

DENA BANK, SLBC, GMO, AHMEDABAD

MINUTES OF 133rd STATE LEVEL REVIEW MEETING (SLRM) FOR GUJARAT STATE FOR THE YEAR ENDED MARCH, 2012 HELD ON 24TH MAY, 2012 AT AUDITORIUM, DENA BANK, ASHRAM ROAD, AHMEDABAD

The above meeting was held on 24th May, 2012 to review the progress under various key parameters for the year ended March, 2012 at Auditorium, Dena Bank, Ashram Road, Ahmedabad which was presided over by Smt. **Nupur Mitra**, Chairperson & Managing Director, Dena Bank and was attended by Shri **P.L. Darbar**, Commissioner, Cottage Industries, Govt. of Gujarat, **Shri R.C. Meena**, Addl. Commissioner, Rural Development Department, Govt. of Gujarat, **Shri Murali Krishnan**, Addl. Secretary, Urban Development Department, Govt. of Gujarat, **Shri Sanjeev Kumar**, Addl. Secretary & Director (IF), Finance Department, Govt. of Gujarat, **Smt. Manjula Rattan**, Regional Director (I/C), Regional Director, Reserve Bank of India, **Shri Ravi Prakash**, General Manager, State Bank of India, **Shri U.C. Singhvi**, General Manager, Bank of Baroda, **Shri Suresh N. Patel**, Convenor - SLBC and other top bureaucrats of various Departments of State Govt. as well as top executives from the Banks also remained present in the meeting. The list of participants is enclosed.

At the outset, **Shri Suresh N. Patel**, Convenor, SLBC and General Manager (Gujarat), Dena Bank extended warm welcome to all the participants and informed that in today's meeting two important Power Point Presentation would be made one on Partnering in Voter Registration by Additional Chief Electoral Officer, General Administration Department, (Election Division), Govt. of Gujarat and another on E-payment by Rural Development Department, Govt. of Gujarat. He appealed all Member Banks for timely submission of data to SLBC so that the SLBC meeting can be convened as per calendar. He requested Private Sector Banks to maintain sanctity in submission of data as in case of number of Private Sector Banks it is observed that consistency is not maintained by these Banks. He requested the concerned Private Sector Banks to ensure collecting of data from their Head Office and submission to SLBC in time.

Smt. Nupur Mitra, Chairperson, SLBC & Chairperson & Managing Director, Dena Bank extending hearty welcome to all the participants and recollected that in the last SLBC meeting, Shri Narendrabhai Modi, Hon'ble Chief Minister had specifically pointed out for improvement Agriculture lending and withdrawals by Sakhi Mandals and requested Banks to give special focus to these areas. She stated that State Govt. various initiatives and adoption of modern techniques provide ample opportunities to the Banks in enhancing their Agriculture portfolio further. She also requested Banks to focus on investment credit along with short term credit. She informed about the NABARD revised KCC scheme and requested Banks to take this development on priority basis.

She stressed the need on maximum utilisation of the sanctioned limit to Sakhi Mandals and added that promptness of the Branch Managers in ensuring enhanced utilisation of sanctioned Cash Credit limits so as to ensure availability of credit at cheaper rate for enabling them to move out of the clutches of the money lenders.

As regards Indira Awas Yojana, she requested Banks to dispose off the pending applications to enable the beneficiaries to complete the construction of their houses.

DENA BANK, SLBC, GMO, AHMEDABAD

She congratulated Banks for FIP achievement as envisaged and requested Banks to ensure for transactions in these accounts on regular basis.

She said that it is a matter of pride for all Bankers in the State that the business mix of banking industry has crossed the figure of Rs.5 lakh mark in the State of Gujarat. She expressed concern for the districts where CD Ratio is below 40%.

She appealed the Banks to reach to the stipulated benchmark for advances to Weaker Section and for adequate coverage and support to Small and Marginal farmers.

She said that Banks would be required to put in extra efforts in achieving the SACP 2012-13 as the achievement for the year was at 93.26%.

She requested the State Govt. for allotment of land for RSETI premises at Gandhinagar district which is the only district in the State where land allotment is yet to be made. She also thanked State Govt. for good support for RSETIs in the State.

She also expressed sincere thanks to the State Govt. for support and co-ordination for the development of the State and implementation of the various schemes. She also thanked Govt. of India, Reserve Bank of India and NABARD for their continuous guidance and support to the Banks.

She said that Bankers are committed for the inclusive growth for the people of Gujarat.

She extended sincere thanks to the Group members of the Steering Committee of SLRM for making valuation suggestions and requested all concerned to initiate action for implementation of the same.

Agenda No.1

Confirmation of the proceedings of last meeting.

The proceedings of the 132nd State Level Bankers' Committee (SLBC) Meeting for the quarter ended December, 2011 held on 28.03.2012 were circulated to all the members on 2nd April, 2012. 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)

- (a) The allotment of land for RSETI in Gandhinagar district.

DENA BANK, SLBC, GMO, AHMEDABAD

Shri R.C. Meena, Addl. Commissioner, Rural Development Department, Govt. of Gujarat informed that the matter would be taken up for allotment of land with District Authority.

- (b) Problems faced by the Lead Bank, Tapi District, Bank of Baroda with regard to encroachment upon the land allotted for construction of RSETI by Gujarat Energy Transmission Corporation Ltd., Vav, Taluka : Kamrej, Dist : Surat

As regards, the freeing up of encroachment on the land for RSETI at Tapi district, Shri Meena informed that the land would be got vacated from Gujarat Energy Transmission Corporation Ltd.

- (c) **Problems faced by the Lead Bank, Bhuj District, Dena Bank regarding opposition by the members of Gram Panchayat, Bhujodi and Villagers for approving building plan to construct of RSETI Premises**

Shri Meena informed that the matter would be taken up with the District Authority for obtaining the peaceful possession of the land allotted for RSETI premises, Bhuj.

Status of training programmes conducted by RSETIs upto the quarter ended March, 2012

Shri Suresh N. Patel, Convenor, SLBC informed that the settlement ratio at 57.17% still needs improvement.

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

Shri Suresh N. Patel, Convenor, SLBC informed that out of 26 districts in 22 districts, FLCCCs were established and in remaining 4 districts viz. Patan, Kheda, Navsari and Tapi districts, the concerned Lead Banks have to set up FLCCCs.

The existing FLCCC which are not converted as per RBI model also need to be converted at the earliest.

2.3 Enhancement of Credit limit for exemption of Stamp Duty to all types of Self Help Groups (SHGs), including Sakhi Mandals

Shri Suresh N. Patel, Convenor, SLBC informed that the credit limit for exemption of stamp duty to all types of SHGs has been raised from Rs.1 lakh to Rs.2 lakh. SLBC has received the copy of Order No.GHM-2012-M-29-STP-122009-3041-H1 dtd. 2nd April, 2012 issued by Additional Secretary, Revenue Department, Govt. of Gujarat which was made available to all the Member Banks / Lead District Managers vide SLBC letter No.GMO/SLBC-49/392/2012 dtd. 20.04.2012.

2.4 1% Interest Subvention on Housing loans sanctioned to Public upto Rs.15.00 lakhs under Public Housing loan Schemes - sanctioned by RRBs

Shri Suresh N. Patel, Convenor, SLBC informed that the Finance Secretary vide their letter dtd. 2nd April, 2012 has informed that RRBs are entitled to draw the subsidy under the public Housing loan scheme as well as education loan scheme.

2.5 Subsidy in insurance premium for Cotton Crop growing farmers under National Agriculture Insurance Scheme (NAIS)

Shri Suresh N. Patel, Convenor, SLBC informed that there was very high premium for cotton crop insurance, hence the farmers were not insuring their crops. Now, on implementation of subsidy on cotton crop for premium will induce the farmers to insure their cotton crop in notified areas.

2.6 Implementation of Pilot Weather Based Crop Insurance Scheme (WBCIS) during 2012-13 (Kharif 2012 and Rabi 2012-13)

Shri Suresh N. Patel, Convenor, SLBC informed that the Pilot Weather Based Crop Insurance Scheme need to be popularised.

2.7 Financing Crop Loan in Tribal Belt through Formation & Credit Linkage of JLGs

Shri Suresh N. Patel, Convenor, SLBC informed that as desired by the Hon'ble Chief Minister for credit expansion in tribal areas, NABARD convened a meeting of major Banks and as decided the NGO working in the tribal areas would help banks and through JLG model the credit to tribal farmers can be increased.

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

Shri Suresh N. Patel, Convenor, SLBC informed that as per the Roadmap prepared for the year 2010-2012, all the 3502 identified villages having population over 2000 now covered with banking services through different modules.

(ii) District Service Area Plan:

All the Lead District Managers have prepared and placed the District Service Area Plan on respective website of the district.

(C) Coverage Plan & Preparation of State/ District Financial Service Plan :

The State / District Financial Service Plan of all the districts has been incorporated in the Service Area Credit Plan for the year 2012-13, including the available information received from Life and Non Life Insurance.

(D) Branch expansion plan of the district for population beyond 5000 in underbanked districts and 10000 and above in non-underbanked district.

There are 141 villages having population more than 5000 in underbanked districts, of which in 110 villages are within the radius of 5 KMs from bank branches wherein the BCs were appointed and opening Ultra Small Branches is under process. In 31 villages Brick and Mortar branch was to be opened, of which 6 branches were already opened by different banks and the remaining 25 branches are to be operationalised before September, 2012.

Likewise, in non undebanked districts, 7 villages having population more than 10000 have been identified and the BCs were appointed and Ultra Small Branch is to be operationalised.

(E) Setting Up of Ultra Small Branches:

Shri Suresh N. Patel, Convenor, SLBC informed that at all places where opening of a brick and mortar branch is presently not viable and as well as where the BC has been appointed In FI villages, these branches would be converted into Ultra Small Branch as per revised guidelines.

(F) Characteristics of an Ultra Small Branch:

Shri Suresh N. Patel, Convenor, SLBC informed the various characteristics of the Ultra Small Branches including the frequency and periodicity of the visit by the Bank official on a fixed day. He also stated that the Finance Department, Govt. of India has also informed that the concerned State Govt. would provide space of 100-200 sq.ft. in gram Panchyat office or any Govt. building to accommodate a Table and Chair for Business Correspondent and visiting Branch Manager. He also requested all the Lead District Manager to take-up the matter with District Development Officer for passing necessary instruction to concerned Sarpanch /Talati for allotment of space.

Shri R.C. Meena stated that they would pass on necessary instructions to the District Authorities for making available the required space for USBs.

(G) Business Correspondents (BC):

Shri Suresh N. Patel informed that in order to ensure the business model of BC is commercially sound and financially viable in a reasonable time and to ensure the

DENA BANK, SLBC, GMO, AHMEDABAD

viability, BC could be assigned a sub service area within the service area of the branch. Gram Panchayat shall be retained as a unit for a BC.

(H) Geographical Information System:

Shri Suresh N. Patel informed that since the task is still not completed by many of the Lead District Managers, he advised to ensure that the necessary data entries are completed at the earliest by each Bank.

(I) Financial Inclusion drive to open bank accounts of migrant labour and street vendors / hawkers in Urban areas

Shri Suresh N. Patel informed that Department of Financial Services, Ministry of Finance, Govt. of India vide letter F. No. 7/13/2012-BO.II dtd. 26th April, 2012 addressed to all the Chief Executive of Public Sector Banks outlined the details regarding Financial Inclusion drive to open bank accounts of migrant labour and street vendors / hawkers in Urban areas.

To achieve this marketing staff of branches should contact personally all street vendors / hawkers who are working within 500 metres of the branches to open their accounts. Thereafter, the branches should extend this process of opening of accounts beyond 500 metres so that all such persons get financially included.

He requested Lead District Managers to closely monitor the progress in each DLCC and BLBC meeting as a permanent agenda item. All the member Banks were requested to submit the monthly progress report to LDM and SLBC as desired by Department of Financial Services, Ministry of Finance.

(J) Availability of Connectivity in FI Villages:

Shri Suresh N. Patel informed that on receipt of the communication dtd. 26th April, 2012 from Department of Financial Services, MoF, Govt. of India, SLBC have collected the full contact details from concerned authorities of BSNL and the same is made available in Agena Booklet as Annexure - D.

He requested Member Banks to contact the concerned Area Office of BSNL wherever they face the problem of getting connectivity.

(K) Launch of Campaign to ensure at least one bank Account for each family in FI village

Shri Suresh N. Patel informed that as per the communication dtd.15.05.2012 from Department of Financial Services, Ministry regarding launching of Campaign to ensure at least one bank Account for each family in FI village. **Shri Patel** requested Member Banks to closely monitor the branchwise progress. He also requested all the Lead District Managers to monitor the progress in BLBC and DLCC meeting to complete the task of opening of New account and changes in existing account by June, 2012.

DENA BANK, SLBC, GMO, AHMEDABAD

Visits by Nodal Officers to State Level Bankers' Committee (SLBC)

To monitor the progress in respect of various issues for which directions have been received from the Department of Financial Services, through personal visit by the Director (IF) as well as through Video Conference with major Banks, various action points are being monitored very closely.

Action taken on - Green initiative - e- payments & EBT Payment

All the payments in identified 32 scheme administered by the State Government should be made through e-payment facilities i.e. RTGS, NEFT, etc.

To facilitate the same one district one lead bank many banks model need to be implemented. The tracking of the beneficiaries under various schemes need to be implemented. Banks need to open "No Frill" Account of identified beneficiaries to facilitate the transactions. Mapping exercise needs to be initiated by various departments of State Govt. with the Banks for implementation. **Shri Sanjeev Kumar**, Addl. Secretary & Director (IF), Finance Department, Govt. of Gujarat stated that they propose to convene a meeting of all the concerned shortly to discuss and finalise EBT payment and Green initiative.

Action taken on Computerisation of land records in Gujarat State- Online verification of land records and creation & release of charge

Shri D. K. Mittal, Secretary, Department of Financial Services, Ministry of Finance, Govt. Of India vide letter No. D.O. No. 18/Secy(DFS)/2012 dtd. 9th February, 2012 addressed to our Chairperson and Managing Director on the captioned matter, wherein it is informed that the land records in the State are available online and further advised that all the banks in the State of Gujarat to initiate following actions:

- a. No documentation of land records must be sought from the farmers while they submit an application for loan. Concerned bank must download it online.
- b. Creation of mortgage charge must be done online by Branch Managers.
- c. Release of charge must also be done online by banks.

Shri Suresh N. Patel, Convenor, SLBC informed that the issue has already been apprised to the concerned Department of the State Govt. and as informed the matter is under persuasion. **Shri Sanjeev Kumar** stated that a separate meeting of the officials from the concerned departments would be convened to look into the issue of Green Initiatives, EBT and online viewing of land records, etc.

(Action : Finance Department, GoG)

Agenda No.3

OTHER AGENDA

3.1 Issuance of Weaver Credit Card (WCC)

Shri Suresh N. Patel informed that Cottage & Rural Industries, Govt. of India vide its letter dtd. 7th May, 2012 has forwarded guidelines / instructions for issuance of Weaver Credit Card (WCC) and requested Banks to advise their branches to issue WCC.

3.2 Partnering for Voter Registration Programme

Shri Suresh N. Patel informed that General Administration Department, Govt. of Gujarat vide letter dtd. 4th May, 2012 has informed that State Legislative Election to would be held before December, 2012 and to make the Electoral Roll clean and error free, the Election Commission has ordered revision of Electoral Rolls w.r.t 1.1.2012 as the qualifying date which will commence from 1.6.2012.

Shri Ashok Manek, Additional Chief Electoral Officer, Gujarat State made a detailed Power Point Presentation comprising various action to be initiated by the District Authority as well as Banks for the State Assembly election. He also assured that sufficient number of related forms would be made available to bank branches for the use of their clients / unregistered eligible voters. Posters containing the address of Booth Level Officer would be placed at the branch premises to facilitate the voters to approach for further registration.

Shri Suresh N. Patel informed that SLBC has circulated the guidelines contained in the letter dtd. 11.5.2012 along with the soft copy in CD to the Member Banks for further circulation to their branches.

3.3 Report of High Level Committee to review the Lead Bank Scheme - Implementation of the recommendation No.56

Shri Suresh N. Patel informed that a High Level Committee was constituted under the Chairmanship of Dr. K.C. Chakrabarty, Dy. Governor, RBI to review the Lead Bank Scheme. Among others, recommendation of the Committee, one of it was " bank official posted as Lead District Manager may be given two to three week attachment at Jilla Parishad / Collectorate for familiarisation with Govt. roles and functioning with regard to development programme."

The house discussed the same and it was decided that necessary instructions to the District Authority would be passed on to concerned District authorities to acquaint the

DENA BANK, SLBC, GMO, AHMEDABAD

Lead District Manager with the various developmental programmes at Collectorate / District panchayat.

(Action : Addl. Secretary & Director (IF), FD, GoG)

3.4 Construction of unsafe well periphering Gir and Girnar areas

Shri Suresh N. Patel requested Member Banks to take care for what has been requested is duly complied by their branches.

3.5 Progress under financing to Indira Awas Yojana (IAY) - DRI Loan Scheme - as of March, 2012

Shri Suresh N. Patel informed that out of 1,39,400 application sponsored, Banks have sanctioned only 36,767 applications and rejected 21,749 applications. He said that there is a huge pendency numbered 80,884 and requested Member Banks to dispose off these applications.

Shri R.C. Meena appreciated the good work done by the Banks under IAY, however, he felt that there is a need to dispose off the pending applications. He mentioned that applications are rejected giving unconvincing reasons. He suggested that the number of applications returned and rejected should be shown separately and the compliance of the returned applications be made by the concerned agency at the earliest. Giving reasons for rejection of the applications, Lead District Manager, Kheda informed that majority of them are incomplete and are not submitted with the basic necessary papers.

Smt. Nupur Mitra, Chairperson, SLBC and Chairperson & Managing Director, Dena Bank suggested that while rejecting the branches should mention the reason for which the application is rejected. She also stated that the reason for rejection should be convincing and not merely on flimsy ground.

3.6 Introduction of 5% Interest Subsidy Scheme to the Women SHGs on credit facilities extended by Banks

Shri Suresh N. Patel informed that the detailed scheme has already been incorporated in the Agenda Booklet as Annexure H and requested Member Banks claim the interest subsidy as per the scheme. He also said that the introduction of 5% interest subsidy scheme would also help SHGs as their interest cost would go down to that extent.

Micro Finance campaign

Shri Suresh N. Patel informed that since there is a wide gap between the sanctioned amount and utilisation of the limit, it is expected that with the close co-ordination with GLPC staff and Banks officials during this campaign, the utilisation of the sanctioned would be improved.

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 have extended finance of Rs.40,321.85 crores upto the quarter ended March, 2012.

Agenda No. 4

REVIEW OF BANKING DEVELOPMENTS IN KEY AREAS FOR THE YEAR ENDED MARCH, 2012 :

Shri Suresh N. Patel informed that during the year 2011-12, total number of bank branches increased by 434 (Metro - 91, Urban - 56, Semi-Urban - 135 and Rural - 152). The total network of the bank branches in the State was increased from 6433 as of March, 2011 to 6867 during the year.

He said that as informed by RBI, 116 licences were pending (Metro - 65, Urban - 22, Semi-urban - 29 & Rural - 0) for opening of new branches at the end of March, 2012

DEPOSITS GROWTH :

Shri Suresh N. Patel informed that the aggregate deposits of the banks increased by Rs.45,188 crores in absolute terms from Rs.2,72,076 crores as of March, 2011 to Rs.3,17,264 crores as of March, 2012 registering a growth of 16.61% as against 20.76% for the previous year.

He also informed that NRI deposits stood at Rs.25,400 crores forming 8.01% of the total deposits, as against Rs.22,976 crores (8.44%) as at last year.

CREDIT EXPANSION :

Shri Suresh N. Patel informed that during the period under review, the aggregate credit increased by Rs.38,957 crores in absolute terms from Rs. 1,87,803 crores as of March, 2011 to Rs.2,26,760 crores as of March, 2012 registering a growth of 20.74%, as against 20.72% for the previous year.

CREDIT DEPOSIT RATIO:

Shri Suresh N. Patel informed that the conventional CD Ratio has improved from 69.03% as of March, 2011 to 71.47% as of March, 2012 i.e an increase of 2.44%. He

DENA BANK, SLBC, GMO, AHMEDABAD

said that CD Ratio, including RIDF, investment and credit to units situated in Gujarat from outside bank branches reached 93.30%.

CD Ratio BELOW 40%

As of March, 2012, the CD Ratio in 8 districts (Anand, Dangs, Kheda, Kutch, Navsari, Porbandar, Dahod and Tapi) was below 40%. The Lead District Managers of these districts were advised to explore new potentials for financing and the Bank branches in these districts should focus on the potential activities for improving the CD Ratio. Close monitoring in every DLCC meeting should be ensured.

PRIORITY SECTOR LENDING :

Shri Suresh N. Patel informed that the Priority Sector advances (46.38%) and Agriculture Advances (19.23%) surpassed the stipulated benchmark, however though there is absolute growth of Rs.2784 crores in Weaker Section, the performance remained at 7.66% against the benchmark. **Smt. Nupur Mitra**, Chairperson of the House, stated that in Gujarat there is a enough scope for these sectors and our lending should be increased in all districts.

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 overall achievement in disbursement under Service Area Credit Plan was 93.26% for the year ended March, 2012 as against 96.43% achievement as of March, 2011. The highest percentage achievement was recorded in AVCI & SSI - 143.81% followed by Trade & Services - 96.78% and Agriculture - 80.61%.

He requested the Lead District Managers to closely monitor the disbursements particularly under Agriculture Sector during the year 2012-13 so that the targets can be achieved by the year end.

SERVICE AREA CREDIT PLAN (SACP) FOR THE YEAR 2012-13

Shri Suresh N. Patel informed that as per the State Focus Paper of NABARD, the total outlay of PLO is Rs.47,431 crores. As per the revised SACPs, the total credit disbursement target has been arrived at Rs.46,803 crores which envisaged the growth of 11.75% over the year 2011-12 and it is 98.68% of the PLP.

He requested the Lead District Managers to make necessary changes in their Plan accordingly and monitor the same in DCC meetings during the year 2012-13.

Agency wise & Sub-sector wise Ground Level Credit Disbursement under Agriculture - year ended March, 2012

Shri Suresh N. Patel informed that as against the target of Rs.25,391 crores for disbursement under Agriculture Sector for the year 2011-12, Banks have disbursed Rs.20,468.58 crores i.e. 80.61% of the target. The major share of 72.90% is under Short Term Crop Loan sector and the remaining 27.10% under Term Loan Sector.

Agenda No.6

COMPARATIVE POSITION OF CASES FILED UNDER GUJARAT STATE RECOVERY ACT, 1979 AS OF MARCH, 2012

Shri Suresh N. Patel informed that there were 1,74,406 Recovery Certificates were pending amounting to Rs.599.11 crores and majority of them were pending for more than 3 years. He said that the large number of pending cases were found in district like Ahmedabad (No.29,614 - Amt. Rs.102.51 crores), Sabarkantha (No.27,366-Amt. Rs.70.10 crores), Banaskantha (No.15,144 - Amt. Rs.18.29 crores) and Vadodara (No.11,823 - Amt. Rs.12.78 crores).

He said that the recovery is very important for recycling of the funds in the banking system and requested the State Government to reiterate instructions for disposal of Recovery Certificates.

He requested Lead District Managers to pursue with the District Authorities for disposal of the pending Recovery Certificates.

Bankwise position of Outstanding, NPA, Percentage of NPA to Outstanding upto the half year ended March, 2012

The house noted the NPA in Govt. sponsored programmes is a bit high and the concerned Govt. agencies should assist in recovery whenever the recovery camps are arranged by Banks.

Shri Suresh N. Patel informed that the NPA under Priority Sector lending is 3.24%. Among the various segments, it is 4.82% in MSME and 4.51% in term loan segment of Agriculture which need to be checked in and closely followed up.

Agenda No.7

REVIEW OF PROGRESS UNDER GOVT. SPONSORED PROGRAMMES FOR THE YEAR ENDED MARCH, 2012

CENTRAL GOVERNMENT SPONSORED PROGRAMMES :

SWARNA JAYANTI GRAM SWAROJGAAR YOJANA (SGSY) :

Shri Suresh N. Patel informed that the achievement at 51.48% for the year ended March, 2012 has gone down compared with the previous year's achievement at 78%. He said that as informed by GLPC, the achievement of the funds utilisation is 81.23% as against the allotted funds.

The total percentage of assistance to SC & ST Swarojgaris comes to 47.80% against the stipulation of 50%.

He stated that besides individual finance, group finance is required to be encouraged by the Banks which ultimately improve the credit linkage of SHGs.

PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

Shri Suresh N. Patel informed that good work has been done by the Department of Cottage Industries as well as Banks as out of 4775 applications sponsored to Banks, 2664 loan applications were sanctioned by Banks involving loan amount of Rs.31,529.47 lakhs and Margin Money amounting to Rs.9150.05 lakhs. 3,198 loan applications remained pending as at the year ended March, 2011.

The target of Margin Money is surpassed i.e. 359.96%. The target in terms of number of project also surpassed i.e. 146.70%.

SWARNA JAYANTI SHAHERI ROJGAAR YOJANA (SJSRY) :

Shri Suresh N. Patel informed that the achievement of target in percentage terms stood at 99.83% in physical terms and 254.30% in financial terms for the year ended March, 2012. There were 5971 loan applications pending at the year ended March, 2012.

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 was 87.01% for the year ended March, 2012 against the 101.82% achievement for the corresponding period of the previous year.

He further said that 10,321 pending applications at the year ended March, 2012 required to be disposed off expeditiously by the banks.

DENA BANK, SLBC, GMO, AHMEDABAD

Shri P.L. Darbar, Commissioner, Cottage & Rural Industries, Govt. of Gujarat in detail reviewed the bankwise and districtwise performance. He suggested that before rejecting applications, officers from DIC should be called and the rejection of applications should be discussed with them as the applications are sponsored after due appraisal. **Smt. Nupur Mitra** requested LDMs to inform the House about the rejection of the applications. **Shri S.K. Shaw**, Dy. General Manager, Bank of Baroda stated that due to high NPA under the major Govt. sponsored schemes like, VBS, SGSY, etc., the achievement is affected. **Shri P.M. Gohil**, Lead District Manager, Bhavnagar stated that many of the quotations did not contain Tan No. **Shri Prashant Vaghela**, Lead District Manager, Sabarkantha informed that it seems that no proper scrutinisation and viability is seen before sponsoring and also Govt. machinery did not co-operate for recovery. After detailed discussions in open house, it was mutually agreed upon to have more interactions among Banks and Govt. officials at grass root level to resolve the issues.

GUJARAT SCHEDULED CASTES DEVELOPMENT CORPORATION (GSCDC) :

Shri Suresh N. Patel informed that the achievement at 61.49% was slightly improved stood when compared against the achievement at 59.07% for the corresponding period of the previous year. The performance in the districts like Panchmahals, Dahod, Mehsana, Patan, Kheda, Gandhinagar, Jamnagar, Junagadh, Sabarkantha and Valsad was above the average performance.

He requested the Lead District Managers to discuss the performance in District Level and Block Level quarterly meetings so as to achieve the targets.

He also requested Member Banks to dispose off pending 267 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 at 74.46% for the year ended March, 2012 has gone down against the achievement of 84.51% during the corresponding period of the previous year. The performance in Ahmedabad, Anand, Banaskantha, Jamnagar, Junagadh, Kheda, Mehsana, Panchmahals, Patan, Rajkot, Sabarkantha and Valsad was above the average performance of the State as a whole. Lead District Managers of remaining districts are requested to take-up the matter in DLCC / BLBC meetings with the Banks' branches to improve upon their performance in the financial year 2012-13.

DENA BANK, SLBC, GMO, AHMEDABAD

He requested Banks to ensure that 4582 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 was 113.70% of the target as against 79.20% for the corresponding period of the previous year. The districts like Ahmedabad (192%), Banaskantha (143.33%), Sabarkantha (250.00%), Navsari (118%), Panchmahals (352%), Dahod (167.50%), Gandhinagar (152%), Tapi (175%), Narmada (200%), Mehsana (214.29%) and Kutch (237%) surpassed the target with considerable margin.

The performance in the districts like Valsad (22.50%), Porbandar (12.50%), Junagadh (22.50%), Bhavnagar (32%), Bharuch (30%) and Anand (22.50%) was very poor.

He requested Banks to ensure that 1905 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 as per the report submitted by the Cottage & Rural Industries Department, Gujarat State, sponsoring under the Scheme was only 175 applications (as against the target of 150 applications), of which 41 applications were sanctioned to the tune of Rs.467.20 lakhs. The achievement stood at 27.33% only as against 6% for the corresponding period.

Agenda No.8

FINANCING UNDER OTHER PROGRAMMES / SCHEMES

(i) FINANCING TO MINORITY COMMUNITIES & WOMEN ENTREPRENEURS

MINORITY COMMUNITIES :

Shri Suresh N. Patel informed that fresh loans of Rs.984.39 crores were disbursed by the banks to 43,383 beneficiaries belonging to Minority Communities during the year ended March, 2012. The outstanding reached the level of Rs. 3045.90 crores in 2,39,425 accounts as of March, 2012.

He further stated that the share of advances to Minority Community to Priority Sector Advances should have been 15%, but however it remained at 3.52%. He informed that the year on year growth was 22.09%.

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

WOMEN ENTREPRENEURS

Shri Suresh N. Patel informed that the fresh credit to the tune of Rs.1885.48 crores to 1,16,344 beneficiaries in the State during the year March, 2012. The outstanding advances reached the level of Rs.7461.47 crores in 6,08,972 accounts and stood at 3.30% as against target of 5% of Net Bank Credit, which was 3.87% as of 31.03.2011.

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

(ii) Self Help Groups (SHGs) :

Shri Suresh N. Patel informed that as per the information received from Member Banks, upto March, 2012, total 2,00,418 SHGs have been formed, of which 1,71,122 i.e. 85.38 % have been promoted exclusively for Women in the State. Out of 2,00,418 SHGs, 1,09,279 SHGs have been extended Bank finance to the tune of Rs.627.37 crores. SHGs are having a total membership of 22,53,417 of which women were 19,49,830 i.e. 86.53%.

(b) Districtwise / Bankwise information on Sakhi Mandals

Shri Suresh N. Patel informed that out of total 2,01,697 Sakhi Mandals, 1,82,744 Sakhi Mandals have graded, i.e. 90.60%. Out of total 1,82,744 Sakhi Mandals graded, 1,63,634 Sakhi Mandals have been credit linked (89.54%) involving credit amount of Rs.1068.58 crores as of March, 2012.

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

Shri Suresh N. Patel informed that fresh loans worth Rs.5638.84 crores have been granted to 91,684 beneficiaries during the year March, 2012 under Direct Housing Finance. The outstanding level reached to Rs.16,087.36 crores in 2,80,376 accounts as of March, 2011.

Under Golden Jubilee Rural Housing Finance (GJRHF) Scheme, during the year March, 2012, fresh loans worth Rs.94.54 crores have been granted to 2447 beneficiaries and the outstanding level reached at Rs.390.47 crores in 14,251 accounts as of March, 2012.

(iv) REVIEW OF PROGRESS UNDER EDUCATION LOAN :

Shri Suresh N. Patel informed that during the year, the Banks have disbursed Education loans to 10,603 students to the tune of Rs. 244.72 crores. The outstanding

DENA BANK, SLBC, GMO, AHMEDABAD

under Education loans reached to Rs.1281.88 crores in 48,453 accounts as of March, 2012.

(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 28,62,024 as of March, 2012 against total land holdings of about 42.39 lakhs in the State, showing net increase of 3,34,510 KCCs during the year 2011-12.

The bank groupwise break up is : Nationalised Banks - 5,92,757, State Bank Group - 6,19,975, RRBs - 2,23,543, Private Sector Banks - 3337 and DCCBs -14,22,412.

Though the Banks during the year have issued fresh 3,34,510 KCCs, the progress under issuance of KCCs needs to be improved further.. He requested Member Banks to cover the uncovered eligible farmers in a campaign mode by June, 2012 and obtain the certificate from the Sarpanch / Talati to that effect as directed by the Govt. of India.

He also requested the Lead District Managers to co-ordinate the efforts with the district authorities in obtaining the list of uncovered eligible farmers to enable Service Area Bank Branches to extend KCCs to such farmers.

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

Shri Suresh N. Patel informed that the progress under formation of JLGs and its credit linkage received from Member Banks for the year ended March, 2012, out of 24 Banks, only 7 Banks (Bank of Baroda, Dena Bank, Union Bank of India, DCCBs and 3 RRBs) have initiated to form JLGs. These Banks have formed 2411 under Farm Sector , of which 1724 JLGs credit linked to the tune of Rs.1531 lakhs. 751 JLGs have been formed under Non-Farm Sector and provided credit linkage to 745 JLGs with an amount of Rs.482.00 lakhs.

He requested Member banks to explore all possibilities to form JLGs and provide credit linkages which may boost up weaker section advances.

(vi) SWAROJGAR CREDIT CARD (SCC) :

Shri Suresh N. Patel informed that Banks have issued 621 SCCs to the tune of Rs.1.93 crores during the quarter. In all 12,230 SCCs have been issued and the amount outstanding is Rs.32.38 crores.

He informed that RRBs have issued 5107 SCCs whereas the remaining Banks have issued only 7023 SCCs.

(vii) ARTISAN CREDIT CARD (ACC) :

Shri Suresh N. Patel informed that during the quarter, 90 ACCs were issued by Banks amounting to Rs.39.01 lakhs. Thus, upto the end of March, 2012, the outstanding ACCs were 3402 amounting to Rs.2341.00 lakhs. There are huge number of applications lying pending with the Banks at the identified centres which need to be disposed off and the details to be sent to the Commissioner, Cottage & Rural Industries, Govt. of Gujarat. Moreover, the sanctioned cases need to be disbursed immediately.

Shri P.L. Darbar informed that 75,279 applications to various Banks have been sponsored in 31 identified centres, but response from the Banks is not satisfactory. He informed that Banks have sanctioned only 1304 applications i.e. 1.73% of the total sponsored applications and still 62,525 applications are pending with different Banks. He requested all the Banks to dispose off these applications. Regarding issuance of Weaver Credit Card, he informed that 1200 applications to various banks have been sponsored and requested Banks to dispose these applications positively and as early as possible.

(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.32,843.90 crores at the quarter ended March, 2012, of which Rs.1188.46 crores were extended to 4827 units for technology upgradation under CLCSSTU. During the quarter under review, banks have disbursed Rs.178.13 crores to 345 units under CLCSSTU.

(ix) ADVANCES TO SC & ST BENEFICIARIES :

Shri Suresh N. Patel informed that the outstanding advances to SC beneficiaries as of March, 2012 was Rs.1626.08 crores in 1,89,188 accounts, forming 11.30% of Weaker Section advances, which was 9.31% as of March, 2011.

Similarly, the outstanding advances to ST beneficiaries as of March, 2012 was Rs.1716.71 crores in 2,14,035 accounts, forming 11.93% 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, 1,47,645 "No Frills A/cs" have been opened during the quarter ended March, 2012. Banks have provided overdraft facility to 3,26,068 a/cs amounting to Rs.10.29 crores. Total number of "No Frills Accounts" reached 25,64,354 as of March, 2012 with an amount of Rs.167.88 crores in these accounts.

DENA BANK, SLBC, GMO, AHMEDABAD

During the quarter, 4522 amounting to Rs.3.13 crores have been issued by Member Banks. The cumulative position as of March, 2012 reached 46,422 GCCs amounting to Rs.43.56 crores.

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 : Leader : Bank of Baroda and Group 2 : Leader : NABARD were formed on following issues.

He thanked the members of both the Groups and requested Member Banks and concerned Govt. Departments to examine the various suggestions made in the Group Reports and initiate necessary action on various issues deliberated / recommended by the Groups. Action initiated and final outcome may please be informed to SLBC for informing the same to all the concerned.

Shri Suresh N. Patel requested **Smt. Manjula Rattan**, Regional Director (I/C), Reserve Bank of India, to address the house and offer her views,

Smt. Manjula Rattan congratulated the Banks for achieving Financial Inclusion Plan by the year end March, 2012 as envisaged. She said that while good work has been done, still lot of ground needs to be covered. She requested Banks to ensure the delivery of banking services in FI villages and no laxity should be there in this regard as otherwise it would create adverse publicity. She requested Banks to ensure opening of No Frill a/cs for making e-payment for Central and State Govt. scheme which would expedite our goal for inclusive banking. She also said that MSME Sector is high priority for RBI as well as the Govt. She advised that rehabilitation of the viable sick units should be promptly attended to after establishing the viability.

Thereafter, **Smt. Nupur Mitra**, launched the SACP for the year 2012-13 envisaging total outlay of Rs.46,802.66 crores.

Then **Shri Suresh N. Patel** requested **Shri H.R. Dave** to offer his views before the House.

Shri HR Dave, CGM, NABARD raised the following issues during the 133rd SLRM meeting held on 24.05.2012.

- .Need for the banks to aggressively push Agriculture Loans as the targets fixed for 2012-13 are 55% higher than the achievement during 2011-12 under Agriculture Loans.

DENA BANK, SLBC, GMO, AHMEDABAD

- Special emphasis on Agriculture Term Loan as banks have registered a negative growth under the same during 2011-12 compared to 2010-11. This will be critical as this has a direct bearing on capital formation in agriculture which is a national priority.
- Over a period of time, the expertise on preparing and financing area based schemes has got diluted since bulk of NABARD refinance has been under Automatic Refinance scheme. It is now increasingly felt that there is a pressing need for developing and financing Area Based Development Schemes, particularly under Minor Irrigation, Land Development, Horticulture and Animal husbandry.
- NABARD would be more than willing to offer guidance to banks and interested stakeholders in preparing area development schemes by organising sector specific workshops.
- List of nearly 10,000 tribal farmers in project areas where NABARD has supported Watershed and Wadi projects, has been provided to local banks operating in their operation. Banks were expected to take advantage of the initiatives taken by NABARD in these project areas and in turn issue KCC to such captive clients. While on the one hand, experience in a few districts has been encouraging, response in Panchmahal, Baroda and Dahod has been lukewarm. Banks operating in these project areas may take special initiatives to cover these farmers at the earliest.
- Opening of no-frills accounts of the excluded rural population may only be considered to be a first step towards achieving financial inclusion as the real financial inclusion would be fructified only when these new account holders will be covered by a General Credit Card with a Credit Limit of say Rs.25,000/-. This will go a long way in giving them the much required confidence as also enable them to come out of the clutches of money lenders.
- In the state of Gujarat, Dena Bank, Bank of Baroda, Rajkot, Bhavnagar and Ahmedabad DCCBs and all the three RRBs have initiated steps for supporting JLGs. There is a pressing need for other banks to also come forward in the regard as this will help the banking system bring more and more farmers uncovered by formal credit delivery system so far. Banks may consider adopting one district each for intensive coverage under JLG scheme. Needless to mention, NABARD would extend promotional grant support to banks for promoting and financing such JLGs at the rate of Rs.2,000 per JLG in tribal areas.
- NABARD has opened a line of credit under which CBs and RRBs can avail refinance from NABARD at a rate of 4.5% for financing PACS in areas where the PACS are strong but the DCCBs may be rather weak. Banks may take advantage of this window as they could considerably enhance their crop loan portfolio by dealing with only one PACS. Necessary rating tool can be obtained from NABARD.

DENA BANK, SLBC, GMO, AHMEDABAD

- NABARD has supported 6000 Farmers' Clubs in as many villages across the state. Such a big number means that these FCs cover almost one third of the total number of villages. NABARD has entered into collaboration with RML under which two volunteers of each Farmers' Club will receive at least 5 text messages daily pertaining to agriculture operations. Banks could take advantage of this facility for reaching out to these farmers by publicising their schemes through these text messages. This will help banks enhance their outreach by incurring no additional cost. Even BLBC convenors can intimate the farmers clubs operating in the block about the date for their quarterly block level meetings.
- Majority of the GoI subsidy schemes for which NABARD has been a pass through agency have since been continued during the first year of the 12th FYP i.e. 201-13. While NABARD would be happy to render seamless services to all stakeholders, the client bank would be better served if there is only one Ahmedabad based nodal office and one nodal officer through which all claims can be lodged with NABARD and with whom NABARD can dialogue on a one-to-one basis. This will go a long way in speeding up the process and also perhaps reduce the number of avoidable RTI applications. Further, DEEDS applications may please be necessarily submitted to NABARD in soft form also.
- The claims of banks under the weavers' package and all data pertaining to the package may be furnished to NABARD by 31 May. Even if no claims are there, a nil statement may be submitted to NABARD by concerned bank. Further, the Govt of Gujarat was requested to approve the list of auditors at an early date.
- GoG is requested to consider waiving of the stamp duty of Rs.100/- presently required to be borne by the guarantors in case of the guarantee deed in respect of agriculture loaning.
- GoG may consider allowing online viewing rights to bank officials and also creation of charge on land.

Shri R.C. Meena made a Power Point Presentation on MGNREGA Scheme. It was informed that the payment under MGNREGA scheme is being made through e-payment in identified blocks which would gradually be extended to all the districts of the State. He also informed that at present about 3/4th of the MGNREGA beneficiaries accounts are with the Post Offices. On implementation of FIP, many of these beneficiaries would have opened their accounts with Banks which now need to be mapped so that e-payment can also be facilitated through these accounts. He hoped that this would reduce the work at the block level for the payment under the scheme. He suggested for a meeting between the representatives of major Banks and the officials of their Department to work out the strategy to effect the e-payment to the MGNREGA beneficiaries.

Shri S.P. Sisodia, Addl. Secretary, Agriculture & Co-operation Department, Govt. of Gujarat informed that it has been noticed that there is a large scale deviation in

DENA BANK, SLBC, GMO, AHMEDABAD

coverage of crop insurance and many farmers show the crop of ground nut instead of cotton due to high rate of premium for cotton crop and for that they have sought for the information for the identified 5 blocks from the Banks, but the said information is not submitted by banks.

He also informed that to overcome this difficulty, this year they have sought for villagewise, survey numberwise information of the crop grown by the farmers introducing the declaration to be obtained from the farmers to that effect and the same was circulated to all the Nodal Offices for obtaining the same and reporting accordingly. He also informed that this year they would make a random comparison of the crops grown by the farmers and through satellite the photographs of the crops grown would be taken to check malpractices to the possible extent. He also stated that this year, the premium for cotton has been subsidised and brought almost at par with the premium for groundnut which would also induce the farmers for showing the real crop grown by them and cover under the insurance.

Shri Suresh N. Patel informed that SLBC would again request the member banks to submit required information of the aforesaid blocks immediately. He also requested Member Banks to collect the declaration from the farmers and provide the required information to AIC / GOG.

The meeting ended with vote of thanks extended by **Shri Ravi Prakash**, General Manager, State Bank of India.
