

MINUTES OF 40TH STATE LEVEL BANKERS' COMMITTEE,
MEETING HELD ON 20th MARCH 2012 AT HOTEL PACIFIC, DEHRADUN
REVIEW OF PERFORMANCE FOR THE QUARTER ENDED DECEMBER 2012

40th SLBC meeting was organised on 20.03.2012 at Dehradun. The meeting was presided over by Shri Rakesh Sharma, Principal Secretary (Industries), Smt. Hemlata Dhondiyal, Secretary (Finance), Shri B. Sriram, Chief General Manager, State Bank of India, Shri S. Selvaraj, Chief General Manager, NABARD, Shri. R.L. Das, General Manager, RBI, Dehradun, Shri. Sunil Srivastava, General Manager (NW-II), SBI. Members from various organization viz. State Govt., RBI, Banks also attended the meeting.

Shri B Sriram, the Chief General Manager, SBI, in his inaugural address stated that CD Ratio has marginally declined from **52.67 %** (Mar., 2011) to **51.84 %** (Dec.2011). The Banks whose CD Ratio is below 30 %, viz: CBI,P&SB,UCO,Union Bank& Indian Bank should strive hard to improve it.

The Financial inclusion action plan 2010-12 aimed at providing basic banking facility to 226 villages in Utrakhand with population of area more than 2000 by March 2012, has been achieved ahead of schedule.

During the three quarters ended Dec. 2011, Banks have sanctioned loan of Rs.132.66 crores to 2612 units out of eligible 3212 (81%) under CGTMSE, which is commendable.

As against Annual Credit Plan outlay of **Rs. 6789 crores** for 2011-12, all banks have achieved a growth of Rs.4440 crores during three quarters ending Dec. 2011 **i.e.** an Achievement of 65% of the Annual Credit Plan, Sector wise Achievement of ACP as on 31.12.2011 was Agriculture - 75 %, Industries - 64% & Services - 55 %.

He advised representative of United Bank, Bank of India, Allahabad Bank, Vijaya Bank, Punjab & Sind Bank, to ensure to achieve ACP targets by March2012which will also helps in improving the CD ratio and in achievement of ACP during remaining period of 2011-12.

Priority Sector Lending has increased from Rs.12479 crores as on 31.03.2011 to Rs.16219 crores as on 31.12.2011 **i.e.** 76% which exceeds the benchmark.

Total Agricultural advances has been increased to Rs5671 crores from Rs.5027 crores from 31.03.2011 during the three quarters which also exceeds the bench mark of 18%.

The SME advances stood at Rs.8110 crores, which is 38%.

The Banks have issued KCC to 88,891 farmers against target of 2,00,000.Govt. of India has desired that all the eligible farmers with land holding be issued with KCC and landless farmers be issued with General Purpose Credit Cards.

He further stated that rural entrepreneurs should be made to stay in the rural area by creating adequate attractive opportunities and contribute to the creation of rural wealth and generate rural employment and livelihood for many others. With this aim R-Seti has been setup in all the 13 districts as per Ministry of Rural Development (MoRD) guidelines to impart training to rural youth, followed by financial assistance from Banks to setup their own projects. These R-Seti have so far imparted training to 2515 participants, in 98 programs during the three quarters ended Dec. 2011 by conducting various programmes. The land is yet to be allotted Nainital, Uttarkashi & Champawat districts.

Shri Rakesh Sharma, Principal Secretary Industries, in his address stated that in each SLBC, we are discussing about improvement in CD Ratio. Besides, this is also being discussed in periodical DCC meetings at Distt. level yet there is no improvement. SLBC forum should be think tank instead of discussing data. A task force be constituted for the purpose, which should suggest measures for improvement in CDR and the progress of the action plan be discussed in the SLBC forum. The basic problem in Uttarakhand is lack of knowledge and lack of entrepreneurial skill with people. Govt. of Uttarakhand has launched a new industrial policy, the benefits of which need to be tapped.

Further, shortly EDP would be created at 7 Sidcul locations, for skill development where short term (Basic) and long term (Advanced) programmes would be conducted. Such EDP should be institutionalized and SLBC should be the monitoring body.

Shri. Sharma, further stated that scarce resources towards construction of R-Seti should be optimally utilized and offered that the land available with Industries Deptt. can be utilized for purpose at Uttarkashi, Nainital and Champawat. He directed the Industries Deptt. to do the needful in this regard. He further stated that the LDMs who have received the money for construction of R-Seti, should judiciously utilize and wherever the work has struck up, full details thereof be furnished to SLBC.

Additionally, the activities suitable for the area should be identified and measurable action plan be drawn. In this connection, he suggested that stone crusher / Mining which have been opened in the current Industrial Policy have tremendous scope, are employment oriented and the hilly people are quite accustomed in pursuing them, should receive attention. He gave a challenge to the banker to start 4/5 crushers in each distt., which would result in deployment of Rs.400Cr. of investment and provide employment besides checking the migration of labour. He directed Industries deptt. to circulate Crusher Policy to all the bankers.

Another activity, which should receive banker's attention is Micro-Hydle Projects, for which the state offers tremendous scope.

Bankers should dwell upon skill development and present how many programmes have been conducted, people trained, enterprises set up under R-Seti.

Shri RL Das, General Manager, RBI, Dehradun, stated the task force should be area specific and bankers have to think out of box. Bankers should not think that they are doing any charity instead they have to do business. He further stated that Tourism is another activity which is remunerative to both bankers and the entrepreneur. Credit counseling is one of the most important mechanism and each bank should focus on this respect in the branches.

Shri B. Sriram, Chief General Manager, SBI, stated that as the ACP for 2012-13 in each district is going to be finalized, the potential suggested by the Principal Secretary (Industries) should be incorporated in the ACP. Further, CGTMSE offers good scope for lending without asking for collateral and short presentation of one activity be made in SLBC.

Shri S Selvaraj, Chief General Manager, NABARD, stated that the CD Ratio is the last indicator. For the growth of industry / services, infra structure has to be created. Towards that end, NABARD has provided RIDF funds to the state which are being utilized for construction of roads, bridges. He further informed about the latest initiative launched by NABARD for promotion of women SHGs in Chamoli district of Uttarakhand. NABARD with the help of prominent NGOs and few bankers will enter into MOU for formation of women SHG where service charges of 5% p.a. on net outstanding credit will be paid subject to NGO being responsible for follow up for recovery from SHG and the overdue will be deducted by the bank from the service charges payable to NGO. Apart from this, grant assistance of Rs. 10,000/- per SHG will be provided in four installments.

He further mentioned the use of technology in on line access, creation / release of charge by the bank on the lines of Karnataka Govt. be followed in Uttarakhand also.

Dr. Hemlata Dhoundiyal, Secretary (Finance), in her address expressed concern about declining CD Ratio as credit dispensation also involves social issues like migration of labour etc. She exhorted the banks to take cue from the industrial policy's opening of the stone crushing and mining sector. She complemented the banks in achieving 100% Financial Inclusion for villages with population above 2000. She laid stress on start of e-payment and advised that the Uttarakhand Govt. has started e-stamping facility. In case of recovery of over dues the bank should take up the matter with the concerned District Magistrate, wherever RCs for more then 1 year are outstanding.

In the end, **Shri Sunil Srivastava, General Manager (NW-II), SBI**, while thanking the members of SLBC, said all the banks are committed for the development of State. While drawing up an actionable plan for a particular activity, the availability of market for end product or the availability of raw material are essential for viability of project. These aspects should also be considered. He suggested that the state has around 9/10 lacs farmers, on the basis of land holdings which can easily be computerized and put on website in public domain. This could be utilized by the bankers for issuance of credit cards. He further stated that SLBC have taken initiative in visualizing 30 programme for 1200 trainees per R-Seti at an average cost Rs. 17.60lacs, the expenses for which could be budgeted and programmes rolled out from the beginning. The data on how many trainees have been provided with the bank finance and are successful in running the venture should also be presented in SLBC. In the field of Financial Inclusion, the banks have done a very good work by opening branch / BC in 226 villages and opening 225/230 accounts per BC. The Banker should further strive, in remaining days to open 300 accounts per BC to come upto the expectation of GoI and additionally these villages should be provided with credit linkages. In the end, he thanked all the member banks, Govt. Authorities, RBI, NABARD and the Media for the cooperation.
