

MINUTES OF THE 152ND MEETING OF SLBC

The 152nd meeting of the State Level Bankers' Committee (SLBC) in the State of Madhya Pradesh was held on 25th September, 2013, in the Conference Hall of Central Bank of India, Zonal Office, Bhopal.

The meeting was chaired by Shri R. Parasuram, Chief Secretary Govt. of Madhya Pradesh, BHOPAL along with Shri Rajeev Rishi, Chairman and Managing Director, Central Bank of India. Other dignitaries present in the meeting were, Shri Anthony J.C. Desa OSD & Additional Chief Secretary, Shri P.K. Dash, Additional Chief Secretary, Commerce, Industries and Employment, Smt. Aruna Sharma, Additional Chief Secretary, Panchayat and Rural Development, Shri Ashish Upadhyaya, OSD cum Commissioner, Institutional Finance, Shri Smt. Kanchan Jain, Principal Secretary, Kuteer and Gramodyog, Shri P.C. Meena, Principal Secretary, Tribal Welfare, Smt. Shikha Dubey. M.D., M.P. Khadi and Village Industries Board, Smt. Alka Upadhyaya, C.E.O., M.P. Rural Road & Housing Development Authority, Shri S.N. Mishra, Secretary, Urban Administration and Development, Shri Arun Bhatt, Commissioner Industries, Shri J.N. Malpani, Commissioner Scheduled Caste, Shri P.Ravi Mohan, Regional Director, RBI, Dr. Rajendra Singh, Chief General Manager, NABARD, Bhopal.

Shri Umesh Kumar Singh, Field General Manager, Central Bank of India, Bhopal Zone & Convenor, State Level Bankers' Committee, Madhya Pradesh, welcomed all participants. He introduced Shri Rajeev Rishi, the new Chairman & Managing Director of the Bank, Shri Singh lauded the guidance of Shri R. Parasuram, Chief Secretary Govt. of Madhya Pradesh, who is due to demit from his office on 30th September, 2013. He went on to express his heart-felt gratitude to Shri R. Parasuram for being a strong bridge between the banks and the Administration during his tenure as the Chief Secretary in the State of Madhya Pradesh.

Shri Rajeev Rishi, Chairman and Managing Director, in his address expressed his confidence in the banking sector for seeking opportunities in the challenges amidst uncertainties. He appreciated the growth in ACP shown under various sectors in the first quarter of the Financial Year 2013-14 by Banks in Madhya Pradesh. The efforts of the Govt. of Madhya Pradesh were appreciated for promoting the Industrial Sector, which was bound to attract investments and create employment opportunities. In the process Madhya Pradesh was moving from an Agri-dominated state to a Tertiary based economy. Appreciable effort had been put into Financial Inclusion, but much required to be done. He called upon Bankers to open Brick and Mortar branches as per the commitment, and extending banking services to the unbanked pockets of the State. The initiatives of e-FMS for passing the benefits directly to the accounts of beneficiary would further deepen the efforts on Financial Inclusion and increased viability.

Shri Rishi, impressed upon the need for adopting other State modules like Issuance of Cultivators License to Oral Lessees and Share Croppers and drives like Green Revolution in Eastern India known as BGREI in ensuring 100% KCC linkages in the State. He also requested for Computerization of Land Records and online creation of Bank Charge on the lines of Karnataka State, which he felt will improve efficiency and transparency at all levels and create a more impeccable KCC, MSME system, a more trustworthy lender and borrower relationship.

Shri Rishi, felt that concerted efforts are essential for SHG Bank Linkage. A structured approach was required for promoting livelihood through SHG mode. Study of other States where the SHG-PI model has proved to be success should be studied and adopted. With active SHG lending and 100% farmers coverage with KCC, Banks could achieve the CD Ratio of 65% in the State.

Shri Rishi expressed satisfaction that the RSETI's were functional in 50 districts in the State. The FLCC were also working in the right direction by giving tool based knowledge/information to the rural masses at door step on various banking products.

Shri Rishi congratulated the Govt. of Madhya Pradesh for establishment of the web portal HELAMS (Higher Education Loan Application Monitoring System), and urged all banks to sensitize their field functionaries for achievement of targets for education loans in the financial year. Thereafter he invited Shri Anthony Desa, O.S.D. and Additional Chief Secretary of Madhya Pradesh to share his views with the House.

Shri Desa expressed his confidence in the coordination and collaboration of the stake holders of the delivery channels which was indispensable for development and he was delighted to be part of the process.

Shri P. Ravi Mohan, Regional Director, Reserve Bank of India informed the House of the focus of RBI Central Office on evaluative studies on the effective functioning of SLBC, and desired that analysis of data collected from banks was necessary. He appreciatively shared the experience of Dr. Subba Rao, the previous RBI Governor, during his outreach visit in Madhya Pradesh, and said that Banks are doing well in Madhya Pradesh.

Shri R. Parasuram, Chief Secretary Govt. of Madhya Pradesh welcomed Shri Rajeev Rishi and other participating executives and members. He appreciated the progressive movement of the SLBC forum during his tenure, evolving into a increasingly meaningful platform. Involvement of Banks in implementation of the various programmes of the Government was commendable. With number of Departments in the Manufacturing and Non – Farm sectors, including more and more youth, the time seemed to be right for entrepreneurship development. He also mentioned the Awards bestowed on Madhya Pradesh for its initiatives in Skill Development. Financing to aggregators was the need of the day for effective value chain development for the next two years. He urged Bankers to catch up with inter-state, inter-district CD ratio disparity. He focused over inclusive growth and desired for success of Core Banking in cooperative Banks in the state. Shri Parasuram emphasized over uniform growth sectorally. He exhorted Banks to resolve sectoral issues more intensively since state election is round the corner. Thereafter the Agenda of the meeting was taken up for discussion.

The minutes of the 151st meeting were confirmed.

Under Financial Inclusion Smt. Aruna Sharma, Additional Chief Secretary, Panchayat and Rural Development requested banks to open CSP,s(USB) as per the target of 2998 BC based USB,s, by 30th September,2013 against 1817 opened so far, and advised Banks to open their Rural Branches in unbanked areas and more especially in shadow areas. She told for insertion of a column in the Branch

Expansion Plan for Branches opened in Shadow Area by banks from the ensuing SLBC meeting. The Direct Benefit Transfer data of transaction was desired to be captured from the "Samagra Samajik Suraksha" portal for review in the House. Shri Desa also expressed his concern over the low Aadhar Seeding rate into beneficiary accounts.

Smt. Aruna Sharma requested bankers to disburse pending sanctioned cases by 30th Sep 2013 in various schemes.

Dr. Rajendra Singh, Chief General Manager, NABARD informed the House of the scale of financing / unit cost revision of various farm and non-farm sectors. The House was informed of the Banking Plan made for 28 districts based on the PLPs, which would be available to banks shortly. Also Credit linkages of SHGs by banks were also an issue and required the attention of banks. Shri Umesh Kumar Singh, FGM, Central Bank of India, requested the CGM of NABARD to empower their DDMs and strengthen their DDMs office for better cooperation with Bank Branches for financing to SHG's, and various agriculture related schemes.

Smt. Shikha Dubey, M.D. Khadi and Village Industries Board mentioned that PMEGP had recorded poor progress during the first quarter. The gap between sanction and disbursement was high. Banks were requested for disbursement in the sanctioned cases. Shri P. Ravi Mohan requested to give Bank-wise, Branch-wise data, so that the same could be chased by the controller of Banks and also in the DLCC meetings. The Chief Secretary directed all concerned Departments and its agencies to compile date-wise and branch-wise data of cases submitted, cases sanctioned, cases rejected and cases pending, so that the defaulting bank branch may be pursued for disposal of cases. It was also decided that the cases sanctioned during 2012-13 must be disbursed latest by 30-09-2013 and claim for release of margin money must be submitted to nodal bank. Mrs. Dubey also proposed that Mukhya Mantri Karigar Swarojgar Yojana's progress should be a regular agenda item for discussion. She suggested that sanction in PMEGP and MMKSY should be completed by December, 2013 and the disbursement should take place by January, 2014.

Shri P.K. Dash expressed concern on the low Disbursement rate in the Mukhya Mantri Yuva Swarozgar Yojna also, and reminded banks of the decision for generating 10 cases per branch from their level for sponsoring through DIC. Banks were also informed of the tentative schedule of two Sub-Committee meetings of Industries. One in October, 2013 and next in December, 2013 to review the progress of the schemes. Shri Dinesh Khara CGM, SBI explained that the low percentage of financing in MSME sector is due to non-finalization of the balance sheets of units. The financing to MSME sector will improve in the second half of the financial year.

There was a issue of low disbursements in the Chief Minister Rural Housing Scheme also. Smt. Alka Upadhyaya, C.E.O., M.P.R.R.H.D.A. informed the statistical updation in the scheme and requested Banks to disburse the sanctioned cases by 30.09.2013. Banks were also requested to claim the EMI timely, so that NPA instances are not there. In case of NPA, details of the account to be conveyed to the Department immediately.

Smt. Aruna Sharma informed revision in the unit cost in the CM Rural Housing Scheme. Due to maximum number of beneficiaries from the farmers'community, it was requested that the classification to NPA category in the scheme be linked to the crop harvesting pattern, as in case of Agriculture Loans. Shri P. R. Ravi Mohan informed that the matter has been referred to their Head Office.

Under SGSY also, both group and individual lending have high NPA ratio. The same needs close monitoring.

Review of Loan for Education was taken up for discussion. Shri Ashish Upadhyaya, Commissioner Institutional Finance requested banks to dispose off cases submitted by the students through the HELAMS portal. He also appreciated that complaints have been minimized and banks were sanctioning cases in camps.

Low CD Ratio in districts, especially in the 8 districts, where CD Ratio is lower than 40% was discussed. Shri Dinesh Khara, Chief General Manager, State Bank of India pointed out that the banks in these districts were striving for achievement of the Annual Credit Plan, but since the land mass for cultivation was very small therefore it was a problem to finance on a large scale. Shri Parasuram pointed out the case of District Rewa, where there was ample irrigation facilities have been created, yet the CD Ratio could not improved.

It was decided in the House that the focus for improvement of CD Ratio will be in the districts where the CD Ratio ranges from 40% to 60%, so that the State CD Ratio reaches above 65%. It was also discussed that for calculation of CD Ratio, banks may include cases sanctioned by branches outside the State for projects in the State.

The low take-off of Weavers Credit Card was discussed by Smt. Kanchan Jain, Principle Secretary, Kuteer and Gramodyog. The weavers cluster has been identified in Chanderi and Maheshwar. Zonal Manager, Bank of India, Zonal Office, Bhopal assured to dispose off the pending cases with the coordination of the District Level Nodal Officers.

A thematic analysis of NPA was presented, where Cooperative Bank's NPA was high. M.D. Apex Bank mentioned that the position is not correct. It was requested to review the status of NPA in great details in next SLBC meeting.

R-SETI and FLCC issues were mainly relative to the settlement ratio of trainees. Sponsor Banks were requested for improvement in their reports. Banks were also requested to credit link the beneficiaries trained by Skill Development Centers set up by the Govt. of Madhya Pradesh.

Banks had requested the Administration for appointment of a Dy. Collector, Banking at district level for taking care of Banking issues. Shri R. Parasuram suggested that ACS, P & RD may have a joint meeting of CEO(Zila Panchayat), DUDA, LDM & DDM,s (NABARD), two officers from these offices.

The actionable points emerged in the meeting are enclosed.

The meeting concluded with the acknowledgement and gratitude for guidance and support extended by officials of the Govt. of Madhya Pradesh, particularly Shri R. Parasuram, Chief Secretary of the State, and thanked for active participation of Banks in the State by Shri Rajeev Rishi, Chairman and Managing Director of Central Bank of India.