

**MINUTES OF 152<sup>nd</sup> MEETING OF STATE LEVEL BANKERS' COMMITTEE (SLBC) FOR GUJARAT STATE FOR THE QUARTER ENDED DECEMBER, 2016 HELD ON 21<sup>st</sup> MARCH'17 AT 5.30 PM AT SWARNIM SANKUL, SACHIVALAY, GANDHINAGAR**

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The above meeting was graced by **Hon'ble Chief Minister Shri Vijaybhai Rupani** and **Hon'ble Dy. Chief Minister Shri Nitinbhai Patel**, presided over by **Shri Ashwani Kumar**, Chairman, SLBC & Chairman & Managing Director, Dena Bank and attended, among others, by **Dr.J.N.Singh, IAS, Chief Secretary, GoG, Shri K Kailshnathan, IAS, Chief Principal Secretary to Hon'ble Chief Minister, Shri Anil Mukim, IAS, Addl. Chief Secretary, Finance Deptt., GoG, Shri J.K.Dash, Regional Director, RBI, Shri R Sundar, CGM, NABARD, Shri Vikramaditya Singh Khichi, Convenor-SLBC and Field General Manager, Dena Bank, and other Senior Officials from various Departments of State Govt. as well as executives from various Banks, Insurance Companies, Lead District Managers etc. The list of participants is enclosed.**

At the outset, **Shri V.S. Khichi**, Convenor-SLBC, extended hearty welcome to Hon'ble Chief Minister, Dy. Chief Minister, Chief Secretary, Chairman, SLBC, other dignitaries on the dais and off the dais and all participants in the meeting. Further, he requested **Shri Ashwani Kumar, Chairman, SLBC** to deliver the keynote address.

Starting his address, **Shri Ashwani Kumar** expressed sincere thanks to Hon'ble Chief Minister and Dy. Chief Minister for sparing their valuable time for attending the meeting. Further, before review of the Key Banking Parameters, he informed the House that to give thrust to widespread adoption of "Digital Payment Mode", "Digi-dhan Melas" have been organized in six districts of the State and also Banks are undertaking the "Digital Village" drive in various identified villages of the State for facilitating "Payment through digital mode". He also stressed upon the need to keep the "Financial Literacy efforts specially aimed at digital payment" continued so that people do not deter from adopting the "Digital Payment Mode" after removal of limits on cash withdrawals from Savings Bank accounts from 13<sup>th</sup> March'2017 onwards. While talking about "Digitalization", He also appreciated the efforts of State Govt. for "100% Computerization of Fair Price Shops".

While talking about PMJDY, **Shri Ashwani Kumar** said that Banks have done good job and increased the Aadhaar seeding %age to 62%, but still there is a big gap between the achievement and targeted figure. He also said that the Aadhaar seeding %age in operative SB accounts has reached to only 45% and very big effort is required to reach at the benchmark level.

Under Social Security Schemes, He informed the House that there is marginal improvement in total enrollments under **Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana**. He also said that as per the latest available data, the claim settlement %age in these insurance schemes is around 95% and urged the insurance companies that while popularizing these schemes, specifically highlight the claim settlement %age. It will help these schemes to gain public trust and consequently the enrollment numbers will increase.

Taking up the matter of performance under **Atal Pension Yojana (APY)**, he appealed the Banks to achieve the given targets under the scheme and also urged the State Govt. to extend their support in mobilizing the applications by encouraging the beneficiaries of various Govt. Sponsored Schemes to join this scheme for their secured old age income.

Noting the 79% achievement under **Pradhan Mantri MUDRA Yojana**, he said that the performance is satisfactory considering the engagement of branches in demonetization process and expressed the hope for good improvement in achievement by end of March-2017.

Drawing attention towards “**Performance under Stand-up India scheme**”, **Shri Ashwani Kumar** said that Banks are lagging far behind from the target and appealed to step-up the effort and achieve the targets under the scheme.

Regarding implementation of “**Pradhan Mantri Fasal Bima Yojana**”, he appreciated the stakeholders for successful implementation of the scheme in the State. He then urged the State Govt. to sort out the technical issues which Banks faced while implementing the scheme for enabling smooth implementation of the scheme in next crop season.

Talking about the National Goal of “**Doubling of Farmer’s income by 2022**”, he advised the Banks to take measures as suggested by RBI and NABARD, with special attention on such measures which can build resilience of rural livelihoods against climate change.

Reviewing the performance of Banks under various parameters during the quarter ended December- 2016, he deliberated following points before the House :

1. Total Bank branches in the State stood at 9,228 and average population per branch stood at 6,545 for the quarter ended Dec-2016. From the perspective of equitable presence of Banking outlets across the State, he drew attention of Banks on following important points:
  - a. Opening of branches in identified villages with population above 5000, without having branch of any scheduled commercial Bank as per timeline of the roadmap.
  - b. Deploying the well-equipped Bank Mitra Infrastructure in villages, wherever the branches are not available.
  - c. Providing adequate banking services in tribal areas through branch/ ATM/ POS.
2. Total Bank business in the State stood at Rs.10.75 lakh crores, of which deposits constitute Rs.6.31 lakh crores and advances Rs.4.44 lakh crores and CD Ratio stood at 70.45%. He also said that the big increase in deposits, marginal decrease in advances and sharp fall in CD ratio in the quarter gone by, is the temporary effect of demonetization and these figures will attend their positive trend by quarter ended March-17.
3. Regarding district wise CD ratio, only two districts Ahmedabad and Morbi remained above 100%, 7 districts remained in bracket of 70-100%, 12 districts remained in bracket of 40-70% whereas 12 districts remained below 40% level. He urged the LDMs to devise the measures for increasing the CD ratio, in coordination with other members of DLCC.
4. Under Service Area Credit Plan, there was an achievement of Rs. 77,950 Crores against the annual target of Rs. 1,01,257 Crores (77% achievement) and :
  - i. The achievement under Agriculture Sector is reported at 68% of the given target. The %age of agri advances to total advances stood at 15.83% whereas the advances to Small & Marginal Farmers stood at 5.40% of ANBC.
  - ii. Under MSME finance the achievement stood at 95%, which is a satisfactory performance but the reduction in outstanding under MSME advances is a cause of concern.

5. Under Govt. Sponsored Schemes, the Banks are lagging much behind the given targets in many of the schemes, therefore, all out efforts to be put so that the given targets for current financial year under all Govt. Sponsored Schemes can be achieved.
6. The Gross NPA as of December-2016 stood at 6.90%. Support from any quarter like State Govt., DRT and Block level officers would be very much helpful for Banks, especially for making recovery in cases filed under State Recovery Act and SARFAESI Act.
7. Regarding establishment of RSETIs, Rural development Deptt. and GLPC to extend necessary support for handing over the land possession in Surat and Panchmahal districts and approval of lay out plan in Ahmedabad district, which is pending since long. He also advised the concerned sponsoring Banks to analyze the reasons for low settlement ratio of RSETIs in many districts and initiate the improvement measures on early basis.

With this brief review of performance of banks for the quarter ended December-2016, **Shri Ashwani Kumar** concluded his address.

**Shri Khichi** then requested the Hon'ble Dy. Chief Minister **Shri Nitinbhai Patel** to address the House.

Starting his address, **Shri Nitinbhai Patel** appreciated the good job done by Banks during the demonetization exercise undertaken in the State and emphasized upon the following :

- i. Bank should give more thrust for financing to various segments of Priority Sector Advances as Agriculture, Housing, Education, Weaker Section etc.
- ii. Govt. is providing interest subvention under Housing sector as this will not only support to realize the vision of "Housing for all by 2022" but it will also give push to construction & other related sectors and consequently more employment will be generated.
- iii. The availability of KCC is to be ensured for all farmers. Besides this, the loan should be made available to the farmers for different agri & allied activities. Focus to be also given for financing to agro-processing industries.
- iv. Special attention to be also given for financing the Education loan and loan to Economically Weaker Section.
- v. Documentation process to be simplified so that people may avail the credit facility with ease.

With these suggestion and advice, the Hon'ble Dy. Chief Minister concluded his address.

Taking the meeting forward, **Shri Khichi** requested the Hon'ble Chief Minister to address the House.

In his address to the House, **Hon'ble Chief Minister Shri Vijaybhai Rupani** said that this meeting creates a platform where all stakeholders can come together and plan for better development of the State. He also added that for increasing pace of the development of the State, more opportunities should be created and Banks can play a crucial role in this by giving more thrust to implementation of the employment generating schemes.

He further stressed upon the following :

- i. For “Inclusive and all round development of the State”, timely and adequate credit availability to be ensured for farmers, weaker section, Micro & Small enterprises units.
- ii. Measures to be devised for increasing the CD ratio of all districts of the State, more particularly of tribal districts.
- iii. Achieving the targets of aadhaar seeding and RuPay card activation in all accounts, with special focus on PMJDY accounts.
- iv. There is much scope for improvement in performance of Banks under various Govt. Sponsored Scheme and SHG- Bank credit linkage programme.
- v. Banks to register a much better performance under “Pradhan Mantri MUDRA Yojana”. Out of total applications sanctioned under the scheme, the proportion of applications sanctioned under “Tarun” & “Kishore” category should be increased.
- vi. While expressing consent over the thoughts of Dy. Chief Minister about Housing loan, he informed that Govt. has made some provisions for validation of Occupancy and Allotment of Land under Urban Land Ceiling act and Banks can explore for financing under this scheme.
- vii. More focus to be given for opening of branches in Rural areas.

Appreciating the Banks for their good work at the time of Demonetization and giving the wishes for their good progress in the time to come, the Hon’ble Chief Minister concluded his address.

**Shri Khichi** then requested **Shri J K Dash, Regional Director, RBI** to address the House.

Addressing the House, **Shri Dash** deliberated the following points with a request to the members to take immediate steps on the action points concerned to them :

- i. As per SLBC data, due to significant growth in bank deposits, decline in credit dispensation, partly owing to pre-payment of loans consequent upon demonetization, the CD Ratio of the State declined to 70.45% as compared to 79.69% in December 2015. However, as per RBI data, the ratio stood at 63.76% as against national CD ratio of 70.58%. The CD ratio based on utilization is high for Gujarat State in comparison to CD ratio based on sanction. Banks to improve the situation by finding viable avenues for more credit off take.

**(Action : Member Banks)**

- ii. In order to enhance growth in MSME credit, existing as well as recently recognized MSME clusters could be used as stepping stones by the banks. Banks may ensure implementation of various guidelines issued by RBI for MSME sector like roll out of Credit Proposal Tracking System (CPTS) to identify the scope or capacity of the under-served areas of MSME space, MSME revival and rehabilitation framework, sanction of stand-by credit limit and additional credit limit, etc.
- iii. The participation of State agencies (Govt. Companies & Departments) in Trade Receivable Discounting System (TReDS), would enable their MSME vendors to discount the invoices under TReDS and realize the proceeds without delay.

**(Action : State Govt.)**

- iv. Regarding Government of India resolve for “Doubling the income of farmers by 2022”, he called upon the banks to implement it in letter and spirit and stressed on providing hassle free credit for allied agri activities like poultry, bee-keeping, animal husbandry and fisheries etc.
- v. Banks to create the necessary banking infrastructure in villages having population above 5000.
- vi. In the wake of improved cash availability post demonetization, he advised the banks to make vigorous efforts to ensure that general public do not revert to cash transactions rather stick to digital banking. He elaborated on revised guidelines issued by RBI in respect of Financial Literacy Camps with focus on digitization.

He further informed that RBI is contemplating to observe a FL Week during June 5-9, 2017, across the country during which focus will be given on five themes as viz. KYC, Credit Discipline, Grievance Redress and Going Digital through USSD code (\*99#) and UPI platform.

**(Action iv- vi : Member Banks)**

After presenting these views, **Shri Dash** concluded his address.

Shri Khichi then requested **Dr. J.N. Singh, Chief Secretary, GoG** to address the House.

In his address, **Dr. Singh** specifically gave emphasis upon expediting the Aadhaar Seeding of Bank accounts. He also informed the house about availability of Aadhaar Seeding services at PoS installed at Fair Price Shops and urged the Banks to avail this service for increasing the Aadhaar Seeding% at much accelerated pace.

Moving ahead, **Shri V.S. Khichi, Convenor (SLBC)** started the power point presentation for review and discussion over the other agenda items.

#### **1. Confirmation of Minutes of 151<sup>st</sup> SLBC meeting :**

**Shri Khichi** requested the House to confirm the minutes as no amendments received from Members. The House confirmed the same.

#### **2. Follow-up actions on decisions taken in last meeting:**

Taking up this agenda, **Shri Khichi** informed the House about follow-up action on decisions taken in 151<sup>st</sup> SLBC meeting. He enumerated the following action points and requested the concerned members to take necessary steps for timely compliance:

##### **a. Submission of SHG Census Report. (Action : GLPC)**

**Shri Khichi** requested the representative of GLPC to submit the SHG census report so that further action can be taken based on the report. Responding to this, the representative of GLPC confirmed the submission of report by 30<sup>th</sup> April'17.

##### **b. Increasing the Aadhaar Seeding & RuPay Card activation in Bank accounts (Action : Member Banks)**

Deliberating upon this action point, **Shri Khichi** requested the Member Banks to expedite the measures to achieve the given targets under Aadhaar Seeding and RuPay card activation within least possible time.

Responding over this matter, **Shri Ashwani Kumar** advised the Banks to check the reporting mechanism of Aadhaar Seeded accounts and ensure that whether the data is being reported based on account wise or customer id wise. He also added that the reporting of Aadhaar Seeding shall be done on customer id wise basis.

c. **Common Portal for Govt. Sponsored Schemes (Action : State Govt.)**

Shri Khichi requested the State Govt. to expedite the process of development of Common portal for Govt. Sponsored Schemes so that the tracking of proposals can be done smoothly and disposal of the proposals may expedite.

On this matter, Shri Ashwani Kumar also requested the Chief Secretary to facilitate availability of one common form for all Govt. Sponsored Scheme which would help the Banks to speed up their scrutiny process.

**3. Pradhan Mantri Fasal Bima Yojana :**

Taking up this agenda, **Shri Khichi** informed that during implementation of the scheme, Banks encountered following difficulties and requested Principal Secretary, Agri. & Co.op. deptt., GoG to facilitate redressal of these issues :

- i. Although the Bank branches enter PMFBY data on State portal, the branches are further followed up for uploading the same PMFBY data on Central Portal.
- ii. Providing adequate time to Bank branches for entering details of all eligible loanee farmers whose premium have been deducted within stipulated date, on State portal.
- iii. To establish control room / help line at district level to timely resolve the technical and operational issues related to KCC portal, enabling the branches to implement the scheme smoothly.

Responding over these issues, **Shri Sanjay Prasad** said that the matter has been taken up with NIC for sharing of KCC portal data with the portal of Central Govt. He also said that the matter of keeping the KCC portal open for extended time has been taken into consideration and suitable changes will be done shortly.

**(Action : State Govt.)**

**4. Rural Self-Employment Training Institute:**

**Shri Khichi** highlighted the long pending issue of approval of lay-out plan of RSETI, Ahmedabad and handing over the possession of land for RSETI, Surat and Panchmahals and requested Addl. Chief Secretary to extend his support for redressal of these issues as early as possible.

**(Action :State Govt.)**

**Shri Khichi** also informed the House about felicitation of two RSETI trained worker by the Hon'ble Prime Minister for their excellent work done under "Swacchta Shilpi Programme" and "Pradhan Mantri Awas Yojana- Gramin".

**The meeting ended with Vote of Thanks.**

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