

MINUTES OF 130th STATE LEVEL BANKERS' COMMITTEE MEETING (SLBC) FOR GUJARAT STATE FOR THE QUARTER ENDED JUNE, 2011 HELD ON 18th AUGUST, 2011 AT AUDITORIUM, DENA BANK, ASHRAM ROAD, AHMEDABAD

The above meeting was held on 18th August, 2011 which was presided over by **Shri D.L. Rawal**, Chairman, SLBC and Chairman & Managing Director, Dena Bank. The meeting was co-chaired by **Shri A.K. Joti**, Chief Secretary, Govt. of Gujarat and also attended, among others, by **Smt. Rita Teotia**, IAS, Principal Secretary & Commissioner, Rural Development Department, Govt. of Gujarat, **Shri D.H Brahmbhatt**, Secretary, Co-operation, Govt. of Gujarat, **Smt. Mona Khandhar**, Addl. Secretary, Housing and Urban Development Department, Govt. of Gujarat, **Shri Milind Torawane**, Managing Director and Addl. Commissioner, Gujarat Livelihood Promotion Company, Rural Development Department, Govt. of Gujarat, **Shri M.K. Verma**, Addl. Secretary & Director (IF), Finance Department, Govt. of Gujarat, **Shri Sudarshan Sen**, Regional Director, Reserve Bank of India, **Shri H.R.Dave**, Chief General Manager, NABARD, **Shri P. Nanda Kumaran**, Chief General Manager, State Bank of India, LHO, Ahmedabad, **Shri R.K.Saraf**, Chief General Manager, State Bank of India, LHO, Ahmedabad, **Shri T.R.Chawla**, Chief General Manager, Dena Bank, Corporate Office, Mumbai, **Shri Rajesh Kumar**, General Manager, Reserve Bank of India, **Shri S.K. Das**, General Manager, Bank of Baroda **Shri A.K. Argal**, General Manager, Syndicate Bank, **Shri U.V. Kini**, General Manager, Corporation Bank, **Shri O.P. Dua**, General Manager, Union Bank of India 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 enclosed.

Shri Suresh N. Patel, while extending hearty welcome to all the participants expressed the satisfaction for timely submission of the SLBC data by the Members which made it possible to convene the SLBC meeting as per the calendar. He expressed sincere thanks to Shri A.K.Joti, Chief Secretary, Govt. of Gujarat for making it convenient to attend the meeting and informed that his valuable guidance and direction would boost the development in the State. He then informed that effort has been made to present the Agenda items through Power Point. He then requested to Shri D. L Rawal, Chairman and Managing Director, Dena Bank and Chairman of SLBC to deliver his key note address.

Shri D.L. Rawal, Chairman & Managing Director & Chairman, SLBC extended hearty welcome to all the participants at the 130th meeting of State Level Bankers' Committee Meeting for Gujarat State. He also expressed his warm welcome to Shri A K Joti, Chief Secretary, Govt. of Gujarat. He also extended a warm welcome to Shri R.K. Saraf, Chief General Manager, SBI in place of Shri P. Nanda Kumaran, who is elevated as Managing Director of State Bank of Travancore. He wished P. Nanda Kumaran best wishes on behalf of the house for his new assignment. He informed that prior to the present assignment, Shri R K Saraf was CGM (IT) and with his vast experience, SLBC Gujarat would stand to gain in attainment of its objectives. Shri Rawal congratulated Shri P Nanda Kumaran on his elevation as Managing Director, State Bank of Travancore and wished Best wishes in his new assignment.. He also placed on

record the valuable contributions of SBI under the leadership of Shri P. Nanda Kumaran, CGM, in development of Gujarat State.

Shri Rawal also welcomed **Shri H.R. Dave**, who has taken over as CGM, NABARD for Gujarat State and informed that Shri Dave hails from this State, having field level experience, which would help the forum in implementing various rural development programmes.

He said that in this meeting the house would review, among others, the progress made under various key banking parameters during the quarter ended June 2011, the progress in the implementation of Annual Credit Plan 2011-12 amongst various 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, Agriculture lending and other issues as per agenda booklet.

Before taking up the Agenda items he made a brief mention of certain policy changes announced by the RBI in the Mid-Quarter Monetary Policy Review (June 2011) on 26th July 2011.

- Repo rate has been increased by 50 basis points from 7.50% to 8.0% and consequently the Reverse Repo rate has been adjusted to 7.0% with immediate effect.
- Other major policy rates have been left unchanged.
- The Base rate system introduced since July 1, 2010, has improved transparency in lending rates. It may be noted that, since July 2010, the Model Base Rate of banks has also increased by 225 basis points, indicating strong transmission of policy rates.
- Aggregate deposits of the banking system (All India), registered a Y-o-Y growth of 18.4 % as at quarter ended June, 2011 as compared with 14.9 % a year ago. **(In the case of Gujarat State, the growth rate on Y-o-Y basis as at the quarter ended June, 2011 was comparatively higher at 21.64%).**
- Non-food credit by SCBs (All India) for the review period has shown growth of 19.5 % on Y-o-Y basis, as compared with 21.7 % a year ago. **(In the case of Gujarat, the growth rate on Y-o-Y basis as at the quarter ended June, 2011 stood at 23.25%).**

He informed that during the quarter ended June, 2011, there was a fresh disbursement of Rs.10,286 crores as against the annual target of Rs.38,441 crores for Priority Sector lending, which amounts to 26.76%. Under Sub-targets, under Agriculture Sector, there was an achievement of 29.42%, SSI 25.12% and for Services Sector it was 19.34% .. He noted that there were 8 districts which had achieved more than the State average of 26.76% under Service Area Credit Plan whereas 18 districts were below the State

average. He told that each district level forum should take up the matter with all Bank branches so that contribution in growth should come from all the districts.

He mentioned that as per the trend, the outstanding Agriculture advances to total advances fell during the first quarter i.e. April to June in comparison to March data. However, during the current quarter, the percentage of Agriculture advances to Total Advances remained at 17.12% as against 16.44% during June, 2010. He, however, felt that there is an emergent need for all Banks and branches to focus on Agriculture Advances as this is the time when maximum scope is available for lending both for Short Term as well as Investment Credit.

He further informed that the disbursement under Agriculture advances during quarter under review was 29.24% of the target. He said that the second quarter is very crucial and with monsoon lately becoming favourable in North Gujarat and South Gujarat, the disbursement should pick up now so that major portion of the target is achieved during the first two quarters of the year.

He specifically mentioned that in Agriculture lending, the contribution of Short Term Credit is high whereas Investment Credit is comparatively low. Further, under KCC also, large number of farmers who are cultivating land have not been covered and as per the data there is a gap of 16.67 lakh farmers. Though 9142 new farmers have been added during the quarter, there is still a huge gap and as promoted by NABARD, the time has come when all Bank branches should focus for financing Tenant Farmers, Share Croppers, Landless farmers through Joint Liability Groups (JLGs) mechanism so that they can be brought under the formal system of lending.

He informed that SLBC had convened a meeting of major Banks in association with NABARD to finalise the targets for KCCs and JLGs and accordingly all Banks have been allotted the targets which needs to be taken up with the branches for compliance.

He stated that Govt. of India has been laying high priority for Agriculture lending and therefore at DLCC meetings, this aspect need to be given due weightage and bankwise / branchwise review should be done critically and Govt. Machinery may also support the branches by providing the list of uncovered farmers for extending KCC to them.

Regarding Financial Inclusion Plan (FIP), he said that the deadline of 31.03.2012 is very close by and still lot of work is pending to be done. As per the data, out of 3502 villages having population of more than 2000 to be covered by 31.03.2012, there is still a gap of 1953. He requested the FIP allottee Banks to take it as a challenge for timely completion of the exercise by ensuring that all aspects under FIP are given due weightage so that the beneficiaries in these villages can get the banking services without any hassles. He requested the House to discuss all various issues of FIP so that meaningful consensus can be evolved for effective implementation of the Programme.

As regards IBA Stimulus Package, he informed that the House is reviewing the same on regular basis and under MSME Sector, the sanctions have grown by 57.59% on

y-o-y basis as of June, 2011. Under Housing, there is growth of 70.96% and under advances to Auto Sector, the growth is 30.35% on y-o-y basis.

He said that advances to Weaker Section is an area of concern as it has not only remained at 6.72% during the quarter, but has slipped from March, 2011 position of 7.46%. He stated that though in absolute terms there is a growth of 8.76% during the quarter, however, as percentage to advances it is not meeting the benchmark of 10% and added that the House should discuss the various aspects relating to this category during the course of deliberations and requested all concerned to take it as a matter of concern.

He said that Finance to Self Help Groups (SHGs) is one initiative which has now been taken up on large scale in the State with the support of Rural Development Department of Govt. of Gujarat and informed that as of 30.06.2011 credit linkage of Rs.354.74 crores have been provided to 1,51,593 Sakhi Mandals. He requested all Member Banks to advise their branches for taking up the task of grading 6 months old Sakhi Mandals on priority and to provide credit linkage as per the guidelines circulated by SLBC.

He stated that the House discuss the performance under various Govt. Sponsored schemes and bankwise pending applications. He requested Banks to advise their branches for early disposal off the pending applications.

He further noted that under Priority Sector, the total NPA is 3.71% to outstanding as of June, 2011 and there is a need to review sectorwise position and also to take corrective actions for recovery of NPA.

Under Govt. Sponsored schemes particularly under SGSY and SJSRY, NPA percentage to outstanding is very high i.e. 23.10% and 16.42% respectively.

Recovery cases :

He informed that a large number of 1.79 lacs cases under State Recovery Act involving an amount of Rs 374.42 crore are pending which is a cause of serious concern and requested the State Government to extend its support through their Revenue officials towards recovery so that recycling of funds would improve.

As regards banking data, the performance under Branch expansion, deposits, advances, he stated that the same would be discussed during Power Point Presentation.

He said that there are two pending issues i.e. one relating to the inordinate delay in issuing orders by District Magistrate for taking possession of assets under Section 14 of SARFAESI Act for sale of assets and the other relating to the double stamp duty levied by State Government when Banks sell assets under SARFAESI Act and urged upon the Revenue Department of the State Government of Gujarat for prompt action and resolving the pending issues.

Before concluding his key-note address, he informed that this would be his last SLBC Meeting as he would be laying down office as CMD of Dena Bank in October 2011 on retirement. He further informed that since 1st January 2009, the day on which he assumed office as CMD of Dena Bank and Dena Bank being the Convener of SLBC, Gujarat, it has been a memorable experience especially his association with all the members of this forum. The whole hearted support, cooperation and guidance that have been extended by all the SLBC members are the driving force behind the achievement. This made his association with SLBC members of Gujarat, a very satisfying one.

He also placed on record the active participation by all the Bankers, Govt. Officials during the deliberations in the SLBC meetings. He sincerely thanked one and all including those who were not present, but have been associated with SLBC, Gujarat for their kind support and cooperation. He also expressed his gratefulness to RBI and NABARD for their continued support and guidance to this forum in implementing various developmental programmes. The State Govt. has played very active role in close coordination with the Bankers. He wished the SLBC forum all the success in their endeavour.

Shri A.K. Joti, Chief Secretary, Govt. of Gujarat expressed his pleasure to be with the House and to share the good work which has been done by the Bankers and said that Shri D.L. Rawal had given an overall view of the work done by the Banks in the State.

He said that Gujarat is a place where people are by and large of entrepreneurial nature and said that large number of entrepreneurs have come to the State of Gujarat and said that the State had organised 5 Vibrant Gujarat Investors' Summit where entrepreneurs from across the world have come and it is their statement that Gujarat is doing very well. He informed that Gujarat is the only State which has 16% growth in Agriculture for the last number of years as a result of which the income of the farmers has grown from Rs.19,000/- as of 2001-02 to Rs.60,000/- as of 2009-10. He informed that the State enjoys the number one position in the country in the production of the cotton. He said to support and sustain the growth in agriculture, the State Government has created large number of infrastructure like dams, canals, khet talavadis, etc. which has helped in bringing up the water level by 1.2 metres. He informed that because of construction of Bandharas, farmers are getting irrigation facility around the year. He also stated that farmers are also changing over to the mechanisation because of farm labour charges are increasing. He informed that the State Govt. is setting up Mega Food Parks and number of Agro Processing units and Horticulture projects are being undertaken by the farmers. He stated that the State Government is concentrating on cold storage development for crops like potatoes and other agriculture produces. He advised Rural Development Department of the State Government to make some presentation of various initiatives taken by the State Govt. as being done before the Planning Commission.

He also informed that in the month of March, 2011, our Hon'ble Chief Minister had addressed the Branch Managers, DRDA officials and other Govt. machineries through Video Conference where it was told that 2,00,000 Sakhi Mandals are to be sanctioned

Rs.1000 crores, however, the figures reported in the agenda shows that only Rs.354 crores have been sanctioned so far. He said that sanctioning is the first part, but disbursement is also equally important. If no money is drawn by Sakhi Mandals, they would be forced to go to moneylenders. He also informed that lot of disbursements through SHG mechanism is taking place in the States like Andhra Pradesh, Tamilnadu, Karnataka and expressed hope that the pace would pick up in Gujarat also. He said that as reported the recovery is good in Sakhi Mandal Scheme. He stated that about 43% population of the State is living in urban areas and poor and BPL families living in these areas are significantly large and therefore urban areas would also require little more care from the banking system.

He expressed concern over low CD Ratio of the State and said that as against the deposits of Rs.2.72 lakh crores, the Banks in the State have advances of Rs.1.87 lakh crores, leaving a gap of about Rs.90,000/- crores. He also informed that Andhra Pradesh and Tamilnadu are having CD Ratio of more than 100% and in Maharashtra State, which is at par with us in terms of economic development, the CD Ratio is 75%. He requested all concerned to work on this and all districts should contribute to improve CD Ratio.

Regarding projections made under Service Area Credit Plan for the year 2011-12, he mentioned that appears to be on lower side as there is only an increase of Rs.5000 crores over the projections made for the year 2010-11. He suggested that Banks must lend beyond the targets looking to the potential available.

Expressing concern over finance made under DRI Scheme, he informed that the outstanding level is only Rs.25 crores, as a result the Banks are lagging behind in achieving the stipulated benchmark. He requested Banks to finance under IAY so as to enable the BPL families to construct the houses which is a basic requirement of any family.

He stated that as against 42 lakhs land holdings, Banks have issued only about 26 lakh KCCs and still there are number of eligible farmers are left. Similarly the performance under issuance of ACC is much lower and performance need to be improved.

Shri D.L. Rawal mentioned that the Chief Secretary has shared his thoughts, concerns and also given us valuable inputs. He further stated that the House need to discuss new initiatives and strategies. He also mentioned that SLBC has changed the format of presentation for the last 2 SLBC meetings and same would be more refined.

Regarding CD Ratio, he stated that this issue is being discussed on number of occasions and added that the potentiality is very high in Gujarat. He advised to work in co-ordination with the State Govt. and to see which new things are happening. On financing to Agriculture Sector, he noted that major portion of the disbursements to Agriculture Sector goes to Short Term finance and for increasing finance for Investment Credit, he advised Member Banks to finance for investment activities like Rural Godowns, irrigation projects, etc.

On the issue of financing to DRI, **Shri Rawal** informed that out of 1,06,544 applications under Indira Awas Yojana - DRI Loan Scheme, 31,893 applications have already been considered and expressed hope that with these initiatives DRI lending would definitely improve in the State of Gujarat. He advised Member Banks to consider disposal of pending applications at the earliest.

Shri Rawal stated that to bring uncovered farmers viz. Tenant farmers, oral lessees, share croppers under the fold of KCC, Banks may organise camps and requested Chief Secretary that if he could direct the Revenue Department to provide land records of uncovered farmers to the Banks.

On the issue of implementation of Financial Inclusion Plan, he informed that the Banks are totally committed and added that initially the focus was on opening of accounts and now the focus is on increasing the transactions in the said accounts. He requested the State Government to route the all NREGA and Social Security payments through these accounts so that number of transactions can be increased.

Shri Sudarshan Sen, Regional Director, Reserve Bank of India thanking Chief Secretary for highlighting important points said that the growth in financing to Priority Sector is lagging behind the rate of growth of general advances and felt that lot of work requires to be done for increasing lending to Priority Sector and Agriculture Sector. Regarding Financial Inclusion Plan, he stated that the Bank have the target of covering villages above 2000 population by March, 2012, but one big area of concerns is the performance of RRBs due non-availability of 100% CBS platform and advised Sponsored Banks of RRBs to ensure that RRBs are catching up with other Banks in implementation of FIP and achieve the target. He further said that the deadline for implementation of FIP has to be met and added that the performance is being monitored by RBI and advised the Banks also to monitor the performance very closely.

Shri H.R.Dave, Chief General Manager, NABARD, while endorsing the view point of Shri A.K.Joti IAS, Chief Secretary focussing on imperative need to increase credit flow to Agriculture in tandem with Agriculture growth rate of Gujarat, informed the house that Hon'ble Union Finance Minister while addressing Board of NABARD expressed his concern to increase number of borrowal accounts under Agriculture by banks and felt that demand for crop loan will increase substantially as a natural corollary.

Farmers forums are available in the State promoted by State Government under ATMA and Farmers clubs supported by NABARD. Bankers need to take advantage of these clubs to increase their business under Agriculture.

NABARD is extending support to the tune of Rs.120.00 crore for watershed projects and WADI projects in 775 villages covering 8 districts in the State. Further State Government also supporting large number of watershed projects These public investments enable farmers in taking up sustainable agriculture. NABARD projects alone have created additional credit demand of Rs. 350.00 crore in tribal areas. Banks were invited to these projects to estimate the credit potential and fulfill the same

Extending finance to farmers in watershed villages through JLG mode is more feasible and informed that NABARD is willing to support Banks for promotion of JLGs. Bankers can make use of Farmers Clubs and good NGOs for promotion of JLGs. NABARD offers financial support to Banks /other institution for promoting nurturing and financing of JLGs over a period of 3 years @ 2000 per JLG to for ensuring credit linkage to JLGs and also for recovery.

CDs containing list of District wise Farmers' Clubs and Watershed and Wadi projects were made available to banks by NABARD.

Then **Shri Suresh N. Patel** took up agenda items through Power Point Presentation.

Agenda No.1

Confirmation of the proceedings of last meeting.

Shri Suresh N. Patel informed that the proceedings of the 129th State Level Review Meeting (SLRM) for the year ended March, 2011 held on 18.05.2011 were circulated to all the members on 30th May, 2011. Since no comments / amendments have been received from any of the members, the House confirmed the same.

Agenda No.2

FOLLOW-UP ACTION ON DECISIONS TAKEN IN LAST MEETING :

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

In the 129th State Level Review Meeting, it was informed by the Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat that the land for RSETI premises at Mehsana and Dangs district is already allotted. As regards Ahmedabad district, matter regarding allocation of land or premises is under examination.

Shri H.R.Dave informed that following suggestions were made during the meeting organised by NABARD for Directors of RSETIs with a view to increase the settlement ratio -

Need for appointment of adequate number of trainers.

The quality of training need to be enhanced

NABARD would support in organising large number of training programmes through RSETIs.

Shri Suresh N. Patel informed that the land for RSETI premises for Ahmedabad district has been allotted and thus the land for all RSETIs in the State is allotted. He requested the Lead Banks for early construction of RSETI premises.

Status of training programmes conducted by RSETIs upto the quarter ended June, 2011

Shri Suresh N. Patel informed that as decided in 129th SLRM held on 18th May, 2011, SLBC collected the details of training programmes such as no. of training programmes conducted, cumulative no. of training programmes conducted, no. of beneficiaries trained during the quarter and cumulative, categorywise no. of trainees, and cumulative no. of beneficiaries settled, etc.

Summary of training programmes & Settlement Ratio

No. of training programmes conducted during the quarter ended June, 2011	Cumulative no. of training programmes since inception	No. of beneficiaries trained during the quarter ended June, 2011	Cumulative no. of beneficiaries trained	Cumulative no. of beneficiaries settled		
				Through Bank finance	Through own sources	
163	2,364	5,364	77,255	21,219	20,852	
Percentage				27.46%	26.99%	
Categorywise Cumulative no. of trainees						
SC	ST	OBC	Women	Handicapped	Minorities	Others
14,741	16,995	25,366	54,349	232	5,108	14,093
19.08%	21.99%	32.83%	70.35%	3.00%	6.61%	18.24%

Shri D.L. Rawal stated that there is a need for improving Settlement Ratio.

2.2 Conversion of Financial Literacy and Credit Counseling Centres (FLCCCs) as per model scheme circulated by RBI

Shri Suresh N. Patel informed that as regards the conversion of FLCCCs set up by Dena Bank as per RBI Model, it has been informed that the job for preparation of bye-laws of the Trust / Societies has been entrusted to competent authority. On receipt of the same, further action would be initiated for conversion of FLCCCs as per RBI Model Scheme. He also requested remaining two Lead Banks (viz. Bank of Baroda and State Bank of India) to expedite the matter.

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

Shri Suresh N. Patel informed that this issue could not be resolved due to one or the other reasons. **Shri D.L. Rawal** informed that the matter is very critically reviewed in the meetings convened at Govt. of India level and requested for the final views of the State Government on the matter.

Smt. Mona Khandhar, Addl. Secretary, Housing and Urban Development Department, Govt. of Gujarat informed that the State has taken the stand that the scheme is not feasible for implementing in Gujarat and informed the same to the Govt. of India. **Shri D.L. Rawal** requested to send the copies of the correspondence to SLBC so that the same can be intimated to the concerned Department of the Govt. of India.

(Action : Housing and Urban Development Department, Govt. of Gujarat)

2.3(B) Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) - relaxation in certain norms

Shri Suresh N. Patel informed that National Housing Bank (NHB) vide their letter dtd. 24th May, 2011 informed that the Steering Committee of Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) has relaxed certain norms as under. He further informed that the Scheme is still not under implementation in the State, however the same has been placed for information of the Members.

Sr.No.	Existing	Revised
1	EMI should not exceeds 25% of the monthly income of the beneficiary	EMI / Income ratio be left to the banks as the guidelines provided that the lender should sanction the loan as per their own risk assessment and procedural requirement
2	Subsidized loan under the scheme would be available to an EWS beneficiary for a house of atleast 25 sq.mt. and 40 sq. mt. in case of LIG beneficiary	Likewise where the built up area is less than prescribed norms for EWS and LIG beneficiaries. It was decided that due to high cost of land in the urban area, a lenient view can be taken provided the house had the space for necessary amenities like kitchen slab, toilet, etc. Subsidy claim less than the stipulated requirement of built up area and size beyond 100 sq. mt. may be excluded from the scheme to avoid moral hazard.

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

Shri Suresh N. Patel informed that the captioned issue was first discussed in 128th SLBC meeting wherein SLBC was advised to send a formal request letter to District Development Officer, Narmada District for expediting the permission for selling the secured property. SLBC referred the matter to the District Development Officer, but due to non-receipt of any response from them, the matter has been repeated in the subsequent SLBC meetings.

In absence of response received from DDO, Narmada district, the House decided to refer the matter once again to them.

(Action : SLBC)

2.5 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

Shri Suresh N. Patel informed that in the 129th State Level Review Meeting, the Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat had informed that they have vide their letter dtd. 9th May, 2011 recommended to the Principal Secretary, Revenue Department, Govt. of Gujarat 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. Since nothing was heard in the matter from Revenue Department, SLBC was advised to take up the matter with them. Accordingly, SLBC vide its letter dtd. 16th June, 2011 requested Revenue Department to inform the action initiated in the matter.

He further informed that the details sought by the Office of Suptd. of Stamps vide their letter dtd. 6th July, 2011 were sent vide SLBC letter dtd. 25th July, 2011 with a request to consider the waiver of stamp duty upto Rs.2 lakhs and extension of period beyond 19th December, 2011, the date on which the present relaxation expires, however, nothing has been heard from them.

Shri Suresh N. Patel requested the Revenue Department, GoG to expedite in the matter as the expiry date i.e. 19.12.2011 is approaching fast.

(Action : Revenue Department / Office of Suptd. of Stamps, GoG)

Shri H.R. Dave suggested that exemption of stamp duty to JLGs on the lines of SHGs need consideration by the State Government. Reacting to the suggestion, Smt. Rita Teatota, advised Rural Development Department to recommend to the Principal Secretary, Revenue Department, Govt. of Gujarat to consider the issue of exemption of stamp duty to JLGs also.

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

Shri Suresh N. Patel informed that SLBC vide its letter dtd. 25th July, 2011 requested IBA to inform the date of meeting so that the same can be intimated to Member Banks. However, the reply is yet awaited.

Shri Suresh N. Patel informed that SLBC would once again request IBA to inform the date of meeting.

(Action : SLBC)

2.7 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

&

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

While discussing both the above mentioned agenda in 129th State Level Review Meeting, the Commissioner & Principal Secretary, Rural Development, Govt. of Gujarat had informed that a small group of Revenue Department and Finance Department would be formed to resolve the issues.

Accordingly, SLBC vide its letter dtd. 16th June, 2011 requested the Principal Secretary, Revenue Department, Govt. of Gujarat to inform the action initiated in the matter. However, the reply is still awaited.

Shri Suresh N. Patel informed that the matter is still pending with Revenue Department, GoG would be once again taken up with them.

(Action : SLBC)

2.9 1% Interest Subvention on Housing loans sanctioned to Public upto Rs.15.00 lakhs under Public Housing loan Schemes

Shri Suresh N. Patel informed that RBI, Ahmedabad vide its letter dtd. 22nd June, 2011 has informed that they have taken up the matter with their Central Office and on receipt of the same from them, it would be placed in next SLBC.

(Action : SLBC)

2.10 (A) Issuance of Artisan Credit Card (ACC) under Mission Mangalam - Fixation of Unit Cost

As decided in 129th State Level Review Meeting, a subgroup of SLBC consisting of representatives from major Banks, RBI, NABARD, RRBs, KVIC, KVIB, Cottage & Rural Industries and Development Commissioner (Handicrafts) was formed and the meeting of subgroup was convened by SLBC on 17th June, 2011 wherein the unit cost of 54 items of investment under Artisan Credit Card were finalised. SLBC vide its letter dtd. 25th June, 2011 forwarded the minutes of the meeting of subgroup along with the finalised unit cost for 54 activities.

The house approved the minutes. **Shri Suresh N. Patel** requested Member Banks to finance as per the unit cost circulated.

2.10 (B) Issuance of Artisan Credit Card (ACC) under Mission Mangalam - Sponsoring of Applications

Indext-C vide its letter dtd. 1st August, 2011 has informed that they have started sponsoring of loan applications to the controllers of the Banks as per the Ward wise allocation made in the 14 identified centres by the respective Lead District Managers. It is mentioned that some of the banks are either not accepting or subsequently returning the applications without any reason / process, which not only delays the process, but also defeats very purpose of assisting the artisans in the matter.

Shri Suresh N. Patel requested Member Banks to go through the bankwise position of sponsored application and clear the pendency at the earliest.

2.11(A) High Level Committee to review Lead Bank Scheme - Providing banking services in village having population of over 2000 by March, 2012

Shri Suresh N. Patel informed that as against the target of 491 villages for the quarter ended June, 2011, banking services have been provided in 233 villages, leaving a gap of 258 villages and requested the FIP allottee banks to cover up the gap in the ensuing quarter. He further informed that the target for the year 2011-12 is fixed at 2186, against which banking services were ensured in 233 villages and remaining 1953 villages are to be covered in the remaining period of the year.

Shri D.L. Rawal stressed the need on imparting training to BCs on regular basis. He pointed out that the base branches in many cases are located far off from the FIP villages which causes hardships to BC in rendering the services. He requested Banks to start some kind of monitoring and advise their Branch Managers to talk to the villagers and BCs on regular basis. He expressed hope that within a period of 5-6 months, the system will be streamlined and added that it is a good opportunity for the banks to penetrate in the rural areas.

Smt. Rita Teautia, Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat informed that there are 40 lakhs NREGA cardholders, 2/3rd of which are with Post Offices. She also said that we are ready to offer all NREGA accounts if the Banks are in a position to serve them. She further informed

that they have entered into MoU with ICICI Bank in 2 districts for opening of a/cs of NREGA beneficiaries.

(Action : SLBC)

2.11(B) Action Points emerged from the Review meeting of Secretary (Financial Services) with the Chief Executive Officer of Public Sector Banks / FIs held on April 26, 2011 at New Delhi

1. Kisan Credit Card

To increase the issuance of new KCC to ensure coverage of all the eligible farmers.

Shri Suresh N. Patel informed that the issues related to increase the coverage of KCC is taken as a separate agenda.

2. Allocation of Villages having 1000 + population

Initially, the Districtwise/Bankwise allocation of the un banked villages having population above 1000 to 2000 was made available to SLBC by the concerned LDMs based on the census 2001 and the service area allocations. However all the LDMs were again advised to recheck the said position and inform us the final allocation with a advise to concerned banks to initiate the further suitable actions for coverage under FIP.

Shri Suresh N. Patel informed that all the villages having population above 1000 to 2000 have been allotted by respective LDMs.

3. Overlapping of Villages

The issues pertaining to overlapping of villages was also discussed in the meeting. So far as no bank has reported the overlapping of villages in the state.

Shri Suresh N. Patel informed that so far no bank has reported overlapping of FIP villages.

4. UIDAI

Shri Nandan Nilekani, CEO, UIDAI also interacted with the CEOs of Public Sector Banks and Financial Institutions. Issues pertaining to co-ordination between Banks and UIDAI for the rapid scale up of enrollment for the Aadhaar Number as well as the benefits of Aadhaar Number for the Financial Inclusion campaign were discussed. 26 Public Sector Banks are Registrars for enrolling residents for the Aadhaar Number being issued by UIDAI.

Since allocation of FIP villages for providing banking Services through different module among the bank is already made for 3502 villages, for better

achievement co-ordinated efforts be made in such villages with mutual co-ordination.

Shri S.K. Das, General Manager, Bank of Baroda informed that their Bank has started in Ahmedabad district and are planning to do the same in Anand and Mehsana districts, basically in all rural areas.

Agenda No.3

OTHER AGENDA

3.1 Enablement of Village Computer Entrepreneurs (VCE) of E-gram as Business Correspondent

A communication is received from the Additional Chief Secretary, Panchayats, Rural Housing and Rural Development Department, Govt. of Gujarat that they will issue No Objection Certificate to the VCE of e-Gram with utilisation of e-gram infrastructure for working as BCs with following conditions :

- i) Govt. of Gujarat will not have any explicit / implicit financial responsibility for any financial transactions by VCE and will not stand as Guarantor for VCE for conduct of transactions of any financial security.
- ii) Bank using the e-gram infrastructure will have to share 20% of their revenue with Govt. of Gujarat for 1st year and same would be renegotiated next year.

The House deliberated the captioned issue, however, none of the bank shown its inclination for the same.

3.2 Spreading Awareness of the Codes among Bankers and Public

Banking Codes and Standards Board of India (BCSBI) have evolved Codes and Standards for banks for providing fair treatment to their customers and so far Banks have implemented two Codes : “**Code of Bank’s Commitment to Customers** and “**Code of Bank’s Commitment to Micro and Small Enterprises**”. As part of efforts to spread awareness of the Codes among bankers and customers, BCSBI had been holding workshops and meetings. In past, presentation in some of the SLBC meetings have proved very fruitful as not only the bankers, but the Govt. Officials were made aware of how the Codes can be used to promote fair banking practices and upgrade the level of customer service and understanding of their rights and duties and also financing to Micro and Small Enterprises. In order to make it more effective, Chief Executive Officer (BCSBI) desired for presentation of the subject matter.

Shri Suresh N. Patel informed that as informed by CEO (BCSBI), the presentation would be made in next SLBC meeting.

3.3 Aadhaar and Financial Inclusion

Unique Identification Authority of India (UIDAI) has been set up by Govt. of India to serve as a National Identity and Authentication infrastructure. Among others, this will facilitate access to modern banking and payment system for every resident of the Country.

With a view to enabling access to banking services, UIDAI has partnered with banks through districtwise empanelment with all group of banking infrastructure.

In order to implement the same, UIDAI have identified different agencies with their role and responsibility.

Shri Suresh N. Patel informed that Financial Inclusion Department, Unique Identification of India vide its e-mail dtd. 13.8.2011 has forwarded discussion paper and bankwise list of districts allotted to them for opening of Aadhar based accounts in the State of Gujarat. **Shri Patel** informed that the same has been made available to the member banks in the House for their information and necessary action.

3.4 Reporting of Fate of Applications received under various Govt. Sponsored programmes

RPCD, RBI has informed that it has been brought to their notice that bank branches return the applications which they do not find viable directly to the respective implementing agencies and do not inform the same to the applicant. As a result, the flow of complaints has increased considerably. RBI has, therefore, advised that Controlling Authorities of Banks should issue instructions to their branches that the fate of the loan applications under various Govt. Sponsored programmes be simultaneously informed to the concerned implementing agency as well as the applicant.

Shri D.L. Rawal requested Member Banks to clear all pending applications and inform the rejection of applications to the applicants.

3.5 National Agriculture Insurance Scheme (NAIS) - Farmerwise details for Kharif - 2011

The Regional Manager, AIC of India has informed that the Director, Agriculture, Govt. of Gujarat, Gandhinagar has requested them to collect the following details of each loanee insured farmers.

- | | |
|----------------------------|--|
| 1. Name of the Farmer | 2. Name of Village / Taluka & District |
| 3. Survey Number | 4. Crop insured |
| 5. Area insured in hectare | 6. Sum insured and premium paid |

Accordingly, they have written to the Nodal Offices of the Banks submitting the aforesaid details of each loanee farmer of the crop insurance on monthly basis. We

have received the communication from many of the Banks / Nodal Offices that there is no such provision in the scheme itself as well as in the application forms for availing the crop loan, such survey numberwise details of crop loan is not available. Hence, at present it is not possible to submit the same as asked by the AIC of India.

The representative from Gujarat State Co-op. Bank informed that their bank is the major stakeholders and they are operating through PACS and villagewise, cropwise and survey numberwise is not possible to furnish as they do not maintain such type of records also. Other Banks have also shown their inability to produce such type of general information for all the loanee insured farmers.

To this, **Shri D.L. Rawal** stated that SLBC in consultation with 4-5 major Banks, including State Co-operative Bank should work out the feasible solution, if possible and inform to the AIC of India / State Govt.

(Action : SLBC)

3.6(A)Progress under financing to Indira Awas Yojana (IAY) - DRI Loan Scheme - as of June, 2011

Shri Suresh N. Patel informed out of 1,06,544 applications sponsored, bank branches have sanctioned 31,893 applications with amount of Rs.61.12 crores. He also informed that there are 70,055 applications are pending with different Banks.

Shri D.L. Rawal requested Member Banks to dispose off all the pending applications then definitely there would be better performance during the current year.

Smt. Rita Teotia informed that the during the current year so far approval rate is only 10% whereas it should actually be 90%. She added that the remaining applications would take place before the holding of Garib Kalyan Melas. She also mentioned that the rejection rate is very high and the applications are being rejected giving reasons which are not proper and requested Member Banks to review the rejected cases also.

Shri S.K. Das, General Manager, Bank of Baroda requested for reconciliation of applications as there is difference between the figures reported by DRDA and their Bank.

3.6(B)Request of Govt. of Gujarat for making BPL beneficiaries of State Sponsored Housing Schemes eligible for Housing Loans under DRI Scheme

SLBC has been informed by RPCD, Reserve Bank of India, Ahmedabad Office vide their letter dtd. 6th July, 2011 that the request for coverage under DRI Loan Scheme of other State Housing schemes like Sardar Awas Yojana, Dr. Ambedkar Awas Yojana, Halpati Gruh Nirman Yojana, etc. for BPL beneficiaries made by the Commissioner & Principal Secretary, Rural Development Department, Govt. of Gujarat has been

examined by their Central Office and it has been advised that Below Poverty Line borrowers are the target clientele of the scheme, but only SC/ST beneficiaries of BPL beneficiaries fulfilling income criteria are eligible for housing loan upto Rs.20,000/- under DRI scheme.

Smt. Rita Teotia informed that the beneficiaries of housing schemes of various departments of the State Government are from BPL families and therefore the preferential treatment to consider only SC/ST beneficiaries for DRI - IAY Scheme is need to be re-examined.

Shri D.L. Rawal requested RBI should look into the matter.

(Action : RBI)

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

Shri Suresh N. Patel informed that since the introduction of Stimulus Package, the Banks in Gujarat have extended finance to the tune of Rs.34,649 crores upto the quarter ended June, 2011.

Agenda No.4

REVIEW OF BANKING DEVELOPMENTS IN KEY AREAS FOR THE QUARTER ENDED JUNE, 2011 :

Shri D.L. Rawal 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.

BRANCH EXPANSION

Shri Suresh N. Patel informed that during the quarter under review, 28 new branches were added and thus the network of branches increased from 6433 as of March, 2011 to 6461 as of June, 2011. He further informed that 163 licences were pending for opening of new branches at the end of June, 2011 as per the information received from Reserve Bank of India, Department of Banking Supervision (DBS), Ahmedabad Office.

DEPOSITS GROWTH :

Shri Suresh N. Patel informed that the aggregate deposits of the banks in Gujarat increased by Rs.7684 crores in absolute terms from Rs.2,72,076 crores as of March,

2011 to Rs.2,79,760 crores as of June, 2011 registering a growth of 2.82% as against 2.08% growth for the corresponding period of the previous year.

The highest percentagewise growth was registered by SBI (4.47%) followed by Nationalised Banks (3.73%) and DCCB (2.92%) over the previous quarter. RRBs and Private Sector Banks have registered negative growth of 0.24% and 1.90% respectively during the quarter.

During the quarter under review, the NRI deposits decreased by Rs.188 crores and stood at Rs.22,789 crores forming 8.15% of the total deposits as of June, 2011 as against Rs.22,976 crores (8.44%) as of March, 2011.

CREDIT EXPANSION :

Shri Suresh N. Patel informed that the overall growth in outstanding advances was 2.57% during the quarter, which was contributed mainly in percentage terms by DCCB - 15.01% (Rs.1052 crores), followed by RRBs - 6.52% (Rs.134 crores), Nationalised Banks - 2.74% (Rs.2465 crores) and SBI Group - 2.67% (Rs.1217 crores).

He also pointed out that Private Sector Banks and GSCARDB have registered negative growth of 0.06% and 2.30% respectively during the quarter under review. Nationalised Banks have made the highest contribution of Rs.2465 crores which was negative during the first quarter of the previous financial year.

CREDIT DEPOSIT RATIO:

Shri Suresh N. Patel informed that the CD Ratio of banks in general decreased marginally by 0.17% over March, 2011 and stood at 68.86%. However, on y-o-y basis it shows a growth of 0.90%.

CD Ratio BELOW 40%

Shri Suresh N. Patel informed that as of June, 2011, the CD Ratio in Anand, Dangs, Kheda, Kutch, Navsari, Porbandar and Panchmahals was below 40% where the Banks are required to put in special efforts to increase the same. He further mentioned that CD Ratio has improved by 2.16% and 1.29% over March, 2011 in Porbandar and Anand districts respectively, however, in other three districts viz. Kutch (0.65%), Kheda (0.06%) and Dangs (0.31%), the CD Ratio declined further over March, 2011. He informed that there was an addition of one more district viz. Panchmahals in the above category during the quarter under review.

He also informed that the CD Ratio as of March, 2011 in Tapi district was 33.82 and in Dahod district was 34.24 which has shown improved performance as of June, 2011 and remained at 40.88% in case of Tapi district and 52.19% in case of Dahod district.

He said that the CD Ratio in Bharuch, Bhavnagar, Dahod, Junagadh, Tapi and Valsad districts was below the stipulated benchmark of 60% as of June, 2011 and requested

the Lead District Managers of the districts having CD Ratio below 60% are required to initiate immediate action to reach atleast the stipulated benchmark i.e. 60%.

Shri D.L. Rawal stated every district need to contribute and then only we can improve CD Ratio in the State.

CD Ratio BELOW 20%

Shri Suresh N. Patel informed that as of June, 2011, there was only one districts in the State viz. Navsari district where the CD Ratio was below 20%.

PRIORITY SECTOR LENDING :

Shri Suresh N. Patel informed that the advances to Priority Sector during the quarter remained at 39.25% and that of Agriculture Advances and Weaker Section at 17.12% and 6.72% respectively.

On the performance under financing to DRI advances, he mentioned due to various efforts made by the State Govt. and the Banks for extending the finance under Indira Awas Yojana - DRI loan scheme, the percentagewise performance has improved by 2.10% over March, 2011 and expressed hope that with the release of disbursal in sanctioned cases, the performance would be better.

Shri Patel also stated that RRBs have achieved / surpassed the targets under Priority Sectors (90.20%) and Weaker Sections (44.17%) as against the benchmark of 60% and 15% respectively.

Shri D.L. Rawal requested Member Banks which were below the benchmark to improve their performance under Agriculture, Weaker Section and DRI advances so as to achieve the National Goals.

Agenda No.5

REVIEW OF PROGRESS UNDER SERVICE AREA CREDIT PLAN (SACP) 2011-12 FOR FRESH LENDING TO PRIORITY SECTOR :

Shri Suresh N. Patel informed that the revised target under Agriculture Sector to all Lead District Managers were intimated to re-allocate the same amongst the bank branches.

He informed that as of June, 2011, the overall achievement under Service Area Credit Plan was 26.76% upto the quarter ended June, 2011. The highest percentage achievement was recorded in Agriculture - 29.24% followed by AVCI & SSI - 25.12% and Trade & Services - 19.34%.

Shri D.L. Rawal desired to know the reasons for the poorest performance from the Lead District Managers of Anand, Dahod and Navsari where the achievement was below 10%. The Lead District Manager, Anand informed that the achievement under

Service Area Credit Plan is generated on the basis of LBRs submitted by bank branches and said that the rate of LBR returns submission is very poor i.e. Only 48% and hence the report generated did not give the true picture. The Lead District Manager, Dahod also gave the same reasons.

Shri S.K. Das stated that Anand and Navsari are basically NRIs based districts and farmers in these districts meet their financial needs through their own sources and as regards Dahod district, he said that it is basically tribal dominated area. He, however, mentioned that definitely this aspect would be looked into.

Shri D.L. Rawal advised SLBC to send a communication to the Member Banks to instruct their branches for timely and 100% submission of Lead Bank Returns to the Lead District Manager so that the true achievement under SACP could be reflected.

(Action : SLBC & All Member Banks)

Shri H.R. Dave pointed out that Agriculture Credit in totality is growing, but number of accounts is not showing simultaneous increase. However, he expressed hope that with the initiatives by SLBC in co-ordination with all Major Banks regarding forming and financing 5 JLGs per Rural and Semi-urban branch would help in increasing the number of accounts also. He requested Member Banks to closely monitor the formation and credit linkage of JLGs so that the given target can be achieved. He informed that there are about 4500 Farmers' Clubs in the State i.e. one FC per every 3 villages and invited Banks to take the benefit of these FCs for increasing the Agriculture Advances and for formation of JLGs.

Shri D.L. Rawal said that to ensure the growth in Agriculture Sector, the progress need to be monitored on monthly basis as was monitored in respect of IBA Stimulus Package for MSME, Auto and Housing Sector and advised for constitution of Agriculture Credit Committee under the leadership of NABARD consisting 5-6 major Banks, RBI and various departments of State Govt like Rural Development Department, Agriculture Department, Horticulture Department, Animal Husbandry Department and said that the Group should meet on monthly basis and whatever discussion / decisions taken in such meetings should be placed in SLBC.

(Action : NABARD)

Shri Rawal requested Member Banks which are lagging behind in achievement of the target to gear up their machinery so that overall target can be achieved.

Agenda No.6

COMPARATIVE POSITION OF CASES FILED UNDER GUJARAT STATE RECOVERY ACT, 1979 AS OF JUNE, 2011

Shri Suresh N. Patel informed that there are 1,79,175 cases amounting to Rs.774.42 crores are pending as of June, 2011 and requested Revenue Department is requested 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.

He requested Lead District Managers to incorporate the Agenda on Recovery Certificates, if not done, and critically review the position of pending Recovery Certificates in every DLCC meetings and pursue the matter with the District Authorities for immediate disposal of the same.

(Action : All LDMS)

SECTORWISE NON - PERFORMING ASSETS (NPA) POSITION

Shri Suresh N. Patel informed that as per as per the details collected from Member Banks as of June, 2011, the total NPA was Rs.4583.94 crores in absolute terms which comes to 2.38% of gross advances. He also gave NPA position under various Govt. Sponsored programmes.

Agenda No.7

A. REVIEW OF PROGRESS UNDER GOVT. SPONSORED PROGRAMMES FOR THE QUARTER ENDED JUNE, 2011

SWARNA JAYANTI GRAM SWAROJGAAR YOJANA (SGSY) :

Shri Suresh N. Patel informed that the financial targets have been achieved by 7.53% upto the quarter ended June, 2011 and requested Member Banks to disburse 823 sanctioned applications at the earliest. He also requested to dispose off the pending applications on merits.

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

Shri Suresh N. Patel informed that the target of Margin Money is achieved in the first quarter itself. He said that upto the quarter ended June, 2011, 838 loan applications were sanctioned with loan amount of Rs.9642.29 lakhs and Margin Money of Rs.2599.66 lakhs and 2690 loan applications remained pending as at the end of June, 2011.

He also stated that since many applications are under consideration for sanction, agencies need to increase margin money outlay.

SWARNA JAYANTI SHAHERI ROJGAAR YOJANA (SJSRY) :

Shri Suresh N. Patel informed that 397 applications were sanctioned with an amount of Rs.239.15 lakhs and there were 14,412 loan applications pending at the of June, 2011 for which he requested Member Banks to dispose off these applications at the earliest.

VAJPAYEE BANKABLE SCHEME (VBS) :

Shri Suresh N. Patel informed that the achievement of the target stood at 16.10% for the quarter ended June, 2011 against the 20.89% achievement for the corresponding period of the previous year. He requested Member Banks to dispose off 2652 applications expeditiously.

GUJARAT SCHEDULED CASTES DEVELOPMENT CORPORATION (GSCDC) :

Shri Suresh N. Patel informed that the achievement under the Scheme was only 5.00% upto the quarter ended June, 2011 and noted that the performance in the districts other than Dahod, Navsari and Panchmahals need to be reviewed critically. He requested Member Banks to dispose off pending 2530 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 11.57% of the target and said that the performance in Ahmedabad, Anand, Gandhinagar, Jamnagar, Junagadh, Kheda, Navsari, Panchmahals, Sabarkantha, Surendranagar and Valsad was above the average performance of the State as a whole. He requested Lead District Managers of remaining districts 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 also requested Member Banks to ensure that 7422 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 Banks achieved 13.40% of the target. He pointed out that in districts like Amreli, Bhavnagar, Dahod, Junagadh, Narmada, Panchmahals, Porbandar, Surat, Valsad and Tapi, there was no sanction during the quarter and requested the Lead District Managers to critically review the performance under the said Scheme at BLBC and DLCC meetings so that in coming quarters the same can be improved and targets allotted may be achieved by the end of the year.

He requested Member Banks to dispose off 1829 pending applications on merits at the earliest.

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

Shri Suresh N. Patel informed that out of total 29 applications sponsored and not a single application is sanctioned by any of the Banks during the quarter and therefore requested the sponsoring agency and Member Banks to find out the ways to improve the performance so as to reach the given target in the remaining period of the year.

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.287.66 crores were disbursed by the banks to 14,806 beneficiaries belonging to Minority Communities during the quarter ended June, 2011. The outstanding reached the level of Rs. 2630.89 crores in 2,11,623 accounts as of June, 2011.

The share of advances to Minority Community to Priority Sector Advances stood at 3.60% as at the end of quarter ended June, 2011 which was 3.49% for the year ended March, 2011. Y-o-Y growth in outstanding is Rs.626.11 crores i.e. 31%.

Shri D.L. Rawal requested Member Banks to focus and ensure that the share of advances to Minority Community reach the stipulated target.

WOMEN ENTREPRENEURS

Shri Suresh N. Patel informed that the fresh credit to the tune of Rs.418.92 crores to 24,776 beneficiaries. The outstanding advances reached the level of Rs.6994.35 crores in 5,40,004 accounts and stood at 3.64% as against target of 5% of Net Bank Credit, which was 3.87% as of 31.03.2011. Y-o-Y growth in outstanding credit to Women beneficiaries is Rs.1178.76 crores i.e. 20.27%.

Shri D.L. Rawal advised Member Banks to reach to the benchmark of 5% and informed that many States have achievement the benchmark of 5%.

(ii) Self Help Groups (SHGs) :

(a) Shri Suresh N. Patel informed that upto June, 2011, total 1,80,063 SHGs have been formed, of which 1,52,268 i.e. 84.56 % have been promoted exclusively for Women in the State. Out of 1,80,063 SHGs, 91,540 SHGs have been linked with Bank finance with an outstanding of Rs.308.45 crores.

SHGs are having a total membership of 20,57,351 of which women were 17,60,311 i.e. 85.56%.

(b) Districtwise / Bankwise information on Sakhi Mandals

Shri Suresh N. Patel informed that out of total 1,98,461 Sakhi Mandals, 1,94,848 Sakhi Mandals which have completed six months, 1,68,954 Sakhi Mandals are graded. Out of total 1,68,954 Sakhi Mandals graded, 1,51,593 Sakhi Mandals have been credit linked involving credit amount of Rs.354.74 crores.

Smt. Rita Teatota requested Banks for credit linking the eligible Sakhi Mandals so that the target of Rs.1000 crore can be achieved in time.

Shri D.L. Rawal stated that Banks are committed to this project and requested all Member Banks for their active role in this regard.

(iii) REVIEW OF PROGRESS UNDER DIRECT HOUSING FINANCE & GJRFH

Shri Suresh N. Patel informed that fresh loans worth Rs.854.55 crores have been granted to 23,241 beneficiaries during the quarter ended June, 2011 under Direct Housing Finance.

The outstanding level reached to Rs.13,152.77 crores in 2,48,881 accounts as of June, 2011. Y-o-Y growth in outstanding housing finance is Rs.1584.60 crores i.e. 13.69%.

Golden Jubilee Rural Housing Finance

Shri Suresh N. Patel informed that fresh loans worth Rs.21.93 crores have been granted to 602 beneficiaries and the outstanding level reached at Rs.451.83 crores in 15,179 accounts as of June, 2011.

(iv) REVIEW OF PROGRESS UNDER EDUCATION LOAN :

Shri Suresh N. Patel informed that the Banks have disbursed Education loans to 2171 students to the tune of Rs. 36.32 crores. The outstanding under Education loans reached to Rs.1258.15 crores in 48,495 accounts as of June, 2011. Y-o-Y growth in outstanding education loans is Rs.122,.29 crores i.e. 10.76%.

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

Shri Suresh N. Patel informed that the number of outstanding KCCs in the State has increased from 25,27,514 as of March, 2011 to 25,72,848 as of June, 2011 against total land holdings of about 42.39 lakhs in the State, showing net increase of 45,334 KCCs during the quarter ended June, 2011.

(v - b) Target for formation of Joint Liability Groups (JLGs) & its credit linkage and target for addition of new farmers under KCC fold

Shri Suresh N. Patel informed that SLBC in consultation with NABARD convened a meeting of major Banks, representatives from Agriculture & Co-operation Department, Govt. of Gujarat, Registrar, Co-operatives, Govt. of Gujarat to finalise strategies for

formation of JLGs and fixing of target for the year 2011-12 for addition of financially excluded farmers under the fold of KCCs, as directed by Ministry of Agriculture, Govt. of India vide its letter dtd. 9th March, 2011 addressed to the Chief Secretary, Govt. of Gujarat.

The JLG scheme was in detail explained by NABARD. In the said meeting, the target for formation of JLGs and addition of new farmers were decided and accordingly each Rural & Semi-urban branch has to introduce 125 new farmers and to bring them under the fold of KCC, out of which 5 should be JLGs - linkage with KCC. Based on the target fixed, Rural and Semi-urban Bank branches would add 5,16,671 new farmers and form 18,880 JLGs and would issue 94,000 no. of KCCs through JLGs during the year 2011-12.

He requested Member Banks to ensure the achievement of given target.

(vi) SWAROJGAR CREDIT CARD (SCC) :

Shri Suresh N. Patel informed that Banks have issued 261 SCCs with an amount of Rs.0.46 crores during the quarter, taking the total outstanding SCCs to 9086 SCCs for Rs.21.75 crores. He said that RRBs have issued 5291 SCCs whereas the remaining Banks have issued only 3795 SCCs.

(vii) ARTISAN CREDIT CARD (ACC) :

Shri Suresh N. Patel informed that during the quarter, 73 ACCs were issued by Banks amounting to Rs.41 lakhs. Thus, upto the end of June, 2011, the outstanding ACCs were 4047 amounting to Rs.3583.00 lakhs.

(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.24,875.57 crores at the quarter ended June, 2011. During the quarter under review, banks have disbursed Rs.76.06 crores to 200 units under CLCSSTU taking the outstanding level to Rs.862.93 crores in 4140 accounts.

(ix) ADVANCES TO SC & ST BENEFICIARIES :

Shri Suresh N. Patel informed that the outstanding advances to SC beneficiaries as of June, 2011 was Rs.1257.92 crores in 1,74,004 accounts, forming 9.97% of Weaker Section advances, which was 9.31% as of March, 2011.

Similarly, the outstanding advances to ST beneficiaries as of June, 2011 was Rs.1500.69 crores in 1,98,840 accounts, forming 11.89% of Weaker Section advances, which was 12.67% as of March, 2011.

(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, 1,29,799 "No Frills A/cs" have been opened during the quarter ended June, 2011. Banks have provided overdraft facility to 2,89,177 a/cs amounting to Rs.441.44 lakhs. Total number of "No Frills Accounts" reached 21,22,845 as of June, 2011 with an amount of Rs.13,179.68 lakhs in these accounts.

During the quarter, 2468 GCCs amounting to Rs.119.18 lakhs have been issued by Member Banks. The cumulative position as of June, 2011 reached 34.439 GCCs amounting to Rs.1655.91 lakhs.

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

Shri Suresh N. Patel informed that during the quarter under review, the Banks have disbursed loans amounting to Rs.20.06 crores to 7938 farmer beneficiaries under Debt Swap Scheme. The cumulative disbursement comes to Rs.152.27 crores to 45,376 farmer beneficiaries.

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

Shri Suresh N. Patel informed that during the quarter under review, the Banks have disbursed loans amounting to Rs.37.75 crores to 5828 farmers, who have been extended debt waiver / relief benefit under ADW & DR Scheme, 2008. The cumulative disbursements under the scheme comes to Rs.466.78 crores to 82,519 farmers.

(xiii) Reverse Mortgage Loan (RML) Scheme

Shri Suresh N. Patel informed that banks have disbursed Rs.112.76 lakhs in 7 accounts and total outstanding loan amount stood at Rs.8591.50 lakhs in 479 accounts as of June, 2011. This scheme is not implemented by all the Banks.

Table Agenda

Agenda sponsored by NABARD

a. Swarojgar Credit Card (SCC)

Shri Suresh N. Patel said that it is observed by NABARD that number of SCCs issued by various agencies have been decreasing during the previous year as well as during the last quarter i.e. June, 2011. The major decrease was noticed in issuance of fresh SCCs by Commercial Banks. The issuance of fresh SCC was very slow (4684) against

the target of 10,000 during 2010-11. It is also observed that only few banks are participating in issuance of SCC and therefore requested that all the Member Banks should participate in issuance of SCCs to create the self-employment opportunities to all eligible beneficiaries and meet the target.

Shri H.R.Dave expressed his concern that progress under Swarojgar Credit Card was not encouraging during 2010-11. As against target of 10000, banks had issued 4684 cards during 2010-11. While placing the target fixed for the year 2011-12 for approval of house he requested bankers to achieve the targets.

Commercial Banks	: 5000
Cooperative Banks	: 3000
Regional Rural Banks	: 2000

On being approved by the house, he requested SLBC to communicate District wise Bank wise allocations to LDMs.

(Action : SLBC)

b. Capital Subsidy-cum-Refinance Scheme for installation of Solar Off-Grid and decentralised applications under Jawaharlal Nehru National Solar Mission (JNNSM)

Shri Suresh N. Patel informed that the above scheme in detail was taken as Table Agenda in 127th SLBC meeting held on 22.12.2010. However, it is reported that there has been no encouraging response from Commercial Banks and RRBS and therefore, NABARD has requested to popularise the Scheme and entertain the beneficiaries.

Shri H.R.Dave informed that no progress is reported under the captioned scheme. While highlighting the important features of scheme, he requested bankers to proactively patronize this ambitious scheme since beneficiaries can avail 30% capital subsidy and loan at nominal rate of interest. Banks can avail 100% refinance from NABARD at 2% interest rate.

2. Agenda pertaining to Sanction of project and settlement of Margin Money Claim under PMEGP for the current financial year 2011-12

Shri Suresh N. Patel informed that the State Director, KVIC has informed Banks have sanctioned 1032 project involving margin money amounting of Rs.29.84 crores which is more than 100% of the target i.e. Rs.25.42 crores. Since this is a terminal year for the 11th Five Year Plan, the revision in target would not be possible so that they have already intimated the District Level Task Force Committee not to hold further meetings and not to receive further fresh applications. It is also requested to complete the process of sanction and disbursement of PMEGP loans and claim the margin money from their respective Nodal Branch before 15.10.2011, otherwise the claiming of margin money for projects sanctioned beyond that may not be entertained by KVIC. He further informed that as requested by KVIC, SLBC vide its lette dtd. 12th August, 2011 has conveyed the message to Member Banks.

Shri A.D. Choudhury, State Director KVIC while projecting PMEGP performance in Gujarat specially thanked the Chairman, SLBC, for making a Special mention of the achievement of PMEGP scheme during last financial year i.e. 163 % and for achieving the target during first quarter itself set for the current year in his key note address. He also conveyed his gratitude to all Banks, State Government and the implementing agency i.e. KVIC/ KVIB/ DIC for their endeavor.

He further informed that keeping in view the trend of sanction of projects and basing on the requirement of margin money KVIC Head Quarters has already been moved for consideration of enhancement of the target for the current year. Secretary, Cottage & Rural Industries, Govt. of Gujarat and the Member Secretary, Gujarat State Khadi & V.I. Board also have had the same move before the Ministry of MSME & the KVIC on their part, he added. Shri A.K. Joti, Chief Secretary, Govt. of Gujarat while appreciating the performance of PMEGP in Gujarat, hinted to write to Secretary, MSME-Govt. of India for consideration of additional target of Rs. 35.00 Crores for Gujarat State during the current year.

The House, while taking into consideration the ground realities and the excellent performance of PMEGP, resolved that the programme has been growing very well in the State for Development of Micro Enterprises and hence an adequate quantum of margin money needs to be allocated to the State for meeting the committed liability of the projects already sanctioned and pending for sanction with the financing bank/branches level.

Shri Choudhury informed the house that they have already brought to the notice of all concerned as regards disposal of pending application and in the SLBC meeting also he had categorically requested and urged upon all the Bankers to dispose off pending applications on or before 15.10.2011 which was thereafter agreed by one and all and endorsed by the Chairman, SLBC.

Shri Choudhury requested all the Bankers present and drew the attention of Chairman SLBC urging upon him for ensuring flow of credit to Khadi Institution of Gujarat under Interest Subsidy Eligibility Certificate (ISEC) scheme of KVIC, on which Chairman, SLBC was of the view that Bankers should patronize this very old scheme for the benefit of rural artisans and he further stated that Parliamentary Standing Committee regularly reviews the scheme and take stock of the progress.

Smt. Rita Teautia said that the progress under Artificial Recharge of Ground Water-Dugwell has not been reviewed for the last couple of SLBC meetings and requested to incorporate the same from next SLBC meeting as it helps in ascertaining that how much amount has gone to the Banks and how much of it has been credited to the beneficiaries accounts.

Shri P. Nanda Kumaran, Chief General Manager, State Bank of India stated that he has been associated with SLBC Gujarat for more than a year and added that the State has seen the substantial growth in credit, transmission of strategies and policies between the Bankers and State Government to the field level.

Shri H.R. Dave informed that run for computerisation of 3 PACS has been commenced and all the eligible PACS in the State will be computerised in due course. He also shared CBS will be introduced in selected DCCBs and GSCB. While focussing on the need for awarness about KCC and interest subvention for prompt repayment, he said that NABARD is sharing the expenditure of publicity campaign being launched by GSCB and DCCBs. He also requested that commercial banks to commence similar campaign. At the end he concluded stating Co opeative Banks will play more pro active role in Gujarat State.

Shri D.L. Rawal once again thanked every one for their contribution and participation.

Shri Sudarshan Sen said House has taken a note of valuable contribution made by Shri Rawal as a Chairman of SLBC and added that under his tenure as Chairman of SLBC, there has been very good contribution of Banks and State Govt. which has resulted in a very positive environment for development of State.

The meeting ended with vote of thanks presented by **Shri S.K. Das**, General Manager, Bank of Baroda.
