

**MINUTES OF 159<sup>TH</sup> MEETING OF  
STATE LEVEL BANKERS' COMMITTEE, MADHYA PRADESH  
HELD ON 10.03.2016 AT BHOPAL**

The 159<sup>th</sup> meeting of State Level Bankers' Committee, Madhya Pradesh was held on 10.03.2016 at Conference Hall, Central Bank of India, Zonal Office, Bhopal, under the co-chairmanship of Shri Anthony de Sa, IAS, Chief Secretary to Govt. of Madhya Pradesh and Dr. R.C. Lodha, Executive Director, Central Bank of India. A galaxy of senior officials from the Govt. of Madhya Pradesh, Regional Director, RBI, Chief General Manager, NABARD, State level heads of commercial banks and officials from other related agencies also attended the meeting. A full list of the participants is annexed hereto.

At the outset, Shri V.K. Tripathi, Convenor, SLBC & Zonal Manager, Central Bank of India welcomed all the participants. Thereafter, he requested Dr. R.C. Lodha, ED, Central Bank of India to address the house.

*Address of Dr. R.C. Lodha, Executive Director, Central Bank of India:*

Dr. Lodha began his address with a warm welcome to all the participants and conveying his compliments to the State Government for being conferred two most coveted awards, namely, the "Krishi Karman Award" of the Govt. of India, for the fourth consecutive year, for excellence in agriculture production, and the "Lee Kuan Yew Exchange Fellowship" to Shri Shivraj Singh Chouhan, Hon'ble Chief Minister of Madhya Pradesh by the Prime Minister of Singapore in recognition of his contribution to national development and efforts to promote international goodwill.

Dwelling on the banking scenario, Dr. Lodha stated that since last 2-3 months, the banks are passing through a crucial phase with a number of banks grappling with bad loans. Banks are, however, quite aware of their developmental role even in these challenging times because there are opportunities even within challenges. Whatever be the difficulties and problems, our objective is to achieve all the targets set for the financial year for which hardly 20 days are left. The growth achieved in these 20 days will be very crucial for the banking industry in Madhya Pradesh.

A major thrust has been given to the development of rural sector in the recently presented general budget of Central Government. The Madhya Pradesh budget is also on similar lines. The banks have to play an important role in the implementation and achievement of budget objectives. Four new schemes have been announced, viz. PM Sichayi Yojana, PM Fasal Bima Yojana, Soil Health Card Scheme and Stand up India Programme. Another important scheme that has been launched is the Prime Minister's Awas Yojana.

Referring to the data on banking growth, on the deposits front, the growth in Madhya Pradesh is more or less at par with the national average, but on the advances front, the growth rate is less when compared to the peer States. The new initiatives from the Govt. of M.P. will enable banks to tap emerging opportunities in the State and resultantly the credit growth rate will also improve further.

Demographically, the rural and semi urban areas are most important but the growth in semi urban sector is more. There is no doubt that things will improve further with several initiatives of the State Government under implementation.

Commenting on the performance of banks in the first three quarters, Dr. Lodha stated that:

- Under ACP, the achievement was 88.72% and although it would have improved in the current quarter, achievement of the target should be ensured in the remaining 20 days.
- CD ratio has come down from 65.26% to 62.43%. The reason for the same needs to be analyzed and addressed.
- The achievement of target under Agriculture segment is crucial as this sector is a major contributor to the State's economy.
- 99% of MSE target has already been achieved which is praiseworthy.
- Similarly, 95% of the target under Education Loan scheme has been achieved.
- The progress is good under State Government-sponsored Schemes.
- There is also good improvement in the achievement index under CM's Rural Housing Mission. Banks must ensure achievement of 100% target under the scheme. The CEO of MPRRHA was requested to extend full support to banks for recovery of dues in NPA accounts under the scheme.
- Under social security schemes, the State is doing fairly well.
- 67% of the target under PM Mudra Yojana has been achieved, but still much more is required to be done to achieve the target.

Dr. Lodha sought the support of State Government for recovery of banks' dues under SARFAESI Act as it is crucial at the present juncture when banks are faced with mounting non-performing assets and declining profitability. He expressed the hope that measures originating from the "Gyan Sangam" organized recently by the Govt. of India would hasten the process of recovery of bank's dues.

Following suggestions were given by Dr. Lodha in his address:

- During outreach visits to different places in the State in the past one year, one of the issues that came to the fore was sustenance problem faced by people. Therefore, timely payment of all benefits needs to be ensured. The State Government could support banks by lending a helping hand in solving infrastructural issues like connectivity, cable installation etc. Awareness part also needs to be improved among the people.
- State Government may consider waiver of stamp duty for loans extended under Mudra Scheme as these are small loans provided to generate self-employment through non-farm activities.
- Regional Rural Banks do not have ATMs at present. Central Bank of India has written to Chairman, NABARD, Mumbai to extend financial support to RRBs for installation of maximum number of ATMs. The representative of NABARD was requested to take up the issue with their head office.
- During one of the outreach visits to Suwasara in Mandsaur District, it transpired that extending finance does not suffice the requirement of farmers. Facilities such as Lift

Irrigation need to be made available at such places for better development. NABARD was requested to look in to the possibility of extending support in this area.

- Figures of NBFCs should also be included in the data to have a holistic view of the financing scenario in the State, as a number of players like housing finance companies are operating in this field. All these should be taken care while calculating CD Ratio.
- Banks should come forth with some of the best practices adopted by them so that there can be mutual benefit from each other's achievements.
- 'SAMUHIK' Programme - while making outreach visits across the country, the following points necessarily form part of evaluation as they have the potential to change the lives of the people:

**S - Schools** (spread of financial literacy awareness among school students). A communication has already been sent to Govt. of M.P. to incorporate some chapters on financial literacy in the school text books. Progress on this front is not known. Each bank branch should visit at least one school for financial literacy programme. Through this programme we can create mass awareness.

**A - Aadhaar Seeding in accounts** (Aadhaar seeding is important for subsidy and other social security payments).

**M - MUDRA Loans** - Simple format of application devised by IBA.

**U - Unemployment.** R-SETIs can play an important role in this area by imparting training in different activities. State Government should utilize these centres for their training programmes.

**H - Health awareness** - As the adage goes, "Prevention is better than cure". It is necessary to create health awareness among the people through pamphlets etc.

**I - Insurance - Social Security Schemes (PMJJBY and PMSBY).** To cover all eligible people under the schemes.

**K - Know-how (skill development)** - Besides the initiative of Central Government, the State Government has also announced "Mukhya Mantri Kaushal Samvardhan Yojana" which is a welcome initiative in the direction of skill development.

It would be better if all such schemes are brought under one roof and coordinated by State Government. Banks will wholeheartedly participate in its implementation.

- Another suggestion in the direction of speedy remittance of payments to beneficiaries is the ABC initiative, viz:

**A - Aadhaar linkage for speedy payment to needy people.** Statutory status will be given to Aadhaar Card, making it one of the most important documents for the citizens. Although we have already covered a major portion of the population, 100% coverage of Aadhaar needs to be ensured at the earliest for which he solicited the active support and coordination of the State Government.

**B - Bank Accounts on interoperability basis.** Go beyond opening of account and ensure interoperability for the benefit of the common man.

**C - Cell Number** - Every account should be linked to customer's cell number so that they can avail the benefits of all technological innovations being introduced by banks on an ongoing basis.

- **Development of Rural Sector** - Besides branch network, there are four other agencies deployed by banks for the development of rural sector, viz:

**Lead District Manager:** A mini Regional Manager in the district, the LDM needs to be a person who can ensure implementation of all programmes efficiently in the district. Banks should post officers with the right aptitude for this assignment.

**FLCC In-charges and R-SETI Directors:** Both the agencies have to play a vital role in the development of rural sector by spreading financial literacy and training people in self-employment.

**Business Correspondents:** They are appointed to provide basic banking services at the village level, but the experience has not been satisfactory.

Bankers are going through turbulent times and the buzz word is "careful banking". Nevertheless, with positive contributions from each and every staff member and active support from the State Government, the challenges could be effectively overcome while taking the State on a high growth trajectory.

Before concluding his address, Dr. Lodha assured full participation of Banks in the State Government's endeavor to ensure smooth conduct of "Simhasth Kumbh Mahaparv", one of the biggest congregations of people on the earth, which is taking place in Ujjain from 22nd April, 2016 to 21st May, 2016.

Thereafter, Shri Anthony de Sa, Chief Secretary addressed the house.

*Address of Shri Anthony de Sa, Chief Secretary to Govt. of Madhya Pradesh:*

Shri Anthony de Sa in his address thanked Dr. Lodha for his comprehensive and thought provoking address, covering a wide range of issues. He also thanked all the banks as without their co-operation the State's achievements would never have been possible. Madhya Pradesh has been doing extremely well in agriculture and has become a model now for the entire country on how agriculture can be developed. In the first one or two years, it is easy to show 20% or so growth with small improvement, but, to keep producing a growth in the range of 18 to 22% year on year for four to five years continuously is indeed a huge challenge. In fact, this growth story means that the total value of agriculture production in Madhya Pradesh has doubled in four years. It is nothing short of a miracle and none of this could have been possible without Banks' help. Government of India has not only recognized this achievement but has tried to hold this as an example as manifest in the Budget.

The Central Government has come up with Start-up India/Stand-up India programmes in which the Government of Madhya Pradesh will be very enthusiastically participating. In fact, before the announcement of the schemes, Govt. of M.P. had already made some efforts in the direction of increased research on problems in the State and hopefully, in September or October this year, the government hopes to have a huge programme relating to promotion of innovative ideas, providing huge opportunity to youth. The bankers will be playing a critical role in the entire process as without finance no innovative idea can be translated in to reality. What is critical is trying to make our current employment generation schemes a success. The Govt. of M.P. had merged a lot of schemes and put them in three schemes targeted at three different groups. At the lowest level, we have the "Mukhya Mantri Arthik Kalyan Yojna" which caters to small loan requirements up to Rs. 20,000/- and also the basic loan requirements of people like vegetable vendors, thelawala etc. for working capital. For the middle level, loans ranging from Rs. 20,001 to Rs. 10 Lacs are made available under "Mukhya Mantri Swarojgar Yojna". For the rest, loans above Rs. 10 Lacs to Rs. 1 Crore are provided under "Mukhya Mantri Udhyami Yojna". The progress under these schemes has improved of late and the issue of shortage of funds would be sorted out quickly by the State Government. We should ensure 100% achievement of the target by disbursement, not by sanctions alone. If sanctioned loan is not disbursed, then it cannot be counted as achievement.

Another important scheme of joint implementation is the "Prime Minister's Fasal Bima Yojana" which was launched by the Hon'ble Prime Minister from Madhya Pradesh. We need to ensure that Madhya Pradesh leads in the implementation of the scheme. In the case of Prabhat Patan branch of SBI and Dunva branch of PNB, the insurance premium was deducted from the beneficiaries but the same was not remitted to the insurance company within the time limit, thus depriving the farmers their rightful claim. A solution will have to be found by the banks concerned and the insurance claim has to be settled somehow or the other.

Under PMJDY, the State has done pretty well in opening the accounts, but issuance of RuPay cards to left over account holders and activation of cards need to be expedited. Another issue to be addressed is increasing deposits in these accounts. While the State has a share of about 9% in the number of accounts opened, in deposits, the share is only about 4.5% of the total deposits in PMJDY accounts in the country which is half of national average. In Aadhaar seeding also the State has done well, but we must ensure 100% seeding at the earliest. In respect of settlement of claims in PMJJBY and PMSBY, the performance is reasonably good in PMJJBY but there is a lot of concern on the pending claims under PMSBY. It will be extremely unfortunate if due to some deficiency on the part of banks, the beneficiaries do not get compensation. The issue needs to be looked in to seriously. Instances of late supply of documents of deceased beneficiaries have also been reported due to which the settlement gets delayed, which should be avoided.

In respect of employment generation schemes of the Central Government as well as the State Government, complaints are being received over CM Helpline and in Jan Sunvai that bank branches are demanding collaterals for loans although the loans provided under the schemes are envisaged to be collateral free. Such demands are earning a bad name for the implementing agencies and need to be avoided strictly. Corrective actions for any issue faced by banks can be discussed but requirements that go against the spirit of the schemes cannot be accepted.

Citing an information received from Balaghat, the Chief Secretary advised banks to expeditiously clear all the pending applications. About 4,15,000 applications are made available by the district administration for enrolment under the social security schemes but pending for enrolment, so that no eligible beneficiary is deprived of the benefit of the schemes.

The fall in CD ratio is a matter of concern and corrective action needs to be taken urgently. Whatever support is required from the State Government side will be provided in this respect.

The Chief Secretary informed that the State is expecting over 5 crore pilgrims to attend the "Simhasth Kumbh Mahaparv" in Ujjain during a span of 30 days. Many of the pilgrims will require banking facilities. A large number of temporary ATMs would have to be set up. He requested Zonal Manager, Bank of India (lead bank for Ujjain District) to convene a special meeting of all banks having branches in Ujjain and finalize a plan of action for providing additional banking facilities. Banks should strengthen their services by deploying additional personnel in branches to cater to the increased demands to avoid chaotic conditions. Proper arrangements should be made for cash dispensation in all denominations; otherwise it may give rise to lot of dissatisfaction and it will be very difficult to know what people's reaction would be there. Long queues in front of branches should be avoided.

Referring to the suggestions made by Dr. Lodha, the Chief Secretary stated that the issue of waiver of stamp duty in Mudra loan has been noted and support from administration would be forthcoming for recovery of banks' dues. The concept of 'SAMUHIK' is very relevant and the idea of inviting best practices followed by banks is also highly welcome. Such practices could be put to creative emulation by other bankers.

Thereafter the agenda items were taken up for discussion:

***Item No.1 : Adoption of the minutes of the 158<sup>h</sup> SLBC meeting:***

The minutes already circulated to members were treated as confirmed.

***Item No.2 : Action Taken Report :***

Noted.

***Item No. 3 : Review of Performance - Annual Credit Plan (ACP) 2015-16:***

The performance under ACP 2015-16 in the first three quarters was reviewed.

In response to a query by Chief Secretary about the achievement index of 230% shown against "Medium Industries", it was explained that the high achievement index was because of changes in classification announced by RBI subsequent to the finalization of ACP. It was suggested that whenever changes in classification take place, the parameters should be accordingly modified.

CGM, NABARD pointed out that the achievement in Agriculture is only 64% and the data does not show the break-up of Crop Loans and Term Loans. It is very important to have this information as at least 32% of the agriculture credit should go to the Investment Credit

category. Data needs to be collected from banks for loans extended under Crop Loan and Term Loan categories separately.

The Convenor explained that earlier Agriculture Loans were classified in to Crop Loans and Term Loans. Now, as per new guidelines, agriculture loans are divided in to three categories i.e. Farm Credit, Agriculture Infrastructure and Ancillary Activities. All these details are given on Page No.87 of the agenda. However, the total crop loans stood at Rs. 44581 crores.

The Convenor further stated that Investment Credit is not picking up in the State to which CGM, NABARD responded by saying that it is exactly the issue. He informed that from NABARD's side, they have prepared area specific development programmes for agriculture in the State and sought the support of LDMs in implementing the same. Once these programmes are implemented, it will help in increasing investment credit in the State.

***Item No. 4 : Credit Deposit Ratio:***

In response to a query about the comparatively less CD ratio shown by State Bank Group, the CGM, SBI explained that they have some high corporate deposits in the State which have affected their CD ratio, but these deposits are getting reduced and will be completely out of their books by June, 2016 thereafter the ratio will improve. The margin money kept in corporate accounts also adds to the deposits figure. Another aspect contributing to this situation is that high end credit is done by the Bank's Corporate Accounts Group and hence gets restricted at the central level. There are about 20-25 corporate accounts falling in this category.

The Chief Secretary stated that whatever be the circumstances, the CD ratio needs to be pushed up.

The position of districts having below average CD ratio was also discussed and concern was expressed over the fact that only about 25% to 30% credit is taking place in these districts with no improvement over the years. Focused attention needs to be paid to improve the position.

***Item No. 5 : Pradhan Mantri Fasal Bima Yojana:***

Shri Rajesh Rajora, Principal Secretary, Farmers Welfare & Agriculture Development explained the salient features of the new crop insurance scheme to the house. He pointed out that there were many complaints of non-settlement of claims under the previous scheme which cannot be ruled out under the new scheme as well. He, therefore, requested banks to communicate detailed guidelines to branches so that farmers coming to the branches are properly guided about the scheme. The State Government will also be launching mass publicity for popularization of the scheme in rural areas. Banks should ensure that premium deducted from the farmers' account, along with particulars, is remitted to the insurance company within the specified period. Any delay might result in non-acceptance of premium by the insurance company and consequently the farmer will stand to lose the benefit of the scheme. The details of the beneficiaries have to be fed in to the portal by the bank branches. Creation of master data is important. He also informed that a State level Coordination Committee meeting, headed by the Agriculture Production Commissioner will be held soon to ensure smooth implementation of the scheme.

Shri Rajora further mentioned that all claims should be settled within 7 days beyond which interest will have to be paid. In case less settlement amount is remitted by the insurance company, the concerned bank branch has to inform within 15 days; otherwise the liability of insurance company will cease to exist. He also requested banks to allow insurance company to access the relevant data/records for smooth implementation of the scheme. The role of banks will be very critical and litigations cannot be ruled out if timelines are not adhered to. He also underlined the need for revisiting the scale of finance.

A suggestion was made by RBI representative that premium can be remitted to the insurance company through NEFT/RTGS and particulars can be sent through mail immediately thereafter.

Dr. Lodha requested all banks to circulate detailed guidelines to branches immediately. All related reports should also be generated in the system itself. He suggested that when scale of finance is decided, provisions of the PM Fasal Bima Yojana should also be taken into account. He also suggested that whenever district level meetings are held, the FLCC in-charges should also be invited so that during their field movement, they can percolate information to the people.

The Chief Secretary desired that premium amount should be limited to the scale of finance and Aadhaar seeding should be stepped up to avoid duplication of claims.

CGM, NABARD informed that a high level meeting is going to take place at their Head Office on 22.03.2016. The State Government may nominate its representative to attend the meeting.

The Convenor also informed that due to a clerical error in mentioning Patwari Halka number, the AIC has rejected the claims of a number of farmers whose claims were lodged by Central Bank of India, Kalapipal Branch in Shajapur district. Such minor mistakes should not be reasons of rejection as notification is sometimes issued at the last hour and rural branches do not have easy access to the website of Agriculture Department. He requested Principal Secretary (Agriculture) to look in to the matter and facilitate early settlement of claims of the affected farmers.

***Item No. 6 : PM's Stand up India Programme:***

The Chief Secretary advised that Co-operative Banks and Regional Rural Banks should also extend loans under this programme.

Regional Director, RBI asked banks to closely monitor the progress of the programme for its successful implementation.

***Item No. 7 : Guarantee Schemes introduced by GOI***

It was informed to the house that the GOI has notified the following guarantee scheme;

- a) Credit Guarantee Fund Scheme for Education Loan



- b) Credit Guarantee Fund Scheme for Skill Development
- c) Credit Guarantee Fund Scheme for Factoring

After discussion, the house adopted the above noted credit guarantee schemes notified by the GOI and all banks were requested to ensure implementation of these schemes in its true spirit and manner.

***Item No. 8: Solar Power V-SAT for Connectivity***

A total 1048 SSAs with poor or no connectivity, as per details mentioned in the agenda, has been identified by banks in the State for installation of Solar Power V-SATs with financial support from NABARD under Financial Inclusion Fund (FIF). The proposal was approved by the house so that the issue of connectivity, which is a major hurdle in extending banking services at such remote centres, could be solved.

CGM, NABARD informed that the scheme is available only for centres with 'no connectivity' and does not cover centres with 'poor connectivity'. He added that prior consultation with Telecom Department should be held before deciding on the aspect of centres with 'no connectivity'. In response, Dr. Lodha stated that 'poor connectivity' is as good as 'no connectivity' and all the identified centres should be considered for installation of Solar Power V-SAT under NABARD's scheme so that uninterrupted banking services can be ensured at such centres. The Chief Secretary also agreed with the contention of Dr. Lodha and advised to provide financial support under FIF scheme. As regard poor connectivity, banks require data transfer connectivity, which cannot be compare or assess with voice connectivity.

CGM, NABARD assured to take forward the proposal.

**Item No. 9: Stand Up India Initiative:**

The House adopted the Stand-Up India Initiative and decided that all banks will allot targets to the branches as per provisions of the scheme for the year 2016-17.

**Item No. 10: Progress under Government Sponsored Schemes:**

***1. Chief Minister's Rural Housing Mission:***

Mrs. Alka Upadhyaya, CEO, MPRRDA informed that as per latest data, the total sanctions have reached 85% of the target and disbursement is about 80%. While State Bank of India has shown good progress over the previous quarter, still they have to cover a big gap to achieve the target. She further informed that UCO Bank and Corporation are yet to enter into MOU with MPRRDA for implementation of the scheme. While Corporation Bank is likely to sign the MOU shortly, there is no information from UCO Bank on the same.

The Chief Secretary advised that all banks should participate in the implementation of the scheme without the need to enter into separate MOUs. Dr. Lodha advised the representative of UCO Bank to circulate guidelines of the scheme to their branches and participate in the scheme.

On the recovery front, the CEO informed that the number of non-performing assets under the scheme has come down considerably. She assured banks of full support for recovery of banks' dues but banks need to dispel the notion that the recovery job is of State Government alone. Banks should also fully participate in the recovery efforts.

CGM, SBI assured that the target allotted to the bank will be achieved.

FGM, Bank of Baroda informed that their NPA under the scheme was 11.5% as of December, 2015. The CEO, MPRRDA requested him to provide the list of defaulters so that necessary help in recovery could be extended to the bank.

CGM, SBI and FGM, Bank of Baroda raised the issue of increasing incidents of notices being served on their branch officials by the district administration threatening of dire consequences if they fail to achieve targets. Citing such recent incidents in Hoshangabad, Harda and Sagar districts, they informed that the concerned Branch Managers are working under constant fear and stress and requested the Chief Secretary to intervene in the matter and advise district administration not to use such coercive tactics. It was further informed that frequent meetings called by district administration also consume a lot of time of branch officials which otherwise could have been utilized for programme implementation.

The Chief Secretary advised Commissioner-Institutional Finance to look in to the incidents and coordinate with district administration to avoid recurrence of such episodes in future. He also assured to discuss the issue with District Collectors in their next periodical video conference.

The CEO informed that the target for next financial year is 2,00,000 cases and is to be circulated to banks.

## **2. Urban Poor Housing Scheme**

### **3. Prime Minister's Awas Yojana**

Ms. Priyanka Das, Addl. Commissioner informed that the Urban Poor Housing Scheme is a State Government scheme and Prime Minister's Awas Yojana (Housing For All by 2022) in urban areas has been recently launched by Govt. of India.

It was informed that under PMAY, so far only 127 loan cases, amounting to Rs. 93 lacs, have been disbursed. The progress is not up to the expected level and, therefore, special focus needs to be given to the scheme.

The Chief Secretary advised that targets should be fixed under the State Government scheme for proper monitoring and review of progress by obtaining progress reports from the banks.

Dr. Lodha stated that if a particular category of people is going to be benefitted by interest subsidy under any scheme, then focus should be given to such programmes so that the targeted group is able to get the benefits.

#### **4. Mukhya Mantri Yuva Udhyami Yojana**

Shri Kanta Rao, Industries Commissioner informed that the progress has been good under the scheme. As against the target of 1500 loan cases for an amount of Rs. 375 crores, banks have already sanctioned and disbursed 1130 loan cases, involving a total disbursement of Rs. 352 crores, as of 29.02.2016. The target will be achieved before the financial year end. He added that the issue of release of margin money is being resolved and funds will be made available shortly.

The Chief Secretary observed that a number of cases have been reported where demand for collateral security has been made by bank branches which is against the provision of the scheme. A communication under the signature of Hon'ble Chief Minister is under issue to all the beneficiaries of the scheme and if any beneficiary responds with such complaint to the Chief Minister, then it will become a serious issue. He, therefore, advised banks to review all the cases sanctioned and ensure that there is no demand for any collateral as per the provisions of the scheme.

#### **5. Mukhya Mantri Swarojgar Yojana :**

The progress was reviewed. The target is likely to be achieved in view of the good progress recorded as of 29.02.2016.

#### **6. Mukhya Mantri Arthik Kalyan Yojana :**

The progress was reviewed. The target is likely to be achieved in view of the good progress recorded as of 29.02.2016.

Commissioner, Industries informed that current year target in all three schemes is 71,000 cases and it has been increased to 1 Lac beneficiaries for the next financial year. District-wise target is being prepared and will be communicated to all concerned. The Department has also requested for more funds for implementation of the scheme.

#### **7. Progress under PMEGP:**

The progress was reviewed and banks were requested to ensure disbursement in all sanctioned loan cases within a fortnight. The achievements of State Bank of India and Union Bank of India were found to be very less. FGM, Union Bank of India informed that as per latest data, only 8 cases are pending with them now.

In response to a query by the Chief Secretary on the reasons for lower progress, the State Director, KVIC informed that after the introduction of self-employment oriented schemes loaded with more favourable features like margin, interest subsidy, credit guarantee premium etc. by the State Government, there is a general tendency among the people to prefer State Government schemes rather than PMEGP as they find those schemes more attractive and beneficial.

**8. National Rural Livelihood Mission:**

The progress was reviewed. Banks were requested to disburse all pending sanctioned cases at the earliest.

**9. National Urban Livelihood Mission:**

The progress was reviewed.

**10. Weavers' Card:**

The progress was reviewed and observed to be poor. Shri V.K. Tripathi suggested that this programme could be merged with MUDRA scheme.

**11. Custom Hiring Centres:**

On reviewing the progress, the Chief Secretary advised that the target should be achieved.

**12. Pradhan Mantri MUDRA Yojana:**

The progress was reviewed. It was observed that a minimum of Rs. 35 lacs per branch needs to be sanctioned and disbursed to achieve the target. Banks were advised to ensure achievement of the target.

***Item No. 11 : Social Security Schemes:***

The progress was reviewed.

On the subject of rejection of claims, Dr. Lodha advised that before submitting claims, the documents should be matched with the check list so as to avoid rejection due to any deficiency in the claim forms. All banks were advised to review the pending cases periodically.

***Item No. 12 : Rural Self Employment Training Institutes (R-SETIs):***

It was noted that settlement ratio is about 60% which needs to be improved.

Dr. Lodha suggested that State Government may consider conducting some of their training programmes in R-SETIs as the institutes are equipped with good infrastructure.

State Government was requested to advise Zila Panchayats to settle the pending bills of R-SETIs at the earliest.

***Item NO. 13 : Financial Literacy Programme:***

The position was noted.

***Item No. 14 : Non-Performing Assets (NPAs) of Banks:***

The issue of large pendency of RRCs filed by banks i.e. 2,66,521 cases involving funds to the tune of Rs. 3751 crores, was raised and discussed in the meeting. The Chief Secretary assured all help to Banks in recovering their dues.

***Item No. 15 : Roadmap for opening Brick & Mortar Branch in villages with 5000 or more population without branch of a scheduled commercial bank:***

The house approved the allotment of 47 identified villages to various banks in the State for opening of brick and mortar branches during the FY 2016-17. There is a mistake in the agenda note that the Bhonra village in Sehore District has been allotted to Central Madhya Pradesh Gramin Bank, whereas Sehore District is area of operation of Narmada Jhabua Gramin Bank. Accordingly, Bhonra village in Sehore District has been allotted to Narmada Jhabua Gramin Bank.

***Item No. 16 : Prime Minister's Jan Dhan Yojana:***

It was noted that about 1.80 crore accounts have been opened in the State under the scheme. However, accounts with zero balance are around 32% which is a matter of concern. The State Government was requested to extend their support in reducing zero balance accounts.

***Item No. 17 : Other issues:***

*(1) Difficulties in lodging of FIR in fraud cases:*

The issue of difficulties faced by banks in getting FIRs lodged with police stations in fraud cases was brought to the notice of Chief Secretary who assured of necessary support.

*(2) Formation of Financial Inclusion Committee:*

The Committee was formed as per the directive of Deptt. of Financial Services, Govt. of India. State Government was requested to issue an order to this effect.

***Item No. 18 : Any other issue with the permission of Chair:***

**Engagement of PDSs as BCs :**

The Secretary, Social Justice Department, Govt. of M.P. informed that several complaints are being made to Hon'ble Chief Minister about non-receipt of pension payments through BCs engaged by Banks. Some of the pensioners go to the main branch of the bank after failing to get payment through BCs but they are not entertained by the branches. The pension amount is small and when the beneficiaries are unable to draw the same, it creates a lot of dissatisfaction and resentment among the pensioners. It is observed that majority of the branches are not able to cover long distances.

The Social Justice Department has worked out a scheme under which over 23000 sales persons of PDS network can be designated as Banking Correspondents. The sales persons

of fair price shops are already experienced in the use of POS machines and their services can be utilized not only to disburse pensions but also other services of the banks. This will not only help mitigate the problems faced by pensioners but also address the viability issue faced by other BCs. PDS sales persons are on the data base of State Government and, therefore, chances of fraud are less. Once the mechanism is put in place, the accounts with post offices will also be shifted to bank branches. The total transactions come to around Rs. 900 crores a year.

It was informed that only two vendors have been shortlisted by Govt. of M.P. for distribution of ration etc. through Fair Price Shops and maximum machines are provided by M/s DSK Technologies Pvt. Ltd. who were a sub-agent of MPCON Ltd. whom some banks had appointed as Technical Service Provider (TSP). The performance of M/s DSK Technologies Pvt. Ltd. and MPCON Ltd. has been found to be very poor and their machines are not compatible with RuPay Card variants etc. which may create problems later.

Dr. Lodha explained that Banks are appointing Technical Service Providers (TSPs) who, in turn, engage BCs and banks have no role in this process.

RD, RBI opined that the proposal appears to be a workable solution and can be started on pilot basis. DGM, Bank of Baroda stated that technology upgradation is the only constraint; otherwise banks are ready to implement it.

However, the Chief Secretary advised Secretary, Social Justice Department to discuss the matter with major banks and arrive at a solution for starting it on a pilot basis in 3-4 districts.

Before winding up the discussions, Dr. Lodha requested all banks to ensure the following during “Simhasth Kumbh Mahaparv” in Ujjain during 22.04.2016 to 21.05.2016:

- Deployment of additional manpower
- Deployment of 100 - 150 mobile ATMs
- Timely cash feeding in machines
- Banks having currency chests in the city should ensure supply of notes of all denominations to all branches of various banks.
- Make available POS machines to kirana shops, medical shops etc.

All arrangements should be in place by 31<sup>st</sup> March, 2016.

RD, RBI advised that while installing Mobile ATMs, configuration for small denomination notes should be ensured.

***Vote of thanks:***

Vote of thanks was proposed by Shri Vikas Kumar, Field General Manager, Allahabad Bank who thanked the Chief Secretary for sparing his valuable time and stated that his pointed discussions have been very sharp and would definitely help banks in improving their

performance. He also thanked Dr. Lodha for his sagacious guidance and all senior government officials and bankers for their positive contribution in the meeting.

**(Minutes approved by the Chief Secretary)**

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