

MINUTES

MINUTES OF THE 151ST SLBC MEETING HELD ON 05.07.2013 AT CENTRAL BANK OF INDIA, ZONAL OFFICE, 9, ARERA HILLS, BHOPAL

The 151st meeting of State Level Bankers' Committee (SLBC) in the state of Madhya Pradesh was held on 05 July, 2013 in the Conference Hall of Central Bank of India, Zonal Office, Bhopal.

The Meeting was co-chaired by Shri M. V. Tanksale, Chairman & Managing Director, Central Bank of India and Shri P. K. Dash, Additional Chief Secretary, Industries, Commerce & Employment, Government of Madhya Pradesh.

Shri Umesh Kumar Singh, Field General Manager, Central Bank of India, Bhopal Zone & Convenor, State Level Bankers' Committee, Madhya Pradesh, welcomed all the participants. He informed the august House that all the nine Sub-Committee's had deliberated prior to the SLBC Meeting on their respective agenda and had come out with various action points and recommendations.

Shri Tanksale in his address speech appreciated the support of Government Departments and all Banks for carrying forward the vision of all-inclusive development in the state. Shri Tanksale requested the House to put on record his appreciation for the **Brainstorming Session** of 04.07.2013, which facilitated the comfort level of bankers for participation in the self-employment programmes of the state.

He emphasized on the Branch Expansion Plan of Banks in the FY 2013-14. Bankers were informed of the high priority given by Government of India on Financial Inclusion, specially the opening of Branches; now termed as **Front Loading**. Penetration in Banking Services to interior Rural Areas is the topmost agenda of the Finance Minister now.

Continuing on Financial Inclusion in the state, he impressed upon banks to cover all villages in the stipulated timeframe by opening of accounts, issuing of cards, and generating transactions. Since, the **Regional Rural Banks'** (RRBs') adoption of **Core Banking Solutions** (CBS), the delivery network has extended in periphery. He stated that India is close to a "**Less Cash**" Society, and is steadily marching towards a "**Cash Less**" Society.

Shri P. K. Dash mentioned the good leadership of Shri Tanksale during his tenure as the Chairperson of SLBC. The collaboration of Bankers and Administration System in the state together with emerging network of infrastructure has been expanding opportunities, providing empowerment and transforming lives. He cited that Government of M.P. has invested in infrastructure in the form of Roads (Roads in Madhya Pradesh have the longest *Kilometerage* in India). He also compared the emerging infrastructural hub at **Ashta** (1 Hour drive from either of

MINUTES

Bhopal and Indore) to the Delhi-Gurgaon Center. The focus should be on *appropriate investment at the correct time* leading to **Improved Productivity and Ample Opportunities**.

Shri P. R. Ravi Mohan, Regional Director, RBI stated that the Reserve Bank of India, Bhopal has been doing many activities under Financial Inclusion and Financial Literacy in the State. He informed the House that the RBI, Bhopal had recently convened workshop for Counsellors of Financial Literacy Centres and Directors of RSETIs. He emphasized upon the need for all the stakeholders to work in close co-ordination for achieving Financial Inclusion and Financial Literacy in every village of the State. In this regard, he appreciated the active involvement of the Government of Madhya Pradesh and also the proactive attitude of Banks and NABARD, and expected that concerted efforts made by all stakeholders in covering the last mile gap towards achieving the desired goal, would make the SLBC in Madhya Pradesh a role Model for the country. He expressed his satisfaction on the working of the SLBC in Madhya Pradesh under the able guidance of Shri.M.V. Tanksale, CMD, Central Bank of India..

Shri M. M. Upadhyay, Agriculture Production Commissioner, Government of Madhya Pradesh discussed the ways and means of standardizing per farmer credit exposure by banks in all the districts. Though, in Madhya Pradesh, the Agriculture sector had recorded the highest growth in the country in the FY 2012-13, per farmer credit exposure had a wide range of disparity among districts. Quantum of Credit was recorded very low in backward districts and investment was more towards Malwa Region. In Co-operative banks much depend upon NABARD Refinance; therefore NABARD should adopt a fluid policy while affixing *Scale of Refinance* for irrigated and non-irrigated areas. The same policy should be adopted for refinance by NABARD to economically backward blocks. It was a unanimous view of the committee that the regional disparity of skewed distribution of credit among various districts in M.P. should gradually be reduced. The unit cost of different schemes should be standardized for the entire State.

Ms. Aruna Sharma, Additional Chief Secretary Department of Panchayat & Rural Development and Social Justice & Development Commissioner, thanked all the bankers for their assistance in Direct Benefit Transfer (DBT) Scheme for the payment of NREGA. She also complemented banks for opening 13 branches in Shadow area villages. The next DBT phase is slated to start from 01 August, 2013 in 18 districts of Madhya Pradesh, for which all the Lead District Managers have been provided User Name and Password for accessing the Samagra Portal of Government of Madhya Pradesh to get the list of beneficiaries not having bank accounts.

Dr. Rajendra Singh, Chief General Manager, National Bank for Agriculture & Rural Development (NABARD), Bhopal pointed out that Investment Credit in the state had declined, which could not be disregarded. Potential had been mapped by NABARD and model schemes have been

MINUTES

uploaded on its website. NABARD was approached by the World Bank for projects on Environment Conservation. He impressed upon the need to Finance in Dairy Sector, one of the biggest and most important activity, which was upcoming in the state of Madhya Pradesh.

Credit Deposit Ratio (CD Ratio) of the 9 Deficient districts was taken up by Shri Dash, who appreciated Union Bank of India for showing substantial improvement in Sidhi District. It was also decided to include those districts having CD Ratio between 40% - 60%, starting from the 152nd SLBC Meeting.

The Outstanding Non - Performing Assets (NPA) of banks was discussed at length; the Secretary Revenue expressed that Recovery of Bank Dues is an intrinsic agenda of the Revenue Department. Banks can individually discuss and sort out problems on which Shri Dash pointed out that the problems have to be approached in a structured manner. It was also decided to include the Revenue Department as a member in the SLBC Sub-Committee on Recovery. Shri Tanksale requested bankers that they should ensure that the origination of credit should be correct. 50% of NPA today, pertains only to top 30 borrowers of the banks. Therefore, Bankers should introspect that even with low interest rates; they are unable to sell the schemes to smaller borrowers. He also emphasized on the need to change the mindset of the Branch Managers who are Credit Averse. It was also decided that the State Level Head of the Department of Panchayat and Rural Development; Revenue; Urban Administration & Development; Schedule Caste Welfare; Schedule Tribes Welfare; Backward Class & Minorities Welfare; Industries; Kutir & Gramodyog; Farmer's Welfare & Agriculture Development; and seven banks having lead bank responsibility in the State should be included as members of Sub-Committee.

During discussions on the financing to the Housing Sector, it was observed that the Government of Madhya Pradesh is implementing its own Housing Schemes for Urban and Rural areas in addition to the normal housing financing scheme operated by the Bank. In addition, some schemes are yet to be launched by the State Government. After discussions, it was decided that a Sub-Committee on the Housing Sector may be constituted under the Chairmanship of the Additional Chief Secretary, Panchayat and Rural Development Department with a convenorship to Central Bank of India. C.E.O.-MPRRDA, Commissioner-Labour, Commissioner-UADD, Commissioner-Housing Board, representative from NABARD, National Housing Bank and State Level Heads of SBI, UBI, PNB, Allahabad Bank, BOB, and BOI may be nominated as members to the Sub-Committee.

"Tantya Bhil Yojana" of M. P. Adivasi Vitta Evam Vikas Nigam, for Scheduled Tribe beneficiaries was officially launched by Shri Tanksale in the House.

MINUTES

It was informed to the house that the Government of Madhya Pradesh has issued a circular dated 12/11/2012 stating that the banks may obtain an affidavit in the prescribed form from the beneficiaries of the Minority Community about the caste declaration instead of a "Caste Certificate". The House decided that the Government instructions may be followed in this regard. For this Banks may take approval from their HO's if needed.

The House was informed of 3 schemes by Labour Department, Government of Madhya Pradesh viz. *Bhawan Evam Anya Sannirman Karmkaar Aawaas Yojana*, for construction workers in Madhya Pradesh. Banks were requested to synergize so that these schemes do not overlap with the CM Rural Housing Mission Scheme. At this point, Shri Tanksale suggested that a sub-committee on Housing Schemes was necessary.

Shri Rajeev Gupta, Zonal Manager, Bank of India, Bhopal Zone extended the vote of thanks appreciating Shri Tanksale for providing the highest quality of leadership to banks in Madhya Pradesh during his tenure. Shri Dash further appreciated Shri Tanksale's attitude for solving problems and fruitful association with administrative machinery.