

MINUTES OF 145th STATE LEVEL REVIEW MEETING (SLRM) FOR GUJARAT STATE FOR THE YEAR ENDED MARCH, 2015 HELD ON 29th JUNE, 2015 AT DENA LAXMI BHAVAN, DENA BANK, ASHRAM ROAD, AHMEDABAD

The above meeting was held on 29th June, 2015 at 5.00 p.m. to review the progress under various key parameters for the year ended March, 2015 at Auditorium, Skip Floor, Dena Bank, Dena Laxmi Bhavan, Ashram Road, Ahmedabad which was presided over by **Shri Ashwani Kumar**, Chairman, SLBC & Chairman & Managing Director, Dena Bank. The meeting was attended, among others, by **Shri G.R. Aloria**, IAS, Chief Secretary, Govt. of Gujarat, **Dr. J.N. Singh**, IAS, Addl. Chief Secretary, Finance Department, Govt. of Gujarat, **Shri Sanjay Prasad**, IAS, Principal Secretary, Social Justice & Empowerment Department, Govt. of Gujarat, **Shri M.K. Das**, IAS, Principal Secretary, Food & Civil Supply, Govt. of Gujarat, **Shri Sanjiv Kumar**, IAS, Secretary (Expenditure), Finance Department, Govt. of Gujarat, **Dr. Jayanthi Ravi**, IAS, Commissioner & Secretary, Rural Development Department, Govt. of Gujarat, **Smt. Vatsala Vasudeva**, IAS, Secretary & Commissioner, Cottage Industries, Govt. of Gujarat, **Shri P.C. Sahoo**, Regional Director, Reserve Bank of India, **Shri R. Sundar**, O-I-C CGM, NABARD, **Shri Kumareswar Prasad**, GM, State Bank of India, **Shri R.N. Sharma**, GM, Bank of Baroda, **Shri R.N. Syandolia**, General Manager, Central Bank of India, **Shri T. Sudhakar**, General Manager, Bank of India, **Shri Fareed Ahmed**, General Manager, Corporation Bank, **Shri S.C. Das**, General Manager, Oriental Bank of Commerce, **Shri R.K. Khanna**, General Manager, UCO Bank, **Shri S.K. Singh**, General Manager, Union Bank of India and other Senior Officials from various Departments of State Govt. as well as executives from various Banks, Insurance Companies, etc. The list of participants is enclosed.

At the outset, **Shri V.S. Khichi**, Convenor-SLBC and Field General Manager (Gujarat), Dena Bank, extended hearty welcome to Shri G.R. Aloria, IAS, Chief Secretary, Govt. of Gujarat, Shri Ashwani Kumar, Chairman & Managing Director, Dena Bank, other dignitaries on the dais, senior officials from Govt. of Gujarat, RBI, NABARD, Senior executives from Member Banks, Insurance Companies, Lead District Managers and others.

He then requested Shri Ashwani Kumar, Chairman, SLBC and CMD, Dena Bank to deliver his keynote address.

At the outset, **Shri Ashwani Kumar** said that it is his privilege to welcome to all the participants. He also extended hearty welcome to Shri G.R. Aloria, IAS, Chief Secretary, Govt. of Gujarat who has recently taken over the charge as Chief Secretary and expressed hope that during his tenure, the State and SLBC both will be benefitted by his contribution.

He congratulated Banks for their wonderful performance in implementation of Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana. He informed that so far 47.81 lakh policies have been enrolled and requested Banks and the State Govt. to continue this drive to make all out efforts to cover the eligible persons till 31st August, 2015. He, however, noted that Banks' performance did not match in

implementing Atal Pension Yojana and requested Banks that since this scheme aims at providing social security awareness may be created amongst the targeted group. He pointed out that about 57% of the accounts opened under PMJDY are having zero balance, which may slow down the pace of enrollment and requested Banks to create awareness amongst the customers with regard to the importance of savings and transactions in their accounts.

He mentioned that good number of BCs are engaged by various Banks in the State, but as per the feedback received, they have not been provided with the required infrastructure to carry out their duties to the satisfaction of account holders. He urged upon banks to address these issues on immediate basis.

(Action : Member Banks)

He then informed that recently the three Lead Banks viz. Bank of Baroda, State Bank of India and Dena Bank jointly conducted Trainers' Training Programme with faculty from IBA for all the RSETI Directors in the State and expressed hope that Banks must have found the improved abilities of their BCs after having trained through "Capacity Building Programme". Underlining the importance of a BC model, he requested Banks that BCs be embedded with enhanced skill set of banking product and services, latest infrastructure support, to enable them to render modern banking services to all account holders.

He informed that the total business of the Banks in Gujarat has crossed Rs.8.77 lakh crores, of which deposits constitute Rs.4.90 lakh crores and advances Rs.3.87 lakh crores and CD Ratio stood at 79.09%, as at the end of March, 2015. He expressed concern over CD Ratio which was below 40% in 10 districts. He added that this issue was discussed by the Group of SLBC. He requested the concerned LDMs, regulatory authorities, Banks and concerned Govt. departments to go through the Group Report and to initiate necessary actions on the suggestions made by the Group to improve the CD Ratio in these districts.

On the recovery front, he sought the support of the State Govt. machineries in helping Banks in their efforts for recovering Rs.487 crores locked up in 1,69,389 accounts as of March-2015 under State Recovery Act.

With regard to achievement under Service Area Credit Plan, he mentioned that against the target of Rs.76627 crores, the achievement remained at Rs. 65371 Crores, which in percentage terms was 85.31%. He pointed out that 17 Banks have achieved more than 100%, 7 Banks between 80-100%, 9 Banks between 60-80% and remaining 19 Banks performance remained below 60%. He requested the Banks which performed below the State average of 85.31% to improve their performance in the current F.Y. 2015-16. He stated that with the revised Priority Sector lending guidelines, Banks would have more segments for financing in Priority Sector category and expressed hope that with the concerted efforts, the target for 2015-16 would be achieved.

Similarly, for Agriculture Sector, the achievement was Rs. 37217 Crores against the target of Rs.49889 Crores, showing achievement of 74.59%. Here also, it is observed that 13 Banks have achieved more than 100%, 9 Banks between 75-100%, 11 Banks between 50-75% and remaining 18 Banks achieved less than 50%. He requested 18 Banks to see that the target allotted to them are achieved in the current F.Y. 2015-16.

He observed that the number of KCCs reduced from 28.67 lakhs as of March, 2014 to 28.55 lakhs during the period under review i.e. March, 2015. He said that it is required to be seen whether this reduction is due to non-reporting by all the Banks or due to closure of some accounts.

He drew the attention of the Bankers on the revised guidelines of Priority Sector according to which out of 18% target under Agriculture, 7% has to be given to Small Farmers and Marginal Farmers by the end of March, 2016. As against this, finance extended to SFs / MFs as of March, 2015 was 5.16% of ANBC, which provides room to the Bankers to improve their performance under KCC and to meet the 7% target by the stipulated time.

(Action : Member Banks)

He termed the achievement at 95.47% under Priority Sector housing finance as satisfactory one and advised Banks that looking to the thrust given on affordable housing by the Govt., they need to gear up their machinery for achievement of set target for the year 2015-16. He mentioned that this is an area where lot of attention is required from Banks.

He informed the House that in order to address the issues of SHG Bank linkage and also adequate financing, 11th meeting of Sub-committee of SLBC on SHG issues met on 9th June, 2015 which observed that out of 2.22 lakh Savings Bank accounts of SHGs, large number of SHGs are either dormant or inactive. The Sub-Committee requested SLBC to collect the data of such SHGs from all the Banks to ascertain the actual number of functional SHGs, so that more focus can be given for credit linkage of functional SHGs.

(Action : SLBC and Member Banks)

With regard to issues pertaining to various RSETIs, he informed that in the Special meeting held with the Addl. Chief Secretary, Finance Department, Govt. of Gujarat on 16th June, 2015, issues pertaining to Ahmedabad and Mehsana RSETIs were resolved, whereas issues pertaining to remaining RSETIs would be taken in the meeting of Steering Committee of SLBC for RSETIs, which would meet in the first fortnight of July, 2015.

He expressed sincere thanks to the Group Members who have painstakingly prepared Group Reports on two subject matters and requested Banks and State Government to study the same carefully and implement the valuable suggestions made by these Groups.

He appealed all Member Banks to ensure upload data of their Bank for quarter ending June, 2015 by 31st July, 2015 to enable SLBC to convene next SLBC meeting as per the calendar and also as advised by Reserve Bank of India.

Showing concern to the loss caused due to heavy rains received in certain parts of the State, he requested concerned Lead Banks of the affected to immediately convene special meeting of DCC to assess the position and decide the action plan for relief measures. He also urged upon Banks to extend prompt relief measures for early revival of economic activities in the affected areas.

(Action : Concerned Lead Banks)

Concluding his address, he expressed sincere thanks to RBI, NABARD and State Govt. for their continued support and guidance to SLBC.

Then, **Shri V.S. Khichi**, Convenor-SLBC & Field General Manager (Gujarat) requested **Shri G.R. Aloria**, IAS, Chief Secretary, Govt. of Gujarat to address the House.

Shri G.R. Aloria, IAS, Chief Secretray, Govt. of Gujarat, while expressing thanks for inviting him to the SLBC meeting, said that there is a paradigm shift in banking and Banks have to play a very proactive role in various developmental programmes. Therefore, partnership is required to be forged between Banks, Financial Institutions and the Government. He said that more and more programmes have continued to be added, last being the launching of PMJDY and other social security schemes viz. Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Atal Pension Yojana. Though Banks have done a commendable job in opening of accounts under PMJDY, however, the concern of the State Govt. is about accounts with zero balance and NIL transactions. He said that it is a concern of the State Govt. to ameliorate the conditions of the rural people for which various schemes have been launched by the Govt. and for their success, Govt. needs Banks' co-operation. He stated that Aadhaar is a powerful tool in arresting the leakage of the funds / subsidy from going into wrong hands and requested Banks to share the information number of Aadhaar seeded accounts with the State Govt. India is a country with sizable young population where every person can not be given employment by the Govt and therefore sought Banks co-operation for financing the skill development programmes of the Govt. He informed that housing schemes are being launched by the Govt., in a big way, but it is found that in certain quarters, Banks are reluctant and not extending finance for such schemes. Regarding SHGs and Sakhi Mandals, he informed that lot of emphasis is being given by the Hon'ble Prime Minister and unless the SHG / Sakhi Mandal members are roped in income generating activities, the entire exercise will be useless. He also shared that the Hon'ble Chief Minister is also keenly interested in promotion of various women related upliftment programmes and requested Banks co-operation for the same. He appealed to help the farmers and rural artisans in various areas affected by the heavy downpour and added that if the help is not extended on the priority, then we are doing disservice to such people. He urged Banks to extend finance to rural artisans, SHGs and young entrepreneurs.

Shri P.C. Sahoo, Regional Director, RBI, in his address, emphasised the need to reduce the gaps in Adhaar seeding, issue/activation of RuPay cards and appointment of BCs. Training of BCs, making available micro-ATMs to them and migrating scholarships/pension accounts from branches to BCs for better/ door-to-door service to the customers in villages were also stressed. He exhorted Banks to scale up the Financial Literacy efforts, keeping in mind the target group of newly opened PMJDY and also underlined the requirement of widening Financial Literacy coverage to include benefits of Adhaar linkage. He also urged upon Banks to educate the customers regarding the perils of non-operation of RuPay cards regularly, grievance redressal mechanisms available (including features of Banking Ombudsman Scheme), caution against fictitious lottery offers and deposit taking activities of unauthorised money collection/investment schemes under lure of high returns, etc. He stressed the need for robust Management Information Reporting System in banks and requested the banks to report any suspicious deposit taking activities to RBI. Some other concerns highlighted includes low off-take in Agriculture Term Loans, pending recovery cases and under-achievement of Priority Sector targets for Agriculture and Weaker Section. He also requested the Chief Secretary and the SLBC convener bank to facilitate commencing of holding of annual sensitisation programmes for DCs and CEOs of Zilla Parishads on specific scope and purpose of LBS for closing the information/ communication gaps and generating better synergy for effective teamwork between Banks and the Government, who were both working towards the common goal of Financial Inclusion. He informed that the reports on CD Ratio study conducted jointly by RBI and NABARD in 5 districts with the lowest CD Ratio, would be shared with the House of next SLBC meeting, once finalized.

Then, **Shri V.S. Khichi** with the permission of the Chair, made power point presentation on the agenda items and discussions held thereon is summarized below:

Confirmation of the proceedings of last meeting

Shri Khichi informed that the proceedings of the 144th meeting of State Level Bankers' Committee (SLBC) for the quarter ended December, 2014 held on 20.03.2015 were circulated to all the members on 09.04.2015. Since no comments / amendments were received from any of the members, the House confirmed the same.

RSETIs :

Shri Khichi presented the issues for starting the construction work of 4 RSETIs at Porbandar, Narmada, Tapi and Surat districts and requested the State Govt. for resolving the same. **Dr. Jayanthi Ravi** informed that issues pertaining to Porbandar and Surat have been sorted out, whereas issues for Tapi and Narmada districts will be sorted out shortly.

(Action : Rural Devp. Deptt., GoG).

As regards setting up of RSETIs in newly carved districts, **Shri Khichi** informed that LDMs of Botad, Devbhoomi Dwarka, Aravalli, Chhota Udepur and Mahisagar have recommended to set up RSETIs in the district along with feasibility report and DLCC

approval and requested the House for approval of the same. The House approved the same. The House, then, requested respective Sponsor Banks to get approval from their Corporate / Head Offices for setting up of RSETIs in these districts.

(Action : Bank of Baroda & Dena Bank)

Shri V.S. Khichi also informed that State Bank of India had conveyed that they may not open RSETIs in the newly carved Morbi and Gir Somnath districts allotted to them. Chairman, SLBC and Addl. Chief Secretary, Finance Department, Govt. of Gujarat then emphasized on the need of opening RSETI and advised SBI to open RSETIs in the newly carved districts despite non-availability of infrastructure grant from MoRD.

(Action : State Bank of India)

Shri Ashwani Kumar expressed concern over low settlement ratio and recollected having suggested to RSETI Directors in 144th SLBC meeting to invite Branch Managers of various Banks of nearby branches on the last day of training for interaction with the trainees and to help them in availing bank credit for undertaking economic activity. However, the figures reported for this quarter indicate no perceptible improvement. The Controlling Heads of Banks may reiterate the instructions.

(Action : All Banks & RSETI Directors)

Dr. J.N. Singh suggested for impact study for assessment of the effectiveness of the training programmes. He said what actual is the case for low settlement ratio and in this context, the impact study would be an eye opener for all stakeholders. **Shri Ashwani Kumar**, agreeing with the suggestion, said that impact study be undertaken in 1-2 districts.

(Action : SLBC)

Mukhya Mantri Gruh Yojana :

Shri V.S. Khichi briefed the house about the draft “Mukhya Mantri Gruh Yojana (MMGY)” scheme formulated by a small group of Banks and representatives from Finance Department, Urban Development and Urban Housing Development of State Govt., to cover the Economically Weaker Section (EWS) and Lower Income Group (LIG) and requested the House to approve the same. The House unanimously approved the Scheme and advised the Banks to implement the same after getting approved from their respective Corporate / Head Office.

(Action : Member Banks)

Opening of Bank Branch in Subir Block (Dang District) :

Shri V.S. Khichi informed the House that Baroda Gujarat Gramin Bank has intimated that since no suitable premises for opening of a bank branch in Subir Block of Dang district is available, they are not able to open the branch in the Block. **Shri Ashwani Kumar** requested the Finance Department of the State Govt. to look into the matter and arrange to provide suitable premises at Seva Sadan or any other Govt. offices to enable BGGB to open the branch.

(Action : Finance Department, GoG)

CD Ratio :

Dr. J.N. Singh advised Banks to improve the CD Ratio in the districts where it is below 40% and also highlighted that in Dangs district, no improvement in credit offtake is being observed and requested RBI to look into this. **General Manager, RPCD, RBI** informed the House that a study has been done by RBI in 5 districts where CD Ratio is less than 40% and the report of the Group will be submitted to SLBC and other concerned very shortly.

Kisan Credit Cards (KCCs) :

Shri V.S. Khichi informed the House that number of outstanding KCCs has reduced over the last year. Chairman, SLBC inquired the reason for the same. **Shri Khichi** informed that State Bank of India and Private Sector Banks have reported the reduced number and hence the reduction in outstanding KCCs. The representative from State Bank of India informed that earlier some of their Zones reported KCCs issued for Kharif and Rabi season separately, but now one combined KCC is issued for both the seasons.

Self Help Groups (SHGs) :

Shri V.S. Khichi presented before the house the progress under SHGs Bank Linkage and informed that to resolve the issues impending the growth in SHG Bank linkage, a Sub-committee of SLBC meets quarterly under the Chairmanship of CGM, NABARD. **Dr. Jayanthi Ravi** pointed out that still there are good number of SHGs which are not credit linked by the Banks and advised SLBC to take up this issue in the ensuing meeting of Sub-committee of SLBC on RSETI issues.

Pradhan Mantri Jan-Dhan Yojana (PMJDY) :

Chairman, SLBC expressed concern over large number of zero balance accounts and NIL transactions in those accounts. He also highlighted that about 71% of State population has enrolled for Aadhaar, against which accounts opened under PMJDY has only 28.14% of Aadhaar linkage and advised Banks to speed up the pace of Aadhaar seeding of the accounts as it would help the beneficiaries in getting various benefits directly credited into their account. **Dr. J.N. Singh** expressed concern over slowed down pace of enrollment under Social Security Schemes after its launch on 9th May, 2015. He then advised Banks to complete the exercise of Aadhaar seeding in the accounts at the earliest so that various benefits State Govt. intend to pass on can be directly credited to the beneficiaries' account. He also suggested to form a small group consisting of the representatives from the Finance Dept., State Govt and representatives from major Banks to study the issues obstructing operations in accounts opened under PMJDY / Zero Balance accounts, improvement in enrollment under Social Security Schemes, etc.. **Chairman, SLBC** advised SLBC to send the names of Banks representatives to the Finance Department to enable them to convene the meeting of the group.

(Action : Finance Deptt., GoG & SLBC)

Non-Performing Assets (NPAs) :

Chairman, SLBC advised SLBC to collect the figures of Non-Priority Sector NPAs from the Member Banks, since such NPA also forms a major part of total NPAs and advised to incorporate the same for discussion in next SLBC meeting. He also requested Member Banks to submit accurate data relating to NPAs so that the exact figures of NPAs for the State as a whole can be known.

(Action : SLBC)

Pandit Dindayal Yuva Sahay Yojana :

Shri Sanjay Prasad informed that the scheme under Pandit Dindayal Yuva Sahay Yojana has been revised and 5100 applications have been sponsored and requested the Banks to consider the applications.

Dattopant Thengadi Artisans Interest Subsidy Yojana :

Smt. Vatsala Vasudeva stated that the performance under Dattopant Thengadi Artisans Interest Subsidy Yojana was very low and the rejection was high. Only 4 Banks viz. Bank of Baroda, Bank of India, Dena Bank and State Bank of India have sanctioned more than half of the total applications sanctioned during the year 2014-15. She informed that the State Govt. has made many changes in the Scheme and it is now completely a new scheme and requested Banks to take it in a big way. She also mentioned that the target under the Scheme has not been increased for the year 2015-16. She added that the scheme is now more attractive than Vajpayee Bankable Yojana (VBY) which is the flagship Yojana of the State Govt. On the representations of some of the Banks regarding the GR and applications forms in Gujarati language, she informed that both are now available in English language as well. She told the House that some of the Banks are having district level cells for sanctioning of the applications which makes the things very difficult since they are not aware of the ground level realities. She, in particular, requested State Bank of India to look into this aspect to avoid difficulty faced by the applicants.

(Action : State Bank of India)

Dr. J.N. Singh requested **Smt. Vatsala Vasudeva** to issue a circular that the applications remained pending at the year 2014-15 be considered by Banks in the year 2015-16.

Other Matters – Pradhan Mantri Mudra Yojana (PMMY) :

Chairman, SLBC shared with the House that just before this meeting, a Video Conference was held by DFS with CMDs of Banks during which it was informed that the progress under Prime Minister MUDRA Yojana will be reviewed with CMDs on weekly basis. **Convenor, SLBC** requested the Banks to provide the target allotted to them from their Head Office under PMMY to SLBC, so that the progress can be reviewed in every SLBC meetings.

(Action : Member Banks)

Shri V.S. Khichi informed the House about launching of Credit Enhancement Guarantee Scheme for Scheduled Castes by the Ministry of Social Justice & Empowerment, Govt. of India on 6th May, 2015 which aims at providing credit enhancement guarantee to Banks for extending financial assistance to entrepreneurs belonging to Scheduled Castes. He requested Banks to instruct their branches for implementing the Scheme and actively participate in this Govt. of India initiative.

The meeting ended with vote of thanks proposed by **Shri R.N. Sharma**, General Manager, Bank of Baroda.
