

Minutes of the 109th meeting of SLBC Rajasthan
held on 20th June, 2011

The 109th meeting of State Level Bankers' Committee was held at Jaipur on 20.06.2011. The meeting was graced by the Hon'ble Union Minister of State for Finance Shri Namo Narain Meena and Hon'ble Minister of Economic Affairs, Industries & Excise, Government of Rajasthan, Shri Rajendra Pareek.

The meeting was attended by Chairman and Managing Director Bank of Baroda Shri M.D.Mallya, Additional Chief Secretary Shri C.K. Mathew, Additional Chief Secretary Shri C.S.Rajan, Principal Secretary (Plan) Shri D.B.Gupta, Director DFS MoF (Gol) Dr.A.Bhattacharya, CGM CO RBI - Dr. Deepali Pant Joshi, CGM NABARD - Shri. K.Muralidhar Rao, CGM NABARD - Shri. A.D.Ratnoo, CMD NHB - Shri R.V.Verma, Managing Director SBBJ - Shri Shiv Kumar, Executive Director BOB - Shri N.S.Srinath, Executive Director PNB - Shri Rakesh Sethi, Executive Director - Central Bank of India Shri R.K.Dubey , Principal Secretaries of the State, other Senior State Government officials, officials and executives from NABARD, Banks and financial institutions, and other agencies. The list of participants is **annexed**.

General Manager & Convenor SLBC, Shri Animesh Chauhan welcomed the Hon'ble Union Minister of State for Finance Shri Namo Narayan Meena, and Hon'ble Minister of Economic Affairs, Industries & Excise, Government of Rajasthan, Shri Rajendra Pareek to the 109th meeting of SLBC Rajasthan. He also welcomed the Chairman and Managing Director, Bank of Baroda, Shri M.D.Mallya, Additional Chief Secretary Shri C.K. Mathew, Additional Chief Secretary Shri C.S.Rajan, other dignitaries and stake holders in the SLBC meeting.

In his opening remarks he said that SLBC Rajasthan has proved highly effective in implementing policy decisions and has been making meaningful contributions to the development of the State. Rajasthan is one of the faster developing States in the country known for its investment climate and conducive business environment duly supported by the policy initiatives of the State.

The State has a record of achieving CD ratio of above 90% in past years. The CD ratio as on Mar-2011 at 93.37% is much above the bench mark and one of the highest amongst States. The achievement of mandatory parameters for priority sector, agriculture, weaker sections etc. are above the bench mark. Under Financial Inclusion, upto 31st May 2011 financial inclusion activities have been initiated in 1736 villages

having population over 2000. The Banks have taken initiative of simultaneously undertaking financial inclusion activity in smaller villages with population below 2000.

With these words, he requested Shri M.D.Mallya, CMD, Bank of Baroda to deliver his address.

Chairman & Managing Director, Bank of Baroda (Convener Bank SLBC Rajasthan), Shri M.D.Mallya welcomed the distinguished dignitaries and all the participants to the meeting and said in today's meeting we have the honour of having the highest level participation from the State and Centre government and the house will be immensely benefited by the experience, vision and guidance of the distinguished dignitaries. He said that last FY witnessed a good performance and achievements by the banking community in the State and SLBC Rajasthan is much above the stipulated parameters in several areas.

RBI has estimated that during current FY the economy is expected to grow in the range of 8 to 8.5%. It is imperative that the banking system support the economic development of the country and especially in the rural economy & SME segment; and ensure that credit delivery continues to flow substantially as we have done in the past.

Rajasthan is one of the fastest growing States and State Government during past one year has taken many important steps towards developing other avenues for employment generation in the other-wise agrarian economy. Implementation of Rajasthan Industrial and Investment Promotion Policy – 2010, enactment of Rajasthan Enterprises Single Point Enabling and Clearance Act, Single-Point Electronic Monitoring and Clearing System, simplification and rationalization of Regulatory Mechanisms and setting up of Industrial Advisory Council etc. are the steps towards this end. The initiatives of the State will bring with it a lot of avenues to the banking fraternity to associate with, and at the same time provides business opportunities in ample measure.

The “Swabhiman” campaign launched nationally on 10.02.2011 aims at opening of 5 crores no-frills accounts by March 2012, spanning over identified 73,000 villages pan India. We have to ensure that the banking facility is being utilized by the end user beneficiary using the account and availing other banking facilities in these centers. In the State, 3883 such unbanked habitations have been identified to provide banking services by Mar-2012. Banks have already initiated implementation of financial inclusion plan in these villages. I request all my fellow bankers

to achieve the target of covering the allotted villages six months in advance of the dead line of March-2012.

The credit flow to Priority Sector in the state during current FY is envisaged at Rs.40823 crores, with a growth of 39% over previous year. Credit flow to Agriculture is envisaged at Rs.29723 crore. The highlights of the performance as on 31st March, 2011 was presented to the house.

He concluded by complimenting the State Government, RBI, NABARD, Banks & financial institutions operating in the State, for successfully treading the path of development.

CGM RPCD, RBI, CO, Mumbai, Dr Deepali Pant Joshi appreciated Banks for putting in efforts for bringing the State on the path of development. However, she shared her concern for low CD ratio in -3-districts and requested for taking appropriate measures in these districts to ensure achievement under all parameters.

She observed that under government sponsored schemes Rajasthan has done effective and good work. The FLCCs are being established in the State. The growth rate of deposit and advances is higher than the national average and the CD ratio of 93.37% is an extra ordinary achievement in the State. She expected that all RRBs will be on core banking by Sep-11.

She said that the RBI and GOI have a commitment towards Financial Inclusion. The real Financial Inclusion will be when we go beyond opening of no frill accounts by providing Savings, Credit, Remittance, Insurance, Pension, and Transaction facilities. This will facilitate process of customer creation which is extremely important for the financial inclusion to happen on ground. Apart from BC, the brick and mortar branches are also to be opened. This has to be done in a mission mode for brining the economic inclusion.

CGM, NABARD, Shri K.Murlidhar Rao said Banks have done extremely well in pushing credit flow to the agriculture sector. NABARD has been prioritizing the sponsoring of farmers club by the banks at the village level. Government of India during current year has enhanced interest subvention for prompt repayment to 3%. There is a need for the banks to spread awareness amongst the crop loan borrowers about the interest incentive scheme to encourage timely repayment culture.

He shared that agriculture credit at present is skewed in favour of crop loan and emphasized the role of investment credit for creation of capital

assets. He informed that NABARD is administering -18- capital subsidy scheme, where capital subsidy ranging from 25% - 33% is available depending upon the category of the farmers.

CMD, National Housing Bank, Shri R.V.Verma said the banking sector accounts for as much as 70% of the total formal financial sector contribution to housing. Provision of adequate credit to EWS and LIG sections is to be ensured for inclusive growth. The State housing policy is progressive and NHB is associated with this. NHB has initiated project of setting up of state level housing finance company in partnership with the state government and international finance corporation for which MOU has been executed. NHB is keen that out of the budgetary allocation for rural housing, certain part flows to Rajasthan, which is available at concessional rate of interest. He requested the State Govt. for waiver of stamp duty for rural housing, on similar lines as has been done for EWS and LIG housing.

MD, SBBJ, Shri Shiv Kumar said that as per guidelines if complete KYC documents are not available while opening ICT based account, the biometrics of the customer is to be recorded in front of the branch manager/ bank officials. He requested the Ministry of Finance to consider removing this requirement. Further, he requested that for the no-frill accounts limit for per month transaction, outstanding balance and annual turnover in account be upwardly revised, as the present limits are low. He requested the State Government to consider contributing their share towards recapitalization of the RRBs, as it is a requirement for their growth.

Additional Chief Secretary (Finance), GoR, Shri C.K.Mathew said that in the budget speech of Hon'ble Chief Minister, a declaration was made of intent that all the financial matters of the state will be integrated into a large network and bringing together all aspects of Financial Management into one unified Integrated Financial Management System (IFMS). In compliance of the declaration, we have integrated IT network of all the 39 treasuries of the State, 221 sub-treasuries and 302 branches of 9 agency banks working in Rajasthan

The IFMS makes it possible to see online all the receipts and expenditure being made through the line department across the State. Resources can be allocated to the Departments online. The empowerment through the system for the State Government, the Departments, and for all of you has a high significance. Rajasthan is the only state in the country where this project has been implemented. This

is only the beginning, as we are yet to include various other down stream activities including Audit by the Accountant General, Pension matters, Insurance Matters etc., which will be integrated into IFMS in due course of time.

He then requested Hon'ble Union Minister of State for Finance Shri Namo Narain Meena to formally launch the Integrated Financial Management System in Rajasthan and release of brochure for the information of all stakeholders. The Hon'ble MoS inaugurated the system and released the brochure.

Thereafter a presentation was made to the house on IFMS. It was informed that the Finance Department is executing this project through NICS under the supervision of National Informatics Centre (NIC) at a project cost Rs.28.04 Crore. All the branches, Accountant General office and RBI will be provided the interface for the Audit, soft copy data transfer and better monitoring and controlling. It completely works on web system and practically the file movements for certain cases has been eliminated.

Hon'ble Minister of Economic Affairs, Industries and Excise, GoR, Sh. Rajendra Pareek said two important milestones have a bearing on the present status of banking in the country, Nationalization of banks and promotion of use of Information Technology in the eighties, due to which the Banking penetration and ICT based solution have been made possible.

He suggested that bankability of the project and skill of the promoter should be considered while considering proposals, for which ground level officials should be sensitized. He informed that state has implemented single window clearance, with an aim to reduce repetitive visits of beneficiaries and for disposal in a time bound manner.

Banks should ensure to provide timely education loans as the higher education has become very expensive. The performance under loans to minority should be improved to attain mandated 15% of the PS lending. He said the simplified process of inward remittances has facilitated workers going abroad to remit the money easily.

He requested the banks to endeavor to establish bank branch at each Gram Panchayat Head Quarter. The social security payments through the banks will provide transparency and will also curb malpractices.

Hon'ble Union Minister of State for Finance Shri Namo Narain Meena appreciated that in the State the outstanding advances to priority sector, agriculture, and weaker section are all above the mandated levels. However, the advances to minority community are much less than the mandatory level and should be improved.

He said that the growth in deposits and advances in the state is appreciable, but the per capita deposit and advances are lower than the national average and should be improved. Keeping in view the business opportunities in the State; he hoped that many of districts in Rajasthan could be brought at par with the national average.

Hon'ble MoS emphasized that financial inclusion is on top of the policy agenda and in the first phase 73000 villages having population of above 2000 have been identified in the country for providing banking services by Mar-2012. Recently "Swabhiman" campaign has been launched with the objective of bringing people under the banking fold. Financial Inclusion is the first step of the economic empowerment of the poor rural masses. He said that all subsidies and social security benefits will be routed through bank accounts so as to curb pilferage of the funds and malpractices. Banks have been advised for coverage of villages with population between 1000-2000 in the next -3- years and to have a banking outlet with in 3-5 years in every village.

He also mentioned that the credit dispensation to agriculture is a focus area for the union government and a target of Rs. 475000 cr. has been set for disbursements under agriculture during current FY. Interest subvention for the prompt repaying farmers has been increased to 3%, and added that awareness needs to be created among the farmer community about this, to inculcate habit of timely repayment.

He said that the National Rural Livelihood Mission has been launched in Banswara on 03.06.2011, and requested banks to actively participate in promoting the SHGs. He emphasized the need to lend under DRI scheme and make the loan easily accessible to the poor. Also the interest subvention scheme of Ministry of HRD for education loans also needs to be popularized. He noted that R-SETIs have been established in all the districts of the state for providing free of cost skill development training and requested the State Government for allotment of land, wherever pending.

He complimented the State Government for excellent performance under various govt sponsored schemes. He noted that the Banks have been given a target of issuance of 8 lac fresh KCCs during current FY and requested that the same be put on a campaign mode. He appreciated the e-governance initiative of the state government and

said that Integrated Financial Management System (IFMS) launched today is a step in this direction.

Concluding he said that all the stake holders has to collaborate to ensure financial inclusion and economic empowerment of all.

Thereafter, with the permission of the chair, the Agenda items were taken up for discussion:

AGENDA No. 1:

Agenda 1.1 - Confirmation of Minutes of 108th SLBC Meeting::

The minutes of the meeting were circulated vide letter dated 04.04.11. No amendments / comments were received. The minutes were confirmed by the house.

Agenda 1.2 - Action Taken Point::

1. Allotment of land to remaining 12 R-SETIs by the State Government

Land has been allotted for 22 R-SETIs and Additional Chief Secretary (RD&PR) has directed District Collectors for allotment of land for remaining R-SETIs.

2. DCC Convener Banks to open FLCCs in their lead districts. Other major banks operating in the State are also to open FLCCs at the centre of their choice

20 FLCCs has been established in the State. DCC convener banks have been requested to initiate the action to open FLCC in their lead districts.

AGENDA No. 2::

Agenda 2.1 : Social Banking Parameter::

Branch network: House was informed that during FY 2010-11 -327- new Branches have been opened by the banks in he State, out of which 243 branches (74%) have been opened in Rural / Semi-urban centres. Out of the new branches opened 196 branches have been opened in under banked district.

Initiative taken by Public Sector Banks for increasing Branch network in the State. During the period 2009 to 2011, 523 branches have been opened in the state, of which PSBs opened 430 branches. During this period -252- Branches were opened in under banked districts.

Deposits / Advances: Total deposits in the State as on 31st Mar, 2011 reached the level of Rs.141697 Cr., with a growth of 21% over Mar-2010. Total advances as on Mar-11 stood at Rs.125167 Cr. with a growth of 23% over Mar-2010.

Priority Sector Advances: have registered a growth of 37% over a period of last two years, during the same period agriculture registered a growth of 35%, SME and OPS registered growth of 40%, while weaker section advances grew by 71% and advances to SC/ST registered a growth of 55%.

CD Ratio: as on Mar-2011 is 93.37%, which has improved over the CD ratio of 92.11% as on Mar-2010. CD Ratio in the state shows a consistent increasing trend, and is amongst the best at the National level. The CD ratio is above 100% in -3- districts.

The CD ratio is below 50% in -3- districts of Dungarpur, Rajsamand, and Sirohi. The reasons ascribed for the Low CD ratio in these districts are credit deployed in district availed at centres outside district, hilly terrain and small land holdings offering limited scope for investment credit, migration of local population, and limited large/ medium scale industries. However, in all these district percentage of PS advance to total advances is much higher than the average of the State. Due to inflow of NRI deposit, the percentage growth of deposit is much higher than the credit deployment in Dungarpur district. The DCC Convener Banks have been requested to draw suitable strategies to improve the CD ratio of the districts.

CGM, RBI suggested that the LDM, DDM NABARD and the LBO of RBI should make a strategy looking to the local conditions and after analysing the problem / bottlenecks of development. It should be endeavored to hand hold the needy and the poorest of the poor by providing focused attention. She also requested the banks to participate in "Transformational Banking" where banks have to inculcate habit of banking in the underprivileged group with providing them credit dose and hand holding in these districts.

CGM NABARD suggested to hold special meeting of DLCC with high level representation from NABARD, RBI, Govt. department and banks operating in the district to draw strategy for improving the CD ratio.

Hon'ble MoS Finance observed that the amount of Rs.1.00 Cr. for R-SETI of Rajsamand has been released but the amount has not been utilized. It was advised to organize the credit camps in all these districts and increase credit flow and should aim to achieve 60% C:D ratio. Also

under the National Rural Livelihood Mission efforts may be put to increase credit deployment in these districts.

SBBJ informed that tender has been floated for the construction of the building for RSETI in Rajsamand. It was also informed that in the districts of Rajsamand and Sirohi two major companies J.K.Tyers and R.K.Marble are operating but are availing credit facility at the corporate level (outside district).

Agenda 2.2 - Achievement of ACP:

The ACP achievement for FY 2010-11 is 109%. Disbursements under priority sector were Rs.32228 cr., against target of Rs.29652 cr. The achievement under Agriculture is 109%; and under MSE & OPS 106%. In 20 districts ACP achievement is above 100% and in 10 districts ACP achievement is between 80-100%, and in -3- districts achievement is less than 80%. Under ACP 2011-12, NABARD has projected credit flow of Rs.40823 crores, out of which credit flow to Agriculture is RS.29723 crore.

Principal Secretary (Agriculture) observed that of the 60 lac KCCs issued since inception, about 42 lac KCCs may be active. He said in Rajasthan a large population is working as oral lease for their livelihood, and requested for promoting JLGs as there is not much progress so far. CGM NABARD informed that this year the progress will be better under the scheme.

House deliberated on the issue raised of doing away with the repayment of crop loan at the time of harvest / due date and only getting the interest serviced. It was discussed that the loan is given for raising a crop and repayment of crop loan is, therefore, linked to the harvesting pattern. The farmer after harvesting gets the sale proceeds of the crop through which the repayment of loan is made. Thereafter, the farmer again becomes eligible for loan for next crop. The timely repayment also entitles the farmer for interest subvention @3%. This is the model policy of KCC and the limit once sanctioned is valid upto three years.

Hon'ble MoS finance observed that frequent turnover in account is desirable so that KCC becomes a profitable venture. The interest subvention is available on timely repayment. The objective is for providing maximum benefit to the farmers. There is need to educate the farmers and popularize the scheme so that the farming community can avail of the maximum benefit under subvention scheme of Gol.

Agenda No. 3::

Financial Inclusion::

The meeting of SLBC Sub-committee (FI) was held on 4th May, 2011, the minutes of which stands circulated to the members. It was reiterated to achieve closure of FIP roll out by Sept-2011, simultaneous coverage of smaller villages of population below 2000, and commencement of transactions in enrolled accounts etc.

(Action–FI implementing Banks)

As per latest progress report received from banks in 1736 villages, out of 3883 villages, financial inclusion activity has been initiated and 495268 enrollments have been done. -1218- BCs have been appointed. Simultaneously -2224- smaller villages have also been covered. It was informed that as desired by MoF / IBA further 8480 un-banked villages, with population between 1000-2000 (census 2001) have been identified, for bringing under financial inclusion in the next phase. The list of these villages has been provided to LDMs / DCCs for allocation to banks through subcommittees of DCC.

Addl Chief Secretary (RD&PR), Shri C.S.Rajan said that there are around 9000 Gram Panchayat in the state which needs to be covered. The DCC convener banks in the state are having responsibility to cover half of the identified villages and rest 50% is distributed amongst 18 banks. Performance wise major banks are performing well but rest 18 banks are not showing good coverage. I would suggest that to accelerate the pace of coverage we may go for one district one bank approach, as against the service area approach adopted. In that case the composition will be cost effective and economical viable for the banks and BCs. He said the connectivity in the rural area is the biggest draw back in Rajasthan and the Government of India is requested to take steps for providing connectivity.

CGM, RBI said that allotment of unbanked villages having population over 2000 is to ensure door step banking to all such villages by Mar-2012, as no single bank is in a position to provide EBT payment at the doorstep. However, it doesn't deny the business opportunity to other banks that have to operate in the same village. It should be possible to disburse the amount to the ultimate beneficiary through banks by transferring it electronically to the different banks with whom the customer accounts are being maintained in various villages and the customer must have a choice of the bank with whom he wants to maintain the account. The one district one bank approach is now not being encouraged in view of issues analysed.

Hon'ble MoS finance said the banks are achieving the ultimate target. The Banks presently have been given the target of covering villages having population of over 2000. Now the RBI has asked the banks to provide banking services to the villages having 1000-2000 population and within 5 years we should be completing all the villages. The ultimate aim is to bring all the persons to the banking network. He said that the initial problems coming in the way are being taken care of. The Government and Bank in strong collaboration will achieve the target of financial Inclusion.

Financial Literacy and Credit Counseling Centres (FLCC): House was informed that 20 FLCCs have been opened in the State in 20 Districts. DCC Convener Banks were requested to establish FLCC in their lead districts. The major Banks, other than DCC Banks, were requested to take initiative to open FLCC at centers of their choice. NABARD was requested to provide financial support to FLCCs, other than the identified districts, to undertake financial literacy programme.

(Action– DCC Convener Banks & other major Banks)

AGENDA No. 4::

Agriculture Credit Flow::

It was informed that the outstanding agriculture advances to agriculture as on Mar-2011 stood at Rs.32679, against Rs.27899 cr as on Mar-10 registering a growth 17%. The KCCs issued in the State since inception as on Mar-11 are 60.34 lacs. During FY 2010-11 10.93 KCC have been issued. During current FY target of issuance of 8 lac new KCCs have been set (Commercial Banks – 5 lac, Cooperative Banks – 2 lac, RRBs – 1 lac). The average ticket size under KCC for Commercial Banks is Rs.65000, RRBs Rs.54000, and Cooperative Banks Rs.20000. The DCC convener Banks / LDMs were requested for active participation of Banks in Kharif Abhiyan & issuance of KCCs.

It was desired that the Distt. Administration / Distt Agri officers / LDMs be requested to make strategies for identification of the all eligible & willing farmers so as to bring them under the fold of KCC and to review the performance in DCC meetings. Banks were requested to focus on investment credit to create capital assets.

Controlling Heads of Banks were requested to sensitize the branches for mobilizing proposals under centrally sponsored scheme for integrated development of small ruminants and rabbits & Dairy

Entrepreneur Development Scheme"- Dairy and Poultry Capital Subsidy Scheme launched by Gol through NABARD.

Crop Insurance::

House was informed that Department of Agriculture and Cooperation, Ministry of Agriculture, Gol, vide their letter dated 10.03.2011 has informed WBCIS will be continued during FY 2011-12 in the state. The Agriculture Directorate, GoR, has informed that from 21.12.2010 onwards Service tax payable on premium of agriculture insurance has been exempted.

AGENDA No. 5::

Swarnjayanti Gram Swarojagar Yojana (SGSY)::

It was informed that the Core group meeting was held on 19.05.2011, the minutes of which have been sent to the members. One of the major issue brought up by the Nodal department was that the current FY is the terminal year for scheme and it will now be merged with National Rural Livelihood Mission (NRLM), therefore, new application for the individual Swarjgari is not to be entertained but applications of SHGs are to be considered.

The house was informed that the achievement under the scheme for FY 2010-11 is 146%, disbursements of Rs.231.09 Crores have been made against the target of 158.18 crores allotted by Ministry of Finance, GOI. Under SGSY - Group Life Insurance cover from LIC is available and the claim payable to nominee in case of natural death of beneficiary is Rs.6000 and in cases of death due to accident is Rs. 12000

The Nodal Deptt was requested to provide dist-wise target for FY.2011-12.

Swarnjayanti Jayanti Shahari Rojgar Yojana (SJSRY)::

The Core group meeting was held on 19.05.2011, the minutes of which have been sent to the members. House was informed that the achievement under the scheme during 2010-11 was 120% with disbursements in 7214 applications, against the target of 6000 persons. Nodal Deptt was requested for advising district wise target for FY 2011-12 and timely providing of subsidy to facilitate disbursement in sanctioned cases.

Prime Minister's Employment Generation Programme (PMEGP)::

The Core group meeting was held on 19.05.2011, the minutes of which have been sent to the members. The Nodal department was requested to provide funds for settlement of claims and banks were requested for immediate settlement of Margin Money claims by their Nodal branches. Banks were requested to ensure EDP training in all disbursed projects by the disbursing branch.

House was informed that against the 2113 projects involving Margin Money of Rs. 39.00 crs have been disbursed upto 31.03.2011 against the Margin Money utilization target of Rs.38.00 crores. The current FY is the terminal year for the scheme and as per communication received from Comm. Industries pending application of previous years will be treated as targets for 2011-12; and no new application would be entertained

I/C KVIC informed that this being the terminal year of the scheme It was decided that for the carry forward cases 31.05.2011 would be the dead line for disbursements. As of now there are about 254 cases amounting Rs. 5.86 cr. which are sent to the nodal banks and the funds are available with the nodal banks. Still pending applications have not been returned by the Banks. The target for FY 2011-12 has been held back till the issue of pending application is resolved. It was also informed that the online e-tracking system has been launched for the PMEGP scheme on 07.06.2011.

Artisan Credit Card Scheme (ACC)::

The Core group meeting was held on 19.05.2011, the minutes of which have been sent to the members. House was informed that the achievement under the scheme during FY 2010-11 was 86% with sanction to 6899 Artisans, against target of 8000. Target of 5000 ACCs have been set by the Deptt of Industries, GoR for the current year. Banks were requested to organize special ACC credit camps and lodgement of 50% interest subsidy claim.

Special Central Assistance Scheme for SC/ST::

The Core group meeting was held on 19.05.2011, the minutes of which have been sent to the members. The achievement under the scheme is 85% during 2010-11 with sanctions in 26168 applications, against the target of 30620. Rajasthan SC/ST Development Corp has allotted target

for 2011-12 at **30620** persons for SC/ST and **1102** persons for ST POP (Mada and बिखरी जनजाति).

Nodal Department representative informed that 12670 applications are pending with the Banks, even after removal of old applications prior to 01.04.2010. Second, the utilization certificate for Rs. 57.23 Cr. is still pending with the banks.

Controlling Heads of Banks were requested to instruct their branches for submission of Utilization Certificate to the Nodal Agency and disposal of applications urgently.

Self Help Group (SHG)::

Core Group meeting was held on 19.05.2011. Banks were requested to credit link all the eligible Women SHG groups, and provide adequate finance. It was requested that special campaign may be launched for credit linkage of remaining eligible SHGs

House was informed that as per data received by SLBC from Banks, a total of 247407 SHG saving accounts have been opened in the State, out of which 213161 are women SHGs. Further, 167104 SHGs have been credit linked and loans amounting Rs.971 crores have been extended. Out of the total credit extended 78% has been provided to women SHGs.

The Women and Child Development Department (WCD), GOR has informed District wise target for FY 2011-12 under the State Government's 50% Interest Subsidy Scheme for 40000 SHGs formation; and 35000 SHG- Bank linkage. It was informed that upto Mar-2011, interest subsidy claims for 1816 SHGs amounting Rs.7.67 lac have been settled.

Credit Flow to Minority Community::

House was informed that the credit flow to Minority community as on 31.03.2011 is Rs. 3420 crore, which is 5.79% of the priority sector advances and therefore much below the mandated level of 15%. It was observed that the growth in advances to minority community during 2010-11 had improved registering a growth of 24% over Mar-2010. Public Sector Banks were specifically requested to step up their lending to Minority Community so as to achieve the mandated level of 15% of their Priority Sector lending. DCC Convener Banks / LDMs were requested to review the position in DLCC / DLRC and it should be a standing agenda item.

(Action– All Banks)

Principal Secretary (Minority Affairs) said that Minority Affairs is a newly set up department in Rajasthan. There is an upsurge in credit demand, which the Minority corporation alone can not meet. The department has received around 30000 loan applications in the various camps organized by them. Corporation has distributed loan of approximately Rs. 4.76 cr. to 871 beneficiaries @ 6% p.a. However, the rate of interest in Banks is higher. He requested that minority BPL may be considered for coverage under DRI scheme wherever applicable. He also requested for fixing targets for lending to minority community.

Vishwas Yojana::

SLBC has requested Commissioner, Social Justice and Empowerment, GoR to provide the list of beneficiaries/ applications have been sponsored by the department to enable SLBC to follow up the progress under the scheme. As per information available at SLBC upto Mar-2011, loan to 270 beneficiaries have been sanctioned under the scheme. Nodal department was requested to advise the district wise target for the FY 2011-12 to SLBC.

MPOWER: (Mitigation Poverty in Western Rajasthan) ::

It is Proposed to extend Rs. 100 Cr. as loan to SHGs under the scheme. Nodal Department was requested to provide the district wise target and progress.

Recapitalization of the RRBs::

Recapitalization is one time measure and the amount will be released subject to signing of MOU by the Chairman of RRBs with NABARD, Sponsoring Bank and State Government. The release of the central government share will be contingent on the proportionate release of the State Government and Sponsoring banks share.

RRBs has informed that though the consent of the release of the sponsoring bank's share is received, the consent of State Government for release of their share is awaited. It has been given to understand that the State Government has regretted to release their share. The State Govt. was requested to reconsider releasing its share in recapitalization of RRBs.

AGENDA No. 6::

Rural Self Employment Training Institute (R-SETI):

35 R-SETIs have been established in all the 33 districts of the State. Land has been allotted in 22 districts. 72519 persons have been trained in 2476 batches of programmes conducted by the RSETIs, out of which 50907 beneficiaries are gainfully employed.

It was requested that the Director R-SETIs to organize adequate number of locational training Programmes for BPL & women micro entrepreneurs. State Government was requested for allotment of land R-SETIs, in the remaining 12 districts. Banks were requested to ensure that trained youth get credit linkage not only from the R-SETI sponsoring bank but also from any other bank operating in the district.

(Action– Rural Development Deptt, GoR)

Hon'ble MoS Finance requested the State Government to provide the land in the remaining 12 districts at the earliest so that the objective of the R-SETIs may be achieved and skill development programmes may run in a better way.

AGENDA No. 7::

Performance under CGTMSE:: as on 31.03.2011

During F.Y. 2010-11 9345 cases amounting to Rs.449 crores have been covered under the scheme in the state.

AGENDA No. 8::

Education Loan::

The outstanding education loans in the State as on 31st Mar, 2011 were Rs.1074 crores in 50742 accounts. Out of the total outstanding education loans, the loans upto Rs.4.00 lacs are RS.731 crores in 42464 a/cs.

It was reiterated that Ministry of HRD, GoI, has announced a Central Scheme to provide full Interest subsidy on education loan, for the period of moratorium period. Scheme provides for Interest subsidy for the education loan taken by students from economically weaker sections (parental / family income per annum not exceeding Rs.4.50 lacs) and is

applicable from the academic year 2009-2010. DCC Convener Banks were requested to percolate awareness of Interest Subsidy Scheme to the branches. Private Sector Banks, RRBs & Co-operative Banks were requested to contribute in dispensation of education loan in the state.

(Action– All Banks)

AGENDA No. 9::

Interest Subsidy for Housing the Urban Poor (ISHUP)::

House was informed that since 102nd SLBC meeting the Scheme is being deliberated in the house. As of now 64 cases have been sanctioned and disbursed by the banks on their own initiative. The State Level Nodal Agency was requested to sponsor applications to the Banks under the scheme. Banks were requested to popularize the scheme and take initiatives to identify the eligible beneficiary and forward the applications to the nodal agency for sponsoring the same to the banks for sanction / disbursement of loans.

State Level Nodal Agency (SLNA) representative informed that out of 15 sub-schemes allotment letter has been issued in 8 sub-schemes. We have also selected the NGOs, who will help the beneficiary to fill up the loan forms and banks have also been selected. The beneficiaries have been informed regarding name of banks. We further are going to organize the camps too for the affordable housing scheme.

(Action– All Banks)

Miscellaneous Information related to housing loan::

It was informed that in the Budget Speech 2011-12, it has been proposed to liberalize the existing scheme of interest subvention of 1% on housing loans by extending it to housing loan up to Rs. 15 lacs where the cost of the house does not exceed Rs 25 lac from the present limit of Rs. 10 lac and Rs 20 lac respectively.

AGENDA No. 10::

Recovery under Priority Sector::

It was informed that as of Dec-2010 total 102391 cases amounting Rs. 318 cr. are pending under RACO (RODA), 10190 cases amounting Rs.

1137 cr. are pending under SARFASAI and 576 cases amounting Rs. 355 Cr. are pending under DRT.

DCC convener banks and LDMS are requested to discuss the agenda of recovery particularly RACO (RODA) & Lok Adalat invariably in DCC/DLRC meetings and ensure timely follow up action.

SLBC Website:

All member Banks were requested to ensure submission of Key Indicator Data online within 30 days of the close of quarter.

(Action– All Banks)

Any other matter::

Representative State Land Development Bank (SLDB):: submitted the issue of LDB not getting the interest subvention of 2% on the KCC issued by them. Second, NABARD has asked for the Government Guarantee, where as we have a record of past 40 years that we have never been the defaulter of the NABARD. State Government has raised the Government Guarantee from 0.10% to 1% which will effect the interest rate of long term loan. As of now the LDB is providing long term loan at 13.5%, and short term loan customers are migrating to the commercial banks and RRBs as they get benefit of subvention there. This will further increase the interest rate of long term loan. So we request NABARD to exempt us from the Government Guarantee.

CGM, NABARD clarified that the Government guarantee is as per NABARD Act. As for the subvention, he requested that LDB may be included under subvention scheme at the Gol level. This is a policy matter and may be examined at ministry level.

The meeting ended with summing up and vote of thanks by Shri N.S.Srinath, Executive Director, Bank of Baroda.

* * * * *