

## AGENDA NOTES OF 129<sup>TH</sup> SLBC MEETING.

### Agenda Item No.1

Confirmation of Proceedings of 128<sup>th</sup> SLBC meeting held on 16.08.2012 at Bhubaneswar.

The proceedings of 128<sup>th</sup> SLBC meeting held on 16.08.2012 at Bhubaneswar had been circulated among all the members of SLBC vide our letter no. GM/SLBC/ODI/175/2012-13 dated 31.07.2012. Since no comments have been received from any quarter the same may please be taken as confirmed.

### Agenda Item No.2(a)

Action Taken Report on major decisions taken in the 128<sup>th</sup> SLBC meeting held on 16.08.2012.

Sl. No.	Action Points	Action to be taken by	Action taken
1.	The Hon'ble Chief Minister of Odisha in his address to the participants in the SLBC meeting dated 18.08.2011 advised the Bankers to earmark the DRI advances for differently abled beneficiaries who perhaps deserve the support and facilitation of all concerned as much as other socially marginalized groups.	SLBC/All Banks/Women & CD Deptt.	Loan applications from differently abled persons were collected at Samarthya Sibir organized by women & CD Deptt. at Block Head quarters & sponsored to bank branches. The achievement made by banks under DRI to this category of beneficiaries is given in annexure-I. It is observed that the banks have financed 416 no. of beneficiaries sponsored to the banks, during the year.
2.	The proposal of opening of public sector/private sector bank branches at Khairaput, Korukunda, and Kudumulguma & Podia blocks of Malkangiri district, Chandahandi, Nandahandi & Kosagumunda blocks of Narawangpur and Kundra & Dasamantpur blocks of Koraput district was discussed & intervention of RBI was needed to allot these centres among various bank branches.	RBI / SLBC/ Banks	Twice meetings have been convened by RBI in this regard and the bank wise allotment and status is as following: 1) Bank of India—Govindapalli – branch being opened on 12.11.2012 2) UCO Bank-Nanda Handi – proposal sent and BoD approval awaited 3) ICICI Bank- Kosagumunda – to be updated 4) HDFC Bank- Kudumulguma – to be updated

			<p>5) Andhra Bank- Podia – Inprinciple approval obtained, branch likely to be opened by Nov 30, 2012</p> <p>6) Bank of Baroda- Chandahandi –Proposal sent and approval of HO awaited</p> <p>7) United Bank of India- Korukunda - Proposal sent and approval of HO awaited</p> <p>8) Kundra – AXIS bank opened a B &amp; M branch, USB opened by SBI</p> <p>9) SBI - Dasamantpur - USB opened by SBI</p>
3.	<p><u>Reality Check Survey Report on Financial Inclusion.</u></p> <p>Representative from Planning Department informed the house that survey work on financial inclusion has been completed on 15<sup>th</sup> June, and data entry work also has been completed in the first part of August. The report will be submitted within a fortnight.</p>	Action- Planning & Co- ordination Deptt.	Special Secretary Planning & Coordination Deptt. Govt. of Odisha may inform the house about the current status.
4.	<p><b><u>Regarding EBT Payment.</u></b></p> <p>It was alleged by NRLM Deptt. that there is unusual delay in payment of dues to MANREGA payment &amp; some time large sum of unpaid money is kept in the A/c. of the BC. It was suggested by the house to have a small committee to discuss the matter.</p>	NRLM Deptt./RBI /SLBC/ SBI	<p>There were series of interface of PR Deptt, SBI in presence of RBI.</p> <p>The local CSPs of the BCs are not conducting their operations due to various reasons.</p> <p>Efforts have been made by SBI to set right the position.</p>
5.	<p><b><u>Opening of FLCCs by SBI.</u></b></p> <p>It was reported by AGM; SBI that in remaining 4 districts SBI has issued advertisement &amp; the selection process for appointment of Counselor was to be completed within a week time &amp; expected the FLCCs to be opened by end of August. For selection of FLCC Director of Malkangiri, it was suggested to take up the matter with District Administration.</p>	Action SBI	The Lead Banks reported having opened in all 30 districts.

6.	<p><b><u>Data base of loanee farmers &amp; KCC holders:-</u></b>  Director,Agriculture &amp; F P reported that many banks are yet to submit information to them for preparation of the data base which will help bankers to identify eligible farmers for distribution /sanction of KCCs. Convenor SLBC suggested 31<sup>st</sup> August as the time line for submission of the list.</p>	Bank of India/CBI/Indian Bank/Indian Overseas Bank/Syndicate Bank/KGB/UBI.	As per information available with SLBC, Indian Bank & Bank of Boroda have submitted the required information to Director of Agriculture. Other remaining Banks like CBI/IOB/Syndicate Bank/KGB & UBI have to inform about their compliance on the issue.
7.	<p><b><u>Preparation of Calendar of DCC.</u></b>  It was decided that all LDMs will hold DCC meeting for the quarter ended September, 2012 before 15.11.2012.</p>	All 30 LDMs of the State.	It was ascertained from the lead banks in the meeting held in RBI on 31.10.2012 that the DCC meetings for all the districts have been scheduled. Districts like Bhadrak, Keonjhar, Boudh, Jajpur, rayagada, Jharsuguda the meeting is scheduled to be held after SLBC meeting. Districts like Cuttack and Nabarangpur, the dates have not been decided.
8.	<p><b><u>Committee on gap in Agriculture Extension Services in Odisha.</u></b>  The committee has already submitted its recommendation for implementation by various stake holders. Convenor SLBC stated that a monitoring committee has been constituted to look into implementation of various recommendation of the sub-committee was held on 03.08.2012 and it will meet quarterly to ensure implementation of recommendations.</p>	Action SLBC/Banks / RBI / NABARD/ Govt.Deptt.	The next meeting of the sub-committee will be held during this month to review the implementation of the recommendations.
9.	<p><b><u>Consolidated list at identified centres for creation of EM.</u></b>  Principal Secretary of Finance advised DIF to visit Law Deptt. &amp; get the consolidated list for information &amp; circulate to</p>	DIF/SLBC/Banks	The consolidated list has been received by SLBC from Director Institutional Finance, Govt. of Odisha & duly circulated among member Banks. The list has also been uploaded in

	Banks.		SLBC web-site for intimation of all banks & others.
10.	<p><b><u>Issues Relating to RSETI.</u></b> The following issues were discussed for which action was to be taken by Panchayati Raj Deptt.</p> <p>a) It was reported by SBI that DRDAs of some district like Sundergarh, Sambalpur, Baragarh &amp; Nuapada are not settling claims of RSETIs &amp; SBI has an outstanding claim of 19.65 lacs with DRDA.</p> <p>b) Convenor SLBC requested Director NRLM to give direction to DRDAs to sign MOU with RSETI for sponsoring candidates to RSETI as without support of DRDAs functioning of RSETIs &amp; difficult.</p> <p>c) It was requested that lands to be allotted to RSETI free of cost.</p> <p>d) As decided by the house of Panchayati Raj Deptt. is to take up with MORD GOI to enhance the grant available for building construction of RSETIs suitably.</p>	Action – SBI/Panchayati Raj Deptt.	<p>Representative from Panchayatiraj deptt. may inform about the status of payment of outstanding dues of 19.85 lacs by DRDAs of Sambalpur, Bargarh &amp; Nuapada to SBI.</p> <p>Other remaining 3 points have been taken up in Agenda item - 9 regarding functioning of RSETIs.</p>
11.	<p><b><u>State Govt. to notify competent authority for issuance of Income Certificate for interest subsidy of Education loan.</u></b></p> <p>State Govt. was requested to issue a copy of notification to SLBC for onward submission to IBA for their information.</p>	Action- Revenue Deptt./ SLBC	The notification issued by Govt. of Odisha has been received by Convenor SLBC & uploaded in SLBC web-site for information of bankers. The same has also been sent to IBA, Mumbai for their perusal & records.
12.	<p><b><u>Fixing a realistic &amp; achievable target for Banks under ACP</u></b></p> <p>Principal Secretary, Finance advised to have a sub-committee headed by RBI, NABARD, SLBC &amp; representation of other banks to look into any change in</p>	SLBC/RBI NABARD/ Banks	A meeting of small committee was held on 16.10.2012 and the revised allocation of ACP target has been enclosed in annexure II. However the bank wise / quarter wise allocation of target is to be worked out & intimated to bankers very shortly.

	assignment of ACP targets & rationalize it.		
13.	<p>Declaring GM/DIC as certificate officer for PMEGP cases.</p> <p>In 127<sup>th</sup> SLBC meeting dated 15.05.2012 state govt. was requested to declare GM/PMDICs as certificate officer for PMEGP cases.</p>	Revenue & Disaster Management Deptt. Govt. of Odisha	Revenue & Disaster Management Deptt. has declared GM, DICs as certificate officer for PMEGP cases. A copy of their letter No.VIC-8/12-31759/R&DM dated 10.07.2012 is enclosed in annexure III of the agenda note.

### **AGENDA ITEM 2(b).**

Action taken report on major decisions taken in the Special SLBC meeting held on 15.05.2012 chaired by Governor of RBI.

1.	In addition to existing existing districts (Ganjam, Gajapati & Mayurbhanj) covered under RBI, 15 more district are to be covered under EBT during the year 2012-13. Out of 15 new districts 2 districts will be from 6 districts of the state with low CD ratio (excluding Gajapati). The details of action plan with month wise bank and district wise break up is to be prepared by SLBC by April, 2012.	RBI/SLBC/State Govt./Banks	Wages of MGNREGA is being credited to the beneficiaries' bank accounts through Regional ECS on T+1 basis.
2.	<p><b><u>Amendment to OPDR</u></b></p> <p>Representative from Revenue &amp; Disaster Management Department informed the house that they have received the suggestion for amendment from SLBC. Out of 10 points suggested two points are amendable and rest eight points are to be covered by executive instructions. Principal Secretary Finance advised to get at least the cabinet approval for the required legal amendment by 15<sup>th</sup> Nov, 2012. Rest eight points which they think to be covered through executive instruction</p>	Revenue & Disaster Management Department.	The representative of Revenue & Disaster Management present in the house may inform about the current status.

	may kindly be issued within a month.		
3.	<p><b><u>Waiver of stamp duty upto 10.00 lacs in respect of Agril. loans.</u></b></p> <p>Principal Secretary Finance assured the house that he will ensure cabinet approval of the proposal in the next SLBC meeting.</p>	Revenue Deptt/Finance Deptt.Govt. of Odisha	Representative of Revenue Deptt./Director Institutional Finance may inform the house about the current position.
4.	<p><b><u>Survey of MSME Sector in 3 districts.</u></b></p> <p>Convenor SLBC informed the house that the survey has been completed &amp; forwarded to Principal Secretary Finance by Director of Industries, Special Secretary MSME informed that the Survey report has not been sent to other stake holders. Principal Secretary assured the Govt. regarding availability of the report to other stake holders.</p>	Finance Deptt/Deptt. of MSME/Director of Industries.	A copy of draft report received from DIC Cum- Addl. Secy. Govt. of Odisha has been enclosed to this agenda note for information of the members of the SLBC, in annexure - IV

**Agenda Item No.3.**

## **Fresh Issues**

### **Discrepancies & in consistency observed in data / information submitted by banks.**

We as the Convenor Bank are thankful to all the bankers for uploading the data in SLBC website. Some banks have inordinately delayed the submission of information by exceeding the time limit by more than 10 days. However, the data submitted by banks i.e. by almost all banks are inconsistent, wrong, incomplete & inadequate; as a result the SLBC secretariat faced severe difficulties in compiling the data for agenda item. It is observed that some banks do not furnish some vital information like progress made under SHG, participation in WCC etc. Some time the progress made in a particular scheme during the half year is less than the progress made during the quarter, or the total deposit & advance does not tally with area wise outstanding figure and many others. We give below some examples.

- Total bank deposit & advance did not tally with area wise distribution in case of Central Bank of India, Indian Bank, Punjab & Sind Bank, State Bank of Hyderabad, Orissa State Co-operative Bank, and some other private banks etc.
- Waiver of loans to weaver & issue of weaver credit card information not furnished.
- State Co-op Bank did not furnish the number of MSE account & also the bifurcations of Micro & Small sector.
- SBI did not furnish a portion of data relating to SHG Finance & Convenor bank was compelled to repeat the previous quarter figure.

All banks are requested to furnish accurate and consistent data in time.

### **Agenda item No.4**

#### **1. Branch net work in the State (Commercial Banks + RRBs)**

	2009-10	2010-11	2011-12	Upto Sept-2012
Rural	1669	1724	1800	1834
Semi-Urban	585	677	818	850
Urban	563	597	640	642
Total	2817	2998	3258	3326

**Observation:** - All the Commercial banks including the RRBs of the State during the last half year have opened 68 bank branches with 34 rural 32 semi-urban branches & 2 urban branches. During last 3 & half years banks have opened 509 branches in the state of which 165 are rural 265 are semi urban & 79 are urban branches. This shows that the focus on branch opening by banks has shifted from urban centres to semi-urban & rural centres.

**Agenda Item No.5.**

**C.D.Ratio**

The details of Bank-wise deposit, advances, important banking key indicators & remarks etc. are given in annexure V .

**CD Ratio %**

Area	2009-10	2010-11	2011-12	Up to Sept 2012
Rural	84.15	82.43	100.29	102.90
Semi - urban	45.30	43.06	46.96	61.72
Urban	68.15	70.20	73.43	78.60
Total	65.21	65.28	71.88	75.81

**Observations:** It is observed that the CD ratio of the state has consistently increased from 65.21 % on March, 2010 to 75.81% during September; 2012.This shows more disbursement of credit in the state during last 3 years. More over credit deployment by banks in rural centres is more in comparison to the deposit mobilized from rural areas. Funds mobilized from semi-urban & urban areas are also being utilized in rural areas.

**Agenda Item NO- 6**

**ACP achievement (Annual Target vs. Achievement in Rs. crore and % age)**

Sector	Target	Achievement	%	Target	Achievement	%	Target	Achievement	%	Target	Achievement	%
Agri	5914.19	5363.49	91	9165.80	6751.80	74	12924	8617.00	67	6380.49	5150.36	81
NFS	1121.70	1514.47	135	1400.01	2759.50	197	2785.23	2918.45	105	1515.64	1447.87	96
OPS	4466.65	4264.93	95	6337.88	7099.92	112	9524.21	8454.16	89	4609.05	3239.07	76
<b>Total</b>	<b>11502.54</b>	<b>11142.89</b>	<b>97</b>	<b>16903.69</b>	<b>16611.23</b>	<b>98</b>	<b>25233.44</b>	<b>19989.60</b>	<b>79</b>	<b>12505.18</b>	<b>9837.30</b>	<b>79</b>

**Observation:** It is observed from the above statement that the ACP disbursement has increased from 11142.88 crore during 2009-10 to 19989.60 crore as on 31.03.2012. Although there was increase in total quantum of loan given to agriculture on Y to Y the decrease in % was due to declassification of loan given by banks under agriculture as non agriculture during 11-12 as per RBI policy, & also due to quantum jump in



agriculture sector target during the same year. During all the years there has been increase in total loan disbursed by banks in all the three sectors.

Bank wise, Sector wise, District wise & Sector wise achievement under ACP 2012-13 as on 30.09.2012 & are given in annexure –VI.

**Agenda Item No- 7**

**Brief Analysis of Trend in Agriculture Credit outstanding**

(Rs. in crores.)

	31.03.2010	31.03.2011	31.03.12	30.09.2012
<b>COM. Banks</b>	<b>8743.68</b>	<b>10324.89</b>	<b>8710.94</b>	<b>8806.53</b>
<b>RRBS</b>	<b>1524.17</b>	<b>2121.07</b>	<b>2617.31</b>	<b>1749.52</b>
<b>Co-operative</b>	<b>2790.13</b>	<b>3653.13</b>	<b>3563.36</b>	<b>4437.45</b>
<b>Total</b>	<b>13058.08</b>	<b>15999.32</b>	<b>15765.60</b>	<b>16565.28</b>

**Observation:** - Total outstanding in agricultural credit has increased from 13058.08 crore as on March, 2010 to 15765.60 crores as on March, 2012. In case of RRB during last 2 year outstanding in Agricultural loan has increased by 72% & in co-operative banks by 60% where as in case of commercial banks the outstanding has not shown any improvement .This is due to declassification of about Rs. 2500 to Rs. 4000 crores of advances during 2010 to 2012 which were declassified during 2012 as non agricultural (Non Priority Sector) advances as per RBI stipulation.

**Agenda Item No- 8**

**Recovery as on 30.09.2012**

Overall Recovery position of Banks is given in Annexure VII.

The recovery position of Bank dues in the state during last three years is as follows.

Year	% of Recovery	% of overdues.
31.03.2010	49.21	50.79
31.03.2011	49.59	50.41
31.03.2012	61.82	38.18
30.09.2012	51.90	48.09

**Position of Recovery under Govt.sponsored scheme**

As on	% of Recovery (IRDP/SGSY)	% of recovery (PMRY)
31.03.2010	45.78	18.67
31.03.2011	43.26	19.22
31.03.2012	42.58	15.26
30.09.2012	34.56	18.09

## **Position of overdues as on 30.09.2012**

(Institution wise break up)  
% of Overdues.

Institution	31.03.2010	31.03.2011	31.03.2012	30.09.2012
Public Sector Bank	45.90	44.43	46.41	56.93
RRB	34.68	36.96	29.83	31.40
Co-Op.Bank	26.69	30.90	29.89	43.57

**Observation:-** As on 30.09.2012 the recovery performance of all Banks in Odisha being 48.09 % is a matter of concern.

Under major Govt.sponsored programme & i.e., SGSY and PMRY the recovery position being 34.56 & 18.09% respectively needs improvement. Banks & Govt. Departments may have to jointly endeavor with specific strategies to improve the performance of recovery for better recycling of funds. Banks are requested to organize recovery camps involving Govt. officials at Block level to improve recovery performance.

The certificate/special recovery officers should take immediate steps to dispose of 2968 cases amounting to 2.37 crores pending under OACO & MP (B) Act. And 21331 cases amounting to 53.73 crores pending under OPDR act. The NPA position of special schemes is also furnished in annexure- VII for information of members.

It has been reported by Director of Industries Cuttack that a sum of Rs. 157.95 lakhs have been recovered through joint recovery drive/campaign and 86.70 lacs from 113 certificate case holders of PMRY/PMEGP during the year 2012-13 (upto August-2012). All the GMs / OR of RLCs / DICs have been requested to take all out efforts for better recovery. Bankers may be impressed upon to organize more recovery camps with the concerned GM, RIC / DIC to have tangible achievement.

### **Agenda Item No.9**

#### **Functioning of RSETIs**

A meeting was convened by RBI to view functioning of RSETIs in the state. Various action points emerged in the meeting are as follows.

#### **Allotment of land.**

- (a) Out of 29 RSETIs in case of 17 RSETIs land was not allotted or permissive possession not obtained, & it was decided that Panchayatiraj Department will coordinate with revenue deptt. for providing land within December, 31<sup>st</sup>,2012 . It was suggested by Director NRLM that the banks may take possession of land with title of land remaining with the district collector to avoid cess / fees for transfer of title.

**(b) Building Construction.**

SBI was advised to complete building construction of Kendrapara RSETI by Sept, 2013 & in case of other 11 districts by December, 2013, UCO Bank was advised to get the plan approval for construction of RSETI from their corporate office by November, 2012 & start construction immediately.

**(c) Enhancement of grant by NIRD**

It was an unanimous agreement that Rs.1.00 crore provided by NIRD for construction of building & other infrastructure is insufficient for 8000 sq.ft.of building. Director NRLM was requested to take up the issue with NIRD for enhancement of grant.

**(d) Residential/Hostel facilities.**

RSETIs of UCO Bank, Central Bank of India & BOI do not have residential facilities. They were advised to provide residential facilities in rental building immediately.

**(e) Infrastructure facilities:**

Most of the RSETIs except RSETI Khurda & Jharsuguda are functioning in 1-2 class room & one computer lab with no LAN & internet connectivity. So all were advised to provide adequate infrastructure. UCO Bank was advised to have separate premises for RSETIs & FLCCs instead of one.

**(f) Sponsoring of candidates for training.**

Since RSETIs are not getting adequate no. of candidates Director NRLM was requested to take up with district administrations for sponsoring adequate no. of candidates for training.

**(g) Role of NABARD.**

Out of 29 RSETI 2 RSETIs are rated as A + 4 as A 15 are rated as B & rest as C by MORD. At present financial assistance is provided by NABARD to A rated RSETIs . Since A rated RSETIs are getting full reimbursement from MORD, NABARD assistance should be available for at least B rated RSETIs.

**(h) Post training follow up & credit linkage.**

All RSETIs except Khurda , Jharsuguda & Ganjam should follow up for post training credit linkage and rehabilitation of the trainees.

- (i) RSETI should document successful cases & send to SLBC/DCC for wider dissemination.

**Agenda Item No.10**

**Progress under Financial Inclusion.**

**(a) Opening of one account per family ( Urban & Rural )**

In terms of the directive of DFS, MOF, GOI vide their letter No.F.No.8/23/2011-FI dated 15.05.2011 and F.No.6/23/2012- FI dated 26.07.2012, banking Services are to be provided to entire population of the country in rural as well as urban & Metro centres of the country. This measure will facilitate transferring all benefits like MGNREGA wages & various cash subsidies to beneficiaries by direct credit to their bank accounts.

While all the rural areas of the country have been allocated to commercial bank branches as service areas, the urban/metro areas are to be demarcated among the urban/metro branches to facilitate opening of bank accounts. Accordingly LDMs of districts in the state were advised to allocate the wards among the urban bank branches & to monitor opening of bank accounts for each house-hold including the hawkers and street vendors for greater financial inclusion.

Similarly all the controlling heads of Banks in the state were advised to monitor opening of atleast one bank account for each family in their service area villages.

Regarding opening of bank accounts by rural house hold the bank-wise information received from different banks is enclosed in annexure **VIII** for review. It is observed from the statement furnished by certain banks that they have furnished information in respect of FIP villages where as it should be in respect of all Service area villages.

However regarding demarcation of urban areas (wards) among different, banks branches only 11 LDMs out of 30 LDMs have furnished the information. All other LDMs should advise to complete the exercise & monitor the performance in each ULB by different banks in the DCCs. The LDM of Angul, Nuapada, Puri, Cuttack, Nabarangpur, Kalahandi, Koraput, Dhenkanal, Gajapati, Ganjam, Jagatsinghpur have submitted the list of allocation of wards to SLBC.

**(b) Linking of state revenue records to banking system.**

The issue was raised in 128<sup>th</sup> SLBC & it was stated by Principal Secretary Finance that land records are available in a web based system and in

public domain. The transaction based land record for the banking system is being attended now. In Ganjam and Mayurbhanj an E-district project is under implementation. It will be gradually implemented & all other E-districts & subsequently be scaled up to other districts.

**(c) Extension of Swabhimaan (Providing banking Services in villages having population between 1600+2000)**

Ministry of Finance Govt.of India advised the revised guidelines on Financial –Inclusion- i.e. Extension of Swabhimaan for providing banking services to every village having population 1600 + (as per 2001 census) by March,-2013- Accordingly 1502 villages have been identified and allocated among various bank branches. The list of allocation of villages was circulated along with 128<sup>th</sup> SLBC agenda note. The monthly progress made by banks is being uploaded in MOF web site every month in SW-3. Due to the common RFP floated by GOI for appointment of BC, most of the earlier BCs of various banks have adopted go-slow in carrying out their activities, there by progress almost nil / small in these villages.

The progress made by banks in providing banking services as on 30.09.2012 under this segment is furnished in annexure –IX.

**(d) Mapping of clearing house facility of banks in the state of Odisha.**

DFS, MOF, GOI in their E-mail dated 04.06.2012 addressed to CMDs of all Convenor Banks wanted the list of centres with more than 3 bank branches for opening of clearing house. Accordingly SLBC identified 96 such centres & reported to MOF, GOI. Further DFS in their letter dated 11.07.2012 advised Convenor bank to take immediate steps for opening of clearing house at these centres i.e by **30.09.2012**.

Convenor Bank took up the case with Regional Office RBI, Bhubaneswar & RBI advised for opening of clearing house at 7 centres with 5 & more bank branches as given here under.

Name of the Districts	Name of the centre	Lead Bank Office
1. Baragarh	Barapalli	SBI
2. Bolangir	Titlagarh	SBI
3. Bhadrak	Dhamara	UCO Bank
4. Ganjam	Gopalpur	Andhra Bank
5. Keonjhar	Anandpur	Bank of India
6. Rayagada	Gunupur	SBI
7. Samablpur	Rengali	SBI

The LDMs of the respective Districts were advised to convene meetings of the bankers of the centre as per RBI guidelines & seek further guidance from National Clearing Centre of RBI for opening of Clearing House at the said centres.

The controlling heads of the LDMs were advised by Convenor Bank to take follow up measures with the LDMs for opening of Clearing Houses.

In this context we have received communication from LDM Bolangir, Baragarh & Sambalpur that they have taken initiative by convening the meeting & deciding the bank branch for handling the Clearing House. LDM Bhadrak could not arrive at consensus for the bank branch handling the clearing house & Convenor Bank has advised the Zonal Manager, UCO Bank, Cuttack to settle the issue. Controlling Heads of SBI, Andhra Bank, Bank of India should take up with LDMs of Rayagada, Ganjam & Keonjhar districts for taking steps for opening of Clearing House. Further all Controlling Heads should ensure early opening of Clearing Houses at the said centres.

**(f) Green initiative :- e-payment**

Directives have been issued by GOI, MOF to encourage E-Payments & to discourage the use of cheques. All Banks have almost discontinued issue of cheques & adopted E-Receipt for govt. tax collection. Circulars have been issued by Banks to discourage use of cheques by customers & adopt other modes of transaction like Mobile banking, net banking etc. Govt. of Odisha has introduced EBT payment for MGNREGA & MAMATA beneficiaries, through E-payment.

The house may deliberate on the issue regarding adoption of some new schemes out of 32 centrally sponsored schemes for direct payment of subsidy to the accounts of the beneficiaries.

**(g) Branch opening in FIP villages**

Banking services are to be provided in villages with 2000+ population by March, 2012 through different modes like (a) opening brick & mortar branches (b) Through BCAs & (c) other modes (Bank on wheels) etc. In the state of Odisha. All the 1877 villages have been provided with banking services by the stipulated date.

In terms of GOI guidelines brick & mortar branches/ultra small branches (modified instruction of GOI) are to be opened in all 82 villages of the state with 5000+ population. As on 20.10.2012 banks have opened 7 B & M branches & 59 USBs in these villages. There are 16 more such villages where B & M /USB (6 days week branch) are to be opened by banks.

There are 1660 villages with **2000+ population** and these villages are to be covered by USBs by end of March, 2013. Banks have opened 295 USBs in these villages and the remaining villages are to be covered by USBs by March, 2013.

The bank wise position of opening of B & M & USBs is furnished in annexure -X.

**(h) Laptop availability of USBs.**

There are total 1877 villages with 2000+ population in the state. Banks have opened 354 USBs & 59 brick & mortar branches in these villages by 20.10.2012.

For 354 USBs opened 248 laptops have been supplied for 265 US Bs. 89 USBs opened by Central Bank of India, Indian Bank, PNB & KGB are not provided with laptops. The controlling heads of these banks should provide laptops for these branches.

**(i) Linking of Treasuries**

All 166 treasuries and sub-treasuries of the state have been interlinked & networked .These treasuries have interface with central treasury portal from 1<sup>st</sup> August, 2012. Special treasury attached to Odisha Legislative Assembly has started payment by E- mode through RBI. The state govt. may be requested to take up automation of Govt. treasuries for interface with banks in a specified time frame.

**(j) Establishment of USBs in LWE affected districts under IAP for selected Tribal & Backward Districts under state component of Backward Regions Grant Fund (BRGF).**

As per GOI guideline all FI villages with 2000+ population are to be covered with USBs/BCAs

The USBs are also to be required to be established in LWE affected areas. The Planning commission has formulated guidelines for Integrated Action Plan in 78 selected Tribal & back ward districts out of 83 LWE districts, 66 LWE districts are also identified as IAP districts.

In order to provide assistance to banks for establishment of USBs in the identified habitations with population of over 2000 in 66 Left Wing Extremism (LWE affected districts) a proposal was submitted by MOF to Planning Commission for inclusion of financing of capital cost for establishment of USBs as a permissible activity under IAP.

Planning Commission has included funding of capital cost for establishment of USB amounting to Rs.140, 000/- per USB as permissible work/project under IAP & informed the state Govt. concerned to take necessary step in this regard.

All the LDMs of 14 identified districts of Odisha have been advised by Convenor Bank to approach District Collector (District Magistrate of these districts for funding of capital cost for establishment USBs in the identified villages having population above 2000.

In the state of Odisha, the above grant is available for districts of Deogarh, Gajapati, Ganjam, Jajpur, Keonjhar, Kandhamal, Koraput, Malkangiri, Mayurbhanj, Nabarangpur, Nayagarh, Rayagada, Sambalpur & Sundargarh.

State Govt. may be requested to finalise the modalities for disbursement of the capital cost/submission of UCs by banks to Govt. etc.

**(K) Installation of managed services of cash Dispensers**

Department of Financial services, GOI, had advised Banks vide their letter dated 25<sup>th</sup> June,2012 to prepare District wise , month-wise Roll out plan which will be used by the Bank entrusted with the task of floating RFP on geographical cluster basis and selecting a common vendor for supplying , installing and managing the cash Dispensers- for preparation of District- month wise and Bank- month wise Roll out plan for the state.

The Lead Consortium Bank for the State of Odisha is Union Bank of India. The details of information received from Union Bank of India regarding the selection of common vendor, Contact person details, Rates payable for various transactions along with bank-wise, year-wise requirements of ATMs etc. are enclosed in annexure - **XI** for information of members. The roll out plans received from some banks are enclosed in annexure - **XI** for review.

**Agenda Item No.11**

**Progress under Mission Shakti**

Mission Shakti is a state sponsored programme aims at women empowerment and capacity building for economic up-liftment of the women, through formation of women SHGs. During the first half- of the financial year-2012-13, the banks in the state have financed 14629 women SHGs with 152.29 crores. The details of Bank-wise achievement under the scheme is furnished in Annexure - **XII**.

**Agenda Item No.12**

**A. Progress under Govt. Sponsored schemes (PMEGP)**

The agency wise PMEGP target for the year 2012-13 is as follows:

Margin money- Rs. in lakhs

Imp. Agency	Target		
	No. of Unit	Margin money	Employment generation.
KVIC	1035	238.25	8288
KVIB	1036	2381.28	8288
DFCS	1380	3175.04	11040
<b>Total</b>	<b>3451</b>	<b>7937.60</b>	<b>27616</b>

The district wise target & Bank wise target have been furnished in annexure -**XIII**.

The Nodal agency KVIC has received 50% of the Margin Money i.e. 3968.80 lac from CO, KVIC Mumbai & has already been deposited with nodal Banks.



### **Operational guidelines**

- (a) The working capital component should touch 100% of limit within 3 years of lock in period & never falls below 75% of limit. If it does not touch 100% of limit. Proportionate portion of margin money subsidy is to be recovered from bank. The cash credit availment is to be determined on the basis of average CC availed during the entire lock in period of three years.
- (b) Margin money kept as TDR can be credited to loan A/c. after 3 years of disbursement of 1<sup>st</sup> installment subject to verification status of the unit confirming to requirement of KVIC relating to actual establishment & functioning of the unit.
- (c) First installment of loan disbursed to the beneficiary should be at least equal to amount of TDR/ margin money requirement of the unit.

In terms of Plan for implementation of PMEGP for the year 2012-13 in the state the last date of sponsoring of application to Banks is 15.10.2012, sanction & disbursement of loan under the scheme must have gained momentum during the current quarter. However, the bank wise achievement as on 30.09.2012 is given in annexure - **XIII**.

### **(B)SC/ST DFCC Scheme**

During the financial year 2012-13 OSCSTDFCC has fixed a target for financing 13500 SC families through 1350 SHGs & 4500 ST families through 450 SHGs under credit linked income generating scheme through Banks. It is also decided to finance SC individual applications where SHGs are not available but individual finance should not be more than 30% of total target.

The sector wise target & achievement as on 30.09.2012 is given below.

		Target fixed by OSCSTDFCC		No. of applications Sponsored			No. of applications Sanctioned			No. of applications disbursed.		
S l. No.	Name of the sector	No. of SHGs	No. of beneficiaries	No. of SHGs	No. of Individual Applications	Total beneficiaries	No. of SHG	No. of Individual appln.	No. of beneficiaries	No. of SHGs	No. of Individual appln.	No. of beneficiaries
1	2	3	4	5	6	7	8	9	10	11	12	13
1	SC sector	1350	13500	19	42	237	5	8	61	3	3	34
2	ST sector	450	4500	3	146	177	2	140	161	2	140	161
<b>Total</b>		<b>1800</b>	<b>18000</b>	<b>22</b>	<b>188</b>	<b>414</b>	<b>7</b>	<b>148</b>	<b>222</b>	<b>5</b>	<b>143</b>	<b>195</b>

It is observed from the given information that the sponsoring of application is very poor. The line deptt. Officials at district level should sponsor adequate no. of applications for achieving the target.

#### **(C)SJSRY**

**Swarna Jayanti Sahari Rojgar Yojana (SJSRY)** aims at providing gainful employment to urban poor people. The scheme is to be implemented by banks in letter & spirit. The state Govt. has fixed a physical target of 4000 & 600 no. of beneficiaries of women group under USEP & UWSP. The bank wise & district wise achievement as on 30.09.2012 is enclosed in annexure - **XIII**. The house may review the same.

**(D)NRLM:-** NRLM is the new version of SGSY introduced in the state with effect from 1<sup>st</sup> April-2012. Financing by banks under the scheme is yet to pick up. Director, NRLM may inform the bankers about the progress made regarding implementation of the scheme.

#### **(E) Finance to Handicraft sector.**

Banks have to finance SHGs promoted by Department of Directorate of Handi Craft and village & CI, Odisha. The salient features of various sub-schemes under this sector with achievement upto September, 2012 is as follows.

1. Cluster development programme in SHGs mode is already in operation in handi-craft sector. Total 762 no. of SHGs have been developed for 11644 artisans out of which 324 SHGs have been credit linked by Banks. The Banks of the state are requested to dispose of the pending cases at the earliest.

## 2. Rehabilitation of Handicraft Artisans

Margin money assistance is provided to individual artisans @ 20% of project cost with maximum ceiling of Rs.5000/- per artisan to avail bank finance. During 2012-13 a target of 1360 artisans have been fixed for the state and out of 334 cases sponsored 56 cases have been sanctioned by the banks.

## 3. Issue of Artisan Credit Cards.

Under this scheme Artisan Credit Cards (ACC) with credit limit upto 2.00 lacs can be sanctioned by banks. The loan is covered under CGTMSE & the guarantee fee & service charges are borne by State Government.

The district wise pendency position of proposals received from Directorate of (Handi Crafts & CI Odisha is enclosed in annexure - XIII.

## Agenda Item No. 13

### Credit flow to MSME Sector.

Large employment opportunity in the country is created by this sector. Measures are taken by Govt. Commercial Banks & RBI to enhance flow of credit to MSME & thereby to achieve minimum 20% year on year growth.

In terms of RBI guidelines on lending to MSME sector banks should ensure that:

- (a) 40% of total advance to MSE sector should go to Micro (Manufacturing) Enterprises having investment in plant & machinery up to Rs.5.00 lac & Micro (Service) Enterprises having investment in equipment up to 2.00 lac.
- (b) 20% of total advance to MSE Sector should go to Micro (Manufacturing) Enterprises with investment in plant & machinery above 5 lac and upto 25 lacs and Micro (Finance) enterprises with investment in equipment above 2 lac up to 10.00 lacs.

Thus 60% of MSE advances should go to Micro Enterprises.

In terms of the recommendations of the Prime Minister's Task force on MSME under the Chairmanship of TKA Nair Banks are advised as under.

- (i) Achieve 20% y-o-y growth in credit to Micro & Small Enterprises and 10% annual growth in number of Micro Enterprise accounts.

- (ii) The allocation of 60% of MSE advances to Micro Enterprises is to be achieved in stages viz.50% in 2010-11, 55% in 2011-12 & 60% by year end 2012-13.

The comparative position of credit outstanding to MSME as of September, 2012 is as follows:

Particulars	Amt. in lacs.			
	September, 2011		September-2012	
	No.of A/c	Amt.	No.ofA/c	Amt.
Micro Enterprises	573021	6252.56	552615	6468.26
Small Enterprises	28021	4471.12	107865	6287.67
Micro & Small Enterprises(MSE)	601042	10723.68	660480	12755.93
Share of advances to Micro Enterprises / MSE %.	95.33	58.30	83.66	50.73
<b>Total MSME</b>	<b>602142</b>	<b>12079.50</b>	<b>661483</b>	<b>15175.76</b>

**Observations:**

- In the state of Odisha, Banks have provided credit as of Sept-2012 to the tune of Rs. 6468.26 crores to 5,52,615 Micro enterprises as against Rs.6252.56 crores to 5,73,021 beneficiaries as of September, 2011.
- The share of advance under Micro Enterprises to total MSE as of Sept, 2012 is 50.73 % against the stipulated requirement of 60% as on March, 2013.

**Agenda item No.14.**

**Comprehensive package for Handloom Weavers**

**(a) Revival Reforms & Restructuring Package for Handloom Sector.**

The eligibility of individual weaver to be covered under the package for debt waiver has been assessed by the banks & the claim formats have been forwarded to NABARD for release of the waiver amount. It has been reported by NABARD that

- Govt. of Odisha has released 20% share of Rs.1, 57, 56,823 out of total claim of Rs.7, 87, 84,117/- submitted by 4 RRBs in respect of waiver of overdue loans of Individual /SHGs /JLGs /Master Weavers.
- SIMRC in this third meeting held on 21.09.2012 has approved total claim of Rs.17, 42, 30,677 in respect of claims submitted by various banks.

- (iii) AGCS has completed special audit of AWCS & PWCS and identified 38 PWCS and AWCS as eligible under the scheme.

**(b) Issue of weaver credit cards.**

The Director of Handloom arranged 38 awareness camps in different handloom clusters of the state during the month of February & March, 2012. These camps were funded out of Govt. of India and State Govt.funds.

A total number of 21000 applications have been received in these awareness camps for issue of weavers' credit card. Out of these applications more than 17000 applications have been sponsored to different bank branches through the LDMs of respective districts.

Principal Secretary Finance, Govt. of Odisha took a meeting of the bankers on 04-08-2012 for speedy disposal of pending applications. It is observed from the Annexure XV that bankers have only sanctioned 125 no. of WCCs against a target of 12000 WCCs fixed by Govt. of India.

The beneficiaries under the scheme are eligible for margin money of Rs.4200/- per beneficiary along with interest subvention of 3%.

The controlling heads of the banks are requested to dispose of all the remaining applications within a specific time frame & inform the progress to convenor SLBC & Director of Textiles, Govt. of Odisha.

**Agenda Item No.15.**

Financing under GCC (SCC) ACC, KCC & JLG:-

For the year 2012-13 NABARD Head office has fixed an annual target of 45000 GCC for the state. The bank wise target was circulated along with 128<sup>th</sup> SLBC agenda note.

The bank wise achievement under GCC for quarter ended September, 2012 is furnished in annexure - **XVI**.

**Financing under ACC:-**

During the first half of the year 2012-13 banks have issued 433 ACC for Rs.156 lacs. The bank wise position is furnished in annexure - **XVI**.

**KCC-** The performance under KCC as on 30.09.2012 is given in annexure - **XVI**. During the period under review, Banks have issued 3,70,527 KCCs with total outstanding KCCs of 533448 A/Cs.

**JLG:-** Progress made under Joint liability group (JLG) financing is furnished in annexure - **XVI**.

**Agenda Item No.16.**

Financing under Minority communities & Education Loan.

The bank wise achievement and disbursement under the above schemes as on quarter ended September, 2012 have been furnished in annexure **XVII**.

**Agenda Item No.17.**

Any other with permission of the chair.