98

(Amt in Crores)					
Particulars		USEP		UWSP	
		2009-10 (Sept 09)	2010-11 (Sept 10)	2009-10 (Sept 09)	2010-11 (Sept 10)
Tar. Physical		5206	5238	487	772
Financial	Subsidy	13.02	15.71	14.61	23.20
	Loan	36.44	44.00	25.04	39.78
	Total	49.46	59.71	39.65	62.98
Ach. Physical		1806	3564	21	24
Financial	Subsidy	1.08	3.70	0.24	0.63
	Loan	3.94	8.54	0.24	1.03
	Total	5.02	12.24	0.48	1.66
% Ach. Physical		34.62	68.04	4.31	3.11
Financial %		6.67	19.79	1.64	2.71

Bank wise progress is given in **Table No. 15, Page 101-104**

- **USEP**

Year wise data on achievement is as under:

(Amt in Crores)

	Target (No)	Sanctioned	Disbursed	% Achievement
March-08	24012	64.03	54.43	68.00
March-09	26413	63.05	63.05	64.35
March-10	5206	48.30	48.30	93.98
Sept-10	5238	12.24	12.24	19.79

- **DWCUA/UWSP**

Year wise data on achievement is as under:

(Amt in Crores)

	Target(No)	Sanctioned	Disbursed	% Achievement
March-08	570	6.41	2.42	37.62
March-09	627	3.91	3.79	25.27
March-10	487	7.95	7.34	43.33
Sept-10	772	1.66	1.66	2.71

6.4 **Antyavayasayee Swarojgar and Kapildhara Yojana**

The data received from Department is as under:

(Amt. in Crores)

Year 2010-11				
Parameters	Antyavaysayee		Kapildhara	
	Sept 09	Sept 10	Sept 10	
Target	10000	11340	3705	
Sponsored	6784	12922	1522	
Sanctioned No.	850	1781	260	
Disbursed	No	850	1781	109
	Amt	3.21	7.10	1.25
Rejected/Returned	450	1106	--	
Pending	6310	10035	--	

Bank wise progress is given in **Table No. 16 & 16 (I) Page 105-109**

- **Antyavayasayee Swarojgar Yojana**

Year wise performance

(Amt in Crores)

	Target (No)	Sanctioned	Disbursed	% Achievement
Mar-08	10000	27.37	19.89	92.11
Mar-09	12000	32.26	32.26	69.94
Mar-10	10000	37.32	37.32	83.78
Sept-10	11340	1.98	1.98	5.35

AGENDA ITEM NO. 7: PERFORMANCE/ PROGRESS OF BANKING SECTOR UNDER VARIOUS SPECIAL FOCUS PROGRAMMES OF NABARD/STATE GOVERNMENT/GOVERNMENT OF INDIA

7.1 Self Help Groups (Under NABARD Scheme)
(Progress from April 10 to Sept10)

(Amt. in Crores)

A	S.B A/cs opened		29245
B	Amount deposited in HSS A/c		17
C	Out of (A) A/c credit linked		2977
D	Amount disbursed		18
E	Balance Outstanding	(No.)	82846
		(Amt.)	353
F	NPA Amount		29
G	% age NPA		8.21

Bank wise data is given in **Table No. 18, Page No 110-111**

NABARD is of the view that concerted efforts are required to be made by all the partners in the programme, viz. Banks, Government Departments, and NGOs etc for achieving a target of credit linkage of at least 25000 SHGs during the year 2010-11. All the banks are requested to pay special attention in this direction.

It has been reported that the SHGs are experiencing difficulties in opening of savings bank accounts in Banks. Banks are requested to look into the matter and take steps to ensure smooth opening of SB A/cs of SHGs.

SHG-Bank Credit Linkage

It is imperative that the SHG- Bank Linkage Programme receive a major thrust in the State. A target for credit linkage of SHG has been allotted for each branch of the bank as given in the table below.

The per branch targets for the RRBs, Comm. Banks and DCCBs is as given in the table below -

S. No.	Name of the Bank	No. of Branches	Targeted No. of SHGs	Targeted No. of JLGs.
I	Per Branch		25	2
1	Satpura Narmada KGB	347	8675	694
2	Madhya Bharat GB	220	5500	440
3	Narmada Malwa GB	211	5275	422
4	Jhabua Dhar GB	80	2000	160
5	Mahakaushal KGB	43	1075	
6	Rewa Sidhi GB	100	2500	200
7	Sharda GB	63	1575	126
8	Vidisha Bhopal KGB	25	625	50
	Total (I)	1089	27225	2092

II	Per Branch of Comm. Bank		25	1
	Commercial Banks	1010	25250	5050
III	Per Branch		5	2
	DCCBs	366	1830	732
	Total No. Groups to be credit linked (I + II + III)		54305	7874

Member banks are requested to ensure that each branch achieves the given target during the year.

Opening of SB A/cs with Banks by NGOs/SHGs

It is being reported by many NGOs that they are experiencing great difficulties in opening of savings bank accounts of SHGs in Banks. Member Banks are requested to be proactive in opening of SB A/cs. of SHGs whenever they approach the banks by trying to eliminate the hurdles being faced by the SHG members while opening of S. B. Account and for credit linking them.

7.2 Housing Finance

(a) Direct Housing Finance

As per Reserve Bank of India guidelines each bank should attain a share of housing finance at 3% of the incremental deposit of the previous year i.e. Rs. 657crores. Banks have disbursed Rs 953 crores by the end of Sept. 2010 in 11287 loan cases.

Bank wise data is given in **Table No. 20, Page 114-115** for review of house.

Cases (No)				
	Received	Sanctioned	Disbursed	Returned/Rejected
March-08	24547	22759	21728	1839
March-09	21974	21070	20741	690
March 10	30178	28911	28647	964
Sept-10	11882	11461	11287	256

(b) Golden Jubilee Rural Housing Finance Scheme

During the year 2010-11 financial assistance of Rs 6.99 crores has been provided under the scheme to 326 beneficiaries.

Bank wise Data is available in **Table No. 21, Page 116-117** review of house.

Year wise data on achievement is as under:

Cases (No.)				
	Received	Sanctioned	Disbursed	Return/Rejected
March-08	1016	976	925	40
March-09	680	644	635	30
March-10	1093	1086	1080	7
Sept-10	352	335	326	14

7.3 Financial assistance to Minority Communities (State)

(Amt. in Crores)

Community	Disbursement 10-11 (April 10 to Sept10)		Outstanding Balance SEPT-2010	
	No.	Amt.	No.	Amt.
Muslim	6786	91	198821	2120
Sikh	1020	33	31136	587
Christian	669	14	15373	266
Zoroastrian	4	>1	882	11
Buddhist	177	2	8428	57
Jain	2434	45	72173	1933
Total	11090	185	326813	4974

Government of India further advised to review the progress in lending to minorities in coordination with concerned Departments of State Government. Bank wise position is given in Table No. 22 & 23, Page 118-121 for review of house.

7.4 Data on Minority communities in identified district i.e., Bhopal

The information on the financial assistance given to minority communities in Bhopal district as on Sept-2010 is as follows: (Amt. in Crores)

Communities	Sept-2010	
	No.	Amt.
Muslim	52551	761
Sikh	15402	164
Christian	1160	22
Zoroastrian	-	-
Buddhist	306	3
Jain	-	-
A. TOTAL	69419	950
B. Total Priority Sector	917932	6167
C. Total Advances	1475321	10349
% age to A to B	7.56	15.40
% age to A to C(Total Advances)	4.70	9.17

7.5 Financial Assistance to Schedule Castes /Schedule Tribes

The progress up to 30.09.2010 is as under: (Amt. in Crores)

Item	Schedule Castes		Schedule Tribes	
	No. of A/cs	Amt.	No. of A/cs	Amt.
App. Recd.	14392	144	11288	74
App. San.	13648	137	10743	69
App. Disb.	13165	112	11160	67
Ap. Rejected	170	1	213	1
App. Pend.	574	6	332	4
Total Bal. O/S	616338	2309	388157	1476
NPA Amt.	74913	411	39839	214
% age NPA	12.15	17.79	10.26	14.49

Bank-wise data is given in Table No. 24 & 25, Page 122-125

7.6 Swarojgar Credit Card (SCC)

The progress up to 30.09.2010 under Swarojgar Credit card scheme is given below:

(Amt. in crores)

Particulars	Comm. Bks	RRBs	Co-op Banks	Total
Annual Target (No.)	4475	8621	1960	15056
No. of SCCs Issued	317	2619	500	3436
Amount Disbursed	1.31	8.95	0.80	11.06
% Achievement	7.08	30.37	25.51	22.82

Bank wise progress is given in **Table No. 26 Page No. 126-127**

Directorate of Hathkargha, Government of Madhya Pradesh has informed that banks delay in sanction/release of loans under the Scheme. The Directorate desired that cases under the Scheme be processed and action be taken within 15 days.

Target allotted and achievement for year 2010-11 is as under:

(Amount in lacs)

Name of Scheme	Target for 2010-11		Cases presented in Bank		Cases sanctioned		Cases pending	
	No.	Amt	No	Amt.	No.	Amt.	No.	Amt.
Kutir Udyog	1840	266.13	125	58.89	20	15.27	105	43.63
Hathkargha Vikas Yojna	314	56.67	62	10.96	4	0.95	58	12.00
Akikrit Hathkargha Vikas Yojna	662	119.16	40	7.20	0	0	40	7.20

The house may review the progress.

7.7 Artisan Credit Cards

As per information given by Banks, the target set for 2010-11 was 3725 against which the Banks have issued 270 cards during the year ended Sept 2010. Total cards issued under the scheme since inception is 6914.

Bank wise position is given in **Table No 27, Page 128-129**. Most of the banks have reported Zero progress in the scheme. This situation needs to be rectified by employing appropriate strategies and organizing campaigns for issuance of these cards.

7.8 General Credit Card (GCC) Scheme

As per information given by the Banks, a total of 3649 cards have been issued during the FY 2010-11 up to Sept 2010 against the self set target of 6507. Total cards issued under the scheme since inception are 31895.

Bank-wise position is given in **Table No 27, Page 128-129**.

7.9 Education Loans

Banks have sanctioned 6575 education loans amounting to Rs. 224 crores during the current financial year, of which Rs. 17 crores have been sanctioned to 5825 girl students. Under this scheme interest subsidy is now provided by Central Govt. (copy of order has been sent to all Banks and LDMs by DIF vide their letter no. 2975 dt. 09.11.10 and by SLBC to all LDMs vide their letter no. 602 dt. 24.11.10 to percolate the scheme at branch level). Detail discussions were held in the sub-committee meeting on dt. 16.11.10. Action points of the decision are mentioned in theme agenda on "Higher Educational Loan". Targets for FY 2010-11 have been allotted to all commercial banks and RRBs. All Banks are requested to achieve the targets.

Bank wise position is given in **Table No 28, Page. 130-131.**

7.10 Advances to Women beneficiaries

Advances to women beneficiaries stood at Rs 5836 crores which is 7.34% of the total advances and well above the target of 5%.

Bank wise data is given in **Table No 29, Page 132-133.**

7.11 Progress under National Horticulture Mission

(Amt in Crores)

Particulars	Unit	2010-11 (Up to Sept 2010)
Cases Received	No	114
Cases Sanctioned	No	104
Cases Disbursed	No	99
	Amt	1.72
Cases Rejected	No	3
Cases Pending	No	7
Balance Outstanding	No	5298
	Amt	107

Bank wise and district wise data is given in **Table No. 30, 134 -135.**

• NHB Progress report:

The progress up to 30.06.2010 under NHB scheme is given below:

(Amt in Crores)

Particulars	Number	Amount
LOI placed before Board	189	-
LOI approved by Board	186	-
No. of cases where subsidy released through NHB Bhopal:		
Below Rs.20 lacs	50	0.50
Above Rs. 20 lacs	8	0.43
TOTAL	58	0.93

NHB Bhopal has informed that some banks are not completing the formalities of projects as per guidelines.

7.12 DEBT SWAP

Convener requested the banks to achieve 3% of the target for financing under the debt swap scheme in respect of farmers indebted to private money lenders and also requested to provide the progress along with SLBC Data every quarter.

7.13 Farmers' Clubs

Promotion of Farmers' Clubs - In the 11th Five Year Plan a target of formation of 1,00,000 Farmers' Clubs has been fixed for the whole country. NABARD assistance to all agencies for forming Farmers' Clubs will uniformly be @ Rs. 10000/- per club per annum for a period of 3 years. This activity needs to be taken up on priority basis but no significant achievement has been made even at the end of the F.Y. The farmers' clubs may function as Business facilitator / Business correspondents also facilitating them to play an important role in Financial Inclusion.

During the current year, 2400 Farmers Clubs are planned to be opened in the State. So far only 179 Clubs are opened. Banks are requested to form farmers' clubs as per NABARD guidelines at the earliest and open bank accounts of farmers' clubs formed.

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PART II – SPECIAL THEME AGENDA

Education Loan Scheme, Education Loan Guarantee Scheme and Interest Subsidy Scheme on Education Loan

Education in the largest sense is any act or experience that has a formative effect on the mind, character or physical ability of an individual. In its technical sense, education is the process by which society deliberately transmits its accumulated knowledge, skills and values from one generation to another. As such it is the central theme for the Human Resources Development and empowerment. Since development of human capital is a national priority and it should be the endeavour of all that no deserving student is denied opportunity to pursue higher education for want of financial support. It is the basic need of the population and is met through appropriate public and private sector initiatives. While the Government endeavour to provide primary education to all on a universal basis, higher education is progressively moving into the domain of private sector. With a gradual reduction in government subsidies higher education is getting more and more costly and hence the need for institutional funding in this area. Loans for education should be seen as an investment for economic development and prosperity. Knowledge and information would be the driving force for economic growth in the coming years.

Considering the need, a comprehensive educational loan scheme was prepared by IBA and adopted by all Public Sector banks. This Scheme aims at providing financial support from the banking system to deserving/ meritorious students for pursuing higher education in India and abroad. The main emphasis is that every meritorious student though poor is provided with an opportunity to pursue education with the financial support from the banking system on affordable terms and conditions. No deserving student should be denied an opportunity to pursue higher education for want of financial support. In short, the scheme aims at providing financial assistance on reasonable terms to the poor and needy to undertake higher education and to the meritorious students to pursue higher/professional/technical education.

- **General Education Loan Scheme**

Indian Banks Association had formulated a model scheme for education loan. This scheme has been adopted by most of the banks. Reserve Bank of India has also issued directives for sanction and disbursement of education loan and considering it as "Priority Sector Advance". Status of Sanction and disbursement of education loan in the State of Madhya Pradesh is as under:

(Rs. in lakh)

Year	Total Loan Sanction		Out of which girl Students	
	No. of A/c	Amount	No. of A/c	Amount
2006-07	9431	22476	2436	5240
2007-08	11377	24867	2075	4256
2008-09	16003	42000	3465	8224
2009-10	13985	35665	4166	9301
2010-11 (upto Sep-10)	6575	22446	1727	5825
Total Loan Disbursed		Out of which girl Students		
No. of A/c	Amount	No. of A/c	Amount	
2006-07	10433	14316	2370	3038
2007-08	11092	14302	1979	2405
2008-09	15667	21578	3339	4899
2009-10	14637	23797	4233	6466
2010-11 (upto Sep-10)	6090	10207	1739	3293
Total Loan Outstanding		Out of which girl Students		
No. of A/c	Amount	No. of A/c	Amount	
2006-07	35138	58178	6234	8086
2007-08	50169	67030	8818	12582
2008-09	61530	95325	13687	19791
2009-10	69979	117708	19009	29369
2010-11 (upto Sep-10)	72850	131172	19526	34752

It is evident from the above table that the sanction/disbursement of education loan during 2009-10 is on downward trend. Similarly, progress during first half of the current year is also not encouraging, which was the peak period for such loans. DIF has received several complaints from various corners of the State and major issues raised in complaints are as under:

- Bank Branches are not giving application forms to the Student;
- Bank Branches are not giving acknowledgement on submission of application form;
- Branches are refusing to accept application form and stating to approach other bank branch;
- Abnormal delay in sanction of education loan to the student;
- Demand for collateral security for loans upto Rs. 4 lakh, which is not desirable;
- Demand for keeping land or house title deeds with bank;
- Demand for guarantee of a third party;
- Compulsory insurance coverage of parents and/or student;
- Demand for payment of interest during education period; etc.

DIF has forwarded the complaints received to respective banks for resolution of such complaints. It has been observed that most of the banks have not responded to those complaints. As per RBI guidelines, any complaint/grievance is to be resolved within stipulated time period but such complaints are pending even for more than two months. Some of the banks have forwarded such complaints to their other Regions. It is necessary that the State Level Zonal Head based at Bhopal should coordinate with other Zone/Region of the bank and such complaint/ grievance must be coordinated and resolved. **Recently, H'ble High Court of Madras has observed that banks should not reject applications of poor students arbitrarily and instead consider their cases sympathetically to promote the cause of education. Justice R. Sudhakar said in his order on the petitions by the students that "Bank Managers should not develop retrograde attitude and deny education loan arbitrarily. They have to promote cause of education, which will empower youth of our nation. The Chairmen of all nationalized banks and other banks should suitably instruct branch managers, especially in rural areas, to ensure the applications of eligible and poor students should be considered sympathetically and in a customer friendly manner to promote cause of education".**

In a review meeting presided over by Hon'ble Finance Minister of Madhya Pradesh on 22-09-2010, it was decided that targets may be set for sanction and disbursement of education loan. The target should be set by increasing 50% from the actual sanction/disbursement of educational loan during 2009-10 subject to minimum 5 cases average per branch. All banks should ensure achievement of target as agreed upon. DLCC would further prescribed targets for the year 2011-12 and these targets would be part of Annual Credit plan.

All banks should advise their branches to adhere the IBA scheme and do not make any requirement which is outside the purview of the scheme.

- **Higher Education Loan Guarantee Scheme introduced by the Government of Madhya Pradesh**

Government of Madhya Pradesh has launched an ambitious scheme to give guarantee of loan for higher education to the meritorious students with poor financial background, whose parental annual income is less than Rs. 3.00 lacs per annum and cannot provide collateral security to the banks for loans more than Rs. 4.00 lacs. DIF has released a compendium of the circulars issued by the State Government of the scheme and also posted on the website. DIF provided adequate copies of the compendium to all banks to circulate it to all branches in the state. DIF has observed that:

- Zonal Heads of the Banks have not issued directives to their branches to consider the cases under the Scheme.
- Branches are not issuing in-principal sanction letter to the students.
- Branches are not aware about the scheme and Branch Managers are reluctant to accept/adopt such scheme.

- **Sub-committee of SLBC held a meeting on 16.11.10 has resolved that**
 - i. Banks should adopt broader views in accepting the merit of students for sanction of loan and scheme should be implemented in proactive manner.
 - ii. On-line application should be accepted and status of application be displayed on site.
 - iii. Loan application receipt be acknowledged.
 - iv. Loan application form must be provided to applicant students.
 - v. Collateral should and margin money not be demanded from the applicant in cases up to Rs. 4.00 lacs.
 - vi. Application should be disposed within 15 days; either sanctioned or rejected.
 - vii. Income certificate issued by Tehsildar/Nayab Tehsildar of area should be accepted by Bank for all purpose including educational loan.
- **Interest Subsidy Scheme launched by the Government of India**

Government of India had launched an Interest Subsidy Scheme on Education Loan for the period of Moratorium. This scheme is applicable to the students, whose family income is upto Rs. 4.50 lakh per annum irrespective of any caste. This scheme is applicable for the loans sanctioned for academic session 2009-10 and onwards. Claims for interest subsidy is to be settled by the Nodal Bank i.e. Canara Bank. There is a condition to obtain an Income Certificate from the authority designated by the State Government. Government of MP has issued directives vide memo No. C/3-11/1/3/2010 dated 07.09.2010 for issuance of Income Certificate and Tehsildar/Nayab Tehsildar are the authorized person to issue income certificate for individual / family in their area. Member Banks are requested to publicize the scheme and ask all applicants to provide income certificate to pass on the benefit.

Member banks are requested to deliberate on this Theme Based Agenda.

PART - III

A) AGENDA ITEM PROPOSED BY GOVT. OF INDIA

- Ministry of Finance, Govt. of India vide their letter no. 20/57/2010-11 dt. 28.10.2010 received through IBA letter no. FI/CIR/BO/1791 dt. 10.11.2010 directed the banks that special attention may be given to the provision of banking facilities in the district that are most attacked by left wing extremists (LWE). In MP State it is reported that Balaghat District is attacked by left wing extremism. This district is allotted to Bank of Maharashtra for 100% Financial Inclusion.

Under one District one Bank concept, Balaghat district is to be allotted to Central Bank of India for Financial Inclusion purpose.

All member banks are required to pay special attention to the delivery of banking services in the district.

- Ministry of Finance has requested to IBA to review the arrangements made for the security of ME, security of cash and mechanism put in place to prevent the hacking and cloning of mobile micro ATMs being used under the model there.

DIF and member banks are required to deliberate.

- Hon'ble Finance Minister, Government of India in his meeting with Chief Ministers of South Zones and Chief Executives of Public Sector Banks held on dated 20.07.2010 has emphasized on following points to implement.
 - i. To provide credit to small and marginal farmers through self help group and joint liabilities groups.
 - ii. Banks have to expand their outreach through use of Business Correspondents model.
 - iii. Timely and adequate agriculture credit flow to small and marginal farmers also he emphasized for adequate credit coverage for activities under animal husbandry and fisheries.
 - iv. Timely assistance for delivery of working capital requirement to weavers and rural artisans under priority sector and be monitored promptly and effectively by Lead District Managers.
 - v. Finance Minister emphasized to effectively utilize the RSETIs for skill up-gradation of the rural artisans, unemployed youth, farmer and self help group. He pointed out the potential such training has on leading to establishment of micro enterprises at the village level under areas like agro food, processing, handicrafts etc.
 - vi. To strengthen rural bank branches with adequate staff.
 - vii. To extend credit to MSE Sector under CGTMSE Scheme for rapid Industrial growth.
 - viii. Conversion of crop loans due to occurrence of natural calamities should be completed by Banks soon as it will hamper disbursal in the on going season.
 - ix. Finance Minister told that some times the applications for education loans even below Rs.4.00 lacs are turned down or sanction delayed for want of collateral even though collateral security is not required.
 - x. In our total Financial Inclusion concept No Frill a/cs may be opened on priority.
 - xi. To avoid margin money and security up to Rs. one lac in agriculture loan.
 - xii. Fixing and achieving sector wise target for agriculture, MSME, DRI, and 100% coverage of farmers under KCC.
 - xiii. Speedup the opening of bank branches in minority concentrated districts.

All State level heads of the banks were communicated by SLBC vide their letter No. ZO/SLBC/F-56/10-11/260 dated 04.11.2010. Member banks are requested to implement above decisions.

B) AGENDA FROM GOVT. MADHYA PRADESH STATE

1. Opening of accounts of old pensioners

DIF has informed that some banks are not opening the accounts of pension beneficiaries under Government Sponsored Scheme. SLBC has requested to concerned banks to open the accounts of such beneficiaries.

Commissioner, Schedule Cast Development has informed that the minor students are facing hardship in getting pre-metric scholarship due to non-opening of their accounts in Banks.

Member banks are requested to instruct their branches to open the account of pension beneficiaries and also of minor students with zero balance, so that they are not sufferer.

2. Housing Finance- Rural Housing Mission

This was the Theme agenda of 140th SLBC meeting. It could not be discussed at length in the meeting. This subject was again discussed in a sub-committee meeting on services held on 16.09.2010. It was decided that Rural Poor with income upto Rs. 1 lakh may be supported through this scheme for construction/purchase of house. They will be provided approx. 900 sq.ft. land free of cost on patta (for construction of house) by Govt. of MP. This would be allowed to mortgage with Bank for availing loan facility up to Rs. 30,000/- and Rs. 30,000/- will be provided by state Government as subsidy. Loan from banks would be repayable in maximum 15 years. Balance amount of Rs.10,000/- would be as margin/contribution of beneficiary, which may be in the form of cash / labour. However there will be no bar for bank finance depending upon project cost.

In case of default, bank will have right to take legal recourse against the beneficiary including seizure and sale of the house property. The beneficiary shall be selected by the Govt. authority from the age group of 30-45 years so that 15 years of span would be available to them for repayment of the loan.

The rate of interest of all the banks would be uniform. CBI has proposed fixed rate of interest i.e. @ 9% p.a. and EMI at this rate comes to Rs. 323 p/m. If beneficiary happens to be MNAREGA a/c holder then all sorts of benefits receivable from Govt. will go to that account only including that of his labour payments. This will facilitate the banks to recover the regular installments due to them. Banks were requested to waive the processing charges and also not to give the burden of legal search of any type on the beneficiaries. Insurance of the beneficiary and of the house property is must. So far as stamp duty on E.M. and documentation is concern, notification is awaited. The application form and format of affidavit will be the same for all the banks across the state. As soon as the applications are received by the banks, from the block level authorities, it is expected that it should be decided within a week time and if rejection is there, the decision with due reason for rejection be taken within 15 days time.

Once the bank decides to extend loan to the beneficiary the patta of respective beneficiary shall be directly sent to the bank for further course of action. The application of the beneficiary will be sent to the bank along with relative documents and check list duly certified by the competent authority. The entire process will be on the web site of the Nodal Agency at every level so that progress can be monitored easily. The LDMs of the respective districts will coordinate in this regard.

Designs of the cluster houses at a particular place will be uniform and approved by competent Govt. authority. However, a relaxation for individual beneficiary is there to draw his own design if he is living in his own house and wishes to make construction/ renovation thereon. Subsidy will be released upfront as soon as sanction is communicated. Loan will be released in four installments maximum with matching amount of subsidy. The progress of construction shall be monitored by the Govt. authority and will be loaded on the website so that progress can be viewed on line. Loan can be released in phases on the basis of progress of construction displayed on the website. However bank is free to inspect the site.

Clarifying the queries raised by the participants Shri Dubey informed that since the houses will be built by the beneficiaries themselves and they would have already given an undertaking to complete the house under the specified amount so there won't be any point of dispute regarding non completion of house. It would be their responsibilities, as per undertaking furnished by them, to complete the house within the range. The disbursement of loan will directly be made in the beneficiary's account. The completion certificate shall be issued by the Govt. authority along with photograph of the house.

The copy of minutes of the meeting was sent to all state level heads vide SLBC letter No. ZO/SLBC/F-69/397 dated 25.09.2010.

Now the MP State Govt. has decided to provide the benefit of scheme to the rural poor people, who are living below poverty line, or slightly above BPL, and whose annual income is not above Rs. 1.25 lacs. This scheme was to be launched by Govt. from Nov. 2010 on pilot basis in 50 districts with identification of 50 beneficiaries in each district but now it will be launched from 01.04.2011 due to some or other reasons.

Member banks are requested to deliberate.

3. Financing to Horticulture Sector

Being matter of deep concern for Govt. of Madhya Pradesh an agenda on financing to horticulture was put before the House in 140th meeting as theme agenda. But due to shortage of time, it could not be discussed. Now again it is kept before house for discussion taking into view the concern of Govt and for development of farmers.

Madhya Pradesh is the 2nd largest state covering more than 9 % of total geographical area of country. Of the total geographical area of 308.14 lacs hq., the net sown area is 147.90 lacs hq. constituting 47.99 % of total area. The state receives an average annual rainfall of 1089.30 m.m. over 94% of the total annual precipitation taking place during July - October, the peak being in September.

The area under fruits, vegetables, spices, Flowers and medicinal and aromatic crops in Madhya Pradesh is estimated at 5.57 lacs hq. Fruit crops are grown in 49998 hq. with annual production of 12.9 lacs ton, vegetables cover an area of 2.04 lacs hq. with annual production of 27.16 lac ton.

Need of credit in Horticulture

Horticulture typically needs higher investment and working capital requirement than agriculture.

In 140th SLBC meeting Hon. Chief Minister, MP State has emphasized the need for issue of KCC to nurseries' farmers and horticulturists so that they can get long term loan. This sector require long term loan so KCC are to be given them so that they can get long term fund.

In MP State, major financing institutions are National Horticulture Board and Commercial Banks through Term Loans and Kisan Credit Cards.

Some important & useful schemes of NHB

- Development of commercial horticulture through production and post harvest management

Credit linked projects relating to establishment of hi-tech commercial production is supported by subsidy of 20% of project cost maximum 25 lacs in general area and 30 lacs in NE Region, Hilly, Scheduled area.

- Capital investment subsidy scheme for constructing expansion/modernization of cold storage/ storage of horticulture produce

Credit linked projects relating to cold storage including controlled atmosphere (CA) and modified atmosphere (MA) stores, pre-cooling units, other storage for onion etc., their modernization are eligible for assistance under this scheme. Assistance as credit linked back ended subsidy @ 40% of capital cost of project in general area and 55% in case of Hilly and scheduled areas for a max storage capacity of 5000 MT per project item wise is given.

All details are available on website of NHB - www.nhb.gov.in

Member Banks are required to popularize the schemes of NHB for the betterment of farmers by financing them under different schemes of NHB in the state.

4. Return of Rin Pustika and issuance of new Rin Pustika-

DIF has informed that the State Government has taken a decision to issue new Rin Pustika to all land holding farmers. On availing of loan by the farmers, Rin Pustika is being kept by Bank in their custody. It has been desired by the Local Administration that old Rin Pustika may be returned for issuance of new Rin Pustika.

All banks are requested to return the Rin Pustika to local administration/borrower for issuing new Rin Pustika. While banks are returning Rin Pustika, bank branch should clearly remark the outstanding amount against the farmer, so that the same may be recorded while issuing the new Rin Pustika.

C) AGENDA BY RBI

1. Reserve Bank of India, vide their letter No. RPCD (Bhopal) 843/02.03.20/2010-11 dated 18.10.2010 has sent a letter of RBI Central Office Mumbai No. RPCD/PLFS NO. 2995/05.02.02 2010/11 dated 06.09.2010 regarding restructuring of borrowal accounts by banks on account of Natural calamities in which it has been stated "Asset classification of the restructured accounts as on the date of natural calamities will continue if the restructuring is completed within a period of 3 months from the date of natural calamities."

Further the issue of asset classification of advances subjected to repeated restructuring in case of successive natural calamities has been brought to their notice. The same has been clarified that accounts that are restructured for the second time or more on account of natural calamities would retain the same asset classification category as restructuring. Accordingly, for once restructured standard assets, the restructuring necessitated on account of natural calamity would not be treated as second restructuring i.e. the standard asset classification will be allowed to be maintained. All other restructuring norms, however, will apply. Copy of this letter had been sent to all Member banks by SLBC vide their letter no. ZO/SLBC/F10/F11/2010-11/586 dt. 15.11.10

Member Banks are requested to comply accordingly.

2. A workshop for Sr. Executives/ In-charges of SLBCs had been organized by NIRD to facilitate completion of process of Financial Inclusion of the rural poor within the time frame as per policies of GOI and RBI. In inaugural address Smt. Usha Thorat, Dy. Governor RBI had spelt out in clear terms that the banks have to initiate action on war-footing.

The following are the main Action Points emerged in the workshop:

- A special meeting of SLBC is to be convened to review the implementation of Financial Inclusion Plans. A State specific model is to be worked out since uniform approach may not suit all the regions. The Institutional arrangements, which are already in place, are to be taken care and utilized.

- A Sub-Committee of SLBC may be formed to periodically review the position of Financial Inclusion and suggest suitable measures for improving.
- A forum is to be created for coordinated approach in urban areas for financial inclusion.
- Banks have to make arrangements to regularly train BCs appointed under Financial Inclusion.
- Banks are losing heaving due to operations of MFIs. There is need for banks to reorient their policies in financing SHGs.
- The curriculum developed by RBI for School Children may be introduced by State Governments.
- There is need to change the mindset of the Bankers to meet the requirement for Financial Inclusion.
- It may be made mandatory for Banks to implement the recommendations of High Level Committee on Lead Bank Scheme.
- The Infrastructure support to the SLBC Secretariats and LDMs Offices is to be improved to meet the envisaged challenges under Lead Bank Scheme.
- Standards are to be followed for posting Officers to SLBC and LDM Offices instead of viewing it as just an assignment as the Staff requires motivational mindset for the success of Lead Bank Scheme.
- IBA should speed up the process of designing MIS under new Lead Bank Scheme as delay is causing lot of problems due to delay in submission.
- Since all the Banks are members in SLBC, it may be considered that decisions of SLBC are binding on Banks in a particular State.
- Banks have to concentrate simultaneously on opening of new branches apart from implementing Business Correspondent (BC) model banking services. Simultaneously, the villages with population below 2000 are also to be covered.
- A Sub-Committee of SLBC may be formed to discuss the issues relating to credit flow under DRI scheme and all the banks may be advised based on the recommendations.
- Investment Credit under Agriculture Sector is too be focused to create infrastructural support under the sector.
- To meet the competition from Post Offices, Telcos, Private Banks, MFIs, etc. Public Sector Banks need to take adequate steps to sustain the growth path.
- Apart from Credit, Non Credit Inputs needs adequate attention in the SLBC meetings.
- Micro ATMs are to be popularized as part of Financial Inclusion.

- Communications to Banks may be centralized routed through MoF instead of different departments of GoI, to have more seriousness on Credit plus activities.
- Proper representation of Government in SLBC meetings is to be ensured by State Government.
- The Success Stories deserve wide publicity to act as torch bearers in other parts of the country and Organizations like NIRD to place active role.
- The SHGs may be sensitized to take up economic activities - e.g. Cultivation of vegetables (Dharampuri Dt. in Tamil Nadu); arranging Monthly Shandies for SHG products (Kerala), etc.
- The NREGS works are to be taken up only in non Agriculture Seasons to ensure more employment opportunities and to make Agriculture a sustainable one.
- Necessary action suitably be taken by Banks as well as by State Government.

D) AGENDA POINTS FROM NABARD

1. RIDF

NABARD has been providing financial assistance to GoMP for executing rural infrastructure development projects. As on date, NABARD has sanctioned 2251 projects encompassing sectors like- Road, Bridge, Power, Irrigation, Health, Education etc. Of these, completed projects under, roads, bridge, irrigation and power have relevance in assessing credit requirement and enhancing lending to agriculture sector. As on 20 October 2010, the details of completed Road, Bridge, Irrigation and Power projects with RIDF assistance are as under:

Sr. NO.	Activity	Number of Projects completed	Number of Villages benefited	Potential	Marketing Centres connected
1	Bridge	193	4771	18937.64 m	598
2	MIP	22	0	115970 Ha	0
3	MIS	525	0	177997Ha	0
4	MJP	19	0	170536 Ha	0
5	Power	34	0	114.99MW	0
6	Road	444	5684	6966.24 KM	919
	Total	1237	10455	----	1517

Due to increase in infrastructure in various fields mentioned above, credit requirements for activities like - integrated godowns (25-50 T capacity). drying yards, post-harvest machinery, seed processing units, grading units, cold storages, electronic weighbridges, integrated pack houses, refrigerated vans,

cotton ginning mills, milk chilling units, horticulture crops, energy efficient pump sets , micro irrigation and SMEs may be reassessed for the year 2012-13.

Member banks are requested to take note of infrastructure created under RIDF projects and subsidy schemes of GOI, to achieve XI plan period goal of increasing agricultural growth from 2% to 4%.

2. Financing of Joint Liability Groups (JLGs) of small farmers/marginal farmers/tenant farmers/ oral lessees and share croppers

Keeping in view the importance attached to financing of the JLGs it has been decided to allot a target of financing of JLGs by each branch of the bank in the State. The bank wise target of financing the JLGs during the year is given in the table below. NABARD provides financial support of Rs.2000/- per group to NGOs/Banks for promotion of JLGs as grant. Member banks are requested to achieve the given target during the year.

3. Action points on deliberation of first meeting of State Level Sanction and Monitoring Committee (SLSMC) of centrally sponsored schemes of Annual Husbandry Sector held at Kamdhenu Bhawan Bhopal on 11.10.2010

- All the five centrally sponsored schemes (1) Scheme for Integrated development of small Ruminants and Rabbits (IDSR); (2) Scheme for establishing “Poultry Estates” Mother units for Rural Backyard Poultry; (3) Scheme for salvaging and rearing of male buffalo calves; (4) Scheme for pig development; (5) Scheme for utilization of Fallen Animals and Dairy Entrepreneurship Development Scheme (DEDS) may be accepted as regular agenda of SLBC.

- Identification of NGOs / Facilitators

At the district level Lead District Manager, DDM NABARD and Department of Animal Husbandry may select 2 or 3 NGOs as facilitators and utilise their services with the approval of SLSMC. The Ekta Agromilk & Livestock, Dhar has been approved as one of the facilitators under the scheme.

- Variation in unit cost / Project cost

In case of reduction or increase in unit cost / size of outlay / project cost for various investments under the Centrally Sponsored Schemes on Animal Husbandry, the SLSMC may approve such proposals. However, GoI subsidy will be strictly restricted to the ceiling limit prescribed for each scheme and category of borrower. Banks are advised to make a quick beginning to implement the scheme and modifications if any may be considered subsequently, based on field level feedback.

- Role of Dept. of Animal Husbandry in Scheme implementation

In the absence of active involvement of Animal Husbandry Department at the State and district level, all the Centrally Sponsored Schemes on Animal Husbandry cannot be implemented successfully in the state. **Both Animal Husbandry Department and banks may sponsor the eligible projects for financing by banks and release of subsidy by NABARD.**

- Finalization of district-wise targets

To facilitate the Department of Animal Husbandry and banks on the likely units to be financed, physical and financial targets have to be circulated to the Department of Animal Husbandry and banks at the district level. NABARD, SLBC, State Nodal agency (MPLPDC) and Directorate of AH can sit together and finalise district-wise targets and communicate to all concerned. Till the time the potential / targets indicated in PLP and ACP for various sub sectors under Animal Husbandry may be taken for guidance to start financing under the CSS of Animal Husbandry.

- Promotion of Rabbit rearing

Banks may finance one or two units on a selective basis and upscale based on the progress.

- Process of implementation of the scheme

The SLSMC desired that the pace of implementation of the scheme has to be hastened, as financing is yet to pick up as on date. The Principal Secretary, Department of AH GoMP and Joint Secretary, GoI clarified that the CSS of AH development are not like SGSY or other Govt. sponsored schemes. There is margin money stipulation. Banks may also take collateral from the beneficiaries and the subsidy is back ended under CSS of AH development. For security, banks may follow RBI guidelines, as in the case of other lending. As per Madhya Pradesh Agricultural Land Mortgage Act 1977 no stamp duty is required for mortgage of agriculture land, while financing for agriculture development. As financing for Animal Husbandry sector has to be treated on par with agriculture financing similar treatment may be given for stamp duty purposes.

4. **Capital Subsidy-cum-Refinance Scheme for Installation of Solar Off-Grid (Photo-Voltaic and Thermal) & Decentralized application under the Jawaharlal Nehru National Solar Mission of the Ministry of New and Renewable Energy, Government of India.**

The GOI has launched a capital-cum-interest subsidy scheme for creation of off-grid, decentralized solar powered energy harvesting devices through application of photo voltaic technology for the purpose of lighting, heating etc. at the level of

domestic and mini commercial applications. The unit cost for the purpose of creation of these assets would be shared in the proportion of 20:30:50 in the form of borrowers' equity (down payment), capital subsidy and bank loan respectively. The bank loan for this purpose would be made available to the borrowers @ 5% per annum. NABARD has been designated as one of the nodal agencies to route the capital subsidy and the subsidized resources to RRBs and Commercial Banks @ 2% interest per annum.

In the meeting dt. 29.11.10 organized by NABARD with some banks, in which the question raised regarding the scheme are:

- Whether the loan is to be insured by insurance company ?
- Loan would be classified in what sector (Agriculture or any other sector) ?

NABARD is requested to deliberate.

E) OTHER AGENDA

SPREADING AWARENESS OF CODES AMONG BANKERS AND PUBLIC
Codes and Standards Board of India has desired to spread awareness of the code of Bank's commitment to customers and code of Bank's commitment to micro and small enterprises.

Executives of the BCSBI is requested to deliberate.

F) OTHER ISSUES WITH THE PERMISSION OF CHAIR

DETAILS OF RSETIs

ANNEXURE-IV

Sr. No.	District	Lead Bank	R-SETIs Established	Land allotted	Claim to NIRD	Trainees Number
1	Anooppur	C.B.I.	No	Yes*	No	Nil
2	Shahdol	C.B.I.	Yes	Yes	No	Nil
3	Balaghat	C.B.I.	No	No	No	Nil
4	Dindori	C.B.I.	No	No	No	Nil
5	Mandla	C.B.I.	No	No	No	Nil
6	Mandsaur	C.B.I.	Yes	Yes	Yes	19
7	Raisen	C.B.I.	No	Yes*	No	Nil
8	Narsinghpur	C.B.I.	Yes	Yes	Yes	400
9	Gwalior	C.B.I.	Yes	Yes	Yes	44
10	Sagar	C.B.I.	Yes	Yes	Yes	90
11	Jabalpur	C.B.I.	Yes	Yes	Yes	326
12	Ratlam	C.B.I.	Yes	Yes	Yes	182
13	Hoshangabad	C.B.I.	Yes	Yes	Yes	458
14	Chhindwara	C.B.I.	Yes	Yes	returned	150
15	Bhind	C.B.I.	No	Yes*	No	Nil
16	Morena	C.B.I.	Yes	Yes*	No	119
17	Seoni	C.B.I.	No	Yes	Yes	Nil
18	Harda	S.B.I.	Yes	No	No	20
19	Panna	S.B.I.	Yes	Yes	Yes	153
20	Umaria	S.B.I.	Yes	Yes	Yes	30
21	Tikamgarh	S.B.I.	Yes	Yes	Yes	163
22	Chhatarpur	S.B.I.	Yes	Yes	Yes	318
23	Damoh	S.B.I.	Yes	Yes*	No	128
24	Katni	S.B.I.	Yes	Yes	Yes	30
25	Betul	C.B.I.	No	Yes	No	Nil
26	Rewa	U.B.I	Yes	Yes*	returned	400
27	Sidhi	U.B.I.	yes	Yes*	No	30
28	Singroli	U.B.I.	No	No	No	Nil
29	Guna	S.B.O.I	Yes	Yes	Yes	532
30	Shivpuri	S.B.O.I	Yes	Yes	Yes	387
31	Sheopurkala	S.B.O.I	Yes	Yes*	NO	NA
32	Ashoknager	S.B.O.I.	Yes	No	No	150
33	Neemuch	S.B.O.I	Yes	Yes	Yes	86
34	Vidisha	S.B.O.I	Yes	No	No	150
35	Datia	PNB	Yes	No	No	NA
36	Jhabua	BOB	No	No	No	NA
37	Alirajpur	BOB	No	No	No	Nil
38	Dewas	BOI	Yes	No	No	49
39	Shajapur	BOI	Yes	Yes*	No	655
40	Ujjain	BOI	Yes	No	No	174

41	Dhar	BOI	No	Yes*	No	Nil
42	Rajgarh	BOI	Yes	Yes*	No	54
43	Sehore	BOI	Yes	Yes*	No	57
44	Barwani	BOI	No	No	No	Nil
45	Khandwa	BOI	Yes	No	No	296
46	Khargone	BOI	No	No	No	Nil
47	Burhanpur	BOI	No	No	No	Nil
48	Bhopal	Canara/Syndi	Yes	No	No	4758
49	Satna	All/Bk	Yes	No	No	80
50	Indore	Vijaya	No	No	No	Nil

***Agreement/allotment of land is pending.**

**Proposed guidelines for appointment of Directors for setting up
And managing of FLCCs**

1.	Number of Directors	2
2.	Brief Role of the job	Managing all issues related with establishment/ Management of FLCCs
3.	Eligibility Criteria	i)Should have retired on attaining superannuation from Bank's service as officer in SMG IV/V ii)Age should not exceed 62 years at the time of appointment iii) His integrity should not have been doubtful during his service in the Bank iv) second director may be retired principal of college/retired gazetted govt. officer/respected local citizen
4.	Selection procedure	Committee of Bank approved by appropriate authority
5.	Service condition	On contract basis for a period of 2 years renewable for a further period of 2 years based on satisfactory performance
6.	Leave facility	15 days leave in a financial year
7.	Remunerations	i) consolidated amount Rs18000/- per month(pm) ii)Reimbursement of Rs 500/ pm towards mobile charges iii)For official tour ,travel by AC II tier by rail by shortest route, in absence of railway service , by public transport iv) Halting allowance metro/urban centers : Rs. 700/- per diem Semi urban centers : Rs. 500/- per diem Rural centers : Rs. 350/- per diem
8.	Performance monitoring	The performance of the Director(s) will be reviewed at every calendar quarter end by the controller/ HO of the bank and they may decide to terminate the contract of the service if performance of director(s) is not found satisfactory. The bank at its sole discretion terminate the contractual appointment by giving notice one month in advance or by paying one months gross emoluments in lieu thereof to the director at any time during the contract service

Proposed guidelines for appointment of Counselor(s) for FLCCs.

1.	Brief role of the job	Meeting the objectives of FLCCs and other work related with FLCCS								
2.	Eligibility Criteria	<p>i)Should have retired on attaining superannuation from Bank's service as officer in MMGS III and above</p> <p>ii)Age should not exceed 62 years at the time of appointment</p> <p>iii) His integrity should not have been doubtful during his service in the Bank</p> <p>iv) Counselors are expected to counsel the public in all issues related with financial institutions, proficiency in local language (reading, writing, speaking and understanding) is essential.</p> <p>v)In respect of other candidates society should ensure that the candidates meets all the eligibility criteria of the guide lines issued by the RBI</p>								
3.	Selection procedure	Counselors will be appointed by trust / society under the guidance of the Bank								
4.	Service condition	Society/trust will appoint for a period of 2 years the contract will be renewed for further period of one based on the satisfactory performance.								
5.	Leave facility	15 days leave in a financial year								
6.	Remunerations	<table border="1"> <thead> <tr> <th>Area</th> <th>Monthly fixed</th> </tr> </thead> <tbody> <tr> <td>Rural</td> <td>Rs.10,000/-</td> </tr> <tr> <td>Semi- urban</td> <td>Rs.12,000/-</td> </tr> <tr> <td>Urban</td> <td>Rs.14,000/-</td> </tr> </tbody> </table> <p>Variation of 10 to 15% may be permitted with a ceiling of Rs.15,000/- pm</p> <p>ii)Reimbursement of Rs 500/pm towards mobile charges</p> <p>iii)For official tour ,travel by AC II tier by rail by shortest route, in absence of railway service , by public transport</p> <p>iv) Halting allowance</p> <p>metro/urban centers : Rs. 500/- per diem</p> <p>Semi urban centers : Rs. 350/- per diem</p> <p>Rural centers : Rs. 250/- per diem</p>	Area	Monthly fixed	Rural	Rs.10,000/-	Semi- urban	Rs.12,000/-	Urban	Rs.14,000/-
Area	Monthly fixed									
Rural	Rs.10,000/-									
Semi- urban	Rs.12,000/-									
Urban	Rs.14,000/-									
7.	Performance monitoring	The performance of the Director(s) will be reviewed at every calendar quarter end by the trust/ society and they may decide to terminate the contract of the service if performance of counselors is not found satisfactory. The society/trust at its sole discretion terminate the contractual appointment by giving notice one month in advance or by paying one months gross emoluments in lieu thereof to the director at any time during the contract service								

DATA - TABLES