

**MINUTES OF 129<sup>th</sup> STATE LEVEL REVIEW MEETING (SLRM) FOR GUJARAT STATE FOR THE YEAR ENDED MARCH, 2011 HELD ON 18<sup>th</sup> MAY, 2011 AT AUDITORIUM, DENA BANK, ASHRAM ROAD, AHMEDABAD**

The above meeting was held on 18<sup>th</sup> May, 2011 which was presided over by **Shri D.L. Rawal**, Chairman, SLBC and Chairman & Managing Director, Dena Bank. The meeting was attended, among others, by **Smt. Rita Teotia**, IAS, Principal Secretary & Commissioner, Rural Development Department, Govt. of Gujarat, **Shri Lochan Sahera**, Suptd. of Stamps, Govt. of Gujarat, **Smt. Sonal Mishra**, Chief Executive Officer, Gujarat Urban Development Mission, **Shri M.K. Verma**, Addl. Secretary & Director (IF), Finance Department, Govt. of Gujarat, **Shri Sudarshan Sen**, Regional Director, Reserve Bank of India, **Shri S.G. Siddesh**, Chief General Manager, NABARD, **Shri P. Nanda Kumaran**, Chief General Manager, State Bank of India, Local Head Office, Ahmedabad, **Shri S.K. Das**, General Manager, Bank of Baroda, GM's Office, **Shri Mukesh Kumar Jain**, General Manager, PS & RRB and Financial Inclusion, Dena Bank, Corporate Office, Mumbai and **Shri Suresh N. Patel**, General Manager (Gujarat) & Convenor, SLBC, and other senior executives from various Banks, Insurance Companies, Financial Institutions, Govt. departments etc. The list of participants is given in Annexure.

**Shri Suresh N. Patel**, General Manager (Gujarat) & Convenor, SLBC, while extending hearty welcome to all the participants said that Reserve Bank of India had advised to prepare calendar of SLBC meetings for the year 2011-12 and accordingly after preparing the same, SLBC informed that first meeting according to the calendar would be held around 15<sup>th</sup> May, 2011. He informed that there was 100% submission of data from all the Member Banks and concerned Govt. Departments and thanked them for the same. On behalf of the SLBC and the entire House, he welcomed Shri Sudarshan Sen, who recently took over as Regional Director, Reserve Bank of India, Ahmedabad. He wished happy and healthy retired life to Shri S.G. Siddesh, Chief General Manager, NABARD who is retiring from the services on 31<sup>st</sup> May, 2011. He requested Shri D.L. Rawal to launch the Service Area Credit Plan for the year 2011-12. After the SACP was launched, he requested Shri D.L. Rawal, Chairman, SLBC to deliver his key-note address.

**Shri D.L. Rawal**, Chairman & Managing Director, Dena Bank & Chairman, SLBC extended hearty welcome to all the participants at the 129<sup>th</sup> meeting of State Level Bankers' Committee Meeting for Gujarat State.

He said that in this meeting the house would review, among others, the progress made under various key banking parameters during the financial year ended March 2011, the progress in the implementation of Annual Credit Plan 2010-11, progress under segments of priority sector and Govt. Sponsored Programmes as well as to discuss certain important agenda such as progress in implementation of Financial Inclusion Plan envisaging provision of banking services in the villages having population above 2000, coverage of uncovered farmers under KCC, Strategy to impart skill development to the persons belonging to BPL families and other issues as per agenda booklet.

Before, making his observations on the Agenda items, he made a brief mention on certain policy changes announced by RBI in the Annual Monetary Policy Statement 2011-12 on 3rd May 2011 as under:

- Based on the assumption of a normal monsoon and crude oil prices averaging US\$ 110 a barrel over 2011-12, the baseline projection of real GDP growth for 2011-12 for policy purposes is placed at around 8 per cent.
- On the recommendations of the Working Group constituted by the Reserve Bank of India to Review the Operating Procedure of Monetary Policy in India under Chairmanship of Shri Deepak Mohanty, a new Marginal Standing Facility (MSF) is instituted from which SCBs can borrow overnight up to one per cent of their respective NDTL. The rate of interest on amount accessed from this facility will be 100 basis points above the repo rate. This facility is expected to contain volatility in the overnight inter-bank market.
- The savings bank deposit interest rate has been increased from the present 3.5 per cent to 4.0 per cent with immediate effect.
- As indicated in the Second Quarter Review of November 2010, the Reserve Bank has reiterated that the allocation of 60 per cent of micro and small enterprises (MSEs) advances to the micro enterprises needs to be achieved in stages, viz., 50 per cent in the year 2010-11, 55 per cent in the year 2011-12 and 60 per cent in the year 2012-13. Further, banks are mandated to achieve a 10 per cent annual growth in the number of micro enterprise accounts and a 20 per cent year-on-year growth in credit to the MSE sector.
- The recommendations of Malegam Committee have been accepted broadly, which are (i) creation of a separate category of NBFC-MFIs; (ii) a margin cap and an interest rate cap on individual loans; (iii) transparency in interest charges; (iv) lending by not more than two MFIs to individual borrowers; (v) creation of one or more credit information bureaus; (vi) establishment of a proper system of grievance redressal procedure by MFIs; (vii) continuation of categorisation of bank loans to MFIs, complying with the regulation laid down for NBFC-MFIs, under the priority sector etc.
- However, the bank loans to other NBFCs would not be reckoned as priority sector loans with effect from April 1, 2011.
- There is a need to step up the opening of branches in rural areas so as to improve banking penetration and financial inclusion rapidly and meet the targets set out for providing banking services in villages with population over 2,000.
- To allocate at least 25 per cent of the total number of branches to be opened during a year to unbanked rural (Tier 5 and Tier 6) centres.

- The provisioning requirements on certain categories of non-performing advances and restructured advances is enhanced.
- The Government of India has set up a company, as the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to give effect to the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. The objective of the central registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property. The registry became operational from March 2011 and its jurisdiction covers the whole of India.
- Repo rate & Reverse Repo rate have been increased by 50 basis points to 7.25 per cent and 6.25 per cent respectively.
- Other major policy rates have been left unchanged.
- As announced by the Hon'ble Union Finance Minister in his Budget speech, the existing Housing Loan limit of Rs.20 lakh is enhanced to Rs.25 lakh for dwelling units under priority sector lending w.e.f. 01.04.2011.

He was happy in informing that the State has presence of RSETIs in all its 26 districts and said that while Banks have responded to opening of RSETIs in the hired premises, the State Govt. has also been prompt in allotment of land in 21 districts. He requested the State Government for expeditious allotment of land in Ahmedabad, Mehsana & Dangs districts.

He advised all RSETIs to ensure the implementation of Mission Mangalam in letter and spirit, which is very much required for capacity building and better management of micro-enterprises of rural people.

He informed the House that Government has attached highest priority to the Financial Inclusion Plan (FIP) which during the first phase envisages the provision of Banking services at villages having population more than 2000. He informed that as per the roll-out plan for Gujarat State, out of 3502 centers identified, Banks were to cover 1007 villages during the year 2010-11 and added that as per the available data, Banks have covered 1316 villages, surpassing the projections by 309 villages. He requested Member Banks to maintain the same tempo in the current year also so as to cover all the FI villages well before the set time frame of March 2012. He, however, felt that there is a need to keep the no-frills accounts active by increasing the number of transactions for sustainable viability of the Business Correspondents at village level.

He expressed happiness in informing that SLBC is regularly reviewing the progress under Special IBA Package to MSME, Housing and Auto Sectors and said that as of March, 2011, banks in the State have sanctioned working capital loans to the extent of Rs. 9756 crores covering 29342 new borrowers and have granted incremental working capital loans aggregating to Rs.3940 crores covering 9036 existing units. Besides banks have restructured 6809 MSME accounts involving financial assistance of Rs. 1086 crores.

He further said that Banks have granted housing loans to 1,04,606 borrowers amounting to Rs. 10586 crores. Banks have also granted auto loans amounting to Rs. 4614 crores covering 1,27,145 borrowers.

### **Review of Banking Parameters :**

He then dwelt upon review of some of the important banking parameters and concerns where immediate remedial action is required by banks, Govt. agencies and other organisations.

### **Branch Expansion :**

He noted that that there was an addition of 342 branches during the year 2010-11 as a result, total no. of branches in Gujarat stood at 6433 and added that 133 licenses are reported to be pending in March 2011. Expressing hope that a good number of licenses might have been utilized, he requested the concerned banks to expedite opening of the branches at rural and semi-urban, centers so that momentum of credit flow to agriculture and Priority Sector is sustained further.

### **Deposits:**

The State has witnessed growth in deposits of 20.76% during the year ended March 2011, as against all India growth of 15.9 %. The growth is better compared to 17.42% recorded during the previous year.

### **Advances :**

The State has witnessed growth in advances of 20.72% during the year ended March 2011, as against all India growth of 21.2%. The growth is better compared to 18.00% recorded during the previous year.

He said that the State has witnessed good growth both in Deposits and Advances during the year 2010-11 at 20.76% and 20.72% respectively. He said that deposits had grown by 17.42% and advances by 18.00% as of March, 2010.

### **CD ratio :**

He informed that the CD ratio stood at 63.09 % as of March 2011, which has slightly declined by 0.02 %, over that of March 2010. As regards, Credit plus Investment to deposit ratio, he informed that it continues to be satisfactory at 79.10% and CD Ratio at 88.12% with the inclusion of advances granted to units in Gujarat by Bank branches situated outside Gujarat, may be considered as satisfactory.

### **Priority Sector Advances :**

He noted that the Ratio of Priority Sector Advances to ANBC stood at 46.26% which is well above the Benchmark level of 40% and the Ratio of agricultural advances to ANBC is also above the Benchmark level of 18% which stood at 20.18%. He, however, advised to put in more efforts to boost the ratio under Weaker Sections advances which was below the mandatory target of 10% of the ANBC and remained at 7.46% at the end of 2010-11.

### **Progress under State Annual Credit Plan :**

He informed that during the year ended March, 2011, Banks in the state have achieved 96.43% of the targeted credit flow under various segments of Priority Sector. The highest achievement was recorded in AVCI & SSI at 123.08%, followed by Trade & Services at 116.73% and Agri. & Allied sectors at 83.61%. He emphasized that by little more efforts, State could have achieved the targets which has been missed by a very short margin.

He noted that the no. of KCC a/cs have increased from 22.25 lacs with an amount of Rs.10824 crore as of March 2010 to 25.28 lacs with an amount of Rs.12684 crore as of March 2011. He further added that although the number of farmers covered under Kisan Credit Card Scheme is increasing, yet Banks have to make aggressive efforts to provide more Kisan credit cards to the needy and uncovered farmers as per the action plan decided by the SLBC. He requested the State Govt. to extend whole hearted support of their field staff in identifying the eligible uncovered farmers.

### **Recovery cases :**

He expressed serious concern over the large number of 1.76 lacs cases under State Recovery Act involving an amount of Rs 369.25 crore and requested the State Government to continue its support by their revenue officials towards recovery so that recycling of funds would improve.

He also drew the attention of the Revenue Department, Government of Gujarat towards the pending issues relating to

- Delay faced by the Banks in obtaining order in Application filed before the District Magistrate under Section-14 of SARFAESI Act, 2002 for physical possession of secured assets and
- Double Stamp Duty charged on the property taken in possession by Banks under SARFAESI Act, 2002

Saying that recovery of large value NPA advances under SARFAESI Act, 2002 is one of the prime concerns for the banks for recycling of funds, he felt that the co-operation of the State Government is very important for fast completion of the required

procedures under the Act for effecting recoveries and requested for expeditious response from the State Govt.

He expressed sincere thanks to the State Govt. for their continued support and cooperation in the implementation of various development programmes aimed at economic well being of the people.

He also expressed gratefulness to RBI, NABARD and Ministry of Finance for their continued support and guidance to this forum in discharging its responsibility in a responsive and meaningful manner.

He extended hearty welcome to Shri Sudarshan Sen, Regional Director, Reserve Bank of India and said that with his knowledge and experience, the house would be benefited. He also appreciated Shri S.G. Siddesh, Chief General Manager, NABARD, who is retiring from the services on 31.05.2011 for his very active participation in SLBC meetings and said that inputs given by him would be very useful for Bankers.

**Shri Sudarshan Sen**, Regional Director, Reserve Bank of India, expressed happiness to participate in SLBC. He also said that SLBC is a unique forum which deliberates upon and resolve issues which are coming in the way of economic and social development. He said that he looks forward to have a very fruitful and mutually benefitted relationship amongst all.

He informed that that all across the country, the new system of finalisation of calendar for SLBC meetings is finalised and introduced from this year and added that it has been informed that SLBC - Gujarat has already circulated the calendar to all the concerned. He also said that timely submission of data is essential for meaningful and effective monitoring of the issues and advised the members of SLBC to stick to the time frame. He observed that some of the agenda matters are pending since long and follow up actions on the same by the concerned departments to resolve the same.

He said that to meet the assigned target under FIP, delivering banking services to underprivileged in a time-bound manner is essential. He expressed happiness in noting that in the State of Gujarat, the target for the year 2010-11 is achieved. He, however, noted that this was possible because of major contributions of 4-5 major banks. He stated RBI has made it very clear that the target under FIP has to be met by all the Banks.

He informed that MSME is assigned high priority by RBI and Govt. of India and the progress is monitored at the highest level. He said that this Sector is important for economic development and employment generation. He advised Banks to monitor the rehabilitation of sick viable units by extending the financial assistance to revive them for which the realistic and positive approach is required.

He concluded his address with thanks to the House for a warm welcome which he received in his first meeting as Regional Director.

## **Agenda No.1**

## **Confirmation of the proceedings of last meeting.**

**Shri Suresh N. Patel** informed that the proceedings of the 128<sup>th</sup> State Level Bankers' Committee Meeting (SLBC) for the quarter ended December, 2010 held on 18.03.2011 were circulated to all the members on 2nd April, 2011.

Since no comments / amendments have been received from any of the members, the House confirmed the same. Thereafter, he presented the Agenda items through Power Point Presentation.

## **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 in the 128th SLBC meeting, it was informed that the process of allotment of land for 4 districts viz. Ahmedabad, Mehsana, Dangs and Dahod for construction of RSETI premises is on at Rural Development Department, Govt. of Gujarat.

**Smt. Rita Teautia**, Commissioner & Principal Secretary, Rural Development, Govt. of Gujarat informed that the land is allotted in Mehsana and Dangs district. As regards the land allotment in Ahmedabad district, she said that since the land in and around Ahmedabad is very costly, she suggested that the Department will identify the premises to run the RSETI as State Government has done in Bhavnagar district.

**(Action : Rural Development Department, GoG).**

**Smt. Rita Teautia** informed that now the Government of India has sanctioned money to Banks for construction of RSETI premises and Banks now need to start the construction work. She suggested that Banks should come out with common design of RSETI premises.

**Shri D.L. Rawal** stated that all the three Lead Banks would jointly work out the same with the assistance of Rural Development Department, Govt. of Gujarat.

**(Action : Three Lead Banks & Rural Development Department, GoG).**

**Shri Suresh N. Patel** informed that during the year 2010-11, RSETIs in the State have trained 37,799 beneficiaries.

**Smt. Rita Teotia** while appreciating the training programmes conducted by RSETIs in the year 2010-11, stated that with a view to further improve the quality of training imparted, the training programmes should be designed as per NIRD module.

**Shri D.L. Rawal** informed that the qualitative aspects of the training need to be followed so that the settlement ratio can be improved and the target groups can be benefitted. He advised SLBC Secretariat to collect such details from each RSETI and present the same in every quarterly SLBC meetings. **Shri S.K. Das**, General Manager, Bank of Baroda informed that they provide loan application form to the trained beneficiaries on completion of training and financial assistance is being tied up for those who desire to avail financial assistance.

**(Action : SLBC)**

## **2.2 Functioning of Financial Literacy and Credit Counseling Centres (FLCCCs) as per model scheme circulated by RBI \_\_\_\_\_**

At present, there are 30 FLCCs established in 24 districts, out of 26 districts in Gujarat, as per following details :

<b>Sr.No.</b>	<b>Bank</b>	<b>No. of FLCCCs</b>	<b>No. of Districts</b>
1	Dena Bank	5	5
2	State Bank of India	7	7
3	Bank of Baroda	17	11*
4	ICICI Bank Ltd.	1	1
	<b>Total</b>	<b>30</b>	<b>24</b>

\* Out of 12 lead districts of Bank of Baroda, it has set up 17 FLCCs in its 10 lead districts (Valsad - 2, Surat - 2 and Vadodara - 2). Bank of Baroda has also set up 4 FLCCs in other than its lead districts viz. Jamnagar, Patan, Mehsana and Amreli. Bank of Baroda vide letter dtd. 29th April, 2011 has informed that they have requested their Corporate Office for permission to set-up FLCC in **Dangs and Tapi** districts.

**Shri S.K. Das**, General Manager, Bank of Baroda informed that by September, 2011, they would set up FLCCCs in Dangs and Tapi districts.

### **Conversion of FLCCCs as per RBI Model Scheme :**

**Shri Suresh N. Patel** requested Banks to initiate steps for conversion of FLCCCs as per RBI Model Scheme.

## **2.3 Interest Subsidy for Housing the Urban Poor (ISHUP) - the practice for implementation of ISHUP**

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**Shri Suresh N. Patel** informed that National Housing Bank (NHB) vide its letter dtd. 31st January, 2011 has informed that a number of meetings have been held by Ministry of Housing and Urban Poverty Alleviation (MoH&UPA), Government of India, together with NHB and HUDCO with various State Governments. NHB, as a Central Nodal Agency, has been sharing the outcome of the meetings of the Steering Committee and measures being taken by the few State Governments towards implementation of ISHUP. They have shared the following initiatives taken by the State Government of Tamilnadu, which has provided fresh impetus to the Scheme:

- a. State Government of Tamilnadu have issued the order in the State regarding granting concessions like exemption from payment of development charges, stamp duty on mortgaging of house site, pattas, etc.
- b. Target of benefiting 1 lakh families has been fixed in the State. Subsequent to this, districtwise targets have also been fixed and the officials concerned have also been sensitized about the implementation of the Scheme.

**Smt. Sonal Mishra**, Chief Executive Officer, Gujarat Urban Development Mission (GUDM) , Govt. of Gujarat informed that GUDM is implementing housing schemes of different plot areas under JNNRUM with the Financial Assistance from the Central Government, State Government and concerned Municipalities and gave the progress under the Same. She also informed that they had apprised the Jt. Secretary, Govt. of India about these schemes. Moreover, they have also made a reference to the Central Government with their due recommendations for approval of modification in the Interest Subsidy scheme for Housing the Urban Poor and added that the matter is still pending with the Govt. of India. To this, **Shri D.L. Raval** requested her to send the copies of said communications to SLBC to enable them to apprise the House.

**(Action : Gujarat Urban Development Mission)**

## **2.4 Hindrance in selling the property belonging to Scheduled Tribes as part of recovery process**

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**Shri Suresh N. Patel** informed that In 128th SLBC meeting, the captioned issue was discussed and it was decided that a formal request letter be sent to District Development Officer, Narmada District. Accordingly, SLBC vide its letter dtd. 30th March, 2011 detailing therein the agenda item requested the District Development Officer for expediting in granting the permission for selling the secured property. The copy of the said letter was also endorsed to the District Collector, Narmada.

**Shri Suresh N. Patel** informed that as the reply is still awaited from District Development Officer, the matter would again be taken up with them by SLBC.

(Action : SLBC)

## 2.5 Financing for Internal Lending as Cash Credit Limit to Sakhi Mandals promoted by State Government

- (i) **Issue relating to waiver of Stamp Duty and Enhancement of Credit limits for exemption of Stamp Duty to all types of Self Help Groups (SHGs), including Sakhi Mandals**
- (ii) **Exemption of levying stamp duty on inter-se Agreement executed by the Members of SHGs / Sakhi Mandals**

In the 128th SLBC meeting, while discussion on the above issue, the Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat had stated that the issue would be examined at their end. Accordingly, SLBC vide its letter dtd. 19th April, 2011 requested the Rural Development Department about action initiated on the same so that the same can be incorporated in Agenda Booklet.

- (i) Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat has informed that they have vide their letter No.CRD/MM/GLPC/SHGs/869/2010-11 dtd. 9th May, 2011 has taken up the matter with the Principal Secretary, Revenue Department, Govt. of Gujarat and recommended to consider present modification / order which is expiring on 19th December, 2011 and a fresh notification for extension of exemption from payment of stamp duty be issued.

**Shri Suresh N. Patel** informed that Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat vide letter dtd. 9th May, 2011 informed that they have requested the Principal Secretary, Revenue Department, Govt. of Gujarat for the modification in aforesaid Order. **Shri Patel** requested the Revenue Department to expedite in the matter.

(Action : Revenue Department, Govt. of Gujarat)

- (ii) The Managing Director, Gujarat Livelihood Promotion Co. Ltd. (GLPCL) has informed vide their letter No.CRD/MM/GLPC/SHG/866/2011 dtd. 9th May, 2011 that the duty chargeable on the instrument i.e. Inter-se Agreement executed by Self Help Group / Sakhi Mandal for securing loan / borrowing upto Rs.1 lakh is exempted vide Government Gazette dtd. 28th July, 2010.

**Shri Suresh N. Patel** said that the issue now stands resolved and requested Member Banks to take note of the above.

## **2.6 Study Report on verification of Borrowers and End Use of Funds under Government Sponsored Schemes - NIRD Study Report**

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During the SLBC meeting held on 18.03.2011, the Study Report was annexed to the Agenda papers and Member Banks were requested to take necessary action.

RBI vide their letter dtd. 31st March, 2011 advised to submit the confirmation about the follow up / corrective action initiated by the Banks and the concerned sponsoring agencies of the Central Govt. Sponsored schemes (SGSY, SJSRY, PMEGP, SRMS).

Accordingly, SLBC vide its letter dtd. 6th May, 2011 requested all the Member Banks as well as Sponsoring Agencies to submit their confirmation in the matter.

**Shri Suresh N. Patel** requested Member Banks to confirm to SLBC that necessary action as mentioned in the NIRD Study Report is initiated at their end.

## **2.7 3rd meeting of Sub-Committee of SLBC on Credit Growth and Financial Inclusion held on 24th March, 2011**

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**Shri Suresh N. Patel** informed that since the formation of the Sub-Committee, so far three meetings have been convened by SLBC, the last being on 24th March, 2011. In the said meeting, the progress under Credit growth and Financial Inclusion was reviewed. The minutes of the said meeting was circulated to Members vide SLBC letter dtd. 13th April, 2011.

He said that the advances to Priority Sector increased from Rs.61,471 crores as of March, 2010 to Rs.71,975 crores as of March, 2011, reaching at 46.26% as against stipulated benchmark of 40%. Similarly, Agriculture Sector increased from 18.93% as of March, 2010 to 20.18% as of March, 2011. However, the CD Ratio of the State slipped marginally from 69.05 as of March, 2010 to 69.03 as of March, 2011, showing a decline by - 0.02% during the year 2010-11.

He informed the State has crossed the target under FIP for the year 2010-11. However, 6 Banks (viz. Allahabad Bank, Central Bank of India, Indian Overseas Bank, UCO Bank, Saurashtra Gramin Bank, Baroda Gujarat Gramin Bank) could not meet the target given by them and these Banks have been requested to achieve the same. He further informed that the progress under FIP is regularly collected from the Member Banks and forwarded to Govt. of India and to Reserve Bank of India on monthly basis.

## **2.8 High Level Committee to review Lead Bank Scheme - Providing banking services in village having population of over 2000 by March, 2012**

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**Shri Suresh N. Patel** informed that as against the target of 1007 villages for providing banking services under FIP, the Banks in the State provided banking services in 1316 villages in the year 2010-11. However, 6 Banks could not reach the target committed

by them during 2010-11 and. SLBC has already taken-up the matter with these 6 Banks. He further informed that total 2,186 villages to be covered by all Banks under FIP by March, 2012 under FIP.

**Shri D.L. Rawal** advised those Banks which could not achieve the target given by them for the year 2010-11 to see that the gap is fulfilled in the current year as well as achieve the target for the year 2011-12.

**Smt. Rita Teotia** informed that when we are talking about Financial Inclusion, we need to put in some action related to issuance of NREGA job cards. She further informed that in Gujarat total 38 lakhs NREGA cards have been issued, of which only 16 lakhs are with Banks and the remaining are with the Post Offices. She said that they have difficulties in working with Post Offices as they do not have computerised system which results into inordinate delay of payment of wages. Regarding Indira Awas Yojana (IAY), she informed that the target 1,77,000 beneficiaries under IAY was fixed for the year 2010-11 and for the year 2011-12, the target is fixed at 1,27,000. She added that Banks need to open the accounts of the beneficiaries under DRI which remain to be covered in the current financial year and financial assistance be granted under DRI Scheme to all IAY beneficiaries. She also requested RBI to allow similar facility of lending under DRI scheme to State's sponsored schemes which are similar to IAY.

**Shri D.L. Rawal** said that when the Government is ready to pass on this entire work to Banks, Banks should grab this opportunity and advised all Bankers to see that the proper instructions go to their branches in this regard.

## **Financial Inclusion - Awareness Campaign at the Ground Level - Meeting with Banks**

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**Shri Suresh N. Patel** informed that as decided in the meeting convened by IBA of all SLBC Convenors on 5th April, 2011, SLBC convened a meeting of major Bankers and three RRBs along with representative from RBI and NABARD on 07.04.2011 to discuss the matters pertaining to Awareness Campaign at ground level about Swabhimaan Programme on Financial Inclusion. The suggestions emerged from the said meeting are as under :

The detailed outline of the awareness campaign at ground level were briefed and material provided by IBA which contained details of logo, hoardings, posters, danglers etc. were discussed and three CDs / DVDs provided by IBA to SLBC were also displayed for the information to the participants.

After detailed discussion, the majority of participants have come to conclusion on the following issues as elaborated below.

1. The coverage through Television, Radio and Print Media should be centralised for all the States and should be taken care of at Apex level and this responsibility may not be entrusted at the State level.

2. As regards State level campaign for Swabhimaan Programme, the members felt that there are two levels which needs to be addressed.
  - a. Common publicity of the programme covering entire geographical area of the State through Vans, local T.V. Channels, S.T. Bus hoardings etc.
  - b. Village level publicity in respective village where FIP / Swabhimaan Programme is being implemented, to be carried out by the respective Bank to whom the village is allocated.

Members felt that the expenses pertaining to (a) should be shared by all the banks in equal proportion, and for (b) village level publicity through wall paintings, danglers, posters etc. should be done by respective banks to whom the concerned villages are allotted and expenses to be borne by the respective banks.

However, all the banks would follow a uniform pattern in the villages as per IBA guidelines.

The members also felt that NABARD may support towards reimbursement of expenses incurred towards publicity within the frame work of their guidelines and as regards RRBs, support from NABARD would be needed so that their profitability is not adversely affected.

3. The members also felt that all banks should receive the guidelines from their respective HOs so that they can respond to the call given by the SLBC after receipt of IBA guidelines and each bank should also authorise respective Regional / Zonal Heads along with suitable budget provision for avoiding delay in implementation of the awareness programme.
4. The members consented on the above views and agreed to submit to IBA through Convenor - SLBC.

The above suggestions have been forwarded to IBA vide SLBC E-mail dtd. 8th April, 2011.

To take the initiative forward, IBA advised SLBC to convene a meeting of Members of SLBC to draw up a comprehensive plan for the ground level activities. As a hand holding exercise, IBA and Inter Publicity Private Limited shall assist in these meetings to share their experiences and views during the deliberations.

**Shri Suresh N. Patel** informed that in consultation with IBA, the date would be fixed shortly and would be informed to the Banks.

**(Action : SLBC).**

## **2.9 Delay faced by the Banks in obtaining order in Application filed before the District Magistrate under Section-14 of SARFAESI Act, 2002 for physical possession of secured assets**

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## **2.10 Double Stamp Duty for the property taken in possession by Banks under SARFAESI Act, 2002**

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**Shri Suresh N. Patel** informed the both the above mentioned issues remain unresolved since 124th SLBC meeting due to one or another reasons including absence of representative from the Revenue department during subsequent meetings of SLBC.

**Shri Lochan Sahera**, Suptd. of Stamps, Govt. of Gujarat informed that Revenue Department has written to Finance Department, Govt. of Gujarat. However, the issue can be discussed with Finance Department in a separate meeting.

**Shri D.L. Rawal** mentioned that this issue is lingering for the last more than 1 year and added that in other States there is no such provision of double stamp duty. He suggested that there should not be double stamp duty on bank recovery cases.

**Smt. Rita Teotia** informed that a small group of Revenue Department and Finance Department would be formed to resolve the issues.

**(Action : Revenue Department & Finance Department, GoG)**

### **Agenda No.3** **OTHER AGENDA**

#### **3.1 Indira Gandhi Matritva Sahyog Yojana (IGMSY)**

**Shri Suresh N. Patel** informed that Department of Financial Services, Ministry of Finance, Govt. of India vide letter F.No.3(1) 2011-CP dtd. 31st March, 2011 addressed to all the Chairman / CMDs/ MDs/ All SLBC Convenor Banks has forwarded the Scheme of Indira Gandhi Matritva Yojana (IGMSY) introduced by the Ministry of Women & Child Development, Govt. of India and briefed the House about the salient features of the Scheme.

He further informed that in the State of Gujarat, two districts viz. Bharuch and Patan are selected. SLBC vide letter No.GMO/SLBC3&129/567/2011 dtd. April 20, 2011

forwarded the detailed guidelines of the scheme and requested them to take up the matter as agenda item in ensuing DCC / DLRC meeting and ensure that concerned Member Banks / Govt. department in their district for initiating action for implementation of the captioned scheme. SLBC also advised LDMS to remain in touch with District Health Officer to get details of the women to be benefitted from time to time and to ensure smooth operation of the scheme.

He requested the Controlling Offices of the Banks operating in Bharuch and Patan districts to advise their branches about smooth implementation of the Scheme.

### **3.2 1% Interest Subvention on Housing loans sanctioned to Public upto Rs.15.00 lakhs under Public Housing loan Scheme**

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**Shri Suresh N. Patel** informed that Baroda Gujarat Gramin Bank (BGGB), Head Office, vide its letter dtd. 6th April, 2011 has requested SLBC to consider RRBs also eligible for submitting 1% Interest Subvention Claim to Reserve Bank of India as per the Scheme of RBI / Govt. of India.

However, as per Reserve Bank of India Circular RBI/2010-11/157- RPCD.SME & NFS.BC.No.16/06.11.01/2010-11 dtd. 9th August, 2011, implementing agencies for the captioned Scheme are only Scheduled Commercial Banks and Housing Financing Companies registered with National Housing Bank.

**Shri D.L. Rawal** advised SLBC to refer the issue to Reserve Bank of India.

**(Action : SLBC)**

### **3.3 Agenda sponsored by NABARD**

**Shri Suresh N. Patel** informed that NABARD vide its letter dtd. 6th May, 2011 has furnished the following issues for incorporating in the Agenda Booklet and requested the representative from NABARD to deliberate upon the same. **Shri U. S. Shevde**, Asst. General Manager, NABARD briefed the house on each of the following points.

#### **I. Formation and financing of Joint Liability Groups (JLGs)**

He informed that JLGs of Small Farmers / Marginal Farmers / Tenant Farmers / Oral Lessees and Share Croppers should be formed and finance be extended to them. He further informed that JLGs especially of Ganotias to be formed and also to issue the Kisan Credit Card under Financial Inclusion.

#### **II. Financial Inclusion**

He informed that financial assistance is available to FIP allottee Banks for creating ground level awareness under print media and under any specific project prepared by Banks. He also informed that NABARD extends grant assistance for training of

Business Correspondents identified by Banks and requested Banks if they have any such training programme, they may submit the proposal to NABARD.

### III. Farmers Clubs

He stated that there are 18,000 plus villages in the State and NABARD intends to have the presence of Farmers Club in each of the villages. He said that at present there are about 4,000 Farmers Clubs in the State and the target for the current financial year is fixed at 1500. He requested Banks to extend help in achieving the target.

### IV. Recognition of Farmers' Clubs as Business Facilitators / Business Correspondents (BFs / Bcs)

He informed that most of the BCs / BFs are from Technology Provider. He requested Member Banks to identify and engage good Farmers Clubs as BC / BF and inform NABARD about the same. He further informed that once these FCs are identified they have to get registered under Societies Act. To give the push to Farmers Clubs working as BCs / BFs, NABARD would bear the cost of registration.

### V. Districtwise position of KCC Vs Operational land holdings

He informed that there are certain districts where there are aberrations and said that focus needs to be given on these district.

He also informed that NABARD would extend grant assistance to FLCCCs particularly for Capital Investment and Operating expenses in identified 7 districts and added that any Bank which have set up FLCCCs in these district on or after 01.04.2010, even they can submit a proposal to NABARD.

## **3.4 Progress under financing to Indira Awas Yojana (IAY) - DRI Loan Scheme - as of March, 2011**

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**Shri Suresh N. Patel** informed that as per the Districtwise progress received from the Addl. Development Commissioner, Rural Development Department, Govt. of Gujarat upto the month ended March, 2011, total 90,570 applications were sponsored to the Banks, out of which Banks sanctioned 25,510 applications to the tune of Rs.48.42 crores.

**Smt. Rita Teotia** giving the performance of major Banks in the State said that the State Government has already assessed the eligibility of the persons and sponsored the applications to Banks then there should not be any rejection or pendency. She stated that Banks are rejecting loan applications on very flimsy grounds.

**Shri D.L. Rawal** advised Banks not to return the applications on flimsy grounds and also to issue instructions to their branches that pending applications should be disposed off on war footing. He said that this is one of the schemes through which Banks can also improve the performance under lending to DRI.

### **3.5 Issuance of Artisan Credit Card (ACC) under Mission Mangalam - Fixation of Unit Cost**

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**Shri Suresh N. Patel** informed that SLBC is informed by the Gujarat Livelihood Promotion Co. Ltd. (GLPCL) that it has identified 54 Artisans activities and the profiles of such activities have been already got prepared by them and requested that the unit cost of the proposed activities be finalised by appropriate forum.

**Shri Patel** requested the House that as suggested a sub-group of SLBC comprising of major banks, RBI, RRBs, NABARD, KVIC, KVIB, Cottage & Rural Industries and Development Commissioner (Handicraft) be approved and said that after examining the profiles, sub-group will finalise the unit cost of the projects. He informed that in consultation with GLPC, the meeting of Sub-group will be convened shortly and unit cost will be circulated to all Member Banks, thereafter.

**(Action : SLBC)**

### **3.6 Monitoring of progress under finance extended to MSMEs, Housing and Auto Sectors under IBA Package**

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**Shri Suresh N. Patel** informed that since the introduction of IBA Stimulus Package, the Banks have lent Rs.29,983.24 crores upto March, 2011. He requested Member Banks to report the progress on monthly basis to SLBC.

#### **Agenda No.4**

#### **REVIEW OF BANKING DEVELOPMENTS IN KEY AREAS FOR THE YEAR ENDED MARCH, 2011 :**

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**Shri D.L. Rawal**, Chairman & Managing Director, Dena Bank and Chairman of the meeting in his key-note address covered various key parameters like Branch Expansion, growth in deposits and advances, performance under CD Ratio and lending to Priority Sector advances.

#### **BRANCH EXPANSION**

**Shri Suresh N. Patel** informed that during the year 2010-11, total number of bank branches increased by 342 taking the total network of branches from 6,091 as of March, 2010 to 6,433 as of March, 2011. He said that 133 licences were pending at the end of March, 2011 as per the information received from Reserve Bank of India, Department of Banking Supervision (DBS).

#### **DEPOSITS GROWTH :**

**Shri Suresh N. Patel** informed that the aggregate deposits of the banks in Gujarat increased by Rs.46,777 crores in absolute terms from Rs.2,25,299 crores as of March, 2010 to Rs.2,72,076 crores as of March, 2011 registering a growth of 20.76% as against 17.42% for the previous year.

The highest percentagewise growth was registered by Pvt. Sector Banks (36.44%) followed by Nationalised Banks (20.02%) and SBI Group (15.56%) over the previous year, whereas GSCARDB has shown negative growth (-) 5.76% over the previous year. The NRI deposits stood at Rs.22,976 crores forming 8.44% of the total deposits, as against Rs.22,186 crores (9.85%) as at last year.

### **CREDIT EXPANSION :**

**Shri Suresh N. Patel** informed that during the period under review, the aggregate credit increased by Rs.32,228 crores in absolute terms from Rs. 1,55,575 crores as of March, 2010 to Rs.1,87,803 crores as of March, 2011 registering a growth of 20.72%, as against 18.00% for the previous year.

### **CREDIT DEPOSIT RATIO:**

**Shri Suresh N. Patel** informed that the CD Ratio of banks as of March, 2011 decreased by 0.02% over March, 2010 and stood at 69.03%. He further informed that during the year under review, out of 5 Bank group, only State Bank Group and Nationalised Banks have shown increase in CD Ratio over the previous year, whereas the CD Ratio of RRBs and DCCBs declined by 1.82% and 2.49% and remained below the stipulated benchmark of 60%. The CD Ratio of Private Sector Banks declined by 9.69% over the previous year.

### **CD Ratio BELOW 40%**

**Shri Suresh N. Patel** informed that as of March, 2011, the CD Ratio of eight districts is below 40% where the Banks are required to put in special efforts to increase the same. He said that during the quarter ended March, 2011, Dahod and Tapi districts slipped below the 40% CD Ratio.

**Shri D.L. Rawal** stated that Banks can not press Corporates in Mumbai having units in Gujarat to avail the finance from Gujarat and said that there are other host of activities where big corporates are not involved and Banks should explore such potentialities in each and every district, where the role of Lead District Manager is very important. He said that huge potentiality is available and the recovery climate as well as government support is good in the State and hoped that this year Banks would be able to improve the CD Ratio of the State in general and in the districts where the CD Ratio is below 40% in particular. **Shri Rawal** desired to know the reasons for low CD Ratio, to which the Lead District Manager, Anand informed that share of NRI deposits is 10% and the deposits during the year in the district rose by 15%, whereas the advances increased by 18%. He said that there is no big industry located and credit off take is low. **Shri**

**D.L. Rawal** pointed out that looking to the increase in advances, potentiality is there in the district and Banks should tap the same.

The Lead District Manager, Dangs informed that the district is completely hilly areas and major share of bank finance is under agriculture allied activities like milch animal finance. There is no industry finance, housing loan finance in the area.

**Shri D.L. Rawal** informed that State Govt. should work out some strategy to improve the CD Ratio of the districts where it is below 40%.

### **PRIORITY SECTOR LENDING :**

**Shri Suresh N. Patel** informed that during the year, the achievement under Priority Sector Advances stood at 46.26% and under Agriculture Sector it was 20.18% which were above the stipulated benchmark of 40% and 18% respectively. However, the performance under Weaker Section advances stood at at 7.46% which was below the stipulated benchmark of 10%.

**Shri D.L. Rawal** informed that in Gujarat Agriculture growth is very good, but still there are large number of farmers which are yet to be covered under KCC fold. He requested Banks and State Govt. for co-ordination in the matter of providing KCCs to all the eligible farmers. He advised the Agriculture Officers to see that eligible uncovered farmers are issued KCCs as the State is still far behind the target.

He also advised Banks to encourage more number of farmers by extending finance under Horticulture, Floriculture, Post - harvest technology on large scale so as to improve the Agriculture lending.

**Shri S.G. Siddesh**, Chief General Manager, NABARD noted that performance of Nationalised Bank Group and SBI Group was below the benchmark of 18% under Agriculture Sector. He also informed about the workshops to sensitise Bankers for enhancing the agriculture credit were conducted by NABARD in the State. He suggested for preparing special activities related plans for boosting agriculture credit.

**Shri D.L. Rawal** advised Nationalised Banks and SBI group banks to reach 18% benchmark under Agriculture Sector in the current financial year.

**Smt. Rita Teatota** stated that before the Garib Kalyan Melas Banks should consider applications under Sakhi Mandals / SHGs as per MoU and applications under IAY - DRI Loan Scheme, as the advances under this category would be classified as Weaker Section where there is deficit in achieving the Benchmark.

### **Weaker Section advances**

**Shri Suresh N. Patel** informed that the performance under financing to Weaker Section advances is one of the areas of concern and said that the share of Private Sector Banks is very negligible. He requested Private Sector Banks to enhance the

finance to Weaker Sections and report correctly then substantial improvement can be seen.

**Shri D.L. Rawal** stated that Banks need to ensure that each and every account is properly classified. He said that it is a one time exercise and advised Banks to issue instructions to the branches to go through each and every account which will also improve the quality of data submitted by them.

**(Action : Member Banks)**

### **Agenda No.5**

## **REVIEW OF PROGRESS UNDER SERVICE AREA CREDIT PLAN (SACP) 2010-11 FOR FRESH LENDING TO PRIORITY SECTOR :**

**Shri Suresh N. Patel** informed that the overall achievement in disbursement under Service Area Credit Plan as at the end of the year 2010-11 was 96.43% as against 86.44% for the year ended 2009-10. He said that the highest percentage achievement was recorded in AVCI & SSI - 123.08% followed by Trade & Services - 116.73% and Agriculture - 83.61%.

He said that the performance in respect of 16 districts was found to be satisfactory, whereas in respect of 10 districts the performance remained below average, particularly those of the Dahod (42.72%) district remained very poor, which was even below 50%.

He requested all the Lead District Managers to gear up machinery and monitor the Bankwise / Branchwise performance effectively in DLCC / BLBC meetings to ensure achievement of set targets for the year 2011-12.

He requested Member Banks to monitor the Branchwise / Districtwise performance of their Bank and to advise their branches / controlling offices to ensure 100% submission of LBR-2 / LBR - U2 Returns to respective Lead District Manager positively, so that correct / actual position of achievement is reflected for the Bank and the concerned district.

**(Action : Member Banks)**

## **SERVICE AREA CREDIT PLAN (SACP) FOR THE YEAR 2011-12**

**Shri Suresh N. Patel** informed that the total SACP for the year 2011-12 is envisaged at Rs.35,668.22 crores, of which, the target for financing to Agriculture Sector is Rs.22,617.90 crores, MSME is Rs.5851.30 and OPS is Rs.7199.03. He further informed that the Sub-Group of Steering Committee of SLBC in its meeting held on 28th April, 2011 proposed the target of Rs.25,000 crores for Agriculture Sector, keeping

in view the budget announcement for increasing Rs.1,00,000 crores under Agriculture Sector and 1% more incentive to farmers for credit limit upto Rs.3 lakhs.

## **Agenda No.6**

### **COMPARATIVE POSITION OF CASES FILED UNDER GUJARAT STATE RECOVERY ACT, 1979 AS OF MARCH, 2011**

**Shri Suresh N. Patel** informed that there are 1,76,435 cases pending for disposal involving amount of Rs.369.25 crores as of March, 2011, with maximum number of pendency as well as amount found in recovery cases pending for three years and above category.

He informed that large number of pending cases are found in district like Ahmedabad (No.30,001 - Amt. Rs.102.00 crores), Sabarkantha (No.19,747-Amt. Rs.18.65 crores), Banaskantha (No.15,144 - Amt. Rs.18.29 crores), Vadodara (No.11,786 - Amt. Rs.11.78 crores), Mehsana (No.4,630 - Amt. Rs.10.91 crores), Anand (No.5,984 - Amt. Rs.22.93 crores), Valsad (No. - 7,863 - Amt. Rs.10.65 crores), Kheda (No. 5,970 - Amt. Rs.87.64 crores) and Panchmahals (No.8,709 - Amt. Rs. 8.81 crores).

He requested the Revenue Department, Govt. of Gujarat to issue instructions to the District Authorities for quick disposal of pending Recovery Certificates and extend necessary help and support to the Banks in recovery in chronic cases.

**(Action : Revenue Department, Govt. of Gujarat)**

### **SECTORWISE NON - PERFORMING ASSETS (NPA) POSITION**

**Shri Suresh N. Patel** informed that as per the details collected from Member Banks, the Sectorwise NPA as of March, 2011, the total NPA in absolute terms is Rs.4605.22 crores which comes to 2.45% of gross advances. He also gave the NPA position under various Govt. Sponsored programmes.

## **Agenda No.7**

### **A. REVIEW OF PROGRESS UNDER GOVT. SPONSORED PROGRAMMES FOR THE YEAR ENDED MARCH, 2011**

#### **SWARNA JAYANTI GRAM SWAROJGAAR YOJANA (SGSY) :**

**Shri Suresh N. Patel** informed that the financial targets have been achieved by 77.97% for the year ended March, 2011 as against the achievement of 127.23% for the

corresponding period of the the previous year. He said that the total percentage of assistance to SC & ST Swarojgaris crossed the stipulation of 50% and stood at 54.23%.

He requested the Banks to dispose off pending applications on merits at the earliest.

### **PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)**

**Shri Suresh N. Patel** informed that Banks have crossed the target in terms of number of projects by 103.80% and in terms of Margin Money by 158.93% as at the end of the year 2010-11.

He also informed that out of 7,930 applications sponsored to Banks, 1,885 loan applications were sanctioned by Banks involving loan amount of Rs.14,584.39 lakhs and Margin Money amounting to Rs.4,040.82 lakhs.

He requested Member Banks to dispose off the pending applications at the earliest.

**Shri A.D. Choudhury**, State Director, KVIC congratulated the entire banking community in the State for achieving the target set for the year 2010-11. He informed the House that on a physical verification of the units during the last 2 years, 92% units were found working. He also stated that the recovery was also to the order of 80%.

He said that applications pending are little more over 3000 and as the applications are duly recommended by the Special Task Force, the same can be considered. He informed that in all the districts, EDP training is provided through RSETIs.

**Shri D.L. Rawal** requested all the implementing agencies of various State and Central Government Sponsored Schemes to give preference to the sincere candidates, then we can go for qualitative aspects rather than quantitative aspects.

### **(Action : Implementing Agencies - State & Central Govt. Sponsored schemes)**

#### **SWARNA JAYANTI SHAHERI ROJGAAR YOJANA (SJSRY) :**

**Shri Suresh N. Patel** informed that the achievement of target in terms of percentage stood at 284.38% in physical terms and 237.47% in financial terms for the year ended March, 2011. There were 12,733 loan applications pending at the year ended March, 2011.

He requested Member Banks to dispose off these applications at the earliest.

### **STATE GOVT. SPONSORED PROGRAMMES**

#### **VAJPAYEE BANKABLE SCHEME (VBS) :**

**Shri Suresh N. Patel** informed that the achievement of the target stood at 101.82% for the year ended March, 2011 against the 157.35% achievement for the corresponding period of the previous year.

He requested Member Banks to dispose off 13,677 pending applications expeditiously.

**GUJARAT SCHEDULED CASTES DEVELOPMENT CORPORATION (GSCDC) :**

**Shri Suresh N. Patel** informed that the achievement of target in terms of cases sanctioned stood at 59.07% for the year ended March, 2011 as against 73.34% for the corresponding period of the previous year.

He requested Member Banks to dispose off pending 694 loan applications at the earliest, since financing the loan applications sponsored by GSCDC forms a part of Weaker Section advances. The performance under Weaker Section finance is below the stipulated benchmark in Gujarat State and, therefore, financing to SC beneficiaries will help in improving the same.

**BANKABLE SCHEME OF DEVELOPING CASTES WELFARE DEPARTMENT (DCWD)**

**Shri Suresh N. Patel** informed that the achievement stood at 84.51% of the target as against 81.34 the corresponding period of the previous year. He requested the Lead District Managers of the districts where the performance was below average to take-up the matter in DLCC / BLBC meetings with the Banks' branches to improve upon their performance in the financial year 2011-12.

He requested Banks to ensure that 4,704 pending applications are disposed off by their branches on merits at the earliest.

**GUJARAT WOMEN ECONOMIC DEVELOPMENT CORPORATION (GWEDC) :**

**Shri Suresh N. Patel** informed that the achievement at the end of 2010-11 was 79.20% as against 49.04% for the corresponding period of the previous year.

He requested the Lead District Managers to critically review the performance in BLBC and DLCC meetings so that the performance can be improved.

He requested Banks to ensure that 2,410 pending applications are disposed off by their branches on merits at the earliest.

**JYOTI GRAM VIKAS YOJANA (MARGIN MONEY SCHEME) - JGVY:**

**Shri Suresh N. Patel** informed that sponsoring under the Scheme was only 56 applications (as against the target of 250 applications), of which 15 applications were sanctioned to the tune of Rs.153.44 lakhs. The achievement stood at 6% only as against 6.60% for the corresponding period.

**Shri D.L. Rawal** requested the implementing agency to ensure that adequate number of applications are sponsored at regular intervals and not at the fag end of the year and

added that Banks should also see that these applications are disposed off simultaneously.

## **Agenda No.8**

### **FINANCING UNDER OTHER PROGRAMMES / SCHEMES**

#### **(i) FINANCING TO MINORITY COMMUNITIES & WOMEN ENTREPRENEURS**

**Shri Suresh N. Patel** informed that fresh loans of Rs.952.73 crores were disbursed by the banks to 48,120 beneficiaries belonging to Minority Communities during the year March, 2011. The outstanding reached the level of Rs. 2,494.85 crores in 2,07,365 accounts as of March, 2011.

The share of advances to Minority Community to Priority Sector Advances stood at 3.49% as at the end of quarter ended March, 2011 which was 3.30% for the year ended March, 2010.

**Shri D.L. Rawal** mentioned that the performance is very low and the Banks must reach the stipulated target as the performance in financing to Minority Community is being reviewed very seriously by Govt. Of India with individual Bank. He advised Banks to see that during the current year, we improve the performance by considerable margin.

#### **WOMEN ENTREPRENEURS**

**Shri Suresh N. Patel** informed that the fresh credit to the tune of Rs.19.83 crores to 34,055 beneficiaries in the State during the year March, 2011. The outstanding advances reached the level of Rs.7,249.48 crores in 5,22,518 accounts and stood at 3.87% as against target of 5% of Net Bank Credit, which was 3.18% as of 31.03.2010.

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

#### **(ii) Self Help Groups (SHGs) :**

**(a) Shri Suresh N. Patel** informed that as per the information received from Member Banks, upto March, 2011, total 1,68,991 SHGs have been formed, of which 1,40,231 i.e. 82.98 % have been promoted exclusively for Women in the State. Out of 1,68,991 SHGs, 80,464 SHGs have been linked with Bank finance with an outstanding of Rs.284.57 crores.

SHGs are having a total membership of 18,51,400 of which women were 15,34,346 i.e. 82.87%.

#### **(b) Districtwise / Bankwise information on Sakhi Mandals**

**Shri Suresh N. Patel** informed that out of total 1,99,384 Sakhi Mandals, 1,78,368 Sakhi Mandals which have completed six months, 1,63,601 Sakhi

Mandals are graded i.e. 91.72%. Out of total 1,63,601 Sakhi Mandals graded, 1,46,380 Sakhi Mandals have been credit linked (82.07%) involving credit amount of Rs.230.61 crores as of March, 2011.

**Shri D.L. Rawal** requested all Banks to ensure that branches implement the guidelines without deviation as circulated by SLBC on the basis of MoU entered by SLBC for financing Sakhi Mandals / SHGs during Vibrant Gujarat Summit - 2011.

**(iii) REVIEW OF PROGRESS UNDER DIRECT HOUSING FINANCE & GJRHF**

**Shri Suresh N. Patel** informed fresh loans worth Rs.5,300.28 crores have been granted to 51,030 beneficiaries during the year March, 2011 under Direct Housing Finance and the outstanding level reached to Rs.12,352.08 crores in 2,37,033 accounts as of March, 2011.

Under Golden Jubilee Rural Housing Finance (GJRHF) Scheme, during the year March, 2011, fresh loans worth Rs.109.31 crores have been granted to 3,331 beneficiaries and the outstanding level reached at Rs.449.73 crores in 15,078 accounts as of March, 2011.

**(iv) REVIEW OF PROGRESS UNDER EDUCATION LOAN :**

**Shri Suresh N. Patel** informed that during the year, the Banks have disbursed Education loans to 10,642 students to the tune of Rs. 312.96 crores. The outstanding under Education loans reached to Rs.1,265.43 crores in 47,730 accounts as of March, 2011.

**(v) KISAN CREDIT CARD (KCC) :**

**Shri Suresh N. Patel** informed that the number of outstanding KCCs in the State has increased from 22,25,441 as of March, 2010 to 25,27,514 as of March, 2011 against total land holdings of about 42.39 lakhs in the State, showing net increase of 3,02,073 KCCs during the year 1010-11.

The bank groupwise break up is : Nationalised Banks - 5,09,148, State Bank Group - 5,65,332, RRBs - 2,12,644, Private Sector Banks - 27,153 and DCCBs -12,13,237.

**(vi) SWAROJGAR CREDIT CARD (SCC) :**

**Shri Suresh N. Patel** informed that Banks have issued 463 SCCs to the tune of Rs.1.45 crores during the quarter. In all 9,302 SCCs have been issued and the amount outstanding is Rs.22.16 crores and RRBs have issued 5,298 SCCs whereas the remaining Banks have issued only 4,004 SCCs.

**(vii) ARTISAN CREDIT CARD (ACC) :**

**Shri Suresh N. Patel** informed that during the quarter, 39 ACCs were issued by Banks amounting to Rs.32 lakhs and the outstanding ACCs were 4,139 amounting to Rs.3679.00 lakhs as of March, 2011.

**(viii) REVIEW OF FLOW OF CREDIT TO SSI SECTOR AND CREDIT LINKED CAPITAL SUBSIDY SCHEME FOR TECHNOLOGY UPGRADATION OF SSI (CLCSSTU) :**

**Shri Suresh N. Patel** informed that SSI advances stood at Rs.24,8256.31 crores at the quarter ended March, 2011, of which Rs.784.11 crores were extended to 4,110 units for technology upgradation under CLCSSTU. During the quarter under review, banks have disbursed Rs.53.26 crores to 118 units under CLCSSTU.

**(ix) ADVANCES TO SC & ST BENEFICIARIES :**

**Shri Suresh N. Patel** informed that the outstanding advances to SC beneficiaries as of March, 2011 was Rs.1,180.65 crores in 1,73,568 accounts, forming 9.31% of Weaker Section advances, which was 12.02% as of March, 2010.

Similarly, the outstanding advances to ST beneficiaries as of March, 2011 was Rs.1,470.12 crores in 1,95,124 accounts, forming 12.67% of Weaker Section advances, which was 12.53% as of March, 2010.

**(X) Progress under "No Frills Accounts" with overdraft facility and issuance of General Purpose Credit Cards (GCC)**

**Shri Suresh N. Patel** informed that as per the information received from Member Banks, 1,56,516 "No Frills A/cs" have been opened during the quarter ended March, 2011. Banks have provided overdraft facility to 2,76,254 a/cs amounting to Rs.423.75 lakhs. Total number of "No Frills Accounts" reached 19,88,096 as of March, 2011 with an amount of Rs.5605.15 lakhs in these accounts.

During the quarter, 5,030 GCCs amounting to Rs.259.50 lakhs have been issued by Member Banks. The cumulative position as of March, 2011 reached 37,007 GCCs amounting to Rs.1418.65 lakhs.

**(xi) Progress under Finance extended to Farmers under "Debt Swap Scheme" as of March, 2011**

**Shri Suresh N. Patel** informed that during the quarter under review, the Banks have disbursed loans amounting to Rs.4.67 crores to 888 farmer beneficiaries under Debt Swap Scheme. The cumulative disbursement comes to Rs.115.94 crores to 37,642 farmer beneficiaries.

**(xii) Progress under Finance extended to Farmers under "Agriculture Debt Waiver & Debt Relief Scheme, 2008" as of March, 2011**

**Shri Suresh N. Patel** informed that during the quarter under review, the Banks have disbursed loans amounting to Rs.25.51 crores to 2,136 farmers, who have been extended debt waiver / relief benefit under ADW & DR Scheme, 2008. The cumulative disbursements under the scheme comes to Rs.434.58 crores to 77,152 farmers.

### **(xiii) Reverse Mortgage Loan (RML) Scheme**

**Shri Suresh N. Patel** informed that During the quarter, banks have disbursed Rs.947.01 lakhs in 77 accounts and total outstanding loan amount stood at Rs.8650.88 lakhs in 477 accounts as of March, 2011. This scheme is not being implemented by all the Banks.

### **Agenda No.9**

### **GROUP REPORT**

**Shri Suresh N. Patel** informed that as decided in Steering Committee meeting of SLBC held on 28.04.2011, the following two groups - Group 1 - on Issues related to implementation of FIP - Roadmap under the leadership of Bank of Baroda, Group 2 (1) on Increasing Ground Level Credit under Agriculture Sector as announced in the Budget Speech for the F.Y. 2011-12 and (2) on Implementation of MoU of Rs.1,000/= crores signed between Gujarat Livelihood Promotion Company (GLPC) Ltd. and SLBC Convenor, Gujarat during Vibrant Gujarat Global Investors' Summit - 2011 under the leadership of NABARD were formed.

He requested Member Banks and concerned Govt. Departments 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 the concerned.

### **Table Agenda**

#### **1. Countering Counterfeit Currencies**

**Shri Suresh N. Patel** informed that Bank of Baroda vide its letter No.GZ/GM SECTT/06/15 dtd. 16th May, 2011 have sponsored agenda and requested to take it as Table Agenda wherein they have reported about incident in relation to counterfeit currency matter which occurred at their Nizampura branch in Vadodara on 14th May, 2011. **Shri Suresh N. Patel** briefed the House about the incident as per the details given by Bank of Baroda and the House unanimously condemned the incident of arrest of Manager and the Cashier by the Police without any proper inquiry and torture / physical assault in the lock up and requested the State Government for appropriate action in the matter.

**(Action : Home Department, Govt. of Gujarat)**

**2. Allocation of Statewise and Agencywise targets of Ground Level Credit (GLC) for Agriculture Sector for the year 2011-12**

**Shri Suresh N. Patel** informed that in view of the announcement with regard to enhancement in target under Agriculture Sector from Rs.3,75,000 crores to Rs.4,75,000 crores for the year 2011-12 made by the Hon'ble Union Finance Minister in his budget speech, NABARD vide its letter dtd. 16th May, 2011 has advised agencywise and purposewise allocation of Ground Level Credit target for Agriculture Sector for the year 2011-12 for Gujarat State as under :

**Credit Plan for Agriculture Sector for the year 2011-12 advised by NABARD**

**Rs. In crores**

<b>Agency</b>	<b>Crop Loan</b>	<b>Term Loan</b>	<b>Total</b>
Commercial Banks	9350	6288	15,638
Co-operative Banks	7040	960	8000
Regional Rural Banks	1400	350	1750
<b>Total</b>	<b>17,790</b>	<b>7,598</b>	<b>25,388</b>

**Credit Plan for Agriculture Sector for the year 2011-12 prepared and launched by LDMs.**

**Rs. In crores**

<b>Agency</b>	<b>Crop Loan</b>	<b>Term Loan</b>	<b>Total</b>
Commercial Banks	9204.22	3482.27	12,686.49
Co-operative Banks	7521.37	674.48	8195.85
Regional Rural Banks	1494.77	240.79	1735.56
<b>Total</b>	<b>18,220.36</b>	<b>4,397.54</b>	<b>22617.90</b>

Since the target under Crop Loan projected by all Lead District Manager is more than the one advised by NABARD, SLBC has revised the target under Agriculture **Term Loan ONLY** as given in the following table :

**Rs. In crores**

<b>Agency</b>	<b>Crop Loan as per SACP 2011-12</b>	<b>Term Loan as per SACP 2011-12</b>	<b>Revised target -Term Loan for 2011-12</b>	<b>Total</b>
Commercial Banks	9204.22	3482.27	6288	15,492.22
Co-operative Banks	7521.37	674.48	960	8481.37

Regional Rural Banks	1494.77	240.79	350	1844.77
<b>Total</b>	<b>18,220.36</b>	<b>4397.54</b>	<b>7598</b>	<b>25,818.36</b>

After effecting the above changes, the revised Service Area Credit Plan for year 2011-12 would be as under :

**Rs. In crores**

Agency	Crop Loan	Term Loan	Total Agri.	MSME	OPS	Total
Commercial Banks	9204.22	6288	15492.22	5731.70	6593.59	27817.51
Co-operative Banks	7521.37	960	8481.37	51.21	357.85	8890.43
Regional Rural Banks	1494.77	350	1844.77	68.39	247.59	2160.75
<b>Total</b>	<b>18,220.36</b>	<b>7598</b>	<b>25818.36</b>	<b>5851.30</b>	<b>7199.03</b>	<b>38,868.69</b>

He requested the House to approve the SACP for the year 2011-12 projected at Rs.38,868.69 crores and on approval of the same by the House, he requested LDMs to revise the Annual Credit Plan (Under Term Loan Agriculture Sector only) accordingly and submit the same to SLBC at the earliest.

**(Action : all LDMs)**

### **3. Target under Prime Minister's Employment Generation Programme (PMEGP) for the year 2011-12**

**Shri Suresh N. Patel** informed that the State Director, KVIC vide e-mail dtd. 17th May, 2011 has intimated the Annual target under PMEGP for the year 2011-12. He further informed that total 1816 number of project with Margin Money target of Rs.2541.97 lakhs is projected. He requested the House is requested to approve the same. On being approved by the House, he requested all Lead District Managers to allocate the target amongst the bank branches in their district based on the districtwise target provided by KVIC and report the same to SLBC for updating their record.

The meeting ended with vote of thanks proposed by **Shri P. Nanda Kumaran**, Chief General Manager, State Bank of India.

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