

MINUTES OF 137th STATE LEVEL REVIEW MEETING (SLRM) FOR GUJARAT STATE FOR THE YEAR ENDED MARCH, 2013 HELD ON 25TH JUNE, 2013 AT AUDITORIUM, DENA BANK, ASHRAM ROAD, AHMEDABAD

The above meeting was held on 25th June, 2013 to review the progress under various key parameters for the year ended March, 2013 at Auditorium, Dena Bank, Ashram Road, Ahmedabad which was presided over by **Shri Ashwani Kumar**, Chairman & Managing Director, Dena Bank and was attended by **Shri Hasmukh Adhia**, IAS, Principal Secretary, Finance Department, **Shri Sudarshan Sen**, Regional Director, Reserve Bank of India, **Shri M.K. Mudgal**, Chief General Manager, NABARD, **Shri Subrata 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 Senior Officials of various Departments of State Govt. as well as executives from Banks, Insurance, etc. The list of participants is enclosed.

Shri Suresh N Patel, Convenor, SLBC & Field General Manager, (Gujarat) Dena Bank extended hearty welcome to all the participants and informed that in today's meeting we would review the performance for the year ended March, 2013 and would also finalise the Service Area Credit Plan for the year 2013-14. In addition to this, he apprised the House about the formation of two groups on very important aspects like Implementation of FIP and how to increase Investment Credit in Agriculture Sector. These groups have made very valuable suggestions in their group reports which have incorporated in the Agenda booklet and requested the House to deliberate upon the same. The members of these groups were drawn from Member Banks and various concerned departments of the Govt.

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

Shri Ashwanikumar, Chairman of SLBC and Chairman & Managing Director Dena Bank extended hearty welcome to Shri Hasmukh Adhia, IAS and other dignitaries on the dais and participants from RBI, NABARD, Banks and Govt. Departments.

He noted that the achievement under SACP for the year under review was almost the same as that of the last year i.e. Around 93% of the target. He informed that the target under SACP for the year 2013-14 is at Rs.61,000/- crores which is about 24% over the target of the previous year. He requested Member Banks to gear up right from the beginning of the year to achieve the target.

He informed that todays' meeting is being held in backdrop of implementation of Direct Benefit Transfer wef from 01.07.2013 in four district namely (1) Anand (2) Bhavnagar (3) Mehsana & (4) Valsad and as per feed back given to him, about 90% households are having bank accounts and requested Banks operating in the districts to ensure that the rests are covered before the launch of DBT. He also mentioned that the Aadhaar number generation is slow in the State, however, wherever they are generated, the Banks must seed them with the accounts.

On the issue of installation of onsite ATMs in the identified 4 districts, he noted that the said exercise is not fully completed. He requested to expedite in the matter so that the beneficiaries are able to draw the funds from ATMs as per their convenience.

Regarding implementation of FIP in villages with population below 2000, he observed that the pace needs to be accelerated. Many Banks have engaged Business Correspondents in these villages, however, HHDs are not provided to them and requested Banks to expedite in providing HHDs to BCs so that transactions can take place in the accounts at village level itself.

He requested Member Banks to submit the revised Roadmap to SLBC as directed by RBI at the earliest so that the revised Roadmap for the State as a whole can be submitted to RBI.

He stated that Call Centre has been functioning very successfully and now the facility of Call Centre has also been extended to the Students who want to avail the Education Loan. He further added that the education remains the priority area of both the Central and the State Government and therefore it should be the priority area for all of us, but the required thrust is not there. For any country to develop, it should have largely educated population and therefore Banks should not hesitate in extending Education Loans to the needy students.

During the year under review, another concern is poor performance under various Government sponsored schemes. Banks and sponsoring agencies both are responsible for poor performance under the various schemes. He requested sponsoring agencies to sponsor adequate and even numbers of applications. Member Banks were requested to dispose off the applications on merits and disburse the same in time.

CD Ratio has shown perceptible improvement over the year 2011 and 2012. However, it is still below 40% in 8 districts of the State and therefore he requested LDMs of these districts to see that the proper growth is there in the credit deployment.

He pointed out that out of 26 districts in the State, 12 districts achieved the target above the State average under SACP during the year under review and the lowest performance was found in Dangs district where it remained at 18.97%. He recollected that in the last SLBC meeting also, the issue of the poor performance of Dangs district was there, but still it continues showing the poor performance. He requested LDM, Dangs to share the reasons for poor performance with the House. He added that this is very challenging period for the Banks as the growth is very slow, however, with the good monsoon so far, there is good scope for financing to agriculture including food and processing units and transport activities and to see that the SACP target for 2013-14 are achieved.

He expressed thanks to the State Govt, RBI and NABARD for providing guidance wherever they were approached for the same.

He also informed the House that SLBC would collect data from Banks through SLBC portal from the June, 2013 quarter onwards and to explain the process for submission of various data through this portal, a meeting would be convened by SLBC very shortly.

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

At the outset, he thanked Dena Bank & SLBC for inviting him to share his thoughts and he really looks forward to this meeting as it provides him an opportunity for the same.

He said that he would focus on few important points and stated about the issue of significant lack of financial literacy. He said that the average people are not aware of the basics about Savings Accounts, No Frill accounts, OD facility, Rate of Interest, etc. Many of them avail Govt benefits, but they do not know what is the quantum of the loans. This lack of literacy is just not reflected to the customers in rural areas. This is also found with BCs as they are almost equally unaware of the same. He advised the controllers of the Banks present to take note and through monthly meetings for every rural branch to ensure that this aspect is highlighted and to focus on what are the rights of customers from rural areas and what they expect from the system.

Another issue he referred to was pertaining to BC mechanism and added that most of the Banks rely on the BC mechanism to deliver the financial services as a part of FIP. He further added that he did not know what is the level of supervision where the Bank has hired a corporate BC, Branch Manger hardly knows what exactly the BC is doing and this lack of control over BC is detrimental to the image of the Banks and the Banking Sector in the eyes of the customers. He advised that Branch Managers need to take extra care and also support the BC in all respects.

He also touched upon the issue of remuneration paid to BCs and stated that some Banks pay fixed remuneration whereas some Banks do not have this system. He advised Banks to look into the need of adding certain incentive based remuneration, otherwise high attrition would be there. He strongly urged those Banks which do not follow the direct BC model to follow the direct BC model.

He advised Branch managers to extend support to the BCs and make them fully aware of all the products of the Banks so that any time any customer approaches to him, he could in detail explain all the products to him.

He requested for positive change in approach for lending to Agriculture Sector as major chunk of this credit is consumed by Short Term Credit, whereas for infrastructure

development, investment credit is very important which is growing at a very low rate. He said that if we have to really grow the rural areas, then we need more investment credit.

Regarding functioning of DLCC, he stated that DLCCs should not be only for reviewing of data but it is supposed to be a forum where Govt and Banks will apply their mind on how to develop the district. He suggested to draw a definite development plan of the district which should include innovative products keeping in view the local requirements of the area.

He appealed the Controlling Offices to play a dynamic role in strengthening the functioning of rural branches.

Shri Suresh N Patel then requested the Lead District Managers Anand, Bhavnagar, Mehsana and Valsad to apprise the House about the progress made in implementation of DBT from 1st July, 2013. The LDMs of these districts in detail apprised the House about the number of schemes to be implemented in their respective district, list of beneficiaries received from the district authority, number of accounts of beneficiaries opened under each scheme.

Shri Ashwani Kumar advised LDMs to ensure that accounts of all the beneficiaries under the Schemes eligible for their district are opened before the launching of DBT.

Confirmation of the proceedings of last meeting.

The proceedings of the 136th State Level Bankers' Committee (SLBC) meeting for the quarter ended December, 2012 held on 19.03.2013 were circulated to all the members on 03.04.2013. Since no comments / amendments have been received from any of the members, the House confirmed the same.

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

Shri Suresh N Patel requested Rural Development Department / GLPC to take up the matter with the concerned authority so that construction work could be taken up immediately.

RSETI, Mehsana

In reference to the letter dtd. 23.5.2013 sent by SLBC, Rural Development Department was requested to help in allotment of another land for construction of RSETI premises at Mehsana as the one allotted to it is acquired by Railway authorities.

RSETI, Narmada and Tapi district

Rural Development Department and GLPC were requested for allocation of land for RSETI premises construction in Narmada and Tapi districts.

RSETI, Junagadh and Amreli district

Rural Development Department and GLPC were requested to resolve the issue referred to it by SLBC vide its letter dtd. 8.5.2013 regarding ownership of land allotted for construction of RSETI premises in Junagadh and Amreli districts.

Progress under Construction of RSETIs premises

The House was apprised of the progress under RSETI construction premises at various districts in the State.

It was informed that upto March, 2013, cumulatively RSETIs conducted 4370 training programmes through which trainings were imparted to 1,44,422 beneficiaries. Out of the trained beneficiaries, 46,552 beneficiaries were economically settled through Bank finance and 38,062 through their own source. Banks were advised to further improve the ratio of beneficiaries settlement through Bank finance.

High Level Committee to review Lead Bank Scheme

Implementation of FIP in villages having population above 2000

It was informed that this category of villages have been covered. Banks were advised to ensure that maximum number of transactions take place in the accounts opened by BCs in CBS.

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

Shri Suresh N Patel informed that except Indian Bank, all other Banks have submitted the revised roadmap to SLBC. He requested Member Banks to rectify discrepancies conveyed to them and resubmit the corrective statement to SLBC soon.

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

Member Banks were requested to submit the progress made under the Financial Inclusion Plan for the quarter ending June 2013 as per the format LBS – MIS –V circulated vide RBI circular dt 22.04.2013 within 10 days from the end of the quarter i.e. by 10th July, 2013.

Account Opening Drive Particularly for migratory workers/ labours and each household in Semi-Urban, Urban and Metro areas - establishment of Call Centre

Banks were requested to remit their share to SLBC and to instruct their branches to display the details about Call Centre at their branches so that maximum number of people can get its benefits.

Statewide Financial Literacy Campaign

Banks were requested to immediately remit their share to enable SLBC to forward the same to NABARD so that it can launch the campaign at the earliest.

GIS Module for Banking amenities data for Financial Inclusion in Public Domain

Lead District Managers were requested to ensure the integrity and correctness of data entered in the GIS module and update it periodically, at least on a monthly basis.

Lead Bank Scheme – Strengthening of Monitoring Information System (MISS)

It was informed that SLBC has devised formats as per RBI guidelines and furnished the same to Lead District Managers to provide the details as per the new formats starting from the quarter ending June, 2013 onwards.

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

Shri A.D. Patel, Dy. Secretary, GAD (Planning) Govt of Gujarat & Nodal Officer, UID informed the House that two meetings with Non State Registrars have been convened in which the issue of cost sharing was cropped up. He informed that the proposal is lying before the competent authority for consideration and necessary approval and once it is received from there, permission would be granted to NSR.

Tentative Margin Money Target under Prime Minister's Employment Generation Programme (PMEGP) for the year 2013-14

AGENCY WISE TARGET

Shri Suresh N. Patel informed the house that District wise tentative margin money subsidy targets of 1992 projects amounting to Rs. 4580.32 Lakhs for the year 2013-14 under Prime Minister's Employment Generation Programme was received by SLBC which in turn Circulated by SLBC to all Lead District Manager of Gujarat State for reallocation of the same bank branch wise in the concerned District and requested the house for approval of the same which was agreed upon by the SLBC.

Expansion of District Level Task Force Committee under PMEGP

Shri Suresh N. Patel informed the house that as per the Ministry of MSME directions, one more Member from Urban local bodies of the District such as Municipality / Nagarpalika's to be added in the District Level Task Force Committee of PMEGP and among the three representative from panchayat's atleast one may be from SC/ST and Woman.

Mandatory entry of applications in the e-tracking system of PMEGP for 2013-14

Shri Suresh N. Patel informed that as per the latest Circular it is mandatory to make entries of application in E-Tracking system of PMEGP for the year 2013-14 and the Circular in this regard has already been Circulated to all concerned by State Office, KVIC – Ahmedabad.

Interest Package declared by Agriculture & Co.operation Department, Govt. of Gujarat to loanee farmers of Co-operative Sectors affected due to delayed rainfall - Resolution No.SBS-12-2012-1478-CH dated 01.10.2012

The House requested Agriculture & Co-operation Department to relook in the matter for extending the relief of interest package to all the farmers, whether they have availed KCC/Crop loan from Co-operative Banks or any other Banks.

Agriculture Credit Target for F.Y. 2013-14

Agriculture Credit Target provided by NABARD for Financial Year 2013-14 were worked out districtwise by SLBC and communicated vide letter dated 11.06.2013 to Lead District Managers for onward allocation amongst the bank branches.

Progress under financing to Indira Awas Yojana (IAY) - DRI Loan Scheme - as of March, 2013

Implementing Member Banks were requested to closely monitor the branchwise progress under the Scheme. Similarly, all the Lead District Managers are requested to closely monitor the progress in BLBC and DLCC meetings. LDMs were requested to follow up for disposal of pending applications.

National Handicapped Finance and Development Corporation (NHFDC) - Promoting economic development activities and Self Employment ventures for the benefit of Persons with Disabilities (PwDs)

Member Banks were requested to take up the matter with their Head Office for doing needful for the benefit of PwDs. Bank of Baroda, Andhra Bank and IDBI banks were requested to provide SLBC the progress made in the scheme at the end of every quarter for the purpose of review in each SLBC meeting as advised by Ministry of Social Justice and Empowerment.

(Action : Bank of Baroda, Andhra Bank and IDBI Bank)

Formation of Sub-Committee of SLBC to monitor SHGs issues

Shri Suresh N Patel informed that the meeting of sub-Committee of SLBC formed to monitor SHGs issues was held on 26.04.2013 under the Chairmanship of Chief General Manager, NABARD to discuss the details of Village Awareness Camps conducted at field level and other issues pertaining to SHGs finance.

The minutes of the same circulated vide letter dated 08.05.2013 to Member Banks and Lead District Managers for information and necessary action.

Agenda Sponsored by NABARD

Agenda sponsored by NABARD were circulated through the Booklet to all the Member Banks and the concerned were requested to take necessary action on those issues.

REVIEW OF BANKING DEVELOPMENTS IN KEY AREAS FOR THE YEAR ENDED MARCH, 2013 :

The House noted the progress under Deposits, Advances, CD Ratio, Priority Sector Advances, etc. The House noted that though CD Ratio continues to be below 40% in 8 districts, however, 5 districts have shown improved CD Ratio during the year under review. LDMs were requested to critically review the issue of low CD Ratio in each DLCC meeting and the actions emerged from the same be implemented for improving CD ratio.

Shri Suresh N Patel informed that Rs.103.34 crores have been disbursed in 25,022 accounts for purchase of Fodder and Concentrate Feed by the farmers in scarcity declared areas.

Shri Ashwani Kumar complimented RBI & NABARD for their guidance to SLBC in preparing the Scheme and shared with the House that Hon'ble Chief Minister, during the meeting he had with him a day before, also appreciated the initiative taken by the Banks and suggested that the Scheme can be replicated throughout the Country when such natural calamity occurs.

Shri S.P. Sisodiya, Addl. Secretary, Agriculture Department, Govt of Gujarat informed that each taluka level and district level Agri. Officer has the data of the crops sown in their respective area. However, anomaly being witnessed for the last number of years is that the crop sown areas and the loans given does not match and mostly the sown areas are found very less and the crop insurance given is almost double or triple. He further stated that Banks do not verify the crop sown as it has been seen that the farmers were availing crop loans for ground nut, but they were sowing cotton as the premium was high for cotton.

Shri Umakant Bijapur requested to provide specific data for a particular district, Banks would recheck the same and would come to them. He again requested for the same saying that Banks have got cropwise finance and they would check up the same.

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

Shri Suresh N Patel informed that the overall achievement under Service Area Credit Plan for the year under reviewed remained at 93.82% and 12 districts have performed above the State average. **Shri Ashwani Kumar** complemented the districts which have achieved more than 100%. He requested LDMs of Dangs, Tapi and Porbandar to share with the House the problems impeding the achievement of target.

Shri Babulal Gupta, LDM, Dangs informed that there is a staff shortage and most of the people are engaged in farm activities and are available after 6.00 p.m. Branches do not have vehicles. Service area villages are 25-30 Kms far from the Base Branch. Pre-inspection and Post-inspection is done by Branch Managers

Shri Neelay Kapoor, DGM, NABARD informed that MFIs are doing excellent business in the area. There are many projects like Watershed and if the Branch Manager co-ordinate with DDM, NABARD and extend finance to the farmers for watershed project and issue them KCCs, the performance could be improved.

Shri Umakant Bijapur, General Manager, Bank of Baroda, informed that this is a very peculiar issue. There are geographical issue, land holding issue etc. The district mostly has the forest area. Dairying activities are not flourishing in the district as it is flourished in other districts on a Co-operative model. He suggested that the issue of Dang district is to be discussed separately at a local level.

Shri M.C. Chaudhary, LDM, Tapi informed that NPA is the main problem in the district as out of the total advances of Rs.500 crores, Rs.100 crores are classified as NPA. Large portion of the district is covered by forests. 7/12 contains large number of landholders. He requested for issuance of maximum number of KCC during the current season.

Shri Suresh N Patel informed the House that target under SACP for the year 2013-14 is fixed at Rs.61648 crores which is 24.07% above the target fixed for the year 2012-13. Member Banks were requested to implement action from the beginning of the year to achieve the target.

COMPARATIVE POSITION OF CASES FILED UNDER GUJARAT STATE RECOVERY ACT, 1979 AS OF MARCH, 2013

Shri Suresh N Patel informed that total Rs.503.45 crores of Banks have been locked up in 1,69,726 recovery cases as at the end of March, 2013. He requested LDMs to incorporate the Agenda on Recovery Certificates, if not done, and critically review the position of pending Recovery Certificates in every DLCC meetings and pursue the matter with the District Authorities for immediate disposal of the same.

Shri Ashwani Kumar advised LDMs to share their experience with regard to recovery in cases filed under State Recovery Acts. **Shri B.B. Kothiawala**, LDM, Narmada informed that no co-operation is received from the district level authorities for recovery and Banks are not able to recover the dues.

Shri Ashwani Kumar requested **Shri Hasmukh Adhia** to take up the matter with the concerned Department. He also requested Member Banks to provide information that in how many cases the recovery notices have been issued.

REVIEW OF PROGRESS UNDER GOVT. SPONSORED PROGRAMMES FOR THE YEAR ENDED MARCH, 2013 AS PER FIGURES RECEIVED FROM THE MEMBER BANKS

The House reviewed the performance under various Central and State Govt sponsored schemes for the year under review and noted that the performance under almost all the sponsored programmes remained very poor. Banks were advised to advise their

branches to adopt positive approach and dispose off applications, on merits, so that needy beneficiaries can upgrade their livelihood.

As regards to progress of PMEGP for the year 2012-13, **Shri V.S Bagul**, Dy. Director informed the house that Gujarat State has a pendency of margin money subsidy to the tune of Rs.31.00 Crores as of the end of Financial Year 2011-12 and accordingly no target has been allotted for the year 2012-13. As against allocation of Rs. 31.41 Crores the achievement is amounting to Rs. 32.85 Crores i.e. 104% during 2012-13 up to 31.05.2013 the extended period. He gave special thanks to the SLBC, Head of the Banks, State Government, LDM's, Financing Bank, Implementing Agencies i.e. GKVIB & DIC's for their supports in achieving the more than 100% target.

FINANCING UNDER OTHER PROGRAMMES / SCHEMES

FINANCING TO MINORITY COMMUNITIES & WOMEN ENTREPRENEURS

Member Banks were requested to step up finance to Minority Community so as to reach the benchmark of 15% of Priority Sector advances.

WOMEN ENTREPRENEURS

Member Banks were requested to boost up the financing to the Women Entrepreneurs in order to reach this stipulation.

Self Help Groups (SHGs) & Districtwise information on Sakhi Mandals

The House noted the data presented before the members and it was directed that the data received from the Banks would be placed before the House from next meeting onwards. It was also requested by **Shri Hasmukh Adhia** that for lending to SHGs / Sakhi Mandals, a very proactive role should be played by staff of GLPC as well as Branch Managers in close co-ordination.

KISAN CREDIT CARD (KCC) :

Member Banks were advised to improve the performance further and to cover the uncovered eligible farmers in a campaign mode.

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

Shri Suresh N Patel informed that Banks have formed total 4066 JLG out of which 3012 under Farm Sector and credit linked to the tune of Rs.2938 lakhs. 986 JLGs

have been formed under Non-Farm Sector and provided credit linkage with an amount of Rs.2276 lakhs.

Shri M.K. Mudgal stated that as per the feedback from Banks, recovery is very good in JLGs. He said that the State has around 46 lakhs farmers, of which KCCs have been issued to around 28 lakhs and the remaining left out farmers are largely from this group. He appealed Banks to fix ambitious target and to increase the present figure of 4000 JLGs substantially upwards.

Shri Neelay Kapoor mentioned that commendable work has been done by Dena Bank in Sabarkantha district which has sizable tribal population and suggested that this should be extended to other tribal areas too.

GROUP REPORT

Member Banks and concerned Govt. Departments were requested to examine the various suggestions made in the Group Reports and initiate necessary action, wherever required. Action initiated and final outcome may please be informed to SLBC for informing the same to all the concerned.

Shri Hasmukh Adhia in his address to the House stated that he agrees with the Chairman of SLBC that education loan is the need of the hour. He further added that as against the total deposits of around Rs.3.69 lakh crores in the State, outstanding under Education loan at Rs.1200 crores is a very poor and suggested that Gujarat needs to do better in education field. He requested Banks to create more awareness amongst the students from where to avail the education loans. He appreciated the mapping of educational institutions with nearby branches by SLBC.

While reviewing the progress under Central Sector Interest Subsidy Scheme, he suggested to collect the details such as total outstanding loans, number of cases sanctioned under the scheme, number of cases eligible for subsidy, number of cases in which subsidy claims lodged, number of cases in which subsidy received and number of cases in which subsidy credited. **Shri Suresh N Patel** stated that from next SLBC onwards, the same would be introduced and House would review the progress as suggested by Shri Adhia.

(Action : SLBC)

He informed that this year about 500 students from Gujarat have passed IIT and JEE examinations and suggested to make available education loans to them to pursue higher studies.

He advised that all the Banks at the top level need to rethink their policy with regard to remunerations paid to BC.

Referring to the payment of crop loan insurance, he stated that penal action in certain cases should be taken for wrongly showing crop raising.

Shri M.K. Mudgal while addressing the House mentioned that NABARD is the part of the economic development of the State and assured full co-operatoin from NABARD in all respects as it has been so far.

The meeting ended with vote of thanks presented by **Shri Umakant Bijapur**, General Manager, Bank of Baroda.
