

Minutes of the 113th SLBC Rajasthan meeting held on 29th May, 2012

Hon'ble Minister of Industry, Excise & Mines, Govt. of Rajasthan Shri Rajendra Pareek was the Chief Guest of the meeting. The meeting was presided by Shri M.D.Mallya, Chairman & Managing Director, Bank of Baroda. The meeting was attended by Additional Chief Secretaries of the State Shri C.S.Rajan and Mrs. Aditi Mehta, Principal Secretaries / Secretaries of the State, Dr. Deepali Pant Joshi (Regional Director RBI), Shri Arun Kaul (CMD UCO Bank), Shri Shiva Kumar (MD SBBJ), Shri S.C.Sinha (ED OBC), Shri Jiji Mammen (CGM NABARD), Senior Government officials, executives from Reserve Bank, NABARD, Banks and financial institutions. The list of participants is annexed.

Shri Animesh Chauhan, Convener SLBC welcomed the distinguished dignitaries on the dais and all participants to the SLBC meeting. He then requested Shri M.D. Mallya, CMD Bank of Baroda to deliver his keynote address.

Shri M.D. Mallya, CMD, Bank of Baroda conveyed his thanks to Hon'ble Minister, GoR, Shri Rajendra Pareek, for sparing his valuable time and welcomed him to the SLBC meeting. He shared that during last FY, SLBC Rajasthan has delivered a performance which is even better than our own aspirations put at the beginning of the year. CD Ratio of the state continues to be high, targets under the ACP has been surpassed and achievement in outstanding advances to PS, agriculture and Weaker section has been above the benchmark.

He said that Central and State Government are introducing some very important schemes for agriculture and economically important sectors like MSE, exports, Infrastructure etc which provides immense challenges and opportunities to lending institutions, banks should leverage the opportunities to the best of their abilities.

The FI Exercise has been initiated in all 3883 villages of population above 2000 and now the banks need to ensure meaningful Financial Inclusion so that actual benefit can reach the ultimate beneficiaries. He informed that under next phase of financial inclusion, all villages of population 1600-2000 as per census 2001 are to be covered by March 2013. Further, banks have to launch campaign to ensure one bank account for each family in FI villages, opening of accounts of migrant laborers / street vendors/hawkers with in 500 mt of urban / metro branches.

He noted that that during FY-12, new 12.74 lacs KCCs have been issued against the target of 8 lacs. As decided in special SLBC meeting held on 12.10.2011, credit counseling camps followed by credit disbursal camps have been organized in identified 23 minority concentration blocks in the state and credit facilities amounting to Rs.214 crs have been extended to minority community.

He conveyed his thanks to the State Government for resolving some of the long pending issues with banks e.g. consenting for release of their share for recapitalization of RRBs, consenting for amalgamation of geographically contiguous RRBs and taking steps for making the DISCOMS viable. He requested the State Government for taking up the issue of amendment in Rajasthan PDR act so as to include bank dues. This will go a long way in creating an environment favoring banks recovery and will encourage banks to improve lending under non farm Government sponsored schemes.

Convener SLBC then requested the Chief Guest Hon'ble Shri Rajendra Pareek, Minister of Industry, Excise & Mines, Govt. of Rajasthan to deliver his address and enrich the house with his valuable guidance.

Hon'ble Minister at the outset informed the house that Hon'ble Chief Minister of Rajasthan, Shri Ashok Gehlot, has sent his good wishes to SLBC, Rajasthan for its 113th meeting and achievements made by the forum.

He commended the CD ratio obtaining in the State but shared his concern for the low CD ratio districts and advised that Banks should take steps to improve the position. He shared that the government is regularly taking steps to improve infrastructure and living standards of people, but due to large area and lesser density of population, any infrastructure development activity involves huge cost. State Government in coordination with banks is working for providing affordable houses to BPL population in the state. He requested banks to achieve their stipulated targets for lending to minority community, as the performance under this category is below benchmark. He observed for ensuring sanction / rejection of loan applications within the stipulated time at branches level.

He informed that to instill sense of accountability in implementing authorities, State Government has introduced Service Guarantee Act. The State Government has announced 100% concession in interest amount on timely repayment of crop loan up to Rs.1.00 lac to encourage timely repayment of loan; State Govt. has recently implemented IFMS application to maintain transparency in the system and requested banks to be a part of this initiative. He complimented all the stake holders of SLBC for their outstanding performance during 2011-12 and requested for commencing the discussion

Thereafter the agenda items were taken up for discussion:

AGENDA No. – 1 (1.1): Minutes of the 112th SLBC meeting were confirmed by the house without any amendment / modification.

AGENDA No. – 1 (1.2): Action Taken Report:

1. **Online submission of data to SLBC:** Majority of banks have submitted on line data for quarter ending Mar-2012. The data has been repeated of few banks, in the absence of on-line submission (details as per agenda notes).
2. **Preparation of district wise Financial Service Plan:** Sub Committee meetings held to decide modalities for preparation of District / State insurance plan, for including in the Financial Service Plan. Public Sector Insurance companies have been requested to advise the district nodal officers for preparation of district insurance plan.
3. **Setting up Ultra Small Branch in all FI villages:** Banks have initiated necessary action for establishment of USBs in FI villages. Matter is further placed for discussion under Agenda No. 3
4. **Allotment of land to RSETIs:** Land has been allotted for 30 R-SETIs. The Additional Chief Secretary (RD&PR) has directed District Collectors for allotment of land in remaining districts
5. **Amendment in Rajasthan PDR Act 1952 so as to include bank's dues in respect of advances under the Government sponsored programmes as State dues recoverable as "arrears of land revenue"**- The State Government is requested for revisiting the issue and positive resolution be taken
6. **Release of share of State Government for recapitalization of RRBs:** State Govt. has given its approval.
7. **Providing necessary support & feedback for preparation of roadmap for implementation of EBT for 32 schemes of the Central/State Government:** Pilot project being undertaken by the Rural Development Deptt., GoR in four blocks for e-payment of NREGS wages. Pilot in Sanganer block allotted to Bank of Baroda has been successfully tested. In other blocks the same is under process.
8. **Effectiveness of RSETIs: Visit of District collector to RSETI for assessing performance and to bring about improvement in their functioning:** State government requested to issue instructions.

Action Taken Report on Special SLBC meeting held on 12.10.2011 under the chairmanship of Hon'ble Governor, Reserve Bank of India,

ATR - Commercial Banks:

Financial Inclusion: FI exercise has been initiated in all 3883 villages having population above 2000. FI implementing Banks have proposed to open new branches in 85 FI villages having population 5000 and above by Sep 2012 (74 branches in under banked districts and 11 in other districts).

District with low CD ratio: Action has already been initiated for improvement of CD ratio in these districts.

Lending to Minority Community: In 23 identified minority concentration blocks credit counseling camps organised followed by credit camps and Loans amounting to Rs.214 crs in -11545- cases have been sanctioned during Jan'12 to Mar'12.

Education Loans online submission of loan applications: Facility of online submission already available with majority of banks. Some banks where this facility is not available have informed that their corporate office are already under process to develop the facility.

EBT and disbursal of NREGA benefits: Pilot project for e-payment of NRGES wages being undertaken in 4 blocks by the rural development department, GoR. Out of this Sanganer pilot assigned to Bank of Baroda is successfully tested and operationalised. In other blocks the same is under process. With the successful implementation of pilot projects, the same will be escalated for disbursal of NREGA benefits in the state.

ATR - State Government:

Extension of Finance to Power Distribution Companies by Banks: Consortiums of Banks have sanctioned their share for the FY 2011-12 and disbursements have also been made by almost all the banks. Plan for the FY 2012-13 is under process and will be finalized soon.

AGENDA No. - 2:

Branch network: During FY-12, -353- new bank branches have been opened in the state, of which 236 branches (67%) have been opened in rural/ semi urban centers.

Deposits and advances: As on Mar-2012 total deposits in the state was Rs.167635 crs and advances Rs.146851 crs with Y-o-Y growth of 18.30% and 17.32% respectively.

Priority sector advances: The YoY growth under priority sector advances is 21%, agriculture 26%, SME and OPS 14%, weaker section 14%, advances to SC/ST 4% and advances to minority community 19%.

Principal secretary, Cooperation discussed about the situation emerging in CCB Tonk and informed that necessary steps have been taken. He informed that the CCB has been put under direction and requested for support from RBI. He further informed that as per budget announcement of Hon'ble Chief Minister Rs.9000 crs of short term advances under agriculture will be extended by cooperatives this year. Further, as land development banks are not being extended the facility of interest subvention they are not able to extend sufficient credit facilities to agriculture sector. He requested NABARD to look into the issue.

Regional Director, RBI, informed that only when cooperative bank could not meet the operational criterion like maintaining 4% CRAR etc, it was decided that deposits would be suspended for some time. However, to look into the issue a meeting is scheduled very soon which will also be attended by ACS and NABARD wherein after assessment of the situation, further strategy will be decided. However, at RBI level the issue has been reviewed and any sign of panic withdrawal has not been noticed.

CD Ratio: As on Mar-2012, CD ratio is 93.15%. Convener SLBC informed that in low CD ratio districts i.e. Dungarpur, Rajasmand and Sirohi, as decided in the last SLBC meeting, special DCC meetings were convened and special credit camps have been organized in a big way for increasing credit deployment in these districts. Poor credit absorption capacity in these districts on account of hilly terrain water shortage, poor infrastructure etc. makes it difficult to improve CD ratio. **CGM, NABARD** requested the State Government for giving priority to these districts for development of infrastructure projects especially under RIDF, to give impetus to credit flow and ultimately improving CD ratio.

Achievement under ACP: Achievement under ACP for FY-12 is 102%. Under agriculture it is 102 %, MSE 119%, OPS 90% and achievement under short term Agriculture is 102%. **Convener SLBC** informed that continuously for the 3rd year ACP achievement has been above 100%. The potential linked plan for the state, prepared by NABARD for the FY 2012-13. Credit flow under priority sector has been projected at Rs 50476 cr, i.e. 24% increase over 2011-12 targets, out of which

agriculture credit has been projected at Rs 36469 Cr i.e. 23% increase over 2011-12 targets.

AGENDA No. - 3:

Financial inclusion: House was informed that FI exercise has been initiated in all 3883 villages having population 2000 & above. As on 30.04.2012, a total of 1098954 customers have been enrolled under FIP and smart cards have been issued to 433565 customers. 2810 field BCs have been appointed by banks and a total of 177403 transactions have been made by customers. Additionally banks have also initiated FI exercise in 2430 smaller villages of population less than 2000.

Convener SLBC informed that as per directives of MoF, GoI fresh RFP has been floated for providing BC services. He then presented the progress in compliance of strategy and guidelines on Financial Inclusion issued by DFS, MoF:

Under banked/other districts: As per strategy and guidelines issued by MoF, the plan for opening of branches in villages having population of 5000 & above (census 2001) by Sep 2012 by FI implementing banks has been finalized and submitted to the Ministry. As per plan submitted by banks, 74 branches in under banked districts and 11 branches in other districts are to be opened. At places where opening of conventional bricks and mortar branches is presently not viable, the bank may set up ultra small branches. He reiterated the guidelines issued by DFS MoF and requested FI implementing banks for ensuring that the bank branch responsible for FI of the village to designate a specific officer to visit such villages on a pre-notified day and time every week with a laptop which should have VPN connectivity to the CBS.

EBT (Electronic Benefit Transfer): House was informed that for implementation of EBT scheme for e- payment to the beneficiaries under all schemes funded by the GoI/ State Government, the Principal Secretary (Plan) has taken up the matter with respective departments. House was informed that the pilot for e-payment of NREGS wages is being undertaken in 4 blocks in the State. The Sanganer pilot, allotted to Bank of Baroda has been successfully tested and disbursement of wages to NREGS beneficiaries through the EBT mechanism has commenced. The pilot is in progress in other identified blocks through UBI, OBC and SBBJ.

Preparation of District Service Area Plan and Uploading on District/State Website: The service area plans of all 33 districts have been uploaded on Districts/SLBC/State website incorporating therein the details of villages in a Gram Panchayat (GP), village code, status of bank branch, BC in GP and service area bank etc.

Preparation of Comprehensive District/State Insurance Plan: House was informed that meetings were convened by SLBC with NABARD, all public sector life and non life insurance companies and DCC convener banks. The Non- Life

Insurance companies have appointed District Nodal Officers. DCC convener Banks were requested to advise LDMs to coordinate with NABARD, Nodal officer of Insurance companies for preparation of District Financial Service plan.

Uploading of GIS Data: It was informed that the process of entering details of banking amenities on GIS portal has commenced in all 33 districts of the State. DCC Convener Banks were requested to advise LDMs to complete the process at the earliest.

Automation of State Government Treasuries and Automated Interface with the State Government: House was informed of the Integrated Financial Management System (IFMS) initiative of the State Government. The bank branches presently undertaking the treasury functions have been linked with the system through interface program. From 01.03.2012 the state government has started payment of salary to their employees through this module using the banks CBS platform.

Extension of Payment Systems - Sub-Membership of Centralized Payment System for NEFT/RTGS/NECS/RECS: All PSBs and member State Co-operative Banks, Urban Co-operative Banks and other Private Banks have to work out the strategy as per RBI guidelines so that other banks including central/state cooperative banks may also participate in centralized payment system to facilitate removal of informal payment service providers, offering services at steep prices to financially excluded population.

Convener SLBC informed the house about the review meetings on implementation of Strategy and Guidelines by Director, Department of Financial Services, MoF, GoI with DCC Convener Banks and other Major Banks in the state. Banks have started necessary action on the action points discussed during the meeting and majority of points have also been complied with.

Recent Guidelines issued by DFS, MOF: The house was informed of the following recent guidelines and a request was made to the member banks for its due implementation:

1. **Banks to Launch campaign to ensure at least one bank account for each family in FI villages-** Banks were informed that this will further assist in electronic routing of government benefits to the beneficiaries.
2. **Extension of Swabhiman –** Financial inclusion has been extended to next phase to cover all villages of 1600 to 2000 population (as per census 2001) by Mar-2013. In the State 2252 villages have been identified & allocated to Service area Banks (in terms of one Gram Panchayat one Bank) for providing banking services. Banks were requested to verify the details as per their service area and confirm the same to SLBC by 31.05.2012, so that modification if any could be finalized and the final plan be submitted to the Ministry.

3. **Floating of Common Request for Proposal for Business Correspondents-** Under directives of MoF, common RFP for engaging Business Correspondents for Rajasthan and Delhi cluster has been floated by Bank of Baroda as leader bank. Committee of Six major Public Sector Banks in the State have been formed for the purpose.
4. **Branches to be opened in all FI villages having population 5000 and above in under banked districts by Sep' 2012-** banks were requested to ensure implementation as per timelines for the villages for which plan has been submitted by them.
5. **Conducting Bi-Annual meeting of Chairman and Managing Director of SLBC Convener Banks with LDMs of the State-** House was informed that the first meeting is being held today after the SLBC meeting.

Unique Identification Authority of India (UIDAI): House was informed that recently meetings were convened by UIDAI with banks in the state for re-launching of Aadhar enrollment in the State.

AGENDA No. – 4:

Agriculture Credit Flow: The Y-o-Y growth in outstanding advances to agriculture as on 31.03.2012 has been 26.11 %, of which growth in direct agriculture advances is 22.02% and growth in short term/crop loan/KCC is 29%. Since inception of scheme 73.14 lacs KCCs have been issued upto Mar-2012. During FY-12, fresh 12.74 lacs KCCs have been issued, against target of 8 lac KCCs. As on 31.03.2012 there are 54.36 lacs active KCCs accounts. Banks were requested to sensitize the branches for bank credit linkage of each household of their service area village and to give focus on the investment credit under agriculture sector to create capital assets. House was informed about the revised KCC scheme which has added features like 5 yrs validity of the limit, issuance of debit card, providing interest on credit balance at the rate of SB account rate etc. All banks were requested to give the revised scheme proper publicity and its successful implementation.

Regional Director, RBI, informed that RBI has issued the revised guidelines on 11.05.2012 and banks are expected to provide adequate and timely credit to all eligible farmers. We have been able to register a growth of 26% in agriculture this year which is commendable but now banks should also give focus on the investment credit under agriculture sector to create capital assets, so that the same growth can be maintained.

Crop Insurance: As per information provided by crop insurance implementing Insurance Companies a claim of Rs.218.57 crs has been awarded against the Rabi Crop 2011 loss assessed at the state level. Banks were requested to ensure that the

amount of crop insurance claim is credited promptly and timely in respective farmers loan / BKCC account.

Principal Secretary (Agriculture), informed that during 2011-12 WBCIS scheme was implemented in 30 Distt and in 3 Distt i.e. Tonk, Jalore and Rajasmand MNAIS scheme was implemented. However this allocation will be changed in 2012-13, He said that in Churu district problem has been faced in settlement of claim, citing reasons that premium has been paid for larger area than the cropped area. He said it is observed that the cropped area at the time of sanction by banks and cropped area at the time of *Girdavri* are different. The Insurance company accepted the premium at that time but now they have held up the claim in the district, He emphasized that it is the responsibility of Insurance Company to release the claim as they have not raised any query at the time of accepting the premium, and holding the claims at this juncture on these ground is not in order. The issue has been taken with Secretary, Agriculture, Gol. To avoid such incidences in future some policy needs to be formulated in this regard. He also suggested for the need to develop some grievance redressal mechanism to resolve the issues related to the insurance claims. The possibility of setting up of call centers at SLBC level may be explored

Representative agriculture insurance co: informed the house that in Rajgarh Tehsil Churu district no area discrepancy was observed and so the amount was settled. For remaining 5 Tehsil we are collecting individual farmer's details from respective bank, as per Gol's directives. He informed that there is a difference in area under cultivation taken by banks considered for premium payment and actual area under cultivation. He informed that we are collecting the *Girdavaris* and the amount will be finalized soon.

AGENDA No. – 5: Govt. Sponsored Schemes:

Swarna Jayanti Gram Swarojgar Yojana (SGSY): The achievement under the scheme during FY-12 is 141%. Loans of Rs.259.18 crs have been disbursed against target of Rs.184.30 crs.

Swarna Jayanti Shahari Rojgar Yojana (SJSRY): During FY 2011-12, against target of 7000 applications, loans have been sanctioned in 7280 applications and disbursements made in 5108 applications.

Prime Minister's Employment Generation Programme (PMEGP): achievement under the scheme is 94 % in margin money utilization. As per information received from the nodal deptt., the Scheme has been extended for 2012-13. Representative Nodal Department complimented banks for good performance under the scheme, and informed that process of allocation of district wise targets for the scheme is under process and will be provided soon.

It was discussed that under the scheme the NPA level is highest among other government sponsored schemes. As against the total O/S amount of Rs.213 crore under the scheme, 42% of O/s amount is categorized under NPA as on Mar-2012. Also there is high NPA under SGSY and SJSRY, therefore, there is a need for amendment in PDR act, as this will not only improve recovery position in the state but also save lot of time & money of bank & borrowers in the lengthy legal procedures.

Artisan Credit Card (ACC): During 2011-12, 4834 new ACCs have been issued, against target of 5000, the achievement remained at 97%.

Weavers Credit Card: The scheme was launched in camp organized in village Lavan (District. Dausa) on 18.01.2011, further camps in 9 Districts have also been organized in the month of Feb 2012. Banks were requested to extend sanctions to eligible applications collected during the campaign. Ministry of Textile, GoI has allotted the target to issue 1000 Weaver Credit Cards in the state during the year 2012-13.

CGM, NABARD Shri Jiji Mammen: appreciated that SLBC has forwarded the guidelines to banks under Revival Reform and Restructuring Package for Handloom Sector scheme and banks have identified the eligible cases under the scheme, but the number of eligible handloom weavers identified is very less. He informed the house that there are also primary handlooms cooperative societies which can also be restructured under this package. He informed that out of 240 primary handloom cooperative societies active in the state, information from State Government is received only for 61 societies of which only 22 societies are eligible under the scheme. He requested the State Government to initiate necessary action so that requisite process of implementation of restructuring package may be completed within the time line.

Micro Small and Medium Enterprises (MSME): Convener SLBC informed the house that the issues related to MSME sector are being regularly discussed in RBI's Empowered Group Meeting on a quarterly basis. Last meeting was held on 21.05.2012 which was chaired by RD, RBI, where in implementation of TKA Nair committee's recommendations, is also being reviewed. Banks were requested to extend 60% of the MSE advances to the micro enterprises. Further, under cluster development programme, Ministry of MSME has identified Textile Cluster- Jaipur in the state. Banks were also requested to come forward and extend banking facilities in this cluster.

Special Central Assistance Scheme for SC/ST: Convenor SLBC informed that during 2011-12 achievement under the scheme remained at 88%. Banks were requested to initiate timely action so that the target can be achieved this year.

Representative nodal deptt: expressed that despite regular follow up at SLBC level we have not been able to achieve the targets this year. 19782 applications are still

lying pending for decision with the banks. He also shared concern for pending utilization certificates of Rs.58 Crs. Banks were requested for clearing the pendency.

Additional Chief Secretary, Social Justice Deptt: shared the analysis that the average unit cost under the scheme comes to Rs.20,000-30,000, which is low considering the actual credit needs. Banks were requested for providing adequate credit to quality units, because this will not only assist the units in business but will also improve the banks recovery position. She informed that a very modest target for advances to disabled under SGSY scheme was given last year but even in that case we could achieve only 50%. Banks are requested to give special attention to these issues.

Hon'ble Rajendra Pareek, Minister Industries, Rajasthan: requested for giving priority under government sponsored schemes and due motivation at branch level to improve performance. He informed that State government has implemented Single Window system, by which undue hassle for applicants is considerably reduced. Banks may also explore to develop such system.

Self Help Groups (SHG): As per data received from banks and LDMs a total of 271583 SHGs saving accounts have been opened in the state out of which 193946 i.e. 71% have been credit linked. Banks were requested to take necessary steps to credit link maximum no. of SHGs in the state.

Additional Chief Secretary (RD&PR) informed that during FY 2011-12 credit of Rs.219.80 crs was extended to SHGs. As per the study conducted by Centre for Micro Finance, the total credit potential for SHGs in the state is around 1500 crs. so a part of the total credit needs of the SHGs is met. He said that the central and State government is giving importance for growth of SHGs. Currently there are 3 programs running in the state for SHGs viz; 1) MPOWER program in -6- districts of western Rajasthan 2) Rajasthan Rural Livelihood Project (RRLP); and 3) National Rural Livelihood Mission (NRLM).

He informed that the State government has made a provision of Rs.300 cr for SHGs development and capacity building. Therefore, due attention needs to be given to SHGs by banks. He pointed that there are some issues like delay in processing of loan applications, and requested for disposal of applications within the maximum time frame. He suggested Banks to issue dated receipts for applications received by them, so that actual delay can be calculated. Further, adequate credit should be made available to make the SHGs sustainable. He requested for adoption of "sakhdarpan" – the application developed by the State Government, for registration of SHGs for improving process & MIS. He said that banks can play a very critical role in extending helping hand to SHGs to bring them above the poverty line, as majority of them are very poor & economically weak.

Regional Director, RBI responding to the issues raised said that credit limit of SHGs should better be linked to sustainable scalable income generation projects so

that the banks have the comfort of getting their loans repaid. She agreed that per capital loan limit for SHGs needs to be revisited. Regarding standardizing the practices for facilitating credit decisions of the banks, she said that ultimately this will be commercial decision of the banks. She emphasized that existing guidelines should be effectively implemented, instead of reinventing the same. She shared that at RBI level we have a lot of faith in SHG bank linkage model. Actual requirement is for capacity building of such groups and now the state government is also taking such initiatives for capacity building.

Convener SLBC suggested that looking to the great push being given by the Central and State Govt. in promoting SHGs, so a task force committee can be formed consisting of State Govt, NABARD and RBI so that all the efforts made by different agencies can be coordinated and with these, achievement under SHG can be improved. He informed the house about recent efforts made by Bank of Baroda for SHG promotion through a tie up arrangement with CMF for training and capacity building of branch managers of bank and sponsored RRB. He expected a much better performance by the banks during the current year.

CGM, NABARD suggested for sensitization for SHGs at ground level so that difficulties are removed and SHGs can be promoted in a big way.

Credit Flow to Minority Community: House was informed that the credit flow to minority community as on Mar 2012 is Rs.4082/- crs which is 5.72 % of total priority sector advances As on Mar-2012, the outstanding credit to minorities has witnessed a growth of 19% over Mar-2011. It was further discussed that as decided in the special SLBC meeting held on 12.10.2011, credit counseling camps were organized in 23 identified minority concentration blocks in the state, which were followed by credit disbursal camps. With disbursements in applications sanctioned during this period the position of advances to minority community is expected to improve significantly.

Mukhyamantri Swavlamban Yojana: Achievement under the scheme has been at 58.77 % as on Mar'12. On analyzing the reasons for low performance under the scheme, it is observed that the targeted beneficiaries under the scheme are also eligible for other schemes offering better features e.g Artisan Credit Card scheme where interest subsidy @ 5% is available against 2% under the scheme. In other government schemes capital subsidy is available. This leads to preference for other schemes by the beneficiary.

Vishwas yojana and navjeevan Yojana: These are the schemes where targets are not allotted by nodal department. Progress under the Vishwas Yojana as on Mar'12 in terms of no of applications sanctioned to sponsored is 57% while in Navjeevan yojana it is 72%.

Recapitalization of the RRBs: The forum conveyed its thanks to the State Government for agreeing to provide capital of Rs.39.65 Crore in the budget 2012-13 towards recapitalization of RRBs in the State.

AGENDA No. – 6:

Rural Self Employment Training Institute (RSETI): 35 RSETIs have been established in all 33 districts of the state. It was informed that good progress has been made in allotment of land to RSETIs. Land has been allotted in 30 districts and the allotment is now pending only in -4- districts i.e. Sawai Madhopur, Jhunjhunu, Bundi and Bharatpur. As on Mar-2012 cumulatively training has been given to 93827 trainees, of which 67% trainees are gainfully employed.

The huse was informed that with an aim to introduce an effective mechanism for monitoring the activities of RSETIs, the office of monitoring cell for RSETIs has been established in Bangalore, which is headed by a Chief Project Coordinator. Further, State Project Coordinator for RSETIs has been appointed for the State also. RSETI directors are now required to submit the monthly statement of RSETIs also to National Academy of RUDSETI (NAR) on their email id cpcnar@gmail.com as RUDSETI has also started monitoring each RSETI individually.

Project director SGSY informed that the land allotment has been finalised for Jhunjhunu RSETI. In Alwar, earlier it was informed that land is not required. The same will be taken up as soon as the formal request is received.

Financial Literacy and Credit Counseling Centres (FLCC): A total of 30 FLCCs have been established in the state. It was informed that NABARD is providing financial support from the Financial Inclusion Fund (FIF) to the “Lead Banks” for establishing FLCCs in the fourteen identified districts in Rajasthan. Under this the financial support towards capital expenditure and operating expenses for one year with a cap of Rs. 10.00 Lac per FLCC would be reimbursed. Banks are requested to take benefit of the scheme.

AGENDA No. – 7:

Performance under CGTMSE: During FY-12, 7064 cases amounting to Rs 442 crores have been approved. 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 requested to popularize the scheme and ensure coverage of maximum no. of eligible proposals under this scheme.

It was deliberated that under CGTMSE scheme, the processing fee is being levied on the sanctioned limit instead of outstanding amount due to which even when the outstanding is continuously going down with repayment by the borrower, the fee is

still charged for the original sanctioned amount. This works as a deterrent for the borrowers having available collateral securities for adopting the scheme. Banks have also been requesting for waiver of filing of suit in small cases as a pre-condition for lodging claims. These issues have also been discussed in the meeting of empowered committee on MSME and SIDBI was requested to take up the issue, the response to which is awaited. SIDBI was again requested for taking up of issues for resolution at appropriate levels.

AGENDA No. – 8:

Education Loan: out of 29392 applications disbursed during FY 2011-12, 22668 applications were for loans upto Rs 4.00 lacs. 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. IBA has recently raised the issue of employability of the courses offered by the colleges especially engineering and management colleges.

AGENDA No. – 9:

Interest Subsidy Scheme for Housing Urban Poor (ISHUP): Convener SLBC, drew the attention of the house towards reasons for poor progress under the scheme. Though a large no of applications have been forwarded to the banks by nodal agency but no of applications sanctioned and disbursed by the banks is still very low. There are certain issues which have been informed by banks like:

- Applicants not turning up in bank to complete the formalities after sanction.
- Applicants are facing difficulty in contributing their share of margin money. It was informed that the state government has already taken up the issue with central government for increasing the quantum of loan under the scheme.
- Reported delays in Non execution of TPAs (Third Party Agreements) by AVL, which delays the disbursements by banks. AVL was requested to expedite the same.

Representative AVL: informed that the issue of margin money has already been taken up by state government. He expressed his concern over some instances where it is observed that branches are asking the borrowers for security deposit/collateral to secure the loan. He informed that actual market price of these flats is around Rs.5.00 lacs which are being provided at Rs 2.40 lacs to the poor. Further, as per guidelines, in case a borrower commits a default then the amount will be paid by the local body and the flat will be reallocated to other beneficiary. Therefore, the banks interest is completely secure. He requested banks to look into the issue for smooth implementation of scheme.

Agenda No 10.1

Recovery Under Priority Sector: As per the data received on NPA from major banks 32% of outstanding credit under government schemes is categorized under NPA as on Mar-2012. Further out of 44285 recovery cases as on Mar-12 under RODA, only 13% cases were disposed off during 2011-12. State Government was requested for an early action in amendment of PDR Act.

Agenda No 11.2:

SLBC Website: All Banks are requested to ensure ON-LINE submission of data on SLBC website within 15 days from the close of quarter.

Principal secretary, Revenue Deptt responding on the agenda item informed that regarding Model Legislation on Money Lenders and Accredited Loan Providers Bill, the act was made in 2007 and states were supposed to come up with their own legislation. As per response received from District collectors it is observed that this act is no more relevant in today's time. House need to decide whether is there any need to keep this as an agenda item for SLBC meeting or not. The level of microfinance extended, have improved considerably in recent times. There is availability of no. of formal sources of credit though the practice of loans given by private money lenders still exists. In view of this the relevance of enactment of Act should be examined.

Regional Director RBI responding to the issue requested the department to write to RBI explaining about reasons why this act is irrelevant now, so that a view on whether to include this as an agenda item or not can be taken.

Regional Director RBI appreciated banks for the CD ratio of 93.15 %, but shared her concern for the low CD ratio districts. Though banks have organized credit camps in these districts, still steps need to be taken to increase credit absorption capacity in these districts. Banks also need to increase sensitization of field level functionaries so that the credit requirements in these districts can be addressed. She said that this may also be due to non submission of data by some banks. She observed that the banks who have not submitted the data online are majorly private sector banks, which are supposed to be advanced in terms of technology implementation. She requested the defaulting banks to ensure data submission positively next time.

Regarding financial inclusion, she informed the house that as per RBI credit policy released on 17.04.12 by Hon'ble Dr. D.Subbarao, the nomenclature of no frill accounts needs to be changed to "Basic Bank Account" providing all basic banking facilities. She emphasized the need to develop some monitoring and review mechanism to assess the level of actual benefits extended to the actual beneficiaries. She reiterated the importance of financial literacy which constitutes an

integral part of financial inclusion, so efforts need to be made to incorporate this as part of the curriculum in school, as this will significantly improve the level of financial literacy among the masses. She expressed her thanks to the State Government for accepting to release their share for recapitalization of RRBs in the state. She requested concerned banks and NABARD to timely comply with the conditions put under this as the government has done their part.

CGM, NABARD informed that there are around 13 subsidy linked Government sponsored schemes which are being implemented through NABARD. As per communication received from Gol all these schemes, but 3, will continue further for the year 2012-13. These three schemes are from animal husbandry deptt. He informed about the recent initiative taken by NABARD to strengthen skills of BCA/BF through training facilities. Under this 2 state level trainers have been trained and in the second phase district level trainers will also be trained. These district level trainers will give training to the field level BCs/BFs. Banks were requested to take proper advantage of these trained persons as this facility is provided by NABARD free of cost.

CMD, Bank of Baroda, Shri M D Mallya in his closing remarks expressed his satisfaction on the fruitful discussion held on all agenda items. He said that today we had the privilege of having presence of Hon'ble minister Shri Rajendra Pareek to guide the deliberations of the meeting. He emphasized that as mentioned by the Hon'ble minister we need to sensitize branches so that all schemes are properly implemented at the ground level. He assured the Hon'ble minister on behalf of the house that banking industry would continue to strive so that these programs are properly implemented in the spirit it is required to be done and we would continue to do the good work as we have been doing in the past. He commended banks for their good performance last year but also drew the attention of the house towards certain area where banks need to do better. One of such agenda was SHGs bank linkage and requested banks to ensure that this would be one of our focus area to see that the things are appropriately done at field level. In certain districts where CD ratio is lower, banks have started taking the steps to improve that and we need to see that these steps are continued forward, to ensure that CD ratio in these districts is improved in the current FY. Banks also need to see that their targets for lending to minority community and weaker sections are improved and targets are achieved. Regarding financial inclusion he emphasized that banks need to ensure that actual benefit of the program reaches the beneficiaries. Now when the enrolments have taken place the challenge to banks is that the customers actually start using these accounts and smart cards and actual transactions happens at the ground level. He assured that at SLBC level regular monitoring would continue. He expressed thanks to state government for their cooperation and support and requested for continuous support in the future also. Concluding he expressed thanks to the Hon'ble minister, representatives from Government, banks and all stakeholders for their presence in today's meeting and their cooperation.

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113th Meeting of State Level Bankers' Committee List of Participants

S.No.	Name	Designation	Organisation
	Chief Guest		
1	Sh. Rajendra Pareek	Minister of Industry, NRIs, Public Undertaking, Economics & Statistics, Excise & Mines	Govt. of Rajasthan
	Convenor Bank		
2	Sh. M.D. Mallya	Chairman & Managing Director	Bank of Baroda
3	Sh. Animesh Chauhan	Convenor, SLBC & General Manager	Bank of Baroda
	Reserve Bank of India		
4	Dr. Deepali Pant Joshi	Regional Director	RO, Jaipur
5	Sh. H.N. Iyer	General Manager	RPCD, RO, Jaipur
	NABARD		
6	Sh. JiJi Mammen	Chief General Manager	RO, Jaipur
7	Sh. R.S. Jodha	General Manager	RO, Jaipur
	Govt. of Rajasthan		
8	Sh. C.S. Rajan	Addl. Chief Secretary	Rural Development & Panchayati Raj
9	Smt. Aditi Mehta	Addl. Chief Secretary	Social Justice & Empower
10	Sh. G.S. Sandhu	Pr. Secretary	Urban Development & Housing
11	Sh. Rakesh Verma	Pr. Secretary	Plan
12	Smt. Malovika Panwar	Pr. Secretary	Revenue
13	Sh. Vipin Chandra Sharma	Pr. Secretary	Co-operative
14	Sh. D.B. Gupta	Pr. Secretary	Agriculture
15	Dr. Govind Sharma	Pr. Secretary	Finance
16	Sh. Rajeshwar Singh	Secretary	SSI
17	Sh. Abhay Kumar	Secretary	Rural Development
18	Sh. Kunji Lal Meena	CMD	DISCOMS
19	Smt. Sarita Singh	Secretary	WCD
20	Sh. Y.N. Malhotra	Dy. Sec.	Planning Deptt
21	Smt. Rashmi Sharma	PD,SGSY	Rural Development
22	Sh. A.K. Jain	P.D.	SJSRY
23	Sh.S.D. Thanvi	CGM	Avas Vikas Ltd.
24	Dr. G.S. Somawat	Director	NC ST, Gol
25	Dr. Mukta Arora	Addl. Dir.	WCD

26	Sh. Vishram Meena	Director	SJED
27	Smt. Ritu Gupta	M.D.	RMFDCC
28	Sh. B.L. Meena	Dy. Director	KVIC, Jaipur
29	Sh. Dinesh Arora	Jt. Director	RKVIB
30	Sh. G.K. Vyas	GM	MPOWER
	Banks, Financial Institution & Insurance Companies		
31	Sh. Arun Kaul	Chairman & Managing Director	UCO Bank
32	Sh. Shiva Kumar	Managing Director	SBBJ
33	Sh. S.C. Sinha	Executive Director	OBC
34	Sh. Mohar Singh	General Manager	Bank of Baroda
35	Sh. S.K. Madan	General Manager	PNB
36	Sh. J.K. Dubey	General Manager	SBBJ
37	Sh. D.S. Rathore	General Manager	OBC
38	Sh. R.R. Sharma	General Manager	Canara Bank
39	Sh. B. Mondal	General Manager	Central Bank of India
40	Sh. M.L. Jain	Dy. General Manager	Bank of Baroda
41	Sh. R.K. Gupta	Dy. General Manager	Bank of Baroda
42	Sh. S.P. Singh	Dy. General Manager	UCO Bank
43	Sh. Fareed Ahmed	Dy. General Manager	Corporation Bank
44	Sh. Sanjay Kumar Chaturvedi	Dy. General Manager	IDBI Bank
45	Sh. K. L. Mehta	Dy. General Manager	Syndicate Bank
46	Sh. Alok Tarafdar	Dy. General Manager	Allahabad Bank
47	Sh. Shammi Kaplush	Dy. General Manager	CBI
48	Sh. G. Madan Mohan Rao	Dy. General Manager	SBBJ
49	Sh. Nikhlesh Bhargava	Zonal Manager	Bank of India
50	Sh. Praveen Kumar	Asstt. General Manager	Bank of Baroda
51	Sh. K. Rama Mohan	Asstt. General Manager	Andhra Bank
52	Sh. O.P. Nigam	Asstt. General Manager	Union Bank
53	Sh. M.L. Rohilla	Asstt. General Manager	Dena Bank
54	Sh. L. Ramesh	Asstt. General Manager	SBH
55	Sh. Ajay Sharma	Asstt. General Manager	Indian Bank
56	Sh. Suyash	Asstt. General Manager	SBOP
57	Sh. Sandeep Kumar	Agri Business Head	Axis Bank Ltd.
58	Sh. Ravindra Saroa	V.P.	HSBC
59	Sh. R.S. Bansal	Chief Manager	Bank of Maharashtra
60	Sh. P.K. Agrawal	Chief Manager	SBT
61	Sh. B.C. Jain	Sr. Manager	Bank of Baroda
62	Sh. D.K. Soni	Sr. Manager	ICICI Bank
63	Sh. Rahul Dubey	Sr. Manager	IOB
64	Sh. Manish Nair	Sr. Manager	Yes Bank
65	Sh. R.K. Gupta	Sr. Manager	United Bank of India

66	Dr. S.S. Sinha	Manager	Bank of Baroda
67	Sh. Rakesh Mathur	Manager	Indian Bank
68	Sh. K.K. Khemka	Manager	Vijaya Bank
69	Sh. Jayesh Sanghi	Officer	Bank of Baroda
70	Sh. Vikas Agrawal	Officer	Bank of Baroda
71	Sh. Hari Kishan Saini	Dy. Manager	SBM
72	Sh. Aashish Bora	Asstt. Manager	The CSB
73	Sh. RCS Jodha	MD	RSCB
74	Smt. Manjari Bhanti	M.D.	SLDB
75	Dr. M.S. Phogat	Chairman	BRGB
76	Sh. J.K. Patra	Chairman	JTGB
77	Sh. U.C. Agrawal	Chairman	MAGB
78	Sh. Sanjay Malik	Chairman	HKGB
79	Sh. Sudhir Thakur	Chairman	MGB Gramin Bank
80	Sh. Anil K. Gupta	Chairman	RGB
81	Sh. Sunil Pamecha	GM	The Urban Co-op Bank
82	Sh. B.S. Rahul	CRM	Agri. Ins. Co.
83	Sh. R.K. Rajpal	CRM	Oriental Insurance
84	Sh. Lalit Gupta	Manager	LIC

