

## Minutes

### 112<sup>th</sup> SLBC Rajasthan meeting held on 28<sup>th</sup> Feb., 2012

The meeting was Chaired by Shri N.S.Srinath, Executive Director, Bank of Baroda and attended by Senior Government officials, executives from Reserve Bank, NABARD, Banks and financial institutions. The list of participants is annexed.

Shri Animesh Chauhan, convener SLBC welcomed Shri N.S. Srinath, Executive Director, Bank of Baroda, dignitaries on the Dias and all the participants to the 112<sup>th</sup> SLBC meeting. He then requested Shri N.S. Srinath to preside over the meeting and to deliver his address.

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**Shri N.S.Srinath, Executive Director, Bank of Baroda** emphasized that as a month is left for the close of current financial year, therefore, it has to be ensured that the targets for the full year are achieved in the remaining time on hand under various schemes / parameters, more particularly achievements under financial inclusion, ACP, and government sponsored schemes. He expressed that Rajasthan has a good name for giving a good performance year after year in all critical parameters and it should be continued.

He noted that the CD ratio continues to be high at 94.72 %. The achievement under ACP is 73% of the annual target as on Dec-2011, thus we are well on course to achieve the targeted level. In 83% of the targeted 3883 villages, the financial inclusion exercise has been initiated by the end Jan-2012 and requested for meaningful financial inclusion in the allotted villages and 100% achievement under FIP by Mar-2012.

He reiterated the Ministry of Finance revised guidelines on FI, under which the banks are required to set up ultra small branches, to be visited by the Branch officer once in a week on a pre-notified day and time, and requested for due implementation of the guidelines. Under the directives of the Ministry of Finance, special campaigns for rural lending were undertaken by the banks, which have yielded good results.

He said as per resolution of the special SLBC meeting held on 12.10.2011, chaired by the Governor RBI, the credit awareness camps have been organized in the 23 minority concentration blocks, followed by credit camps in 21 blocks, wherein loans amounting to Rs.65 crores have been sanctioned. He requested banks to put more efforts to improve lending to minority community to attain the mandated level of 15% of the priority sector advances.

He informed the house that the Weavers Credit Card scheme has been launched in the State in the camp organised on 18.01.2012, and more of such camps are being organised in the identified weaver clusters in coordination with the Banks, Industries Deptt and district administration. He requested banks to ensure achievement of targets under various govt. sponsored schemes.

**Thereafter the agenda items were taken up for discussion:**

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**AGENDA No. – 1:**

**AGENDA No. – 1.1:**

**Confirmation of Minutes of 111<sup>th</sup> SLBC Meeting held on 27.12.2011:** Convener SLBC informed that the minutes of the 111<sup>th</sup> SLBC meeting were circulated to the members vide letter dated 16.01.2012. The following amendments have been received:

**1. Under Government Sponsored Schemes – Agenda item No. 5:**

**Secretary, Rural Development** requested to explore the possibilities to find out an ICT based solution for collection of MIS for the Govt. Sponsored schemes. This can improve the transparency and accessibility of the MIS, for review of individual schemes. It was suggested by the Convener that the issue can be discussed in the core group meeting for consideration by all concerned to arrive at a decision in this regard.

**2. Under Misc. issues – Agenda item No. 11:**

**Secretary, Rural Development** drew the attention of the house towards an instance which has come into notice regarding fraudulent transfer of an amount over Rs.1.00 crore from the NREGA account in SBBJ's branch in Nagaur district in which signature of collector was forged to transfer the money to some fictitious account. The Managing Director SBBJ responding on the issue said that the matter is being looked into. In case it is found that the Bank is at fault, the Bank will indemnify the State government for the amount so withdrawn.

The minutes, with above amendments, were confirmed by the house.

## **AGENDA No. – 1.2:**

### **Action Taken Report:**

- 1. Allotment of land to RSETIs:** house was informed that Land has been allotted for 23 RSETIs and allotment of land is pending for 11 RSETIs. Additional Chief Secretary (RD&PR) has again written to District Collectors for allotment of land at the earliest. Issue is Placed for discussion under agenda No. 6.1.
- 2. Credit camps for districts with low CD ratio:** special DCC meetings have been convened and various credit camps have been organized in these districts as decided in earlier DCC meetings. But it is reported that credit absorption capacity of these districts is less due to poor infrastructure, water scarcity etc. which require attention of the state government. Issue is placed for discussion under agenda no. 2
- 3. Progress in respect to opening of bricks & mortar branches in FI villages having population 5000 & above by Sep-2012-** Branch expansion plan has been prepared by all banks and submitted to MoF. Monthly progress is being submitted to MoF, GoI before 10<sup>th</sup> of every month, as directed. Issue is placed for discussion under agenda no. 3
- 4. Weaver Credit Card – organizing district level campaigns in coordination with banks-** scheme has been launched in the state in a camp organized on 18.01.2012 and further camps are scheduled in the month of Feb 2012. Issue is Placed for discussion under agenda no. 5.1.4
- 5. Amendment to Rajasthan PDR Act:** Principal Secretary (Plan) has taken up the issue with Revenue Department for re-examination of the issue of amendment in the act. We hope for a positive outcome during ensuing budget session. Issue is placed for further discussion under agenda no 10.

**Action Taken Report of special SLBC meeting held on 12.10.2011 under the chairmanship of Hon'ble Governor, RBI:**

**Action points for Commercial Banks:**

**Financial Inclusion:** FI exercise has been initiated in 3215 villages as on Jan 2012. In villages having population 5000 and above, 72 branches in under banked districts and 13 in optimally banked districts are proposed to be opened by Sep 2012.

**District with low CD ratio** Action already initiated for improvement of CD ratio in these 3 districts. Special DCCs have already been held and Credit camps are being organized for improving CD ratio in these districts.

**Lending to minority communities** Banks have organized credit awareness camps in 23 minority concentration blocks, followed by credit camps in 21 blocks where loan amounting Rs 66 crores to 3549 applicants have been sanctioned. As most of the camps have been organized in Jan-2012, the impact would be visible in Mar-2012 results.

**Education Loans:** Facility of online submission of education loan applications is already available with majority of banks. Some banks where the facility is not available have informed that the same is under consideration at their corporate office level.

**EBT and disbursal of NREGA benefits:** Except cooperative banks, all banks in the state are already working on CBS platform and pilot project for disbursal of NREGA benefits has already been launched in 4 blocks. With the successful implementation of this pilot project we expect to initiate the EBT and disbursal of NREGA benefits in a big way all over the state.

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### **Action points for State Government:**

**Extension of Finance to Power Distribution Companies by Banks:** Consortium arrangements have been finalized for all the power distribution companies in the State. The proposals for credit approval for their share by the member banks are under process.

**Effectiveness of RSETIs:** State Govt. requested for visit of District collectors to RSETIs for assessing performance and to bring about improvement in their functioning.

**Re-Capitalization of RRBs-Release of Share of State Government:** State government has assured to put up a proposal in this regard in the coming budget session.

**Financial Literacy- Inclusion in School Curriculum:** State Government was requested for necessary action in the matter.

**Public Demand Recovery Act, 1952\_Amendment:** Plan Dept., GoR has taken up the matter with revenue department in this regard.

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### **AGENDA No. - 2:**

**Branch network:** During current FY, up to Dec 2011, -190- new bank branches have been opened in the state, of which 139 branches (73%) have been opened in rural/ semi urban centers.

**Deposits and advances:** As on Dec-2011 total deposits in the state are Rs. 154747 crs and advances Rs. 137388 crs with YoY growth of 17.08% and 18.41% respectively.

**Priority sector advances:** The YoY growth under priority sector advances is 18%, agriculture 27%, SME and OPS 7%, weaker section 26%, advances to SC/ST 43% and advances to minority community 18%.

**CD Ratio:** As on Dec-2011, CD ratio is 94.72%. The CD ratio for commercial banks is 93.12%, for RRBs 86.47% and cooperative banks 136.62%. The CD ratio is below 50% in 3 districts i.e. Dungarpur, Rajasmand and Sirohi. As decided in the last SLBC meeting, special DCC meetings were convened in these districts and special credit camps are being organized for increasing credit deployment in

these districts. Constraints like poor infrastructure, hilly terrain and water shortage are impacting credit absorption capacity in these districts, thereby making it difficult to improve CD ratio

**Achievement under ACP:** As on Dec 2011, achievement under ACP is 73%. The sub sector achievements are - agriculture 74%, MSE 77%, OPS 64% and short term Agriculture 80%. With the active participation of state government and banks the ACP targets are expected to be achieved. It was observed that the major credit dispensation for agriculture is for short term agriculture, there is a need for credit to agriculture under long term also. The performance of RRBs in MSE and OPS is low in comparison to commercial banks. RRBs were requested to achieve 100% of their targets for FY 2011-12.

**Chairman** observed that the performance under OPS needs to be improved. The achievement under MSE though is good at 77%, but is low as compared to the corresponding period achievement in FY 2010-11 of 106%. He requested for more efforts to maintain the performance of last year.

It was noted that 27% achievement of RRBs under MSE upto Dec 2011 is very low and needs drastic improvement. He requested the RRBs to explore possibility of financing to micro and small enterprises in rural area, where they are predominantly present. Moreover due to low performance of RRBs under MSE, overall performance of banks has also reduced, and requested RRBs to achieve their targets in remaining time of the year.

**Convener SLBC:** informed that in 12 districts ACP achievement is above 75% and in 19 districts ACP achievement is between 50%-75%. Though the major area of concern is that in 2 districts in the state achievement is below 50% viz; Dholpur & Sirohi.

**CGM NABARD:** informed that annual credit plan for FY 2012-13 is under finalization. Recently state credit seminar was held where the focus paper was released, and credit target of Rs.50476 crore for 2012-13, against Rs.39359 crs last year, is being projected. He requested for matching of potential plan with credit plan at district level. He noted low credit under term loan, and said unless there is creation of capital assets there will be no demand.

**CGM NABARD:** noted that in -2- districts of Dungarpur and Rajasmand have responded well and shown some improvement. But in Sirohi there is no significant improvement, and added that in Sirohi all banks have finalized their credit plans themselves as per their potential.

**MD SBBJ:** shared that Sirohi is one district where potential is less as compared to other districts. Therefore, while drawing the credit plan for this year this should also be kept in mind because all targets cannot be achieved in the short term as it will take some time. Every time very ambitious plans are being made but this is not reflected in the results.

**Chairman:** requested SBBJ to ensure that at least targets are being achieved. I agree that achieving CD ratio for Sirohi district at par with the state is difficult but in coordination with NABARD it should be ensured that at least decided targets are achieved.

### **AGENDA No. - 3:**

#### **Financial inclusion:**

The issue of setting up of bricks and mortar branches by banks in allotted FI villages having population 5000 & above (census 2001) by Sep 2012 as per guidelines issued to the Banks by MoF was discussed. It was informed that as per plan submitted by the banks, -80- branches in under banked districts and 21 branches in optimally banked districts were proposed. The number of branches has since been revised to 72 branches in under banked districts and 13 in optimally banked districts, and has been conveyed to the Ministry of Finance.

House was informed that guidelines have been received from DFS, MoF, GoI, for capture of existing information on the outreach of Banks/Insurance companies at village level on GIS web portal, to enable identification of existing gaps for these facilities and set targets for Banks/Insurance companies for expansion. Such data is to be logged in by the LDMs on GIS portal for their district. The detailed modalities are being sought from MoF/NIC.

#### **Strategies and Guidelines of Financial Inclusion - Progress in compliance of MoF's Directive:**

House was informed that as per guidelines received from MoF, the service area plan needs to be redefined in terms of Gram Panchayat. The matter has been taken up with respective LDMs and data has been received for 20 districts so far, wherein 124 gram Panchayat are found to be split between more than one banks. The compilation is under process for the remaining districts.

To facilitate preparation of comprehensive financial services plan for the state, a meeting was convened on 24.02.2012 with NABARD and all public sector life and non life insurance companies. The insurance companies were requested to inform

SLBC the details of district-wise nodal offices/officers, who shall be preparing the insurance plan for each district of the state, in consultation with the LDM / DDM.

**Uploading of service area plan on districts website:** the service area plan has been uploaded on district website, state website and as well as on SLBC website.

**EBT and disbursal of NAREGA benefits:** house was informed that pilot project is being undertaken in 4 blocks in the state and on successful implementation, the same will be escalated.

**Preparation of road map for EBT:** It was informed that SLBC vide letter 11.11.2011 & 13.02.2012 has requested ACS (finance) and Principal Secretary of the concerned departments for providing necessary support & feedback for preparation of roadmap for implementation of EBT in the state for the 32 schemes in the state run by the government. It is proposed to hold meeting with the departments of the State Govt. to finalize individual scheme wise plan.

**Banks need to become PoP for the “Swavalamban” scheme:** house was informed that majority of banks in the state have been registered with PFRDA and they have also rolled put their plans. Banks have sought certain clarifications from PFRDA in respect of extension of the scheme beyond 2013-14.

**One person in the ZO of banks be made responsible for driving the e-payments:** Banks have confirmed that they have appointed one person in zonal office to drive e payment in the zone.

**RRBs to join the NEFT network of their sponsor bank:** House was informed that JTGB) and RGB have operationalised NEFT. MGB Gramin Bank is under process of operationalisation, permission from RBI has been received. BRGB is operationalising NEFT through sponsor Bank

**Setting up Ultra Small Branch (USB):** It was informed that the strategy and guidelines on FI have been issued by DFS, MoF, vide letter dated 09.02.2012 for setting up of Ultra Small Branches in all villages under Financial Inclusion, which stands shared with the Banks. Banks were requested to submit the progress in this regard to SLBC.

The guidelines interalia suggest that to keep the cost of setting up of USB low the local bodies may be requested to provide such place free of cost till such time the business grows to a viable level, justifying setting up of a regular branch. Banks were requested to initiate necessary action in this regard.



**Progress FIP - As on Jan-2012:** House was informed that FI exercise has been initiated in 3215 villages as on Jan 2012, with 914258 customers enrolled, of which 365344 smart cards have been issued. Banks have appointed 2351 BCs and 141013 transactions have taken place. Simultaneously 2368 smaller villages having population below 2000 have also been covered alongside. The review of individual bank's performance in implementation of FIP was undertaken, the summary of which is as under:

**PNB:** Bank's representative informed that 346 villages have been covered out of total 395 villages allotted. The issues earlier faced in respect of service provider and appointments of BCs have now been sorted out and the bank will be covering all villages by 16<sup>th</sup> of March 2012. Appraising the latest progress it was informed that 346 BCs have been appointed and 151000 enrolments done, of which 29700 smart cards have been issued. The transactions have been commenced.

**UCO:** Bank's representative informed that 185 villages have been covered, and remaining 10 villages will be covered in next 10 days i.e. by 10<sup>th</sup> march 2012. As of now 153 BCs have been appointed.

**CBI:** informed that 46 villages have been covered as of Feb 2012, and by 15<sup>th</sup> March all 88 villages will be covered. It was informed that 88 BCs have been appointed.

**BOB:** All 374 allotted have been covered. -176- BC agents have been appointment, further 100 more BCs will be appointed by 15<sup>th</sup> March, 2012.

**OBC:** 62 out of 63 allotted villages have been covered as of Feb 2012. As of now 1 BC is serving two villages but it is proposed to have one BC for each village.

**ICICI:** Representative of the bank informed that 187 villages have been covered and only 4 villages are left which will be covered in next 10 days.

**UBI:** informed having covered 25 villages against 29 allotted villages. 4 villages are still remaining because we were facing some problem in covering remaining 4 villages. But with in next 15 days remaining villages will be covered.

**Dena Bank:** The Bank's representative was not present in the meeting. **Chairman** expressed his dissatisfaction over the absence and requested that all member Banks must ensure presence in the SLBC meeting.

**RGB:** informed having covered 330 villages and assured that within next 4 days the remaining allotted villages will be covered.

**JTGB:** informed that against 342 allotted villages, 274 villages have been covered, and assured that by 15<sup>th</sup> March all 342 villages will be covered. Currently 2 Technology Service Providers are working for the Bank i.e. Integra and Bartronics. However, support is not forthcoming from Bartronics. So far 55 BCs have been appointed and BC appointment is now going on a full scale through identification by Branch Managers and 50-60 BCs will be appointed in the next few days.

**BRGB:** informed that 174 villages have been covered and 72 BCs appointed. Due to adequate support not forthcoming from the service provider M/s Bartronics, some constraints are being faced. However, we have taken up the matter with our service provider to complete coverage by 31<sup>st</sup> of March 2012. **General Manager (FI) BOB:** informed that as sponsor bank for BRGB we are continuously following up with the service provider to complete the coverage by March 2012. But there are some issues and resource crunch due to which progress has not been satisfactory so far. We are also giving some handholding to the bank to achieve the target in time.

**Chairman:** advised the GM (FI) to take up the issue on top priority and explore to employ some alternate methods and additional resource mobilization to ensure village coverage before 31<sup>st</sup> march 2012.

**MGB:** informed that 315 villages have been covered. Of the remaining 5 villages, branches have been opened in -2- villages and -2- more branches are proposed in 1<sup>st</sup> week of March 2012, the remaining -1- village will be covered during the month.

**HKGB:** out of 62 allotted villages, 61 villages have been covered and BCs have been appointed in all villages.

**MAGB:** informed that out of 38 allotted villages. 30 villages have been covered and assured that remaining villages will be covered by 15<sup>th</sup> March 2012.

**Chairman:** complimented all those banks who have achieved 100% coverage. He further emphasized that it is the responsibility of sponsoring banks to ensure that their RRBs also achieve their targets. He said that the picture appears good in terms of no of villages covered but if we assess further in terms of no smart cards, BCs appointed, actual position is not that good. He informed that the officials from the MoF will be visiting villages to assess the ground level roll out and its impact. He requested that executives and top management of banks should visit the FI villages to see that the banking services are delivered in the villages. He said that it is a continuous process and it has to be ensured that the ultimate objective is achieved by way of providing insurance/overdraft and remittance

products also in villages. He requested banks to ensure that by the time we meet again to assess final performance for 2011-12 we should have a satisfaction that we have achieved our goal in tune with the level of performance which Rajasthan has been giving

**Convener SLBC:** observed that in terms of coverage the position is satisfactory. However, in terms of enrolments per villages, cards per village, transaction per cards etc. the position needs improvement. He said a much better position is expected, as all the banks have assured that these figures will improve substantially during the month.

He shared that during the Sub committee meeting on FI held on 31.01.2012, one of the major issue emerged is that the banks need to ensure that BC model is economically viable and sustainable. For this some banks have introduced incentive schemes for BCs for canvassing business in their villages. Remaining banks are also requested to devise such schemes so that BC model is economically viable and appointed BCs stay with the banks. He requested the State government to provide necessary support for preparation of Road map for EBT in the state. The public sector life and non life insurance companies have promised to comeback within first fortnight of March 2012 for preparation of road map for district wise insurance plan.

**Chairman:** requested that the sub committee monitoring the progress of FI to list the details of service providers not working up to the mark so that it is pointed out and a decision can be taken at national level for the same.

### **Unique Identification Authority of India (UIDAI):**

26 Banks have been registered as UIDAI registrars for enrolling residents for “Aadhaar” number. UIDAI has a target of 20 crore enrolments till 31.03.2012. The UID enrollments in the State have been done through the State and non-State Registrars. Further, directives are awaited as presently the enrollments have been stopped.

### **AGENDA No. – 4:**

**Agriculture Credit Flow:** Against the target of 8 lac KCCs for FY 2011-12, 11.07 lac KCCs have been issued as on Jan 2012. The special agriculture credit campaign is going on and this figure will further go up. The no of active/valid KCCs is 52.69 lacs. The position is satisfactory considering total rural households and agriculture land in the state.

As per MoF directive for bank credit linkage to each house hold of rural area, special campaigns are being organized by all banks in their service area starting from 01.10.2011. Further, banks are requested to give focus on the investment credit under agriculture sector to create capital assets. KCC alone can't be the driver for entire agriculture credit growth in the state. Further once the campaign to provide agriculture credit limit to all eligible non defaulter farmers is completed, then the focus has to be given to investment credit.

**NABARD Warehousing Scheme 2011-12:** House was informed that for establishing the warehouse infrastructure NABARD is providing refinance from the fund allocated to them by GOI. Details of the scheme are placed in the agenda notes.

**CGM NABARD:** Informed the house that for warehouse development NABARD extends refinance to banks at 8% and banks can charge their rate to customers as decided by their corporate office. For prompt repayment NABARD will provide further rebate of 1.50% to the customer. The scheme is available for a limited time.

**Principal Secretary (agriculture):** informed the house that GoI has announced a higher agriculture credit flow target of Rs 4.75 lac crores for FY 2011-12 for the nation and Rs 29723 cr for Rajasthan which is 6.25 % of national target. He drew the attention of the house towards performance in agriculture because if we compare the performance on Dec 2011 to the performance on Dec 2010 then it appears that performance is comparatively on a lower side.

He requested that apart from crop loan, term loan is equally important where performance of banks is comparatively poor. Activities like rural Godown, farm mechanization, minor irrigation allied activities etc which forms the forward linkages also need to be given importance. Rajasthan has 1.16 % of total ground water of national available ground water, out of which 83% is utilized for agriculture purpose, 11% for drinking purpose and rest 6% for other activities. So we have to put a stop on flood irrigation and encourage sprinkler and drip irrigation. Under drip irrigation, apart from subsidy by GoI, state government is further providing subsidy to the farmers, thereby the total subsidy is 90%, and so only 10% is farmer's contribution. Banks need to encourage this scheme by providing this 10% as this will hugely benefit the state in saving the water and utilizing this saved water for other purposes. Similarly we are coming out with more schemes on water harvesting and storage. More subsidy schemes are expected in the coming budget for this purpose. In sprinklers we are giving 50-60% subsidy.

In a recent national level seminar, Rajasthan was praised for solar pumps scheme. State Govt. is giving 1600 solar pumps to the farmers. Out of total cost, 30% will be borne by Ministry of non renewable energy, 56% will be given by RKVY so only 14% is the contribution from the farmer. Therefore, if banks provide this 14% to the farmers, then this will not only save water but also facilitate penetration of electricity in interior rural areas.

He expressed his satisfaction for no. of KCCs issued but expected that the no of active/valid KCCs should improve further. As per feed back received, one of the major issue is quantum of finance provided under KCC scheme is very low and it does not cover their requirements completely.

He said under crop insurance scheme, insurance is compulsory for loanee farmers but optional for non loanee farmers. As per GoI's directives Frost and cold wave conditions are not covered under CRF (calamity relief fund). So once this is not included as a disaster the only way out for coverage is weather based crop insurance scheme. There were complaints by insurance companies that banks are not sending the cheques for premium before cutoff date. Banks are requested to ensure submission of premium before the due date.

He also informed the house about Agribusiness and agro industries policy. State government came out with this scheme in 2010 where in processing, warehousing and cold storage have to be given the big fillip. We have started receiving application under the schemes out of which 39 have been cleared. Banks will be gradually given these applications.

**Chairman:** NABARD is requested to coordinate with banks to revisit the issue of scale of finance under the scheme as wide variations between bank to bank in terms of scale of finance should not exist

**CGM NABARD:** said that NABARD's prescription is that the scale of finance has to be fixed every year. Further crop wise range has to be fixed, not the particular amount. Problem could be from cooperative sector where there is a ceiling of Rs.1.00 lac under KCC. He requested cooperative department for relaxation in this limit.

## **AGENDA No. – 5:**

**Swarna Jayanti Gram Swarojgar Yojana (SGSY):** The achievement under the scheme up to Jan 2012 is 74%. Total Loans of Rs.136.22 crs have been disbursed against target of Rs 184.30 crs. Achievement in credit to SC/ST under the scheme is 80%, credit to women beneficiaries 115% and credit to disabled 20%. The percentage achievement in terms of no. of sanctioned applications to sponsored for SHGs is 63% and 57% for individual Swarojgaries. It was decided in the core group meeting that all pending application will be disposed by 29.02.2012 and to review this progress a core group meeting is scheduled on 06.03.2012.

**Project Director SGSY:** informed that the low progress is obtaining in -9- districts. She appreciated SLBC for working with the deptt. in resolving the problem. DCC convener Banks and LDMs of these districts were requested to coordinate with the deptt, to sort out issues, so that it is ensured that the targets are achieved.

**Chairman:** observed that performance under credit to disabled last year was not up to the mark and this year too this is very low. Nodal department was requested to identify suitable proposals under this category so that performance is improved in credit to disabled category also.

**Swarna Jayanti Shahari Rojgar Yojana (SJSRY):** as on Dec 2011, against target of 6000, loans have been sanctioned in 4797 applications and disbursements made in 2381 applications. During the core group meeting all banks had agreed that all pending applications will be disposed by 29.02.2012.

**Prime Minister's Employment Generation Programme (PMEGP):** As per data received from KVIC up to Dec 2011, 1358 projects have been disbursed by banks, against the target of 2631, involving margin money of Rs.2489.61 lac which shows 68% achievement. Banks have issued instructions to their branches and LBOs to claim margin money on time as this year is the terminal year of the scheme.

**Principal Secretary (SSI):** Said that as per latest progress total achievement under the scheme under margin money utilization is 75% as on Jan 2012. The current year is the terminal year of the scheme and requested banks to ensure disbursement of around Rs 9.00 cr margin money lying with them in the remaining one month. He also observed that all banks are not uniformly performing under the scheme. He said that there are three implementing agencies in the state for the scheme i.e. KVIC, KVIB and DIC. If we look at the agency wise performance disbursement have been made in 145 applications for 8 crores under KVIC.

**Artisan Credit Card Scheme (ACC):** As on Jan 2012, 3088 ACCs have been issued, against target of 5000. It was discussed that this is one scheme where performance has been below 100% in past years. Further it was observed that 76% of total sanctions have been done by BOB, SBBJ, SBI and RRBS collectively as on Jan 2012. It was requested that other banks should ensure achievement of their targets, as this year targets were downward revised and made very realistic unlike previous years.

**Principal Secretary (SSI):** observed that under ACC the performance has been poor. Even when the targets have been downward revised to 5000 this year our achievement till Jan 2012 is still at 62%. May be the banks are not showing a good performance under the scheme due no of default cases under the scheme but we need to conduct some in-depth analysis for the reasons behind this so that the GoI may be requested to further reduce the targets and we need to have a serious re-look and follow-up action needs to be taken. There are only few banks out of the total who have taken active participation under the scheme. All banks were requested to take active participation in the scheme

**Special Central Assistance Scheme for SC/ST:** up to Dec-2011, loans have been sanctioned in 16927 cases, against target of 30620 as per data received from Department of SC/ST Finance and Development, GoR. While discussing the low performance in some districts, it was informed by the banks about insufficient no. of application sponsored to them. The Banks were requested to contact the nodal department, wherever there is a shortfall in applications and for achieving the targets under the scheme for the current financial year by Mar-2012.

**Weavers Credit Card:** The scheme was placed for discussion in 111<sup>th</sup> SLBC meeting. Office of Development Commissioner for Handlooms, Ministry of Textiles, GoI, has informed that Awareness camps on weaver credit cards at identified centers of handloom clusters to be organized by respective DCC convener banks. Scheme has been launched through a camp organized in lavan block (Distt. Dausa) on 18.01.2012 and further 9 camps scheduled in the month of Feb 2012

Representative of the Industries Deptt., which is the nodal deptt for the scheme, appreciated the efforts of the SLBC in coordinating successful organizing of these camps and informed that -7- such camps have been organized in different districts of the state, having weaver clusters. It was informed that applications have been collected and handed over to banks during these camps. Banks were requested for issuance of weaver credit cards.

**Chairman:** deliberating on the scheme informed that a lot of thrust is being given by the Government for the scheme and due focus is to be given for making the scheme a success. He requested Banks to ensure that weavers' credit cards are issued and loan is availed by the applicants.

**Revival, Reform and Restructuring Package for Handloom Sector:** It was informed that the GoI would allocate funds to NABARD for implementing the financial package for handloom sector for waiver of overdue loans. As a follow up of the Budget announcement, the GoI has approved the scheme. State Government has also consented to contribute the state share as envisaged in the Scheme. Other prerequisite formalities for the implementation of the scheme are under process.

**CGM NABARD:** informed that the GoI would provide Rs.3880 crs for implementing the financial package for handloom sector for waiver of overdue loan. The scheme is for cooperatives and individual weavers. As a beginning of implementation process, Memorandum of commitment has been signed with GoR. As per guidelines commercial banks, cooperatives and RRBs have to prepare the list of all the weavers and display the same. Banks have to waive 75% of outstanding interest and penal interest and government would share principal amount and 25% of the interest amount. Only condition being that the bank has to give a fresh loan of Rs.20000 or more. Thereafter the same is to be got audited by banks internal auditor and submitted to NABARD. Commercial banks have to complete the modalities and send the claims to NABARD within 120 days from the date of notification.

As regards State government, the primary weavers cooperative societies and apex weavers cooperative societies will be identified and audited again. NABARD and Government will, in consultation, identify the chartered accountants for audit purpose. Support will be given to those cooperatives which are either viable or potentially viable.

**MD Rajasthan State Cooperative Bank** assured for all support to NABARD and due representation of Cooperatives Deptt. for implementation of the scheme.

**Core group meeting on Govt. Sponsored Schemes held on 10.02.2012:** Core group meeting was held on 10.02.2012 to review the progress under Government sponsored schemes (GSS). During the meeting banks were requested for disposal of pending application by 29.02.2012. The next core group meeting is scheduled to be held on 06.03.2012 to review the status of nil pendency by banks, as assured in the meeting of 10.02.2012.



### **Micro Small and Medium Enterprises (MSME):**

Banks were requested to ensure to achieve a 20% year- on- year growth to micro and small enterprises as per TKA Nair committee recommendations. House was informed that the Ministry of MSME has identified 25-30 MSME clusters with at least one cluster in each state. Office of Develop Commissioner, MoMSME, GOI, vide letter dated 24.11.2011, has informed that in the State - Textile Cluster, Jaipur has been identified. Banks are requested to come forward to provide banking facilities in Jaipur cluster

### **Self Help Groups (SHG):**

As per data received from banks and LDMs a total of 259626 SHG saving accounts have been opened in the state out of which 223011 i.e. 86% are women. Out of the above, 181352 SHGs have been credit linked i.e. 70%. But the Y-o-Y growth in credit linked SHGs is lower i.e 10%, which needs too be improved.

**Representative MPOWER:** brought up the issues pertaining to implementation of MPOWER scheme, which are:

- 1) To allow bank finance to SHGs with small member size also in certain areas i.e. upto 5 members.
  - 2) To fix a day in a week for SHGs dealing at branches e.g. Thursday which is a non NREGA day because in places with scattered population commutation is a problem and this will help them in getting better services.
  - 3) Some of the Branches informing non-receipt of Guidelines for sanction of CC limits to SHGs
  - 4) Sakhdarpan- recently department organized banker's workshops at all 6 blocks, wherein Sakhdarpan was shared with banks and their feedback was found to be positive.
- **GM RBI:** deliberating on the size of SHGs, informed that as per circular of RBI & NABARD, only preferable member size of SHGs i.e. 10-25 has been indicated, with no minimum and maximum limit on that. The rating model prescribed by NABARD also takes into account the SHGs of member size less than 10.
  - **CGM NABARAD:** informed that the guidelines are clear. However, the purpose for forming SHGs with smaller numbers is to be ascertained. It has

to be satisfied that if no. of members are less than 5 then there are chances that the 3-4 family members may constitute the SHG with in them selves and thereby the kitty/fund size will be lower in this case. Subsequently with smaller fund size, finance from bank linkage will also be lower which will not be sufficient for acquiring suitable assets. Making SHGs with less than 5 member size, in general may not be possible. However, it may be allowed depending upon the conditions prevailing in a particular area.

- To fix a day in a week for SHGs is an operational issue for which individual Bank has to take a call, depending upon the related issues of business volumes, availability of manpower etc.
- Regarding sanction of CC limit to SHGs all banks have confirmed of having issued guidelines in this regard.
- In respect of Sakh Darpan, modalities will have to be discussed and issues sorted out involving changes in existing guidelines, in consultation with the Rural Development Deptt., RBI, NABARD etc., before adopting the application by Banks.

### **Credit Flow to Minority Community:**

House was informed that the credit flow to minority community as on Dec 2011 is Rs.3936/- crs which is 5.92 % of total priority sector advances. It is showing increasing trend as the percentage of minority lending to PS advances was 5.78% as on March 2011.

It was informed that in follow up of the special SLBC meeting held on 12.10.2011, Banks have organized credit awareness camps in 23 minority concentration blocks as resolved, followed by credit camps in 21 blocks where loan amounting Rs 66 crores to 3549 applicants have been sanctioned. As most of the camps have been organized in Jan-2012, the impact would be visible in Mar-2012 results.

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**Mukhyamantri Swavlamban Yojana:** It was discussed that the scheme has not picked up well. Some of the reasons ascribed for the low performance was observed to be was that the interest subsidy provided @2% under the scheme is less than interest subsidy @5% available under ACC. Further, there is a need to explore provision of capital subsidy to make the scheme attractive. Nodal department has been requested to look into the issue

**Representative nodal department** informed that the issue of restructuring of the scheme has been taken up by the department and might happen once the proper response is received. In the current financial year, against the target of 3000, DIC has sponsored 5602 applications, of which 809 applications have been sanctioned and disbursements made in 228 applications. Banks were requested for disposal of pending applications and for showing a good progress, so that a good case is presented before the Ministry to restructure the scheme.

**Pradhan Mantri Adarsh Gram Yojna (PMAGY):** In the State of Rajasthan total 225 villages of Ganganagar and Hanumangarh Districts have been selected to be developed as “Adarsh Gram. The respective DCC convener banks of the above districts are requested to prepare the credit plan accordingly for the identified villages

**Vishwas yojana and navjeevan Yojana:** Progress under the Vishwas Yojna as on Dec 2011 in terms of no of applications sanctioned to sponsored is 47%, while in Navjeevan Yojna it is 72%. The issue of poor progress under vishwas yojana was discussed in core group meeting also it was expected that by March 2012 a much better progress will be reported.

## **AGENDA No. – 6:**

### **Agenda 6.1:**

**Rural Self Employment Training Institute (RSETI):** 35 RSETIs have been established in all 33 districts of the state. Land has been allotted in 23 districts and land allotment is pending in -11- districts. As on Dec-2011 training has been imparted to 83330 trainees, out of which 54614 trainees are gainfully employed. Now the state project coordinator for RSETIs has been appointed and he has also been instructed to monitor the progress and visit at least 1/3<sup>rd</sup> of the total RSETIs every month. To address various issues pertaining to RSETIs SLBC in coordination with NIRD, Hyderabad organized a two day workshop on 25th to 26th November, 2011 at Jaipur for Directors of all the RSETIs operating in the State, in which Secretary Rural Development interacted with the RSETI directors.

**Representative nodal department:** informed that land has been allotted to few more RSETIs and assured to share the details soon. DO letters have been written to district collectors for ensuring land allotment.

**Chairman:** requested the Banks to ensure that the RSETIs established by them are more vibrant and they meet the purpose for which they are setup. He added that as you may all be aware that Govt. is giving a grant of Rs.1.00 crore for infrastructure setup in RSETIs and state government is providing land also to set up RSETIs. Also there is an apex level body setup for RSETIs where they have started sending teams to conduct inspections of RSETIs to assess how exactly it has met the desired goals. Banks on their own initiative started RSETIs but later it developed the stature that it has to meet the expectation of MoRD and State Government. Controlling heads of the banks are requested to keep a track of the progress of RSETIs and improve the functioning, so that RSETIs become an effective tool for conversion of rural unemployed youth to employable or self employed youth.

### **Agenda 6.2:**

**Financial Literacy and Credit Counseling Centres (FLCC):** House was informed that 30 FLCCs have been established in the state. The major Banks, other than DCC Banks, were requested to take initiative to open FLCCs at centers of their choice. In the quarterly meeting held by DFS, MOF with SLBC conveners, it is advised that FLCCs to be made more vibrant for spreading the financial awareness in the area. It is also observed that footfalls in FLCCs are very less. Bank were requested to submit the progress report of FLCC to SLBC so that the compiled position for the State can be presented at SLBC.

### **AGENDA No. – 7:**

**CGTMSE:** During current FY, 4864 cases amounting to Rs 323 crores have been approved upto Jan-2012. It is observed that in the state a few banks are major contributors in the scheme like Bank of Baroda, SBBJ, PNB & SBI. Other banks were also requested to popularize the scheme and ensure coverage of maximum no. of eligible proposals under the scheme. Banks were requested to cover loans sanctioned for ACCs under the CGTMSE scheme. It was discussed that for lodging the claim of loans covered under the scheme it is a prerequisite to file a civil suit, for which the matter has been taken up with SIDBI for amendment of guidelines, the response is awaited.

**MD SBBJ:** added that the Banks experience in terms of claims sanction is not good. The process of settlement needs to expedite.

**Chairman:** observed that the majority of banks are bearing 50% to 100% of the premium amount paid to CGTMSE. Branch managers need to be educated about

the benefits of the scheme so that more and more no. of customers can be benefited under the scheme.

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**AGENDA No. – 8:**

**Education Loan:** As on Dec-2011 total outstanding education loans in the state are Rs.1256 crs granted in 60065 accounts, out of which 81 % loans are below Rs. 4.00 lac. In terms of no of accounts total education loans have registered a Y-o-Y growth of 19%. IBA has recently raised the issue of employability of the courses offered by the collages especially engineering and management colleges. Further, IBA has clarified that any scheduled bank listed by RBI, which has adopted and implemented the 'IBA Model Educational Loan Scheme' would be covered under the interest subsidy scheme of the ministry of HRD. The cooperative banks, if not members of IBA are not eligible for interest subsidy scheme.

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**AGENDA No. – 9:**

**Interest Subsidy Scheme for Housing Urban Poor (ISHUP):** Representative Nodal Deptt. Informed that good no. of applications have been forwarded to the Banks and the banks have started sanctioning the applications receive. It was discussed that certain issues coming in the way of sanctioning of applications is that in large no. of cases the applicants are not approaching the branches for completion of formalities and inability to contribute their share of margin money by the beneficiaries.

**Representative from AVL ltd:** informed that regarding issue of closing date of scheme on 31.03.2012, the scheme has been merged with Rajiv Gandhi Avas Yojana and thus will continue beyond March 2012 details of which will be shared soon.

**AGENDA No. – 10:**

**Recovery under priority sector:** The house was informed that the SLBC has requested the State Government for amendment in the Act so as to include bank's dues in respect of advances under the Government supported programme in the State as State dues recoverable as "arrears of land revenue". The Principal Secretary, Plan, GoR, has taken up the issue with the Revenue Department, a positive response is awaited.

Banks were requested to submit the scheme wise NPA data to SLBC so that matter may be taken up with state government for making required changes in the schemes. Till now very few banks are submitting this data to SLBC.

### **Agenda 11.2:**

#### **SLBC Website:**

It was informed that the SLBC meetings are held as per calendar submitted to RBI/Govt., which requires that SLBC meetings be held within 45 days from the close of quarter.

The dynamic website of SLBC has been operationalised for over -2 years now, however, the member Banks are not submitting the data on-line, for which ID and pass words have already been provided.

**The member were requested that henceforth (starting March-2012) the data is to be submitted to SLBC on-line only. In case of non-submission online, the previous available figures will be repeated under advise to RBI/MoF. This will facilitate timely compilation of data and holding of SLBC meeting. The dates for submission of data on-line and closure of website for compilation purpose will be informed to the members.**

### **Agenda 11.3:**

#### **Merger of RRBs:**

MoF, GoI has requested the State Government for their comments on proposed amalgamation of -6- RRBs in the state into two vide their letter dated 16.02.2012. SLBC has also taken up the matter with the State Government vide its letter dated 20.02.2012 in this regard. The State Government was requested to expedite submission of comments.

**MD SBBJ:** deliberating on the issue informed that GoI is moving very rapidly on this front and latest instructions from govt. states that 20% of staff of scale 1 to 4, should be sent on deputation to sponsor bank and vice versa.

He said that though there are some gaps in performance but banks are continuously working upon them and contributing a lot to the economic development of the state. The facts like CD ratio of 94% speaks of the extraordinary efforts put by banks.

He shared that as regards SBBJ the Priority Sector advances are 46% of total advances against target of 40%, agriculture against are 31% against mandated 18%, weaker section advances are 28% against benchmark of 10%. He conveyed his thanks to the Chairman of the meeting Shri N.S.Srinath and Bank of Baroda for all the support.

He took the opportunity to express thanks to Mr. B.P.Kanungo, RD RBI for his cooperation and support to the Banks, and the valuable contribution made by him to the SLBC forum which will be immensely remembered.

**RD RBI:** expressed that this SLBC is one of the better performing SLBC, that I have come to know. Our performance in various parameters is way above the target. But more importantly, the coordination between banks, state government and other coordinating agencies that exists here is remarkable. However there are certain issues where we need to improve, one such being variations observed in data submitted to different agencies. He emphasized the need for collecting the data from CBS to improve its authenticity, for which technical issues involved needs to be resolved, and we should do it as soon as possible. He said, ultimately the quality of decisions made will depend upon the quality of data.

Second, banks need to ensure that they achieve the target for financial inclusion on time, ensuring the quality of financial inclusion, which includes enrolments, cards issuance, BC appointment and commencement of transaction. The BC model needs to be financially viable and sustainable. He added that he has the trust that like other fields Rajasthan will be able to accomplish this task also in time.

Concluding he said that he has learnt some of the best practices from SLBC which he will try to implement at other places also. He thanked the house for the cooperation and support to banking community and the State Government.

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## 112th Meeting of State Level Bankers' Committee List of Participants

S.No.	Name	Designation	Organisation
	<b>Reserve Bank of India</b>		
1	Sh. B.P. Kanungo	Regional Director	RBI, Central Office, Mumbai
2	Sh. H.N. Aiyer	GM, RPCD	RBI, RO, Jaipur
	<b>NABARD</b>		
3	Sh. A.D. Ratnoo	CGM	NABARD
4	Sh. Dharendra	AGM	NABARD
	<b>Govt. of Rajasthan</b>		
5	Dr. Ashok Singhvi	Principal Secretary	SSI Deptt.
6	Sh. D.B. Gupta	Principal Secretary	Agriculture
7	Ms. Rashmi Sharma	PD, SGSY	Rural Development
8	Sh. A.K. Jain	PD, SJSRY	DLB
9	Sh. Sushma Arora	Secretary	KVIB
10	Sh. Vishram Meena	Director	SJED
11	Sh. R.S. Jaluthriya	Dy. Director	SJED
12	Sh. B.L. Meena	Dy. Director	KVIC
13	Sh. S.D. Thanvi	CGM	A.V.L.
14	Sh. V.K. Dadhich	General Manager	A.V.L.
15	Sh. G.K. Vyas	General Manager	MPOWER
16	Sh. Shrinivas Meena	Eco. Officer	KVIC
17	Sh. Raju Sood	N.O.	MPOWER
18	Sh. Anil Agrawal	D.D.	Planning Deptt.
19	Dr. Lalit Dhadhich	D.D.	WCD
20	Sh. Jitendra Sharma	Manager	Raj SC/ST Fin. Dev. Corp.
21	Sh. V.K. Saraswat	S.A.	D.L.B.
22	Sh. K.C. Ahuja	Advisor	A.V.L.
23	Sh. S.S. Dhadhich	A.O.	A.V.L.
	<b>Banks &amp; Financial Institution</b>		
	<b>Bank of Baroda &amp; Convenor Bank</b>		
24	Sh. N.S. Srinath	Executive Director	Bank of Baroda
25	Sh. Animesh Chauhan	General Manager	Bank of Baroda
26	Sh. Kishore Kharat	General Manager	Bank of Baroda
27	Sh. Praveen Kumar	Asstt. General Manager	Bank of Baroda
28	Sh. B.C. Jain	Sr. Manager	Bank of Baroda
29	Dr. S.S. Sinha	Manager	Bank of Baroda
30	Sh. Jayesh Sanghi	Officer	Bank of Baroda
31	Sh. Vikas Agrawal	Officer	Bank of Baroda



32	Sh. Shiva Kumar	Managing Director	SBBJ
33	Sh. R.R. Sharma	General Manager	Canara Bank
34	Sh. S.K. Madan	General Manager	PNB
35	Sh. J.K. Dubey	General Manager	SBBJ
36	Sh. M.L. Jain	Dy. General Manager	DZH, Bank of Baroda
37	Sh. M.L. Jain	Dy. General Manager	RH, Bank of Baroda
38	Sh. Alok Tarafdar	Dy. General Manager	Allhabad Bank
39	Sh. K.L. Mehta	Dy. General Manager	Syndicate Bank
40	Sh. V.K. Agrawal	Dy. General Manager	Corporation Bank
41	Sh. M.K. Sharma	Dy. General Manager	SBI
42	Sh. N. Sambivrao	Dy. General Manager	UCO Bank
43	Sh. S.C. Jain	Dy. General Manager	Union Bank of India
44	Sh. Shammi Kaplush	Dy. General Manager	CBI
45	Sh. G. Prasad	Chief RH	IOB
46	Sh. Meghraj Jain	DGM	IDBI
47	Sh. Sanjay Chaturvedi	DGM	IDBI
48	Sh. V.K. Agrawal	DGM	Corporation Bank
49	Sh. Rajiv Bhargava	Zonal Manager	HDFC Bank
50	Sh. S.K. Agrawal	Zonal Manager	BOI
51	Sh. A.K. Goyal	Asstt. General Manager	SBI
52	Sh. K.B. Jain	Asstt. General Manager	OBC
53	Sh. Madhoram	Asstt. General Manager	SBBJ
54	Sh. O.P. Nainkwal	AGM	RSLDB
55	Sh. Amit Maheshwari	Dy. VP	Axis Bank
56	Sh. Tej Singh	AVP	Axis Bank
57	Sh. M.R. Sharma	Chief Manager	SBBJ
58	Sh. R.S. Bansal	Chief Manager	BOM
59	Sh. J.S. Chhabra	Sr. Manager	P & SB
60	Sh. Anil Kasliwal	Sr. Manager	PNB
61	Sh. Raghuvver Meena	Sr. Manager	UCO Bank
62	Sh. Rahul Dubey	Sr. Manager	IOB
63	Sh. Deepak Gupta	Sr. Manager	Indian Bank
64	Sh. D.K. Soni	Sr. Manager	ICICI Bank
65	Sh. Satish Singhal	Manager	OBC
66	Sh. Khet Ram	Manager	Union Bank of India
67	Sh. Jag Mohan Pareek	Manager	S.B. of Patiala
68	Sh. L.R. Yadav	AFD Incharge	Bank of India
69	Sh. A.L. Soni	LDM	Bikaner
70	Sh. D.S. Ujjwal	LDM	Barmer
71	Sh. G.R. Sapela	LDM	Jalore
72	Sh. R.K. Thakur	LDM	Pratapgarh

73	Sh. M.K. Joshi	LDM	Karauli
74	Sh. J.M. Soni	LDM	Nagaur
75	Sh. S.K. Urmaliya	LDM	Baran
76	Sh. Y. K. Mittal	LDM	Dholpur
77	Sh. R.C.S. Jodha	M.D.	RSCB
78	Sh. Anil K. Gupta	Chairman	RGB
79	Sh. U.C. Agrawal	Chairman	MAGB
80	Sh. Sanjay Malik	Chairman	HKGB
81	Sh. J.K. Patra	Chairman	JTGB
82	Sh. D.K. Kasliwal	Chief Manager	JTGB
83	Sh. R.K. Purohit	Manager	RGB