

MINUTES OF 136th STATE LEVEL BANKERS' COMMITTEE MEETING (SLBC) FOR GUJARAT STATE FOR THE QUARTER ENDED DECEMBER, 2012 HELD ON 19TH MARCH, 2013 AT AUDITORIUM, DENA BANK, ASHRAM ROAD, AHMEDABAD

The above meeting was held on 19th March, 2013 to review the progress under various key parameters for the quarter ended December, 2012 at Auditorium, Dena Bank, Ashram Road, Ahmedabad which was presided over by **Shri Ashwani Kumar**, Chairman & Managing Director, Dena Bank and was attended by **Dr. Varesh Sinha**, IAS, Chief Secretary, Govt of Gujarat, **Shri P.K. Parmar**, Principal Secretary, Panchayats, Rural Hsg & Rural Devp. Deptt., Govt of Gujarat, **Shri Sanjay Prasad**, IAS, Principal Secretary, Social Justice & Empowerment Deptt., Govt of Gujarat, **Shri L. Chaungo**, Secretary, IAS, Secretary (Expenditure) Finance Department, Govt of Gujarat, **Shri T. Natarajan**, IAS, Commissioner, Technical Education, Govt of Gujarat, **Shri A.K. Rakesh**, IAS, Development Commissioner, Govt of Gujarat, **Shri Sudarshan Sen**, Regional Director, Reserve Bank of India, **Shri H.R. Dave**, Chief General Manager, NABARD, **Shri Subrat Sahu**, General Manager, State Bank of India, **Shri Umakant Bijapur**, General Manager, Bank of Baroda (North Gujarat Zone), **Shri Suresh N. Patel**, Convenor - SLBC and other top bureaucrats of various Departments of State Govt. as well as executives from the State Govt. Departments, Banks, Insurance, etc. also remained present in the meeting. The list of participants is enclosed.

Shri Suresh N Patel, Convenor, SLBC & Field General Manager, (Gujarat) Dena Bank while extending warm welcome to all the participants, stated that this is the first SLBC meeting being attended by Shri Ashwani kumar after taking over charge of Dena Bank as CMD and Dr Varesh Sinha, IAS, on his elevation to Chief Secretary, Govt of Gujarat. Both the dignitaries were welcomed by offering bouquet.

He then requested to Shri Ashwani Kumar to deliver his key- note address.

Shri Ashwani Kumar, Chairman of SLBC and Chairman & Managing Director Dena Bank extended hearty welcome to Dr. Varesh Sinha, IAS and other dignitaries on the dais and participants from RBI, NABARD, Banks, Govt. Departments. He congratulated Dr. Varesh Sinha, IAS, on his personal behalf and on the behalf of the House, on his elevation as Chief Secretary, Govt. of Gujarat and hoped that under his able guidance and leadership, both the State as well as SLBC would scale new heights.

He informed that, apart from deliberations on power point presentation, there are certain issues which need to be addressed both by the State Govt. machinery as well as Banks in close co-ordination to achieve the real inclusive growth.

He stressed on the need of successful implementation of Direct Cash Transfer first in 4 identified districts in which Banks have covered between 81% to 95% households. He requested the State Govt to make available the list of beneficiaries under various

schemes to the Banks and LDMs for enabling them to map the same and open their accounts. He also advised Banks for opening accounts of each household in the rest of the Districts.

He mentioned that as the deadline for implementation of Extension of Swabhimaan in 1706 villages with population between 1600-2000 is very close, Banks need to gear up their machinery as only 618 villages have been covered till December, 2012. He advised Banks to appoint BC at the earliest in the remaining villages.

Referring to the meeting the Hon'ble Union Finance Minister had with CMDs of Public Sector Banks on 18th March, 2013, he informed one of the issues raised was regarding extending Education Loans without hassle. He informed the Hon'ble Union Finance Minister had specifically advised that no Branch Manager should reject any education loan on flimsy grounds and also to give major thrust for promoting Education Loan Scheme. He requested Member Banks to achieve the target allotted to them under Education Loan.

He suggested that close co-ordination between GLPC and the Banks is required for improving the utilisation of Cash Credit limit sanctioned to Sakhi Mandals. He appreciated the State Govt initiative for interest subsidy scheme and said that this would ultimately reduce the interest burden on Sakhi Mandal members.

He appreciated the initiative taken by Regional Director, RBI and Chief General Manager, NABARD for formation of special scheme for purchase of Fodder and Concentrate Feed for the scarcity affected areas and informed that as per feedback given to him by SLBC, Banks have sanctioned Rs.87.81 crores in 21037 A/cs.

He noted with concern unsatisfactory performance under various Govt sponsored programmes and advised various implementing agencies for sponsoring more and more number of applications and to Banks for expeditious disposal, on merits, of the sponsored applications so that pendency could be reduced.

He then reviewed some of the important banking parameters like CD Ratio, performance under SACP, Term loans under Agriculture etc and said that immediate remedial action are required by Banks, Govt. agencies, LDMs and other organisations for improving the same.

He mentioned that the present economic scenario is a challenging one both for the Banks and customers and therefore a very proactive approach is needed to address

these issues. He requested Banks in helping out the borrowers / industries which are facing genuine difficulties by restructuring their accounts.

He expressed gratefulness for good support and co-ordination for implementation of the various schemes and also thanked Govt. of India, Reserve Bank of India and NABARD for their continuous guidance and support to the Banks.

Shri Suresh N Patel then requested to **Dr Varesh Sinha**, IAS, Chief Secretary, Govt of Gujarat to deliver his key- note address

Dr. Varesh Sinha, IAS, Chief Secretary, Govt of Gujarat mentioned that CMD, Dena Bank has rightly touched some of the key issues particularly in view of the present economic scenario that the country is facing. He expressed hope that with the support of the banking industry and state machinery, the State would overcome through this difficult scenario. He stated that so far Gujarat is concerned, it is well known for development with the high level of GDP in the last couple of years, particularly in the field of Agriculture production, where it was above 10%. He also stated that the State looks forward to a better growth scenario. He noted that the Banks have played very important role and their contribution is very much needed for growth of the people at large.

He mentioned that the State is launching many programmes from time to time and appreciated role of Banks for their active participation in some of such programmes like Kanya Kelavni, Krishi Mahotsava, etc. He said that the State Govt and the Banks have worked as a Team for the economic development of the State.

He said that, however, there are many challenges and the first and the foremost of them is more coverage of unbanked areas. He also said that Gujarat has a tradition of savings and the investment and therefore it is necessary that Banks presence is there in each and every nook and corner of the State. He said that Government is equally concerned to see that the benefits to the poorest of the poor is reached through EBT. He said that in fact Gujarat has shown new model through Garib Kalyan Melas which is not just for publications / utsavs / advertisement, but a programme in which the benefits reach directly to the targeted group of the people. All the machinery put to task in the Garib Kalyan mela and any type of programme be it Bank loan, scholarships to the student, widow pension etc. are being covered in the mela. He also said that Banks were equal partner in this programme.

Gujarat is committed for EBT as it is faster and would ensure benefits going directly in the beneficiaries a/cs and for that every beneficiary and every household should have a Bank account. He stated that the State has already connected more than 13000 odd Gram Panchayats with broad band connectivity and created e-gram vishwagram society.

He reiterated that in the last SLBC meeting, he had requested to include VCEs as BC and now finds that large number of VCEs are engaged as BC by various Banks. He said that the State Govt would co-ordinate at every step and added that VCEs are Gram Panchayat representative and Banks can apply their norms and he would work for providing banking services as well.

He also informed that Banks have to spread ATM services by installing more number of ATMs in the State and happy to note that various banks are searching premises to install the ATMs. He requested that Banks may consider installing ATMs nearby police stations, wherever possible.

Summing up his address, he congratulated Shri H R Dave, CGM NABARD for making a very good credit plan for the State for the year 2013-14.

Shri Suresh N Patel then requested Shri Sudarshan Sen Regional Director, RBI to address the House.

At the outset, **Shri Sudarshan Sen**, Regional Director, RBI confessed to a sense of great hope and satisfaction by the very encouraging remarks made by Dr. Varesh Sinha and Shri Ashwani Kumar. He said that technology is going to be the differentiator in providing cheaper, more reliable, more accountable and complete services to the people. He stated that as pointed out by Dr. Varesh Sinha, Banks should leverage this in every possible way and to see how best Banks can use the available IT infrastructure in the villages. He advised Banks to look into this aspect and to utilise the VCE network for Financial Inclusion. He then highlighted some of the issues as under :

- CD Ratio

Requested DLCC to play a catalytic role as at District level, banks can synergize with the State Govt and implement schemes which will improve credit absorption capacity.

- Direct Benefit Transfer

Good progress has been done, but much remains to be done. Advised Banks to ensure opening of accounts of all the eligible persons / households.

- Urban Financial Inclusion

There are large number of migrant labourers, daily wagers without bank account. Govt of India has directed all Banks to reach out to these people. Banking network should be provided in the vicinity of 500 metres of areas having population of such class and get them to open a basic SB account for which minimum KYC norms are required. He

noted that Dena Bank has done good work in this regard and requested SLBC to monitor the progress in prompting Financial Inclusion including the large number of people who are great source of low cost deposits.

- Monitoring the progress under FI in villages having population above 2000. Banks should ensure that after opening of A/cs, transactions are also facilitated and people should be encouraged to put their savings in Banks. Simultaneously, BCs must be utilised for credit deployment.
- Atleast 5% of the villages to be covered under FI have to be supported by brick and mortar branches, but it is not happening and the Banks are far short of this benchmark as they have given more emphasis on BC module. However, BC has also to go to a branch to deposit the money and to withdraw the money for which he would need a presence of a bank branch in the vicinity. He advised Banks to review the coverage of the villages in their respective areas and to ensure that a bank branch / USB is opened in the vicinity of the villages then only it can be said that true FI has achieved.

Villages having population below 2000 population - Out of 13,136 villages, Banks have proposed opening of only 47 branches. In the last SLBC meeting, it was advised to the Banks that while preparing their Annual Branch Expansion Plan should allocate atleast 25% of the total number of branches proposed to be opened during a year in unbanked rural centres. However, Some Banks have done this exercise, but some major banks have still not provided the same. Banks are once again requested to provide the same at the earliest to RBI as well as to SLBC.

About FLCCCs, he stated that in many of the villages, the villagers may not be ready to make the best use of deposits or credit products unless they are financially literate. To bring about this financial literacy is now very important thing which is a part and parcel of Financial Inclusion. He informed that RBI have published detailed set of operational instructions through posters and booklet which makes very easy for the branches and advised the Banks to implement the same.

He also informed that Banks have to identify sick but potential viable unit of MSME in time and to take immediate remedial steps to rehabilitate the units before erosion of net worth of the unit.

He noted that the performance under SACP is very good, but some Banks need to improve their performance so as to achieve the target allotted to them for the year 2012-13.

A Model scheme on Farm fencing prepared by NABARD was launched at the hands of Dr. Varesh Sinha, Chief Secretary, Govt of Gujarat, Shri Ashwani Kumar, Chairman & Managing Director, Dena Bank and other dignitaries on the dais.

Shri Suresh N Patel informed the House that Andhra Bank, Oriental Bank of Commerce, Laxmi Vilas Bank, Kotak Mahindra Bank and Ratnakar Bank, despite repeated efforts by SLBC, did not submit the data for the quarter under review.

Agenda No.1

Confirmation of the proceedings of last meeting.

Shri Suresh N Patel informed that the proceedings of the 135th State Level Bankers' Committee (SLBC) meeting for the quarter ended Sept, 2012 held on 06.12.2012 were circulated to all the members on 22.12.2012. Since no comments / amendments have been received from any of the members, the House confirmed the same.

Agenda No.2

FOLLOW-UP ACTION ON DECISIONS TAKEN IN LAST MEETING :

2.1 Allotment of Land by State Government for Setting up of Rural Self Employment Training Institutes (RSETIs)

Shri Suresh N Patel informed that the allocation of land is yet to be made for RSETIs at Narmada & Navsari District and requested GLPC to expedite the same. He also informed that GLPC has requested Dist. Authorities to allot another land in Tapi district as the one allotted is uneven and not suitable for construction of RSETI premises.

While reviewing the progress made in construction of RSETI premises, SBI informed that though the land is allotted at Amreli and Junagadh districts, the construction could not be started as in Amreli district and Junagadh districts, the Police Department claim their possession over the allotted land. **Shri Ashwani Kumar** advised SLBC to collect details and send to the concerned Department of the State Govt.

(Action : SLBC)

While reviewing the settlement ratio of the trainees trained through various RSETIs he informed that the settlement ratio has stood at 56.02 as of December 2012 which needs to be improved.

2.2 Financial Literacy and Credit Counseling Centres (FLCCCs)

Shri Suresh N Patel informed that all the 3 lead banks have opened the FLCCCs at all the Districts. He further informed that NABARD has initiated steps to start state wide Financial Literacy Campaign by using multiple source and collaborative approach i.e. through radio jingles, radio spots and spots on Television and added that once the contribution from all the Member Banks is received, the programme would be launched.

Shri P K Parmar, IAS, Principal Secretary, Panchayats, Rural Housing & Rural Devp Dept requested to prepare CD in vernacular language so that the same can be kept at the village level e-gram centre for the benefit / knowledge of the villagers at these centres.

(Action : NABARD / SLBC)

2.3 Setting up of Financial Literacy Centres (FLCs) with Lead District Manager's Office

Shri Suresh N Patel informed that Dena Bank has set up FLC with Lead District Manager's Office in all the districts where they shoulder the responsibility as Lead Bank, whereas State Bank of India has set up FLCs in 4 districts out of 7 districts allotted to them and Bank of Baroda has yet to open FLC in all the 12 districts allotted to them as Lead Bank.

(Action : Bank of Baroda)

2.4 Districtwise and Insurance Companywise achievement under Micro Insurance Products

House noted the progress made under the micro insurance products at the end of December 2012 by 4 Insurance companies.

2.5 High Level Committee to review Lead Bank Scheme

(I) Implementation of FIP in villages having population above 2000

SLBC was advised to regularly monitor the progress made with regard to opening of accounts by BCs and transactions made in such accounts.

(ii) Extension of Swabhimaan (Villages having population between 1600-2000)

Shri Suresh N. Patel informed that till the end of December, 2012, out of 1706 villages identified under Extension of Swabhimaan, Banks have provided banking services in 618 villages. Banks were requested to achieve the target allotted to them by 31st March, 2013 as advised by MoF, Gol.

He also reiterated the guidelines issued by MoF, Gol on Group Gram Panchayat concept for coverage of all villages having population below 2000 for coverage under DBT. He requested to implement the guidelines as directed by MoF, Gol.

The following guidelines are issued in this regard:

- “(i) It shall be the endeavor to ensure that there is at least one bank branch/ Business Correspondent Agent (BCA) in every Gram Panchayat(s). Since the population of Gram Panchayat varies across the States, Banks need to ensure that about 1,000 to 1,500 households are available in the sub-service area of BCA. In case of North-East, Hilly States and sparsely populated regions of other States banks may decide the households to be covered by each BCA appropriately. In case of larger Gram Panchayats more than one BCA could be appointed. In case of smaller Gram Panchayats more than one contiguous Gram Panchayat, taking into consideration the geographical area, could be assigned to each BCA. In every case, it should be ensured that the Gram Panchayat(s) to be covered by each bank branch/ BCA is clearly identified as a sub-service area within the service area of the branch.
- (ii) Banks had earlier carried out an exercise of preparing Service Area Plans in which bank branch/ BCA to service each Gram Panchayat(s) was indicated. This should be immediately revisited by every bank for all Gram Panchayats in its service area keeping (i) above in mind.
- (iii) The first step in this exercise would be to form sub-service area, based on the group of Panchayats as at 3(i) above, taking the population and geographical conditions into consideration such that one Branch/BCA/CSC extends service to each sub-service area. In case any Panchayat requires more than one BCA/CSC, the sub-service area for each BCA/CSC, within the Gram Panchayat must be specified.
- (iv) Wherever the existing BCA is functioning satisfactorily, the same should be continued and remaining households in the allocated sub-service areas should be covered through the BCA. Considering the larger benefits of the kiosk banking model, it should be endeavoured to, in a phased manner, migrate the BCAs to kiosk banking system.
- (v) In case the existing BCA is stationed at a place other than Gram Panchayat headquarters, there should be no need to change its location. It should, however, be ensured that the BCA serves the entire sub-service area allocated to it.
- (vi) Wherever there is either no BCA functioning or the performance of the existing BCA is less than satisfactory, the Common Service Centre, set up under aegis of the Department of Electronics and Information Technology, Government of India, under the National e-Governance Programme, should be engaged as BCA. It may be located at a place other than the Financial Inclusion village in the same

sub-service area. All PSBs have already signed an agreement with M/s CSC e-Governance Service India Ltd., for engaging CSCs as BCA. Immediate action for assigning code and making the CSCs functional should be taken. Till such time the banks install the software and complete other technical requirements for cash transactions, the CSC should be used for activities other than cash withdrawal transactions. They should, in particular, be used for opening new accounts of beneficiaries under the scheme for Direct Cash Transfer. All Banks must ensure expeditious issuance of KO code for the CSCs which are identified for appointment as BCAs. CSC Services India Ltd. would ensure that the required information is furnished to the banks and that all CSCs are ready in terms of equipments, connectivity, biometric device, card reader and printer latest by 31.12.2012.

- (vii) In the sub-service area where neither a BCA nor a functional CSC is available, the M/s CSC e-Governance Services India Ltd. would establish a new CSC for which suitable advice would be issued by the CSC Services India Ltd. In case this is not feasible, the Banks could engage a new BCA.
- (viii) RBI guidelines provide for the category of persons/ organizations which could be engaged as BCA. This, inter-alia, include Self-Help Groups, NGOs, Post Offices. Since the BCAs are to be appointed in consultation with the banks, it should be ensured that the BCAs, as per the guidelines approved by RBI, only are appointed by the BCs engaged by the Banks.

In case of CSCs, as the agreement for BC has been signed by the banks with M/s CSC e-Governance Services India Ltd., , there should be no need to enter into any fresh agreement with Service Center Agencies (SCA) in the States/Districts, who would be sub-BC for the CSC Services India Ltd.

- (ix) In case of urban areas, banks do not have any specified service area. Instructions had earlier been issued that in the urban areas specific wards/ areas could be allocated to specific banks for the purpose of Financial Inclusion. The above guidelines would apply accordingly to the wards/ areas allocated to banks in urban areas. Wherever CSC exists in urban areas, the same may be considered for engagement as BCA.
- (x) This exercise has to be completed for all districts in the country. In view of the roll out of Direct Cash Transfer in 43 districts w.e.f. 1.1.2013, the following time lines may be adhered to.”

(iii) Roadmap – Provision of Banking Services in villages with population below 2000

Shri Suresh N. Patel informed that only 5 Banks have submitted the revised roadmap as advised by RBI. **Shri Sudarshan Sen** desired to know from the remaining Banks as to why they have yet not submitted the revised roadmap. **Shri Subrat Sahu**, General Manager, SBI informed that it is under preparation at their end and would be submitted soon. **Shri Sen** advised Banks to expedite the submission of revised roadmap to RBI with a copy to SLBC. **Shri Ashwani Kumar** advised the Banks to follow up with their Head Offices to obtain Board approved plan for submission to RBI and SLBC.

(Action : Banks)

(iv) Preparation of Financial Inclusion Plan (FIP) -2013-2016- Disaggregation of FIP of Banks- from HOs to controlling of banks and bank branch level

Shri Suresh N Patel informed that only 7 Banks, including Dena Bank, have submitted the disaggregation plan. He requested Member Banks to submit the same at the earliest as the matter is being followed up by RPCD, RBI.

(v) Uploading of Service Area Plan on the District websites

Shri Suresh N Patel informed that DFS, MoF, Gol pointed out to SLBC that the monthly uplodading of GIS data is not being carried out by some districts. SLBC has requested all the LDMs to regularly upload data GIS data on monthly basis without fail.

(vi) Roll out Plan for installation of Cash Dispensers (CDs) in state of Gujarat for the year 2012-13 & 2013-14

It was informed that the Govt of India is likely to advise that Banks may go on their own for installing machines. Written communications in this regard is awaited.

(vii) Account Opening Drive Particularly for migrant workers / labours / street vendors / street hawkers and each household in Semi-Urban, Urban and Metro areas

Shri S N Patel informed that a Call Centre, on behalf of all the members, has been functioning since January, 2013 which is manned by 2 retired bank employees. He also informed that the details about the call centre have been made available to all the Member Banks. He requested Banks to display the same outside the branch premises so that maximum number of people can inquire / solve their querries / doubts regarding opening of accounts, etc. He also mentioned that share of expenses on quarterly basis will be intimated to Banks separately by SLBC and requested Member Banks to remit their share to SLBC.

(viii) Opening of Bank Account of each House Hold in Rural, Semi – Urban, Urban and Metro areas

Banks were advised to instruct their branches to ensure opening of account of each household in Rural, Semi-urban, Urban and Metro areas so as to ensure that every family in the country has access to banking facilities. Further, wherever any beneficiary

wants, a separate bank account, Banks should facilitate the same. The beneficiaries may also be encouraged to add their name in the existing account of the family members, if any.

(ix) Direct Cash Transfer in Pilot Districts

LDMs of 4 pilot districts were advised to obtain the list of the beneficiaries and the list of the beneficiaries need to be handed over to all the bank branches in the district. On being asked by the Chairman, SLBC about the problem in getting the list of beneficiaries, LDM, Mehsana informed that the Dist. Collector has advised for preparation of beneficiaries list, but the same is still awaited. LDM, Bhavnagar informed that out of 26 schemes, 11 schemes are not applicable to their district. However, of the remaining 15 schemes, data relating to 8 schemes has already been received through soft copy and the same is furnished to all the banks and controllers. He requested all the controllers to instruct their branches to submit the progress report to LDM. He also informed that he has been following up for getting details of remaining 7 schemes, but so far not received. LDM, Valsad informed that he has received the list from 2 departments and added that the Dist. Collector has already sent a communication to all the Departments to submit the list to LDM, but still it is awaited. LDM, Anand informed that he has received the partial information of 8 schemes and for getting complete information, he has been following up with the District Collectorate.

Shri P K Parmar informed that State Government is having the list of Beneficiaries. Further he informed that the beneficiaries list is not a one-time procedure. It is on-going procedure and you may avail the list from the concerned department for mapping purpose.

Shri Subrat Sahu informed that for providing data to the LDMs, instructions from the Govt is important as it is not a question of these 4 districts, but LDMs / Banks have to prepare in advance the list of beneficiaries under identified schemes for all the remaining districts of the State.

(x) Mapping of Gram Panchayats and Planning for BCA/CSCs for Direct Cash Transfer- Sub Service Area Approach

Shri Suresh N. Patel informed that the data has been submitted to the MoF, Gol and if any query in this regard is received from the same, the same would be conveyed to LDMs. Detailed guidelines on the subject have already been circulated to all Member Banks / LDMs.

He also informed that SLBC receives representation from various Banks informing that whenever they approach VCEs for engaging them as BC, some of them say that they are not aware of the Govt instructions for their engagement as BC. **Shri P.K. Parmar** stated that a communication in this regard has been sent to all DDOs. **Shri Suresh N Patel** requested to make available the copy of the same to SLBC for further circulation to Member Banks / LDMs.

(Action : Panchayat, Rural Hsg. & Rural Devp. Dept., GoG)

(xi) Unique Identification Authority of India (UIDAI) - Implementation of Aadhaar enabled payments

Shri Suresh N Patel informed that SLBC requested to submit the roll out progress every quarter to them, however, no Lead District Office has submitted the same.

Agenda No.3

3.1 Hon'ble Union Finance Minister's meeting with CEOs of PSBs / FIs on 15.11.2012 - issues concerning SHGs

Banks were requested to issue instruction to their branches to issue cheque book to all the SHGs who have been sanctioned credit limit after execution of required documentation and they may be encouraged to avail limit sanctioned to them.

Further it was also requested Banks to sensitise their branch level officers for promotion and credit linkage of SHGs / Sakhi Mandals.

3.2 Prime Minister's 15 point programme - Minority Community

It was informed that 14 towns and 10 districts are identified Minorities concentration districts / towns, in which Bharuch is also one of the identified districts in the state. Banks were requested to take the note of the same and to reiterate to their branches regarding Prime Minister's new 15 point programme so as to achieve the stipulated target of 15% of their Priority Sector lending to Minority Community. Similarly, as directed by Govt. of India, Minority finance should increase at least 20% over and above the previous year.

3.3 Stamp Duty on Deed of Mortgage executed by the borrower in favour of Security Trustee - Judgement by High Court of Gujarat - Agenda referred by Bank of Baroda

The above judgement is placed for information of the Banks and concerned Govt. Authorities .

3.4 Progress under financing to Indira Awas Yojana (IAY) - DRI Loan Scheme - as of December, 2012

The forum noted there is a huge pendency of loan applications, to which some of the representatives from the Banks informed that the applications returned by them also shown as pending. **Shri Umakant Bijapur**, General Manager, Bank of Baroda suggested to reconcile the data at block level. **Shri Ashwani Kumar** advised SLBC to reconcile the data. **Shri S.N. Patel** said that SLBC would be collect the data from all the Banks and place in the next SLBC meeting.

(Action : SLBC)

3.5 Formation of Sub-Committee of SLBC to monitor SHGs issues

The House was informed about the formation of Sub-Committee of SLBC to monitor SHGs issues and also the procedures for opening SB account of SHG / Sakhi Mandals, documentation for credit linkage for SHGs finalised in the meeting of Sub-Committee and requested Member Banks to advise their branches to strictly follow the procedures so as to speed up the sanction and disbursement process.

3.7 Monitoring of progress under finance extended to MSMEs, Housing and Auto Sectors under IBA Package

The House reviewed the programmes made under finance extended to MSMEs, Housing and Auto Sectors under IBA package. It was informed that total Rs.45,833.57 crores have been extended under this package.

Agenda No.4

REVIEW OF BANKING DEVELOPMENTS IN KEY AREAS FOR THE QUARTER ENDED DECEMBER, 2012 :

The House noted the progress under Deposits, Advances, CD Ratio, Priority Sector Advances, etc. The LDMs of 8 districts where CD Ratio is below 40% were advised to review the same very critically in every DLCC meetings.

Shri Ashwani Kumar advised Banks to improve the performance under Weaker Section Finance as it was only 7.39% as against the stipulated benchmark of 10%.

Agenda No.5

REVIEW OF PROGRESS UNDER SERVICE AREA CREDIT PLAN (SACP) 2012-13 FOR FRESH LENDING TO PRIORITY SECTOR :

Shri Suresh N. Patel informed that the achievement for the period under review was 70.99%, however, only 11 districts performed above the State Average, of which Bhavnagar and Jamnagar districts remained at top by achieving the target by 94.77% and 92.26% respectively and expressed hope that by now both these districts would have crossed 100% achievement.

Shri Ashwani Kumar inquired from the LDM, Dangs for the poor performance in achievement of the target. The Lead District Manager, Dangs informed that Dangs is a tribal area and also there is a sizable NPA in the district and no Bank is ready to finance in the district. He also informed that no action has been initiated on RCs filed. **Shri Ashwani Kumar** requested the Govt officials to advise the district level revenue authorities to initiate action in RC filed cases to set an example for other defaulters. He also stated if this is the situation, then fix the achievable target. **Shri Sanjay Prasad**, Principal Secretary, Social Justice & Empowerment Deptt., Govt of Gujarat advised LDM to meet the Dist. Collector for recovery.

Shri Sudarshan Sen asked LDM whether it has been analysed why the NPA is high. He also inquired whether any scheme has been formulated in DLCC to prevent migration to other districts in search of employment. He also suggested a scheme may be designed to prevent migration from the district so that locally people can get an economic activity.

Shri Ashwani Kumar noted that there is a need for giving more focus on Investment Credit as till December, 2012, the share of Investment Credit in total achievement was only 21.27%.

Agenda No.6

COMPARATIVE POSITION OF CASES FILED UNDER GUJARAT STATE RECOVERY ACT, 1979 AS OF DECEMBER, 2012

The House noted that as of December, 2012, there were 1,74,574 RCs involving amount of Rs.594.99 crores were pending. **Shri Ashwani Kumar** requested the State Govt to extend necessary support to the Banks for disposal of pending Recovery Cases.

Agenda No.7

REVIEW OF PROGRESS UNDER GOVT. SPONSORED PROGRAMMES FOR THE QUARTER ENDED DECEMBER , 2012

The House reviewed the performance under various Govt. Sponsored schemes. Banks were advised to improve the performance under SGSY as the performance is much lower than the last year.

Shri Ashwani Kumar noted that though the Banks have achieved the financial target under SJSRY, but the achievement under physical target still short by about 60% and advised them to achieve the physical target by the year end.

Shri Sanjay Prasad, analysing the data stated that only 4-5 Banks have registered good performance and requested other Banks to improve the performance so that the allocated target can be achieved by the year end.

Regarding poor performance under GWEDC, the LDM, Junagadh informed that in the absence of any representative from the Corporation, the performance as well as follow up is lacking which affects the achievement.

Agenda No.8

FINANCING UNDER OTHER PROGRAMMES / SCHEMES

(i) FINANCING TO MINORITY COMMUNITIES & WOMEN ENTREPRENEURS

Shri Sanjay Prasad noted that the achievement at 3.48% is very less because it is less than the population figures of Minority Communities and requested Banks to reach to the stipulated target.

(ii-a) Self Help Groups (SHGs) & (ii - b) Districtwise / Bankwise information on Sakhi Mandals

Shri Suresh N. Patel informed that as per the progress reported by Banks, Rs.578.37 crores have been sanctioned, whereas GLPC has reported Rs.1102.04 crores as sanctioned amount. Noting the vast difference between the figures reported by Member Banks and GLPC, **Shri Ashwani Kumar** advised SLBC to review the figures reported by Banks and to reconcile the figures made available by GLPC with the figures provided by Banks so as to arrive at correct figures of sanctioned amount to Sakhi Mandals. It was informed that with effect from December, 2012, a new format has been introduced for collection of SHGs / Sakhi Mandals data from Banks which shall continue.

(Action : SLBC)

Shri H.R. Dave, CGM, NABARD stated that in Gujarat, the Micro Finance movement is still at a nascent stage. He also informed that NABARD and SLBC have initiated Village Level Awareness Programmes and urged Banks to instruct their branches to actively participate in these programmes.

The representative from GLPC briefed about the Village Level Awareness Programmes and informed that they have advised their DDOs to monitor the implementation of this programme. He requested Banks for extending support for successful organisation of these programmes.

(iv) Review of progress under Education Loan

Shri Suresh N. Patel informed that the Technical Education Department, Govt of Gujarat had convened a meeting of major banks and other departments of Govt of Gujarat in which it was proposed that the sub-committee be formed to periodically review the progress in the State and to finalise strategy for promoting Education Loan Scheme. Accordingly, it is proposed to form a sub-committee comprising members from three Lead Banks viz. Bank of Baroda, State Bank of India and Dena Bank, Canara Bank, Bank of India, CBI, UBI, RBI and representative from Technical Education Department, Govt of Gujarat. The House approved the same.

(v - a) KISAN CREDIT CARD (KCC) :

Shri Suresh N Patel informed that outstanding KCCs has increased from 28,62,024 as of March, 2012 to 28,85,730 as of December, 2012 against total land holdings of about 46.61 lakhs in the State as per 8th Agri Census 2005-06, during the quarter ended December, 2012. **Shri P.K. Parmar** suggested that some extra exercise is needed to be initiated both by Banks and the Govt to cover the remaining gap.

Shri S.P. Sisodiya, Addl. Secretary, Agriculture Department, Govt of Gujarat informed that cropping pattern shown in the declaration and actual crops grown by the farmers shows a wide difference and requested Member Banks to ensure end use of the crop loan.

(v - b) Progress under formation of Joint Liability Groups (JLGs) & its credit linkage

Member banks were requested to explore all possibilities to form JLGs and provide credit linkages which may help in improving weaker section advances.

(viii) Weavers Credit Card (WCC)

Shri S.K. Makwana, Consultant, Indext-C, Gandhinagar requested the Member Banks to dispose off the pending loan applications at the earliest as the data shows poor performance under the Scheme.

The House also reviewed the progress under other parameters.

Table Agenda

Table Agenda No.1 - Sponsored by NABARD

(i) Disbursement under Fodder and Concentrate Feed Loan Scheme

Shri H.R. Dave informed that Banks have lent Rs.87.81 crores under the Fodder and Concentrate Feed Loan designed to extend help to the farmers / villagers in scarcity affected areas. **Shri P.K. Parmar** requested Banks to address this problem on humanitarian considerations. **Shri Sanjay Prasad** also suggested that under Agriculture, fodder production need to be encouraged.

ii) Scheme for Promotion of Women SHGs in Backward Districts of India

Shri H.R. Dave urged Banks for special attention from the Banks and the GLPC for Dahod & Dangs districts where special programme for Women SHGs is implemented.

iii) Routing Subsidies through DCCBs of Respective Districts

It was informed that 17 Cooperative banks (GSCB + 16 DCCBs) in the State of Gujarat have participated in the CBS project facilitated by NABARD which is being implemented by TCS. As on date, out of 1130 branches, 87 branches of 7 DCCBs have been migrated to CBS platform and the roll out is in progress for remaining banks which is expected to be completed by May 2013. NABARD has also advised all banks for tie up with any Commercial Bank (preferably GSCB) for RTGS/NEFT facility for Electronic Fund Transfer.

In view of the fact that the Direct Benefit Transfer Scheme of GoI would be implemented shortly in all the districts of the Country, routing of funds through respective District Cooperative Banks would provide an opportunity for bank to provide effective services to the beneficiaries especially farmers.

The matter has already been referred by SLBC to the Department of Financial Services, Ministry of Finance, GOI for Bhavnagar District.

iv) KCC - Progress in Implementation of Revised KCC Scheme :

The representatives from Dena Bank, Bank of Baroda, Bank of India stated that their Banks have been issuing ATM enabled KCC Cards to the farmers. The House requested Member banks to convert all KCC cards to ATM enabled by banks by 30 June 2013. Further, it was informed that a formal launching function of Rupay Card is also being held on 20th March, 2013 by Dena Bank at Himmatnagar.

v) KCC - Revised monthly MIS - Personal Accident Insurance Scheme (PAIS) Data

Member Banks were requested to make all out efforts to bring maximum number of farmers under PAIS.

vi) Ground Level Credit Flow to Weavers Sector

Shri Suresh N Patel informed the House that despite repeated requests and follow-up both by SLBC as well as NABARD, Member Banks do not submit the progress to them. He once again requested Member Banks to furnish the progress in time so that the consolidated progress can be sent to the Ministry of Textiles, Govt of India without delay.

vii) Progress under the Scheme for issuance of Weaver Credit Card (WCC).

The House noted that the progress was very dismal and requested Member Banks to improve performance and to submit the data directly to NABARD in the prescribed format.

viii) ADWDRS, 2008-Revisit

Member Banks were requested to revisit the ADWDRS, 2008 scheme cases and take appropriate actions in view of CAG observation. Govt of India has advised Banks to recheck the claim submitted under ADWDRA-2008 and verification be done by Member Banks as per instructions.

ix) Handloom Package - Margin Money & Interest Subsidy Component:

Member Banks are requested to take up this issue urgently and forward claims for advance margin money assistance and interest subsidy to NABARD.

Table Agenda No.2

Agri clinics and Agri. Business Centres (AC&ABC) Scheme - extending credit linkage to Agripreneurs

The House noted that 107 applications are reported as pending and requested Banks to dispose off the applications, on merits, at the earliest.

Table Agenda No.3

Harassment in availing Education Loan

Member Banks were requested to reiterate the instructions to their branches to desist from adopting such practices, if being followed, and extend education loans to the needy students without any hassles as per Govt of India directives.

Table Agenda No.4

Agenda items sponsored by National Housing Bank

Member Banks were apprised of the following points.

1. 1% Interest Subvention Scheme - it is informed that NHB has been appointed as the single nodal agency for both Banks and HFCs,
2. Interest Subsidy Scheme for Housing the Urban Poor (ISHUP):
3. Credit Risk Guarantee Fund Scheme for Low Income Housing (CRGFTLIH)
4. Performance under Golden Jubilee Rural Housing Finance Schme (GJRHFS) and RHF

Table Agenda No.5

Housing finance in particular to provide affordable housing finance in towns and cities to low incomes groups

It was informed that Urban Development and Urban Housing Department, Govt of Gujarat had convened a meeting on 8 February, 2013 to discuss various issues on housing finance in particular to provide affordable housing finance in towns and cities to the persons who are from low income groups and are not filing income tax returns. The meeting was attended by the representatives from major Nationalised Banks and NBFCs. The second meeting was held on 7 March, 2013 to discuss various issues on the captioned subject. However, further deliberations are still required on the subject.

Shri H.R. Dave extended invitation to all the present in the House to visit the Handicraft Exhibition.

The meeting ended with Vote of Thanks proposed by Shri Umakant Bijapur, General Manager, Bank of Baroda.
