

**STATE LEVEL BANKERS' COMMITTEE
MADHYA PRADESH
144th MEETING
28th September 2011**

AGENDA

**PART 1
REGULAR AGENDA ITEMS**

AGENDA ITEM NO. 1: CONFIRMATION OF THE MINUTES OF THE 143RD MEETING OF STATE LEVEL BANKERS' COMMITTEE HELD ON 15th July 2011

Minutes of the 143rd meeting of SLBC held on 15th July 2011 was circulated vide Convener Bank's letter number ZO/SLBC/MP/2011-12/292 dated 12.08.2011 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: ACTION TAKEN REPORT ON DECISIONS OF EARLIER MEETING

S.No	Action point	Present Status																					
1	In the 142nd meeting of SLBC, it was decided that a total of 300 branches are to be opened during 2011-12.	Upto date Branch expansion plan of 338 centres has been received of which 15 branches have been opened by various banks. Details are given on Page.4 Bank of Maharashtra, Corporation Bank, IDBI Bank, Oriental Bank of Commerce, Indian Bank, Punjab & Sind Bank, Vijaya Bank, United Bank of India, all subsidiaries of State Bank of India and all private sector banks have not submitted their branch expansion plan for the year 2011-12.																					
2	Of the total 300 branches that are to be opened, 25% of the same should be opened in Unbanked villages and 10% in tribal area.	Syndicate bank has opened 3 branches in Unbanked villages. All Banks are requested to comply with the RBI norms while opening new branches in the State.																					
3	FIP is to be completed for more than 2000 population villages by September, 2011 and take up the 1000-2000 category villages simultaneously, so that the allocated villages for 2011-12 are completed by March, 2012.	1020, 1266, 1334 villages are covered as at the end of June, July & Aug-11 respectively in 2000+ villages. Bank of Maharashtra. & Punjab National Bank may inform the house the latest position.																					
4	The disbursements made under the Annual Action Plan of some banks where not up to the desired extent due to which 100% achievement under Annual Action Plan 2010-11 could not be achieved. Those banks were advised to look into the matter immediately and make all efforts to ensure that the performance improves and 100% achievement under Annual Action Plan 2011-12 is ensured.	Out of these bank following banks have ,improved there performance <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Bank</th> <th>2010-11 % Ach.</th> <th>2011-12% Ach. (During one Qtr)</th> </tr> </thead> <tbody> <tr> <td>Andhra Bank</td> <td>1</td> <td>8</td> </tr> <tr> <td>I.O.B</td> <td>19</td> <td>4</td> </tr> <tr> <td>S.B Mysore</td> <td>5</td> <td>7</td> </tr> <tr> <td>BB Patiala</td> <td>12</td> <td>10</td> </tr> <tr> <td>J & K Bank</td> <td>13</td> <td>7</td> </tr> <tr> <td>Co-Op. Bank</td> <td>11</td> <td>38</td> </tr> </tbody> </table> <p>Following Banks have shown zero performance again Indus Ind Bank, Lakshmi Vilas Bank ,Karur Vyasa Bank.</p>	Bank	2010-11 % Ach.	2011-12% Ach. (During one Qtr)	Andhra Bank	1	8	I.O.B	19	4	S.B Mysore	5	7	BB Patiala	12	10	J & K Bank	13	7	Co-Op. Bank	11	38
Bank	2010-11 % Ach.	2011-12% Ach. (During one Qtr)																					
Andhra Bank	1	8																					
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BB Patiala	12	10																					
J & K Bank	13	7																					
Co-Op. Bank	11	38																					
5	Banks having responsibility for appointment of FLCC should ensure that the Directors are appointed and societies formed by August, 2011.	Central Bank of India have started procedure by giving advertisement for recruitment and to be completed by Sept, 11. BOI: Appointment of FLCC Director/Counsellor is in progress and will be completed by end of Sept,11. SBI: LDM's are providing Financial Literacy. However appointment of separate Directors/Counsellor is to be made. PNB: Appointed director from day-1. Other banks have not submitted action taken report on this item.																					
6	There was declining trend of disbursements under the Education Loans. Complaints, if received, should be immediately looked into by the controlling offices for redressal.	During Quarter ended June-11, 2017cases have been disbursed amounting Rs 29.59 Crores. Banks like Central Bank of India, Punjab National Bank and Oriental Bank of Commerce have given wide publicity by organising camps in colleges and at counselling centres. Some banks have established centralised processing system for such advance for fast and timely disposal of applications. Banks have also been advised to report targets given to their branches for																					

		monitoring. The branches are extending credit to all meritorious students on merits and are extending all support to students desirous for availing education loan and to avoid complaints in this regard. Though banks are having sound redressal system and are redressing the complaints but are not reporting same to DIF as such record is not updated at DIF. DIF has also devised a format for reporting on Education loan and circulated to all banks. Banks are requested to advise their branches to report through LDM to District Collector and consolidated figures at State level.
7	Non-sanction and disbursement of loans under the Chief Minister's Rural Housing Mission. All these should be taken as a priority importance by the banks.	Bank of India has signed MOU on 19.07.2011 with State Government and same is in the progress with State Bank Of India and Punjab National Bank. As of date CBI has sanctioned 2042 cases and disbursed 1438 cases.
8	CD Ratio is to be achieved upto 65% by March 2012.	Upto June-11, CD Ratio is 62% as compared to 60% on March 2011.
9	Amt of incentive claimed by banks under FIP from Government of M.P. is very less. All Banks were requested to submit the claims on monthly basis.	PNB has started through ICT/BC module recently and claims shall be made in due course.
10	R-SETIs have not been opened in 6 districts. All the R-SETIs must be opened.	R-SETI's have been opened in all left out 6 Districts except in Alirajpur (Lead Bank - Bank of Baroda).
11	In respect of Agriculture Advances, State Government has assured that they will assist the banks in forwarding the list of all eligible farmers who have still not been covered, so that maximum number of KCC borrowers can be covered	DIF has already issued directives to all Collectors to provide list of all eligible farmers. - A Special meeting of the banks was convened on 10.09.11 on crop loan - Common Loan Application Form for Crop Loan has been designed by the Sub-Committee in its meeting of 14.09.11 - This form has been sent to all Banks for approval.
12	Adoption of 100% CBS by RRBs	Satpura Narmada RRB is under process of acquiring CBS status of all the branches by 25.09.2011. As on 16.09.2011, out of 348 branches, 319 branches have been shifted to the CBS Platform. All other 7 RRB's have implemented CBS in all the branches.

AGENDA ITEM NO. 3 : FINANCIAL INCLUSION IN MADHYA PRADESH

3.1 Providing Banking Services in villages having population of 2000 and above.

Under Financial Inclusion plan the progress is as under:

Particulars	2010-11	2011-12 (June)
Target	886	1850
Achievement	1020	246
Type of banking outlet opened		
Branch	5	5
BC	940	229
Others (Mobile ATM cum Kiosk, Mobile Van etc.)	75	12

Bank-wise district-wise progress is given on **Annexure-C page No.119**.

It is reported by banks that

- Bank of India has covered all 204 allotted villages
- Central Bank of India has covered 213 villages out of 299 villages. In rest of the villages appointment of field BC has started.
- Madhya Bharat RRB has covered 127 villages of which 125 are covered by mobile van and two by opening branch. 78 villages of this RRB are proposed to be covered by SBI through Kiosk Banking.
- Allahabad Bank sponsor bank of Sharda RRB have floated RFP and in the process of finalisation of vendor. This RRB is having 71 villages for coverage.
- 157 villages of Rewa Sidhi RRB has been taken over by their sponsor bank for carpet covering on the behalf of RRB.
- Punjab National Bank has approached TSP/BC for the project and work has been started. Bank is also planning to deploy mobile banking in Datia district.
- State Bank of India – Target was 616 and bank has planned to cover 745 villages out of which 655 villages have already been covered upto August-2011.
- 8 villages allotted to Vidisha Bhopal RRB have been taken over by S.B.I.
- Satpura Narmada RRB allotted 276 villages, RFP in process

Following Banks have still not covered a single village against the number of villages allotted to them:-

S.No.	Name of Bank	No. of Villages allotted
1	Apex Bank	15
2	Axis Bank	6
3	Corporation Bank	5
4	Dena Bank	6
5	IDBI Bank	6
6	Indian Bank	6
7	Jhabua Dhar RRB	76
8	Narmada Malwa RRB	146
9	Oriental Bank of Commerce	20
10	Punjab National Bank	86
11	Rewa Sidhi KGB	157
12	State Bank of Bikaner & Jaipur	2
13	Satpura Narmada KGB	276
14	Vidisha Bhopal KGB	8
15	Vijaya Bank	1
	TOTAL	819

On going through the minutes of various DLCCs, it is found that the District Level Sub-committees on Financial Inclusion are not meeting regularly. The sub committees are supposed to review the progress of implementation and take up allocation / reallocation of villages, wherever required. Controlling heads of Lead Districts may issue instructions to their LDMs. DIF may also reiterate the instructions to the Collectors.

SLBC has to submit consolidated monthly progress report on Financial Inclusion and ICT based Financial Inclusion to RBI by 5th of every month. State Level heads of the banks are requested to issue instructions to the respective officers to ensure submission of report in time to SLBC.

Majority of banks were submitting amalgamated report of all the villages in total to SLBC whereas as informed in last SLBC banks have to report village-wise coverage under Financial Inclusion to SLBC to monitor overlapping of villages.

The position of total 2736 villages of population 2000 and above already covered upto 2011-12 and to be covered upto Sept-11 is as under:

Institution	Total no. of villages allotted	% share to total no. of villages	No. of villages covered upto 2011-12	Leftover villages for 2011-12	% of leftover target to be covered by Banks
Commercial Banks	1683	62%	1189 (71%)	494	39%
Private Sector Banks	31	1%	16 (52%)	15	48%
RRBs	1007	37%	61 (6%)	946	94%
Cooperative bank	15	Less than 1%	0	15	100%
Total	2736		1266 (47%)	1470	53%

- Commercial banks have covered 71% of their target
- Percentage coverage of villages by Apex Bank and Private Sector Banks and RRBs is 0%, 52% & 6 % respectively

The RRBs share is 1007 villages of which 94% of villages to be covered during this year. As such RRBs would be required to increase their coverage by nearly fifteen times over 2011-12 level. Sponsor Banks were requested in last meeting that they should start the activity and later such activity may be transferred back to the RRB. Apex Bank has to cover all the villages during this year only.

It has been informed by Ministry of Finance that out of 73000 habitations, only 76 villages with population of over 2000 have not been covered with mobile connectivity as of now. Rest of the villages are covered with mobile connectivity. It has also been informed that these 76 villages will be covered with mobile connectivity shortly but as per data collected by our office 448 villages are not having/facing problem of mobile connectivity.

3.2 Progress in Smart Card Project under EBT Scheme:

369039 Smart Cards were issued up to 30.06.2011.

3.3 The Progress under Financial Inclusion as at the end of June, 2011 is given below:

S.No.	Particulars	Number
01	No. of Villages covered under ICT based FI	1020
02	No. of No Frills accounts	7308402-
03	General Purpose Credit Cards	36376
04	Kisan Credit Cards	6654228
05	Business Correspondents	1169
06	Business Facilitators	-
07	FLCCs	32
08	Smart Cards Issued	369069
09	Smart Card transactions – Number & Volume	negligible

3.4 Outreach Visit by Bank's executives

As per instruction of Deptt. of Financial Services (DoFS), Ministry of Finance, Govt. of India and RBI, top management of the Bank should undertake outreach visit of the targeted villages under the Financial Inclusion plan so as to ensure effectiveness of the implementation of Financial Inclusion and to monitor for overall performance and shared their experiences.

3.5 Branch Expansion Plan 2011-12

In 142nd meeting of SLBC, it was decided that in addition to extending financial inclusion through BC model, 300 more branches will be opened in the state in 2011-12 of which 25% of the branches should be in rural and 10% branches should be opened in unbanked villages. All major banks were advised to submit their branch expansion programme for 2011-12 in terms of above decision. SLBC has received reports from 17 Banks only.

Summary of Branch expansion plan for opening of new branches received from 17 banks is as under:

Sr. No.	Name of Bank	No. of Branches				Total
		Rural	SU	U	Of which Unbanked	
1	Bank of India	6	37	9	0	52
2	Central Bank of India	25	5	0	9	30
3	Punjab National Bank	7	25	5	0	37
4	Dena Bank	2	3	2	0	7
5	UCO Bank	2	3	5	2	10
6	Union Bank	4	0	0	4	4
7	Canara Bank	1	6	1	2	8
8	Syndicate Bank**	3	0	0	3	3
9	Indian Overseas Bank	2	4	10	0	16
10	State Bank of India	13	1	6	0	20
	SUB TOTAL	65	84	38		187
1	Allahabad Bank	R/SU/U/Unbanked position not given				8
2	Bank of Baroda	R/SU/U/Unbanked position not given				21
3	Apex Bank	R/SU/U/Unbanked position not given				8
4	RRBs					114
	Sub total					151
	Total					338

3.6 Financial Literacy and Credit Counseling Centers (FLCC)

A. Setting up of Financial Literacy and Credit Counseling Centers (FLCC) - Support to Lead Banks from FIF

As per information received, 35 FLCCs have been opened so far. Details are as under:

Sr. No.	Name of district in the state where FLCCs have been opened	Name of the sponsoring bank/ banks	Date of opening
1	Ratlam	C. B. I.	09.08.2007
2	Mandsaur	C. B. I.	12.01.2010
3	Sagar	C. B. I.	17.02.2010
4	Narsinghpur	C. B. I.	16.02.2010
5	Hoshangabad	C. B. I.	22.09.2010
6	Morena	C. B. I.	11.10.2010
7	Chhindwara	C. B. I.	08.05.2010
8	Betul	C. B. I.	30.09.2010
9	Mandla	C. B. I.	15.10.2010
10	Seoni	C. B. I.	24.09.2010
11	Gwalior	C. B. I.	25.02.2011
12	Shahdol	C. B. I.	17.03.2011
13	Jabalpur	C. B. I.	13.03.2011
14	Dindori	C. B. I.	18.03.2011
15	Anuppur	C. B. I.	17.03.2011
16	Balaghat	C. B. I.	12.03.2011
17	Bhopal	Bank of India	30.05.2007
18	Sehore	Bank of India	30.01.2010
19	Rajgarh	Bank of India	01.03.2011
20	Indore	Bank of India	19.03.2011
21	Guna	SBI	16.03.2010
22	Ashok Nagar	S.B.I.	25.03.2010
23	Neemach	S.B.I.	20.02.2010
24	Shivpuri	S.B.I.	26.03.2010
25	Sheopur	S.B.I.	30.03.2010
26	Vidisha	S.B.I.	29.01.2010
27	Tikam garh	S.B.I.	26.03.2010
28	Datia	P.N.B.	29.03.2010
29	Bhind	C.B.I	29.06.2011
30	Jhabua	B.O.B	29.08.2011
31	Alirajpur	B.O.B	20.08.2011
32	Rewa	U.B.I	22.06.2011
33	Singroli	U.B.I	22.06.2011
34	Sidhi	U.B.I	22.06.2011
35	Chattarpur	S.B.I	22.06.2011

3.7 Rural Self Employment Training Institute (RSETI's)

As per information received from State Level Heads and LDMs, RSETIs have been opened in 48 districts. The details of R-SETI is as under:

Sr. No.	District	Lead Bank	R-SETIs Established	Land allotted	Claim to NIRD	Trainees Number
1	Anoopur	C.B.I.	Yes	Yes	Yes	Nil
2	Shahdol	C.B.I.	Yes	Yes	Yes	88
3	Balaghat	C.B.I.	Yes	Yes	Yes	49
4	Dindori	C.B.I.	Yes	Yes	Yes	30
5	Mandla	C.B.I.	Yes	Yes	Yes	80
6	Mandsaur	C.B.I.	Yes	Yes	Yes	19
7	Raisen	C.B.I.	Yes	Yes	No	Nil
8	Narsinghpur	C.B.I.	Yes	Yes	Yes	3267
9	Gwalior	C.B.I.	Yes	Yes	Yes	118
10	Sagar	C.B.I.	Yes	Yes	Yes	390
11	Jabalpur	C.B.I.	Yes	Yes	Yes	516
12	Ratlam	C.B.I.	Yes	Yes	Yes	319
13	Hoshangabad	C.B.I.	Yes	Yes	Yes	508
14	Chhindwara	C.B.I.	Yes	Yes	Yes	342
15	Bhind	C.B.I.	Yes	Yes	No	Nil
16	Morena	C.B.I.	Yes	Yes	Yes	320
17	Seoni	C.B.I.	Yes	Yes	Yes	Nil
18	Betul	C.B.I.	Yes	Yes	Yes	23
19	Harda	S.B.I.	Yes	No	Yes	15
20	Panna	S.B.I.	Yes	Yes	Yes	224
21	Umaria	S.B.I.	Yes	No	Yes	86
22	Tikamgarh	S.B.I.	Yes	Yes	Yes	336
23	Chhatarpur	S.B.I.	Yes	Yes	Yes	703
24	Damoh	S.B.I.	Yes	No	Yes	310
25	Katni	S.B.I.	Yes	Yes	Yes	66
26	Guna	SBI	Yes	Yes	Yes	699
27	Shivpuri	SBI	Yes	No	Yes	616
28	3Sheopukala	SBI	Yes	Yes	Yes	80
29	Ashoknager	SBI	Yes	No	Yes	241
30	Neemuch	SBI	Yes	Yes	Yes	129
31	Vidisha	SBI	Yes	No	Yes	255
32	Rewa	U.B.I	Yes	Yes	Yes	442
33	Sidhi	U.B.I.	Yes	Yes	No	30
34	Singrauli	U.B.I.	No	Yes	Yes	Nil
35	Datia	PNB	Yes	No	No	1663
36	Jhabua	BOB	Yes	No	No	Nil
37	Alirajpur	BOB	No	No	No	Nil
38	Dewas	BOI	Yes	Yes	No	177
39	Shajapur	BOI	Yes	Yes	No	655
40	Ujjain	BOI	Yes	Yes	Yes	182
41	Dhar	BOI	Yes	Yes	No	105
42	Rajgarh	BOI	Yes	Yes	Yes	175
43	Sehore	BOI	Yes	Yes	No	432
44	Barwani	BOI	Yes	Yes	No	Nil
45	Khandwa	BOI	Yes	No	No	442
46	Khargone	BOI	Yes	Yes	Yes	Nil
47	Burhanpur	BOI	Yes	No	No	Nil
48	Bhopal	Canara/Syndicate	Yes	No	No	5113
49	Satna	Allahabad Bank	Yes	Yes	No	80
50	Indore	Vijaya Bank	Yes	Yes	Yes	14

It is evident from the table that the number of trainees are zero in the Districts of Anuppur, Raisen, Bhind, Seoni, Jhabua, Barwani, Khargone & Burhanpur. In such a situation, the whole purpose of opening RSETI will be defeated if there no training is organized.

RSETI has not been started in the Singrauli (Union Bank of india) & Alirajpur (Bank of Baroda) Districts.

Agenda Item No 4: Review of Annual Credit Plan of Madhya Pradesh:

Comparison of achievement of Annual Credit Plan of last three years is as below:

Sector	Year 2008-09			Year 2009-10			Year 2010-11		
	T	A	%	T	A	%	T	A	%
Agri. Total	10774	12205	113	12977	15508	119	21445	19702	92
Crop Loan	8130	9768	120	9938	11221	113	16384	14308	87
Term Loan	2644	2437	92	3039	4287	141	5061	5394	107
MSME	2328	1306	56	2247	1854	83	2836	3054	108
Others	2338	2233	96	2891	2668	92	3223	2755	85
TOTAL	15440	15744	102	18115	20030	111	27504	25511	93
		102%			111%			93%	

T-Target A-Achievement

Sector wise Breakup of Annual Credit Plan 11-12 (up to June- 11)

Sector	Year 10-11 (Jun- 10)			Year 2011-12 (Jun- 11)		
	Target	Ach.	%	Target	Ach.	%
Agriculture	21445	5878	27	25779	6820	26
Crop Loan	16384	4520	28	19854	5946	30
Term Loan	5061	1358	27	5925	874	15
MSME	2836	583	21	3481	923	27
OPS	3223	716	22	3517	740	21
TOTAL	21662	7178	33	32777	8483	26

Agency wise Breakup of Annual Credit Plan 11-12 (up to June- 11)

	AGRI			MSME			OPS			Total Adv. PS		
	T	A	%	T	A	%	T	A	%	T	A	%
COM. Bank	15504	2864	18	3136	895	29	3170	658	21	21810	4417	20
RRBs	3155	1141	36	180	28	16	198	77	39	3533	1246	35
Coop Bank	7120	2815	40	165	0	0	149	5	4	7434	2820	38
TOTAL	25779	6820	26	3481	923	27	3517	740	21	32777	8483	26

T-Target A-Achievement

It is evident from the table that achievement of Commercial Bank is only 20% of the target whereas it should have at least exceeded 25%.

Bank wise data is given in **Table No. 11, Page No.62-65**

The House may review the progress.

AGENDA ITEM No 5: Performance of banking sector in Madhya Pradesh at a glance

No	Parameters	March 2010	March 2011	June 2011	Variation over March 2011	
					Actual	%
1.	No. of Bank Branches	5347	5567	5613	46	0.86
2.	Total Deposits	130267	152104	156642	4538	2.98
3.	Total Advances	79259	91499	95010	3511	3.84
4.	Investments	5875	6209	7185	976	15.72
5.	Total Adv. + Investments	85134	97708	102195	4487	4.59
6.	Priority Sector Advances	50866	57038	59384	2307	4.04
7.	Agricultural Advances	30272	34390	36275	1885	5.48
8.	MSME Advances	9826	11316	11639	323	2.85
9.	Tertiary Sector Advances	10768	11332	11431	99	0.87
10.	Advances to Direct Agriculture	26257	27396	29933	2537	9.26
11.	Advances to Weaker Section	11216	12002	11562	(-)440	(-)3.66
12.	Advances to DRI	30	14	14	-	-

It is evident that there is negative growth of 3.66% in the advance to weaker section. House may deliberate the reasons of declining trend in this segment.

5.1 Branch expansion

The total number of branches operating in the State is 5613 as on 30th June 2011. There is a net increase of 46 bank branches over March-11. Number of **ATMs in Madhya Pradesh as on June-2011 is 2927.**

	Rural	Semi-Urban	Urban	Total	Specialized SME	ATMs
March-09	2429	1475	1255	5159	29	
March-10	2420	1548	1379	5347	45	2315
March 11	2453	1666	1448	5567	65	2850
June-11	2465	1695	1453	5613	66	2927

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

Bank wise position is given in **Table No. 1 Page No30-31.**

5.2 Deposit growth:

During the period under review the aggregate deposits of the banks in Madhya Pradesh increased by Rs 4007 crores from Rs 152104 crore crores as at March 11 to Rs 156642 crore up to June 2011, thus recording a growth of 2.98%. Area wise detailed break-up are as under:

(Amt. in Crores)						
	Rural	Semi-Urban	Urban	Total	% Growth	
March-09	13646	29326	65394	108366	20.93	
March-10	22195	30105	77967	130267	20.21	
March-11	21818	39584	90702	152104	16.76	
June-11	22204	41503	92935	156642	2.98	

Bank wise position is given in **Table No. 2 & 3 Page 32-35**

5.3 Credit Expansion

The gross credit in the State increased by Rs 1764 crores, from Rs. 91499 crores as at March 11 to Rs 95010 crores as of June 2011, thus exhibiting a growth of 3.84 %. Area wise details are as under:

(Amt. in Crores)						
	Rural	Semi-Urban	Urban	Total	% Growth	
March-09	18240	13786	35949	67975	13.18	
March-10	17267	15033	46959	79259	16.60	
March-11	20133	16712	54654	91499	15.44	
June-11	21189	19431	54390	95010	3.84	

Bank wise position is given in **Table No. 2 & 3 Page 32-35**

5.4 Credit Deposit Ratio

The overall CD ratio of Banks for the State of Madhya Pradesh stood at 62.41% as on 30.06.2011. All banks are requested to comply with the commitment made with the Governor, Reserve Bank of India to reach a level of 65% by March 2012. It has been observed that CD Ratio of Commercial Banks, SBI Group Banks and Private Sector Banks is showing declining trend as compared to March-11 to June 2011.

Bank wise position is given in **Table No. 2 & 3 Page 32-35**

5.5 LOW CD RATIO

Though, over all CD ratio in the State is satisfactory but CD Ratio of following 6 districts is still below the minimum level of 40%.

S.N.	Name of District	Lead Bank	(%age)			
			08-09	09-10	10-11	June 11
1	Umaria	State Bank of India	28.99	26.13	24	23.00
2	Sidhi	Union Bank of India	22.42	33.52	34	31.12
3	Rewa	Union Bank of India	28.77	30.00	29	23.97
4	Mandla	Central Bank of India	39.72	30.90	35	25.19
5	Anuuppur	Central Bank of India	34.25	37.76	36	28.71
6	Shahdol	Central Bank of India	25.40	28.63	29	27.43

Note: Alirajpur and Dindori Districts have surpassed the minimum level of 40% CD Ratio that is 44 and 41% respectively .

DIF vide letter no. 1578 dated 16.07.10 advised state level Heads' of concerned Bank to revive sub committee with specific agenda and specific target.

Member banks having branch with low CD Ratio in above districts were advised to review branch wise performance and have to formulate specific roadmap to increase CD Ratio despite repeated discussion in earlier meetings .Concerned Banks are requested to prepare a roadmap and make all efforts to improve branch-wise CD Ratio in these Districts.

5.6 Priority Sector Advances

During the period under review, the Priority Sector Advances of Banks in Madhya Pradesh increased by Rs 2346 crores. Sector wise details are as under:

	(Amt. in crores)			
	Agriculture	MSME	OPS	Total
March-09	26225	6659	9708	42592
March-10	30272	9826	10768	50866
March-11	34390	11316	11332	57038
June-11	36275	11639	11431	59345

Bank wise position is given in **Table No. 5 Page 38-39**

5.7 Agriculture advances

The Agriculture Advances in the State during the review period has witnessed increase of Rs 1885 crores from Rs.34390 crores as at March 11 to Rs 36275 crores as at June 2011, thus showing a growth of 5.48 %.

(Amt. in crores)			
June-2010	June- 2011	Growth over June 2010	YOY % Growth
29354	36275	6921	23.58

Bank wise position is given in **Table No. 5 Page 38-39**

5.8 Micro Small & Medium Enterprises (MSME Advances)

The advances to MSME sector during the period under review has witnessed increase by Rs 323 crores, from Rs.11316 crores as at March 11 to Rs 11638 crores as at June 2011, thus showing a growth of 2.85%

Amt. in crores)			
June-2010	June 2011	Growth over June 2010	YOY % Growth
10389	11639	1250	12.03

Bank wise position is given in **Table No. 5 & 34 Page 38-39 & 114-115**

5.9 Advances to Weaker Sections

During the period under review the advances to weaker sections decreased by Rs.440 crores from Rs. 12002 crores as at March 2011 to Rs 11562 crores as at June 2011, thus showing a negative growth of 3.66 %.

(Amt. in crores)			
June-2010	June 2011	Growth over June 2010	YOY % Growth
11385	11562	177	1.55

Bank wise position is given in **Table No. 7 Page 42-43**

5.10 DRI Advances

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

(Amt. in crores)			
June-2010	June 2011	Growth over June 2010	YOY % Growth
30	14	(-) 16	(-) 53.33

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.

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

No	Parameters (RATIO)	Goal %	Mar 10 %	Mar 11 %	June 11 %	Variation over Mar 11
A)	C D Ratio	60	61	60	61	1
B)	CD Ratio (Rural + S/U	60	62	60	63.76	3.76
C)	Credit + Inv. To Deposit		65	64	65	1
D)	PS Adv to Total Credit	40	64	62	63	1
(E)	Agri. To Total Credit	18	38	38	38	-
F)	Advances to Weaker Section to Total Adv	10	14	13	12	(-) 1
G)	DRI Adv to Total Adv.	1	0.04	0.015	0.014	-0.01

Bank wise position is given in **Table No. 6 Page 40-41**

Highlights

- The ratio of Priority Sector Advances to total advances, as at June 2011, stands at 63% as against National Goal of 40%.
- The share of agricultural advances to total advances, as at June 2011, is 38% against the stipulated level of 18%.
- The advances to weaker sections constitute 12 % 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. It is evident that there is continuous declining trend in this segment. Banks are requested to reach at higher level.
- The CD Ratio in rural & semi urban area is above the National Goal by recording a level of 64 % as at June 2011.
- There is declining trend in DRI advances.

RECOVERY**5.12 NPA Position**

(Amt. in Crores)

Scheme	Sub-Std.	Doubtful	Loss	Total NPA	Total Adv.	% of NPA to Total Adv
Agriculture	1211	515	154	1880	36275	5
MSME	285	283	112	680	11639	6
OPS	196	182	91	469	11431	4
PMEGP	39	28	1	68	243	28
SGSY (Group)	26	18	10	54	328	17
SGSY (Ind)	37	22	11	70	400	18
KVIC	10	8	2	20	149	13
SJSRY	24	20	10	55	192	29
SRMS	3	2	2	7	28	24
Antyavyasai	7	10	2	19	66	28
Housing	83	96	39	218	7800	3
Education	31	14	9	54	1428	4

Bank wise position is given in **Table No. 8 (I) to 8 (IV) Page 44-53**

The NPA under SJSRY, SRMS, Antyavyasai and Education has increased than last quarter. 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 Implementation of MP Public Money Recovery Act /BRISC Scheme:

(Amt. in crores)

Item	No.	Amt.
Recovery cases pending at the beginning of the quarter	953007	2170
Cases filed during the quarter	14675	174
Total RRC	967682	2344
RRC disposed of during the quarter	3988	17
RRC withdrawn during the quarter	29921	73
RRC pending at the end of the quarter	933773	2254
Of which pending up to 1 year	158043	667
1 to 3 years	1766	486
3 to 5 years	151552	314
5 to 12 years	116843	180
Above 12 years	330743	606

Bank wise data is given in **Table No. 10 & 10 (I) Page 56-61**

Implementation of web-enabled online Banks Recovery Incentive Scheme (BRISC) Software

DIF has developed a web-enabled software for filing and processing of RRC under the provisions of the MP Lokdhan Shodhya Rashiyon Ki Vasuli Act, 1987. All Banks and District Administration has been advised to file and accept RRCs filed online only. Even, it has also been provided that pending RRCs may also be regenerated. This software is in use since 1st April, 2010. Status report is as under:

Item	(Amount in crore)			
	Since inception to June 11		April 2011 to June 2011	
	A/c	Amount	A/c	Amount
RRCs filed by branches	37713	464.71	13413	211.76
RRCs forwarded by Distt. level Nodal branch to Collector	29515	357.97	955	142.96
RRCs Accepted by District Administration	21290	242.51	4826	73.56
RRCs Rejected /returned by District Administration	0	0	0	0
RRCs issued/alloted by District Administration to Revenue Officer	10981	137.76	4501	65.99
Recovery against issued RRC	37	0.62	6	0.18
RRCs Disposed off by District Administration	19	0.26	6	0.07
RRC s pending for Recovery	10962	137.15	4495	65.81

It has been observed that:

Nodal Branch is not forwarding RRCs to Collectorate, due to which RRCs could not be accepted/rejected/returned/allotted. All Banks are requested to advise District level Nodal Branch to forward RRCs to Collectorate as quickly as possible.

On issuance of RRCs, recoveries are directly dealt by the banks and Revenue Officers are not aware fully about the actual recovery. All Banks are advised to instruct Branch Managers to ensure entry of the actual amount recovered in the data base of the system.

All banks are also advised to deposit the processing fee @ 3% and BRISC charges @ 2.50% and enter the actual amount paid deposited.

All Zonal Heads are advised to review the status of RRCs at their level.

Bankwise data is given in **Table No. 10 (II) Page 60-61**

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. 11-12

Progress is as under :(2010-11)

KVIC Target		KVIB Target		DIC Target				Total target	
				RURAL		URBAN			
P	MM	P	MM	P	MM	P	MM	P	MM
1166	16.32	1166	16.32	777	10.88	777	10.88	3866	54.40
Progress		Up to 30.06.2010							
Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM
0	0	191	3.29	8	0.40	12	0.64	211	4.33

KVIC:-KVIC vide letter nmp(pmegp/2010-11/4881) dt :14/15.07.2011 informed that

- 2011-12 is last year of PMEGP. No additional funds will be allotted. Other than this year allocation.
- 100% physical verification is being started by Bhartiya Udmita Vikas Sansthan ,Gandhi nagar ,Gujrat
- Concurrent verification of units with project of Rs 5.00 will also be done alongwith physical verification.
- Success stories of units having export quality product with photographs will be loaded on web portal.

Progress is as under: (2011-12)								(Amt. in crores)	
KVIC Target		KVIB Target		DIC Target				Total target	
P	MM	P	MM	RURAL		URBAN		P	MM
1402	19.59	1396	19.54	249	6.98	249	6.98	4352	60.89
Progress	Up to 30.06.2011								
Cases sanctioned	MM	Cases sanctioned	MM	Cases Sanctioned	MM	Cases sanctioned	MM	Cases sanctioned	MM
20	1.01	110	150.37	21	0.30	30	0.51	117	2.51

P- Physical MM- Margin Money

Bank wise and district wise data is given in **Table No.13, Page 69-73**

6.2 Performance under SGSY:

(Amt in Crores)

Particulars	2010-11(June 10)	2011-12 (June 11)
Target (Financial)	360.95	397.05
Sanctioned		
Individual	5.52	3.91
Group	17.19	21.51
Total	22.71	25.42
Disbursed		
Individual	4.99	3.10
Group	14.96	16.76
Total	19.95	19.86
% age Sanctioned	6.29	6.40
% age Disbursed	5.53	5.00

Bank wise and district wise data is given in **Table No. 14 Page 74 -76**

Year- wise data is as under:

(Amt in Crores)

	Target (Amt)	Sanctioned	Disbursed	% Achievement
March-09	325.67	360.00	317.00	111.00
March-10	328.14	325.66	318.39	97.03
March 11	360.95	371.24	350.17	97.01
June-11	397.05	25.42	19.86	6.40

Bank wise credit disbursement is as follows

Above 10%	Punjab National Bank, Syndicate Bank
Between 5-9 %	RRB's, Bank Of India, Union Bank, State Bank of India, Allahabad Bank, Central Bank Of India, Bank Of Baroda, Oriental Bank Of Commerce, United Commercial Bank, Punjab & Sind Bank
Between 1-4%	Bank Of Maharashtra, Central Co-operative Bank, Dean Bank,
Less than 0 %	SBBJ, Canara Bank, Indian Bank, ICICI Bank (Bank of Rajasthan) Land Development

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

Panchyat and Rural Development Department pointed out that despite being provided fund for 115876 groups under SGSY scheme in the different panchayats, Banks have so far extended CC limits to 72430 groups only which constitutes mere 63% as compared to 56% in March,11. It has also been noted that in the districts of Sidhi, Raigarh, Burhanpur, Morena and Vidisha the CC limit 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	5206	487
Financial	49.46	39.65

(Amt in Crores)

Particulars	USEP		UWSP	
	2010-11 (June 10)	2011-12 (June 11)	2010-11 (June 10)	2011-12 (June 11)
Tar. Physical	5206	6100	487	800
Financial				
Subsidy	13.02	16.00	14.61	24.00
Loan	36.44	42.70	25.04	41.14
Total	49.46	58.70	39.65	65.14
Ach. Physical	1349	589	11	13
Financial				
Subsidy	1.45	0.98	0.27	0.09
Loan	6.31	3.04	0.21	0.16
Total	7.76	4.02	0.48	0.25
% Ach. Physical	25.91	9.66	2.26	1.00
Financial %	11.13	6.15	1.83	0.39

Bank wise progress is given in **Table No. 15, Page 77-78**

- URBAN SELF EMPLOYMENT PROGRAMME (USEP)**

Year wise data on achievement is as under:

(Amt in Crores)

	Target (No)	Sanctioned	Disbursed	% Achievement
March-09	26413	63.05	63.05	64.35
March-10	5206	48.30	48.30	93.98
March-11	5238	51.77	51.77	84.36
June-11	6100	58.70	58.70	9.66

- URBAN WOMEN SELF EMPLOYMENT PROGRAMME (DWCUA/UWSP)**

Year wise data on achievement is as under:

(Amt in Crores)

	Target (No)	Sanctioned	Disbursed	% Achievement.
March-09	627	3.91	3.79	25.27
March-10	487	7.95	7.34	43.33
March-11	772	6.10	6.10	10.21
June-11	800	0.25	0.25	1.00

6.4 Antyavayasayee Swarojgar Yojana & Kapildhara

The data received from Department is as under:

(Amt. in Crores)

Year	2011-12		
	(Antyavaysayee)		Kapildhara
	June 10	June 11	June 11
Target	11340	10000	1500
Sponsored	2779	4177	862
Sanctioned No.	606	197	17
Disbursed No	606	197	.10
Amt	1.98	0.97	0.06
Rejected/Returned	474	249	-
Pending	5977	3731	845

District wise progress is given in **Table No. 16 & 17 Page 79-80, 81-83**

- Antyavayasayee Swarojgar Yojana**

Year wise performance

(Amt in Crores)

	Target(No)	Sanctioned	Disbursed	% Achievement
Mar-09	12000	32.26	32.26	69.94
Mar-10	10000	37.32	37.32	83.78
Mar-11	11340	42.59	42.59	84.41
June-11	10000	96.69	96.69	1.97

AGENDA ITEM NO 7 : Performance/ progress of banking sector under various SPECIAL FOCUS Programmes as decided by NABARD/State Government/Government of India

7.1 Kisan Credit Card (KCC)

Banks	Target 2011-12	Achievement 30.06.11	% Achievement
COM. BANK	295117	60081	20
RRB	112894	24165	21
DCCB	600000	97625	16
TOTAL	1008011	181871	18

Updated statistics as received from banks is furnished in table No. 19 on Page 86-87 for information of the House.

7.2 Self Help Groups (Under NABARD Scheme)

(Progress from April 11 to June 11)

		(Amt. In Crores)
A	S.B A/cs opened	165187
B	Amount deposited in HSS A/c	144
C	Out of (A) A/c credit linked	31904
D	Amount disbursed	40.04
E	Balance Outstanding	(No.)
		(Amt.)
		76461
		362.14
F	NPA Amount	39
G	% age NPA	11

Bank wise data is given in **Table No. 18, Page 84-85**

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 SHGs during the year 2011-12. All the banks are requested to pay special attention in this direction.

7.3 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. 136 crores. Banks have disbursed Rs 274.10 crores by the end of June 2011 in 4584 loan cases.

Bank wise data is given in **Table No. 20, Page 88-89** for review of house.

	Cases (No)			
	Received	Sanctioned	Disbursed	Return/Rejected
March-09	21974	21070	20741	690
March-10	30178	28911	28647	964
March 11	24827	24423	24206	270
June-11	4589	4451	4584	119

(b) Golden Jubilee Rural Housing Finance Scheme

During the year 2011-12 financial assistance of Rs 1.28 crores has been provided under the scheme to 45 beneficiaries.

Bank wise Data is available in **Table No. 21, Page 90-91** for review of house. Year wise data on achievement is as under:

	Cases (No.)			
	Received	Sanctioned	Disbursed	Return/Rejected
March-09	680	644	635	30
March-10	1093	1086	1080	7
March-11	756	707	704	46
June-11	48	45	45	1

7.4 Financial assistance to Minority Communities (State)**(Amt. in Crores)**

Community	Disbursement 11-12 (April 11 to June11)		Outstanding Balance JUNE-2011	
	No.	Amt.	No.	Amt.
Muslim	3708	73	194494	2006
Sikh	968	20	37084	602
Christian	311	6	15462	267
Zoroastrian	2	Neg	390	6
Buddhist	89	1	8466	71
Jain	2012	24	68344	2019
Total	7090	124	324240	4966

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 92-95** for review of house.

7.5 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 JUNE-2011 is as follows:

(Amt. in Crores)

Communities	JUNE-2011	
	No.	Amt.
Muslim	53779	80349
Sikh	16196	17796
Christian	1194	3971
Zoroastrian	-	-
Buddhist	306	292
Jain	-	-
A. TOTAL	71475	102408
B. Total Priority Sector	940618	671467
C. Total Advances	1546776	1251372
% age to A to B	7.60	15.25
% age to A to C(Total Advances)	4.62	8.18

7.6 Financial Assistance to Schedule Castes /Schedule Tribes

The progress up to 30.06.2011 is as under:

(Amt. in Crores)

Item	Schedule Castes		Schedule Tribes	
	No. of A/cs	Amt.	No. of A/cs	Amt.
App. Recd.	5857	52.06	4948	36.29
App. San.	5256	46.48	4739	34.01
App. Disb.	4813	44.75	4515	32.67
Ap. Rejected	52	0.52	15	0.07
App. Pend.	549	5.06	184	2.21
Total Bal. O/S	593917	2176.26	389272	1396.26
NPA Amt.	71644	411.03	38169	219.48
% age NPA	12.06	18.88	9.80	15.71

Bank-wise data is given in **Table No. 24 & 25, Page 96-99**

As at the end of June-11,NPA has increased to 18.89% and 15.71% from 12.21% and 11.33% in respect of amt in SC and ST respectively.

7.7 Swarojgar Credit Card (SCC)

The progress up to 30.06.2011 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	159	786	579	1524
Amount Disbursed	0.61	2.53	1.57	4.71
% Achievement	3.55	9.11	29.54	10.12

Bank wise progress is given in **Table No. 26 Page No 100-101**

7.8 Artisan Credit Cards

As per information given by Banks the target set for 2011-12 was 3410 against which the Banks have issued 103 cards during the year ended June 2011. Total cards issued under the scheme since inception are 7400.

Bank wise position is given in **Table No 27, Page 102-103**

Most of the banks have reported Zero progress in the scheme. This situation needs to be rectified by employing appropriate strategies and organising campaigns for issuance of these cards.

7.9 General Credit Card (GCC) Scheme.

As per information given by the Banks, a total of 1429 cards have been issued during the FY 2011-12 up to June 2011 against the self set target of 5948. Total cards issued under the scheme since inception are 36376.

Bank-wise position is given in **Table No 27, Page 102-103**

7.10 Education Loans

Banks have sanctioned 1559 education loans amounting to Rs. 40.07 crores during the current financial year, of which Rs. 23.09 crores have been sanctioned to 917 girl students.

Government of Madhya Pradesh is keen to extent education loan to needy students, so that they are not deprived from the higher education for want of resources. In this regard, target to finance 60,000 students during 2011-12 has been set in the State credit Plan. All banks were advised to allot the target to their branches but branch wise targets have not been allotted.

Government of MP has observed that the bank branches are reluctant to finance for Education loan. This segment should be considered sympathetically and eligible students must be provided education loan.

Banks are also advised to instruct all branches to obtain income certificate while loan application is submitted to assess the eligibility of the borrower for interest subsidy scheme of the Government of India for education loan. They may also advised to instruct borrower to submit all documents once so that the borrower should not visit again and again to the branch.

Government Guarantee Scheme for Higher Education Loan

Government of Madhya Pradesh is issuing government guarantee for education loan more than Rs.4.00 lacs to the students whose family income is upto Rs.3.00 lacs per annum. All banks are advised to advise their branches to consider such cases favourably.

Bank wise position is given in **Table No 28, Page 104-105**

7.11 Advances to Women beneficiaries

Advances to women beneficiaries stood at Rs 6301.97 crores which is 6.63% of the total advances and well above the target of 5%.

Bank wise data is given in **Table No 29, Page 106-107**

7.12 Progress under National Horticulture Board Scheme

Particulars	Unit	(Amt in Crores)
		2011-12 Up to June 2011
Cases Received	No	104
Cases Sanctioned	No	87
Cases Disbursed	No	65
	Amt	2.04
Cases Rejected	No	11
Cases Pending	No	6
Balance Outstanding	No	4849
	Amt	97.77

Bank wise and district wise data is given in **Table No. 30, 108-109**

• **NHB Progress report:**

The progress up to 31.12.2010 under NHB scheme is given below:

Particulars	Number
LOI placed before Board	62
LOI approved by Board	41

No. of cases where subsidy released through NHB Bhopal: (Amt. in lakhs)

	No.	Amt.
TOTAL	19	22.29

7.13 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.

7.14 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.

मद सं.-08 राजभाषा नीति का कार्यान्वयन

मध्यप्रदेश में 49 बैंकों में से केवल 42 बैंकों ने राजभाषा नीति के कार्यान्वयन संबंधित तिमाही आंकड़े भेजे हैं। सदस्यों से अनुरोध है कि वे एस.एल.बी.सी. के प्रारूप में अपेक्षित आंकड़े समय से भेजना सुनिश्चित करें।

तालिका संख्या 35 पेज 116 में समीक्षा हेतु स्थिति दी गई है।

PART II: SPECIAL THEME AGENDA

1) Green Initiative – e-payment: Operational guidelines for implementation of Electronic Benefit Transfer and its convergence with Financial Inclusion Plan:

Reserve Bank of India, vide letter RPCD.CO.FID.NO.2105/12.01.019/2011-12 DT :12.08.2011 has issued Operational guidelines for implementation of Electronic Benefit Transfer and its convergence with Financial Inclusion Plan based on detailed consultative meetings and interface with stake holdings. A copy of guidelines is enclosed for ready reference of the members. **(Annexure A) Page 19-27**
Member Banks are requested to deliberate other issue.

Secretary, Deptt. of Financial Services, Ministry of Finance, Govt. of India, New Delhi vide letter No. 8/11/2011-FI dated 19.08.2011. Advised to enhance use of e-payments. It will be appropriate if all the schemes of Govt. of India and the State Govt. which are being administered by the State Govt. are implemented by caring out the following.

a) All payments to be made to beneficiaries through electronic fund transfer. The banks have been asked to open no-frill A/Cs.

b) The lead bank of area has been advised to ensure that no beneficiary has any difficulty in opening an account. In this regard Govt of India has also advised Convener SLBC to work out a plan which should give details of the name of the department and the scheme under which subsidy/loan/grant is given to the beneficiary by the Govt. department or any authority undertaking.

Convener SLBC met to the Chief Secretary to the Government of Madhya Pradesh on 08.09.2011. The details of the system were discussed and during discussions, it was emerged that the following payments are made by the State Government:

Salary and Allowances
Payments to beneficiaries of all social benefit schemes.
Payments for purchase of goods and services.

It was informed that the total expenditure budget of the State is approximately Rs.40000 crores of which only about 55% is paid through e-payment. In our State, all the Commercial Banks are under CBS and the RRBs will also come under the CBS platform by September, 2011. Further, a major chunk of the banking outlets i.e. Co-operative Banks, are still out of the CBS and it is quite difficult to envisage as to when the Co-operative Banks will be put under the CBS platform. This was one of the major difficulties.

Another aspect that was discussed was the necessity to open all accounts with Banks so as to ensure that no payments are made through cheques and will be made through e-payment. It has to be also ensured that ECS payment facilities are available with all banks, including RRBs, to facilitate the e-payments. This being a very huge task, and there being a number of schemes through which State Government makes payments to the beneficiaries, it will require a more detailed planning approach.

PART III:

I Agenda Item proposed by Govt. Of India.

Department of Financial services Ministry of Finance issued a letter to Chairman of all SLBC Convener to initiate swift action on the below mentioned points:-

- (i) Special meeting of SLBC for Priority Sector lending :All Ministry of Finance, Govt. of India vide their letter dated 07.09.11 have informed Chairman of all Banks to take action on following points
 - (a) Please ask the SLBC Convener to work with the State Government to see that they issue appropriate instructions for making payments electronically to all beneficiaries.
 - (b) In the district where your bank is the Lead Bank, please ask the LDM to have meeting with the DCC to see that all grants/subsidies under these schemes are directly credited to the account of the beneficiary electronically. Made available for each village to the branch which are in its service area. This will apply to all commercial banks whether private sector or public sector.
 - (c) Each bank will work out a scheme, if none exists for giving Savings-cum-account to other families which do not have any land and live in the rural areas. This account should have an OD limit of up to Rs. 10,000 against the personal guarantee of the villager and the villager should be able to use the bank account for savings for meeting the requirements of consumption purposes on a need base basis and see the OD.
 - (d) We would be reviewing the performance of Regional Managers and Zonal Managers in terms of the achievements with reference to the districts in which your bank is the Lead Bank or your bank is the SLBC Convener. This review will be held in the first week of October and will be reflected in the reports of the concerned Zonal Manager Regional Manager for non-achievement of the target.

of which on point no (a) and (b) sub-committee on banker have been convened .Details of which is given on page no.....

Members are requested to deliberate on point no. (c) and (d)

II Agenda From NABARD :-

1. Central Sector Scheme - Pending list of ACABC proposals from MANAGE Web site

As per the information downloaded from the web site of National Institute of Agricultural Extension Management (MANAGE), Hyderabad, around 33 projects are pending at banks (SBI - 16, SB Indore - 6, BOI - 6, CBI-2, PNB - 2 and BOB - 1) under ACABC scheme in Madhya Pradesh. SLBC may instruct the banks to initiate necessary action in this regard so that the unemployed agri entrepreneurs may get the benefits of capital subsidy and interest subsidy under the scheme. **(Annexure C Page 117-118)**

III OTHER AGENDA ITEM

1. Incorporation additional information/data in SLBC Data format

As suggested by Dy. Governor in the 143rd SLBC Meeting, additional information was sought from banks for 144th for SLBC Meeting. Banks are requested to provide data on

- a. Branch expansion plan
- b. EBT payment
- c. Branch wise District wise physical and financial target allocation under education loan
- d. Information of SC/ST in SGSY Disbursement (from June 2011)
- e. Data on debt swap

IV – OTHER ISSUES WITH THE PERMISSION OF CHAIR

Additional Agenda Item

Received from DIF, Govt. of M.P

Levying collection charges on cheques issued under government sponsored programmes (Rajya Shiksha Kendra)

Government of Madhya Pradesh is providing free school dress and free Bicycle to student beneficiaries. This programme is being implemented by Rajya Shiksha Kendra within the School Education Department. Rjya Shiksha Kendra is issuing Account Payee Cheques in the name of beneficiary students. It has been reported by the district administration that banks are levying collection charges @ Rs 150.00 per cheque. In fact bank should not levy any collection charges on such remittances. Besides banks are delaying opening of accounts of beneficiaries. All Banks are requested to advise their branches not to levy collection charges and also to open beneficiaries account on priority.

TABLE AGENDA ITEM

- 1) **Agri Crop Insurance** :-Agriculture Insurance Co of India LTD has requested all bank to issue instructions to all branches for coverage of all the eligible farmers to whom loan was sanctioned till 31.07.2011 by 30.09.2011 ,so that the eligible farmers may not be is deprived of benefit under Crop Insurance, if any.

Total Amt of claim disbursed Rs.48.37 Cr to 85516 farmers in 48 districts for Kharif 2010 .Farmers covered were 15.49 lacs with for sum insured of RS.3305 Cr .

- 2) **Inclusion of IDBI Bank in list of Banks implementing Govt. Sponsored Bank**
IDBI Bank LTD made a representation that since Ministry of Finance vide there letter 06.10.10stated that IDBI Bank Ltd may be treated at par to Nationalized banks /SBI for purpose of deposits /bonds/investments and Govt. Business ,as such their name should be included in list of Banks implementing Govt. Sponsered Bank and target under all Govt. Sponsored programme also be allotted to them.

- 3) **Loaning to Joint Forest Management Committee(JFMC) for running Shops under Public Distribution System(P.D.S) (by Addi. PCCF/JFM/FDA)**
MP Forest Deptt has formed 15228.JFMC's which are authorized by M.P Govt. for running Ration Shops under PDS .
Bonus of Rs. 35.37 is being distributed every year to them ,weak JFMCs still require loan for opening ration shops under PDS.
Addi .PCCF , Shri.Saxena is requested to deliberate the Agenda.

- 4) **Meeting of standing Advisory Committee on MSME –Implementation of Action Points of Meeting held on 05.07.2011.**

Following Action points have emanated from the above meeting :---

- a) Region Specific issues relating to MSEs may be taken up with the concerned Regional Directors of Reserve bank of India and the SLBC Convenor Bank .
We request RBI to bring to the notice of the house the discussion of empowered committee of MSME's and if any specific issue raised therein.
- b) Ministry of MSME will provide list of cluster picked up by MoMSME which have inadequate banking facilities and Banks to come forward to provide Banking facilities in such clusters. SLBC to display such list on their website for Banks .Till date no such list is received by SLBC.

Operational guidelines for implementation of Electronic Benefit Transfer and its convergence with Financial Inclusion Plan

A. Financial Inclusion

1. The key driver of our country's vision of inclusive growth is Financial Inclusion. Financial Inclusion is defined as "the process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream institutional players."

2. In accordance with the vision of inclusive growth, Reserve Bank of India has adopted a "Bank-led" model for ensuring Financial Inclusion to provide low cost, efficient, ICT based banking services utilising multiple delivery channels including intermediary low cost brick & mortar structures, branchless banking through Business Correspondents (BCs) and other modes like mobile vans, rural ATMs, etc. so as to cover all the villages of the country in due course.

3. The Central and State Governments have institutionalized several welfare schemes like social security pensions, Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS), National Old Age Pension (NOAPS) insurance scheme etc. for the benefit of the poor. Payments in such welfare schemes are being made directly either in kind/cash or through indirect subsidies like the PDS. Such payments are being routed by the governments through various agencies. The success of any welfare scheme/State Benefit Transfers must ensure timely disbursal of the benefits without any leakages.

4. The Reserve Bank, therefore, as part of its Financial Inclusion initiative encouraged governments to disburse social security payments through the banking channel leveraging Electronic Benefit Transfers for financial intermediation. EBT is one of the products offered under Financial Inclusion, which facilitates payments to reach the intended beneficiaries through bank accounts. This relieves State Government functionaries of cost and time involved in administering the high volume small value payments. Provision of door step banking services in remote areas entails a cost on the banks. The payment of commission by the State Governments for EBT transactions makes the model economically viable and also helps banks to extend their penetration to remote villages. It also provides banks with a business opportunity of linking credit products to the payments.

5. A Committee (Chairman Dr. R.B. Burman) was set up by Reserve Bank to design an appropriate framework for EBT implementation by Central and State Governments. The Committee had recommended the "One District - One Bank model" to be used for implementation of the EBT Scheme. Based on the recommendations, a few State Governments in Haryana, Karnataka, AP, Orissa, Chhattisgarh, Himachal Pradesh, Uttarakhand, Bihar, Punjab, etc. implemented the "One District - One Bank EBT model" in select districts on a pilot basis.

B. Electronic Benefit Transfer (EBT) Scheme using the "One District – One Bank Model" In this model, a designated bank has the mandate to disburse government payments at the door step of the beneficiary, electronically, through and held devices using biometric smart cards at the locations of BCs of the bank. However, difficulties as explained below have been expressed by various stakeholders in scaling up one district one bank model of EBT.

a) No designated bank by itself may have the adequate branch/BC network to reach the entire district.

b) Even if the designated bank is somehow able to undertake EBT in the district, it may not be able to provide all other financial services like deposits, OD, remittance and GCCs/KCCs to the customers. It may also not be able to provide banking services to non government beneficiaries.

c) The designated bank may deploy BCs in the villages only on 2-3 pre-notified days in a month for disbursing the amount of social security payments in cash to the EBT beneficiaries.

d) The designated banks may also not be able to provide banking services to non government beneficiaries. This inhibition could be due to the fact that under roadmap to reach about 72,800 villages of above 2000 population by March 2012, the SLBCs have generally adopted Service Area Approach (SAA) for allotment of unbanked villages to banks. This has caused overlap of villages between the EBT mandated bank and FIP mandated bank. While there is no bar at this stage of Financial Inclusion, going forward this may lead to viability issues, which requires to be addressed.

e) EBT beneficiaries will be required to open accounts with other banks for their regular banking transactions. Beneficiaries will end up managing more than one account/smart card while accessing services from different banks.

f) The one bank - one district model will thus take away freedom from public to bank with the Bank of their choice keeping in view better service, etc.

g) In the absence of whole range of banking services mentioned above the BC/branch at these locations would not be viable.

C. Need for convergence of EBT and FIP

1. Under the "One District – One Bank Model" the leader bank is expected to extend all types of banking services to the residents of the area. However, it will be difficult for a single bank to extend all types of banking services to all the residents of a district. Further, the BC model is intended to provide greater penetration to the banks at a reasonable cost. Services of BCs will remain underutilised if restricted only to EBT payment and disbursement.

2. In addition to the above under the roadmap to reach about 72,800 villages of above 2000 population by March 2012, the SLBCs have generally adopted the Service Area Approach (SAA) for allotment of unbanked villages to banks. This has led to the issue of overlap of villages between the EBT mandated bank and FIP mandated bank. While there is no bar on this, at this stage of Financial Inclusion, it may lead to inefficiencies and become unaffordable and wasteful.

3. Banks will not earn required amount of income unless they also offer credit products. It is necessary that EBT accounts should be optimally utilized for all other banking transactions. Since banks have invested in creating BC infrastructure for making EBT payments at the door step of the beneficiaries, they can provide banking facilities to non beneficiaries in those villages without any additional cost.

4. At this stage of Financial Inclusion, the intention of allocation of the unbanked villages, with population of more than 2000, amongst various banks is to ensure that these villages are provided with at least one banking outlet for extending banking facilities comprising of minimum four products i.e. Savings, Credit, Remittance and Insurance. This does not deny the opportunity for any other bank to operate in these areas and extend banking services based on the available business potential. For the Financial Inclusion Model to be a success it is necessary that there is a convergence between the EBT and FIP Models.

D. Way forward for EBT implementation

1. Keeping in view the need to spread the banking habits to all villages, it is advised that one district – many banks – one leader bank model may be adopted henceforth for EBT implementation. In this model, all the banks present in the district participate in EBT, though for administrative convenience the State Government deals only with one leader bank. State Government shall designate the leader bank, in consultation with the Regional Office of RBI and the SLBC, who will obtain the funds from the State Government and in turn will arrange to transfer funds through interbank transfer to other banks for credit to the accounts of ultimate beneficiaries' account on a commission basis. The commission paid by the State Government may be from the amount which will accrue to them due to non-incurring of expenses involved in manually administering high volumes of small value payments. The revenue sharing model is to be decided mutually amongst participating banks. Today, with the availability of various modes of EFT like RTGS, NEFT and NECS, the leader bank is in a position to transfer funds to other participating banks speedily and cost effectively.

2. However, there is no prohibition on adoption of one district – one bank model approach where the model exists and is already working provided one bank is in a position to provide whole range of minimum banking services under this dispensation. However, all the operational glitches will have to be resolved mutually by the State Government and the concerned bank. EBT implementing bank, will in such case have to follow regulatory stipulation that brick and mortar branches are built within 30 km radius of each of the BC outlets in these villages. Needless to say, the FIP implementing bank's responsibility will be secondary in the allotted villages of such districts till they also obtain the EBT mandate. However, banks will continue opening banking outlets in the villages allotted to them under FIP and speed up enrolment of customers.

3. As EBT Scheme is a part of the overall FIP, the EBT accounts is required to provide whole range of permissible banking services viz. deposit scheme, preferably a variable recurring deposit will in-built Overdraft (OD), remittance and entrepreneurial credit products in the form of GCC/KCC. The State Governments should not stipulate any condition that prevents EBT accounts from being used for other banking transactions. Whenever the State Government plans to implement EBT scheme through banks in future, the details of the scheme should be first discussed in the SLBC. Further, as EBT accounts are regular no frills Savings Bank accounts, they will be subject to applicable regulatory guidelines. For example, these accounts cannot be opened as joint accounts of the beneficiary with a State Government agency. The concerns of the State Government which led to this demand may be addressed by devising permissible checks and balances. Similarly, in some states, EBT accounts are made dormant when there are no transactions in the account for 2-3 months. This is not permissible as per regulatory guidelines. Thus in such cases, neither the account can be made inactive nor can the amount be returned to State Government. The concerns of State Government can be addressed by providing an exception report of those accounts where there is no transaction for 2-3 months.

4. State Government shall designate a nodal department for administration of each of the social benefit schemes. The provisions of MOU signed between Government agency and the banks should be consistent with the extant guidelines and notifications of RBI. The Nodal Department shall provide the list of beneficiaries for the district to be enrolled along with demographic details to the bank. Banks shall arrange for enrolment and creation of bank account of the beneficiary. The Nodal Department shall maintain a savings account in its name with the leader bank. The department's account in the bank will be credited with a consolidated amount by the Treasury

Bank of the State Government. The department will send instructions to the leader bank each month containing with the updated list of beneficiaries in electronic form. The bank will then debit the savings bank account of the Nodal Department and arrange for crediting the accounts of beneficiaries. The Management Information System as required by the State Governments will be strengthened automatically as payment information will flow electronically and seamlessly from end to end so that a data base is created for generating various types of reports.

5. Achieving full financial inclusion is crucial for implementation of EBT and direct transfer of subsidies. As some of the beneficiaries could be residing in a village with population less than 2000 requisite infrastructure should be planned and put in place to cover all the EBT beneficiaries. SLBC should immediately prepare a plan of action to cover all unbanked villages including having population of less than 1000, the allocation of these villages may be done on the basis of geographical proximity. In respect of States/Districts where the EBT scheme is yet to be implemented, this presents an opportunity for the banks to put in place the requisite infrastructure to cover all the unbanked villages irrespective of the population criteria. This will strengthen the position of the banks to provide services to all the EBT beneficiaries whenever State Government decides to implement EBT.

6. Once banking services are extended to all villages under the FIP, convergence between the EBT Scheme and FIP would be automatically realized. Once FIP is fully implemented covering all the unbanked villages and a UID number is issued to all the villagers, a 'model' will emerge where the customer will have the option to transact with the bank of their choice in any village by using UID enabled Micro ATMs. This will make customers, less vulnerable to local power structures, and lower the risk of being exploited by BCs. Customers will be able to transact electronically with each other as well as with individuals and firms outside the village. This will reduce their dependence on cash, and lower costs for transactions. As banking is a public good, this is essential in the interest of public policy.

E. "One District-Many Banks-One Leader Bank" model- Workflow

- 1 State Government to select a Leader bank for EBT implementation in respect of a particular district and designate a Nodal Department for coordination at district level.
- 2 State Government to sign MOU with the Leader bank in respect of a particular district.
- 3 Leader bank to make arrangements with other participating banks in the district, on revenue sharing contract.
- 4 Nodal Department to give list of all beneficiaries to the Leader bank
- 5 Leader bank to distribute the list of beneficiaries among all participating banks
- 6 Participating banks to appoint to select the technology provider and deploy BC/CSPs in all villages
- 7 BC/CSPs to enroll all beneficiaries, participating banks to open accounts and issue Smart cards
- 8 Nodal Department to open a savings bank account with the Leader Bank
- 9 Nodal Department to provide files electronically containing details of beneficiaries each month and arrange for crediting the required amount into the Saving bank A/c with leader bank.
- 10 Leader bank to arrange for crediting the amount electronically to other participating banks
- 11 Participating banks to credit the beneficiary accounts on the same day and send confirmation to the Leader bank
- 12 Leader bank will confirm credit to the Nodal Department
- 13 The funds are now at the disposal of beneficiaries for use as per their requirements.
- 14 MIS reports to be provided by participating banks to Leader bank and leader bank in turn to submit reports to the Nodal Department.
- 15 Reconciliation with the Nodal Department to be done by the leader bank preferably on daily basis, but at least on weekly basis.
- 16 Developments in the implementation of EBT to be mailed to DCC/BLBC level every month by the leader bank. Any policy or structural issues in the implementation to be discussed at SLBC level.