



GM/ORI SSA/SLBC/445/2011-12

Date: 12.03.2012

To
All the Participants of
State Level Bankers Committee (SLBC)
Orissa

Dear Sir,

Sub : **Proceedings of the 126th SLBC Meeting of Orissa held on 02.03.2012 at Bhubaneswar**

We enclose the proceedings of 126th SLBC Meeting of Orissa held on 02.03.2012 at Bhubaneswar.

We would request you to initiate action on the points related to your Department/Office/Organization immediately and send us the ACTION TAKEN REPORT as early as possible.

Yours faithfully,

(Shri S.K. Dey Purkayastha)
General Manager & Convenor, SLBC, Orissa
Encl : As above

Copy to :

1. Finance Minister, Govt of Orissa, Bhubaneswar
2. Chief Secretary, Govt of Orissa
3. The Principal Secretary to Govt., Finance Department, Govt. of Orissa
4. The Joint Secretary, DFS, Ministry of Finance, Govt of India, New Delhi.
5. The CMD's Secretariat, Head Office, Kolkata
6. The ED's Secretariat-I , UCO Bank, Head Office, Kolkata
- 7 The ED's Secretariat-II , UCO Bank, Head Office, Kolkata
8. The General Manager, Priority Sector Credit, Head Office, Kolkata
9. The Regional Director, RBI , RPCD, Bhubaneswar
10. The Chief General Manager, NABARD, Regional Office, Bhubaneswar
11. The Director of Institutional Finance & Ex-Officio Addl. Secretary to Govt., Finance Department, Govt. of Orissa.

DRAFT PROCEEDING OF 126th SLBC MEETING HELD ON 02.03.2012 AT BHUBANESWAR

The 126th SLBC Meeting of Odisha was held on 02.03.2012 at Bhubaneswar under the Chairmanship of Shri S Chandrasekharan, Executive Director, UCO Bank. Among others, it was attended by Shri P.C Ghadei, Hon'ble Finance Minister, Odisha, Shri J.K Mohapatra, Principal Secretary to Govt., Finance Department, Govt. of Odisha, Shri B.K Bhoi, Regional Director, RBI, Regional Office, Bhubaneswar, Shri K.K Gupta, Chief General Manager, NABARD, Shri P Gupta, Chief General Manager, State Bank of India, Local Head Office, Bhubaneswar and Shri S.K. Dey Purkayastha, General Manager, UCO Bank-cum-Convenor, SLBC, Odisha. The list of participants is annexed.

Shri S.K Dey Purkayastha, General Manager, UCO Bank and Convenor, SLBC, Odisha welcomed Shri P.C Ghadei, Hon'ble Finance Minister, Odisha, other distinguished guests and participants & dignitaries from Banks, Govt. Departments / Agencies / Press /Media to the 126th SLBC meeting being conducted on 2nd March,2012

HIGHLIGHT OF THE WELCOME SPEECH OF SHRI S.K DEY PURKAYASTHA, GENERAL MANGER UCO BANK - CUM- CONVENOR, SLBC, ODISHA

While welcoming the participants of 126th SLBC meeting, he stated that the 126th SLBC meeting was scheduled to be held on 15th February 2012. However a special SLBC meeting was held on that day which was chaired by Hon'ble Governor of Reserve Bank of India Shri D, Subbarao. He highlighted some of the action points emerging out of that special SLBC meeting.

1. All 1877 villages in the state having population above 2000 are to be covered under FIP by 31.03.2012 and at least 200 Brick & mortar branches are to be opened by 31.03.2013.
2. In addition to the existing three districts (Ganjam, Gajapati & Mayurbhanj), EBT is to be implemented in 15 Districts by 31.03.2013.
3. A quantifiable and realistic plan for financing dairy and poultry sector should be prepared by ARD and approved by SLBC.
4. Banks are to prepare a consolidated list for amendments in the OPDR act and take up with State govt. for further action.

5. State Government to consider waiver of stamp duty in respect of Agriculture term loan up to Rs.10 lacs.
6. A survey of MSME sector is to be carried out in three Districts viz; Khurda Cuttack and Balasore by the Lead Bank, DIC and RBI by 30th April, 2012.
7. Lead District Officers of RBI are to study functioning of RSETI s.
8. Director NRLM along with the representative of SBI , UCO, and NABARD are to visit 4-5 RSETI s to gain first hand information on functioning of RSETI s and such visits are to be completed by end of April 2012.
9. State Govt to represent to RBI regarding extension of time for two DCCBs i.e Banki and Sambalpur to attain qualifying criteria.
10. Commercial Banks are to take lead role in stepping up their credit to Agriculture sector.

He requested all concerned to take note of the above points for compliance.

He emphasized the directives given Govt of India to Banks regarding issuance of KCCs to all non-defaulter farmers in the State. After a series of meetings, Department of Agriculture could finalize the common application and one lac forms were printed by the department. However maintaining the database of farmers (including defaulters) centrally and sponsoring of applications could not materialize. It was therefore decided by the Bankers of the State to observe KCC fortnight during 1st December 2011 to 15th December 2011.

As per the information collected from Banks it is revealed that during the year (01.04.2011 to 31.12.2011) up to December, 2011 8, 96,769 KCCs are issued by the banks in Odisha. Against the estimated total house holds of 54.93 lacs in the State 50.98 lacs KCCs were issued (Outstanding KCC A/Cs) covering nearly 93% of farmers. After the discussion in the sub Committee meeting of Agriculture a sample survey was undertaken by some major Banks of the State (Including RRB) to assess the reason for non availability of good number of applications to take up KCC. The result of the survey in 35 villages revealed that 9.65% of the farmer households were yet to be covered under

KCC which roughly matches with the State result of 7% of farmer household to be covered under KCC. Thus it can be said with confidence that vast majority of eligible farmers have been covered under KCC. Banks should continue their efforts to cover the balance farmers. He stated that the performance under crop loan was satisfactory and the growth in Agril Term Loan and the Allied sector is not happening. The Sub-Committee of SLBC is deliberating how to improve the extension support for Agriculture in the State. The report is expected within a fortnight.

Recently RBI on 24th and 25th of February, 2012 had initiated a conclave on "Agriculture Agenda for Odisha" where a lot of deliberations on different topics have been made and suggestions and action points emanating from subsistence Agriculture to commercial Agriculture. It is clear that if Agriculture in Odisha is to be taken forward then all the Stake holders in general and the Government and Banks in particular will have to come much closer and co-operate & support each other in their endeavors. Development does not call for finger pointing or fault finding, rather a better understanding of the other parties' views/issues and finding ways to work with them will take the State forward. SLBC will be having more frequent interactions and dialogue with various Government Departments and agencies to resolve outstanding issues. He requested the Government line Departments that overall Banks in Odisha have been contributing their part for the development of the State. They are participating in many programmes and projects both of the central and the State Government and more often than not achieving what they are asked to do. Slow progress in some particular area should not lead to the conclusion that Banks are not doing their job.

He drew the attention of the house to the package for Revival, Reform and Restructuring of the Handloom sector which has been announced by the Govt of India. The Revival, Reform and Restructuring package for Handloom Sector will be implemented starting with the current financial year, as a new centrally sponsored plan scheme with total outlay of Rs.3884 crore which includes Rs.3021 crore for loan waiver and recapitalization of Handloom weaver co-operative societies as on 31.03.2010 and

Rs.500 crore for waiver of individual weaver loans as on 31.03.2010. The details of the Package have been uploaded in the SLBC Website.

SLBC has been implementing the issues that had been flagged in the 124th SLBC meeting by the Hon'ble Chief Minister and Deputy Governor of RBI. Under Financial Inclusion out of **1877** villages **1752** have been covered by Banks as of 31st January, 2012 i.e. 93% of the allotted villages have been covered. Advances under DRI scheme have grown appreciably from Rs. 26.62 crs as on 31.03.2011 to Rs.164.13 crs by 31st December, 2011 showing a growth of over 500% during a period of nine months only. Financing through WSHGs and JLGs are progressing satisfactorily. Sub-committees have been formed at six DCCs to monitor and improve the CD ratio.

He informed the house that the Secretary, Financial Services, Ministry of Finance had recently called a meeting in Delhi to work out an action plan for Financial Inclusion in Left Wing Affected States. The decisions were presented as table agenda item for information and discussion in the house.

The Department of Financial Services, Ministry of Finance, Government of India, has formulated certain strategies and guidelines on Financial Inclusion. LDMS have to prepare service area plan in terms of GP and upload in District website. Road Map for EBT has to be finalized for each of the 32 schemes and parallel structures inconsistent with RBI guideline dated 12.08.2011 (One District many Bank- One Leader Bank) has to be discontinued. Any beneficiary having any Bank Account must not be required to open new account and the benefits should be credited to the existing account.

He informed the house that SLBC has communicated the Calendar of Programme for holding SLBC meeting during the year 2012-13 to RBI and other members of SLBC. He requested all members to submit data for next SLBC meeting by 14th April, 2012 so that SLBC meeting for March-2012 quarter can held on 15th May, 2012 as scheduled.

**HIGHLIGHT OF THE INAGURAL ADDRESS OF SHRI S.CHANDRASEKHARAN
EXECUTIVE DIRECTOR, UCO BANK - CUM- CHAIRMAN, SLBC, ODISHA**

Shri S. Chandrasekharan, Executive Director, UCO Bank cum Chairman of SLBC, Odisha has expressed his great pleasure in welcoming Honourable Finance Minister of Odisha,

Shri Prafulla Chandra Ghadei, Shri Jugal Kishore Mohapatra, Principal Secretary to Government, Finance Department, Govt. of Odisha, Shri B.K. Bhoi, Regional Director, Reserve Bank of India, Regional Office, Bhubaneswar, Shri K. K. Gupta, Chief General Manager, NABARD, Regional Office, Bhubaneswar, Shri Praveen Gupta, Chief General Manager, State Bank of India, LHO, Bhubaneswar, Shri S.K. Dey Purkayastha, General Manager, UCO Bank cum Convenor, SLBC, Odisha and participants from Govt Line Department, Agencies & Banks to 126th SLBC meeting.

At the outset he congratulated Shri. Ghadai for having presented a revenue surplus budget for 2012-13, envisaging a total outlay of Rs.52,030.70 crores. The budget focuses on upgrading infrastructure for ensuring the state's high growth trajectory, stepping up capital spending and also strengthening interventions for food, employment and health security. There is a healthy revenue surplus of Rs.2, 410.77 crores while fiscal deficit is pegged at Rs.4,751.93 crores which is 1.83% of the state GDP, both fiscal indicators being within the FRBM (Fiscal Responsibility & Budget Management) targets.

On the wider economic front though there is slowing down of recession, it is not totally arrested and it is always threatening to escalate. Developed European countries like Greece and Italy are still surviving on economic dole-out packages. USA is slowly and gradually losing its title of the world's economic super power and alternate centers of powers are being developed in the world. Brazil, Russia, India and China (BRIC) are among the leading powers to bring about this concept of change in the international order and challenge the supremacy of USA and its allies.

The state of Odisha has registered a GDP growth of 8.73% for the year 2010-11. There are arguments that since economic growth of Odisha is over 8%, which is higher than the national average, there should be a separate budget for Agriculture during 12th plan period to transfer the benefits of high growth to rural poor. Govt. of Odisha has initiated action to prepare 12th five year plan for 2012-17 with a project outlay of Rupees One lakh crore. Agriculture remains the backbone of the state economy and state Government has planned to cover 40760 hectare under seed production

programme and targeted to cover 17000 hectare under fruit crops and dig 7000 deep bore wells. All such projects require credit flow to be enhanced further. To enable the state of Odisha to achieve 4% growth in the farm sector, thrust should be given in removing hurdles and providing an enabling ecosystem. Development of rural markets for farm produce with suitable regulation and price policy should be made available at producers' level at Gaon Panchayats.

The financial inclusion efforts have resulted in large number of accounts being opened. Four elements of inclusion have been articulated (1) a basic bank account with an overdraft facility (2) entrepreneurial credit on the lines of a Kisan credit card (3) an accumulating savings product and (4) a remittance facility. This is a step ahead from just opening no-frills accounts.

The ecosystem for inclusion is ideal. The **Unique Identification Authority of India (UIDAI)** is trying to link its Aadhaar number with a bank account ; the banking system is computerized through core banking solution and interlinked ; branch licensing is eased ; payment of government benefits to individuals is mandated through bank/post-office accounts ; banks can appoint business correspondents (BCs) to solve the last-mile problems ; commercial loans to clients have been de-controlled ; the National Rural Livelihoods Mission is rolling out its programme with the basic architecture of Self Help Groups (SHGs).

Never in the history of banking have had so many things happened simultaneously. Each initiative is driven by a primary agenda of business/development, with inclusion as an additional agenda operating on marginal costs. For instance, core banking solutions of banks are done for purpose of efficiency, but will benefit inclusion. However, in order to bring euphoria on the inclusion front the following require to be done:

1. Financial products including micro-credit and micro-insurance suitable for the till now financially excluded need to be developed and deployed.
2. The BC model has to be financially viable and for that transactions have to start happening in the accounts that have been opened.
3. Government mandated benefits must start flowing directly into the accounts.
4. Interoperability between Smart cards of different banks must happen.

5. More Brick & Mortar branches - on the lines of Ultra Small branches - need to be opened to have banks nearer to the rural clientele.
6. More technology options must be provided: the poor will use ATMs and do mobile transactions if they are offered.

The expected industrial growth of the State has yet to take off with most of the mega projects undergoing teething trouble, which is mostly beyond our control. But what is in our control is giving boost to agriculture and SME. We are yet to evaluate the result of Rabi crop. However greater emphasis is to be given to Agricultural term loan for farm mechanization and irrigation. This is most essential because the cultivable lands are shrinking because of urbanization and there is acute shortage of farm laborers. So farm mechanization should be our priority to make the proposed 2nd green revolution a reality. MSME can play a vital role in this context. If we create enough infrastructure for MSME which includes communication, power, technical guidance, marketing and of course finance, then these units can come up in every corner of the state which will not only prevent migration outside the state but also from rural and semi urban areas to urban areas. He requested the house to prepare a blue print for this purpose.

Agriculture is the foundation of the State's prosperity and no strategy of economic development can succeed if it does not ensure rapid growth of production and employment in agriculture. As most of the farmers belong to Small and Marginal and Landless category, Banks should finance more and more on group lending either in Joint Liability Group (JLG) or Tenant Farmers Group (TFG).

Agriculture is not only an important driver of Macro-economic performance; it is an essential element of the strategy to make growth more inclusive. There is necessity for bringing more area under agriculture sector in the State. In order to make agriculture commercially viable, we have to shift from traditional to high-tech methods.

There is a vast scope of development of agro based industries in Odisha. The entrepreneurs of the State need to look at this sector for business as it requires less capital compared to mineral based industries, while the employment potential of these industries is high, it can be instrumental in alleviation of poverty.

Farmers Clubs play a vital role in creating awareness among farmers, disseminating farmers related information and facilitating adoption of financial products of banking system by farmers. Being the pioneer of the Farmers Club in the country, he requested NABARD to initiate necessary steps not only to revitalize the existing Clubs but also to form as many new clubs as possible with the help of Banks.

Odisha is frequently hit by natural calamities like flood, cyclone and draught. It is therefore, essential that all eligible crops are to be insured with NAI S for benefit of the farmers. No farmer should be denied in getting credit from the Banks.

The performance of Banks under ACP 2011-12 upto 31/12/2011 is 55% which needs improvement. Achievements under crop loan is 64% but achievements under Term loans is only 33% and the achievement under Allied sector is still lower at 19%. These areas need focused attention by the Banks as well as State government.

On year to year basis i.e. from December 2010 to December,2011, the achievements under ACP have grown by 10.07% where as growth under Agriculture has gone up by 28.45 %. Similarly on year to year basis deposits of Commercial Banks grown by 20.54% and Advance by 40.18% which is satisfactory.

The overall CD ratio of all Banks stands at 73.52% against the National Parameter of 60%. The ratio of Priority Sector Advances to Total Advances of Commercial Banks is 52.72% as against the National Parameter of 40%. The Percentage of Agriculture Advance to total Advance is computed at 27.46%.

SGSY is the centrally sponsored scheme which has been closed on 31.12.2011. The scheme will be replaced by another scheme namely National Rural Livelihood Mission (NRLM) for poverty alleviation programme of Govt. of India to provide sustainable livelihood to people below poverty line

Banks have successfully implemented PMEGP (Prime Ministers Employment Generation Programme) during 2011-12.

The Mission Shakti Programme of Govt. of Orissa is a holistic programme doing exceedingly well since inception in 2001. As of 31/12/2011, Banks in Orissa have credit linked 582079 number of groups involving Rs. 3332.19 crores since inception.

In compliances of the guidelines issued by the Ministry of Rural Development, Govt. of India, Banks have already established RSETIs in all 30 districts in the State. It is expected that these Training Institutes will yield desired results, thereby arresting migration of rural population to Urban area in search of livelihood.

Last but not the least, the recovery performance of Banks continues to be very poor. The overall recovery performance was 49.75% as of 31.12.2011 and same is showing declining trend. In other words the percentage of overdue loans is 50.25% which will result in slowing down of future lending process and may have serious repercussion. Therefore, all out efforts must be made to improve the situation on a war footing. He requested the Govt. of Orissa to extend all possible help for recovery of Bank's dues.

He drew the attention of all Banks in Odisha to the following areas which are being pointed out by the Department of Financial Services, MOF, GOI, for strict implementation:

1. All banks to ensure coverage of villages (population 2000 & above) allotted to them by March 2012.
2. Appointment of BCA in each of the financial inclusion villages.
3. All banks to open branches in all habitations with population 5000 and above in under banked districts by Sept 2012.
4. An officer of the branch should visit at least once a week in each FI villages (2000 population) and in tribal area (1000 population or more).
5. Banks should focus on LWE districts of the State.

He requested the controlling heads of all the Banks that they should take personal interest in the above matters and ensure that the directions of the Ministry are carried out meticulously.

Our country is progressing; our GDP growth rate has shown steady improvement during last few years. However, it is being increasingly realized that the benefits of growth are enjoyed only by a marginal segment of population living in urban and Semi-Urban area. The growth should be inclusive by empowering the poor through proactive Policies

that helped the marginalized people take part in the market on firm and equitable terms.

Orissa is one of the few States of the country where Govt. Departments, Banks and other Financial Institutions and Non-Govt. Organizations have been working hand in hand for the development of the State and upliftment of the poor people.

HIGHLIGHTS OF THE ADDRESS OF SHRI B.K.BHOI, REGIONAL DIRECTOR, RESERVE BANK OF INDIA, BHUBANESWAR.

While addressing the participants he expressed thanks to the State Government and banks for their wholehearted cooperation and support for successful hosting of the Central Board and Special SLBC meetings. The Special SLBC meeting was held on 15.02.2012 wherein the Governor, DG, EDs and the whole team of top Management of RBI had interface with the senior State Government officials and heads of selected banks. A number of action points have emerged out of the deliberations of the Special SLBC. The convenor bank was advised to circulate the same among all concerned for expeditious actions thereon ensuring scrupulous adherence to the prescribed time limit. He highlighted some of the points of special SLBC meeting.

1. Performance of banks under Financial Inclusion Plan

While provided banking facilities in the allotted FIP villages, Banks are mostly confined only to mobilization of applications for account opening. In few of the villages covered so far, the accounts have been operational. The banks have been slow in implementation. They lack in effective supervision and control over the BCs and CSPs. Other banking products are yet to be delivered by the banks in most of the villages so far.

There was a decision in the special SLBC meeting that brick and Mortar branches to be opened in at least 200 out of 1877 identified villages by March 31, 2013. SLBC to prepare bank wise, district wise, village wise plan of action by April 2012 in this regard. The plan should also include the next phase of implementation of FIP in all the identified 1877 villages viz. credit linkage, remittance facilities etc. Banks should bestow greater attention to effective implementation of FIP in letter and spirit.

2. EBT Implementation in the State

It was the commitment before the Governor during special SLBC meeting that in addition to the existing three districts (Ganjam, Gajapati and Mayurbhanj) covered under EBT by SBI, 15 more districts are also to be covered by the banks in the year 2012-13. Out of the 15 districts at least two districts will be from the six districts where CD ratio is below 40%. EBT should be implemented in all the fifteen districts by March 31, 2013.

3. Annual Credit Plan (ACP) and Achievement for 2011-12

The banks as a whole achieved only 55 per cent of the Annual Credit Plan target in the first three quarters. The performance is far from satisfactory. The controlling heads of the banks having performance below 75% in the Annual Targets for Agriculture and Non Farm sector have to write to RBI within 15 days the reasons for the poor performance and the strategy adopted by them to scale up their performance.

Out of 24 PSU banks, 19 banks have not achieved target for agriculture advances (18% of total advance) and 10 banks have not achieved target for Priority Sector advances.

It has also been brought to notice of RBI that the bank branches in the districts are not submitting the required data /information reports to the Lead banks. This is not an acceptable state of affairs. The controlling heads are not percolating the decisions of SLBC to the field functionaries. The controlling heads of the banks are advised to ensure that the required and correct data/information is submitted in time to the Lead banks and SLBC.

4. MSME Credit -

It was the decision of the special SLBC meeting that, a survey on MSME sector should be carried out in three districts namely, Khurda, Cuttack and Balasore involving banks, Lead Bank, DICs and RBI to assess the extent of credit flow to MSME sector, extent of collateral free credit to MSE sector and the level of awareness in banks on CGTMSE.

The State Government to take lead in the matter and prepare a time schedule for the study.

5. Agriculture Conclave:

RBI has organized a 2-day conclave on 'Agriculture agenda for Odisha' in association with the Orissa University of Agriculture Technology (OUAT), State Government and NABARD, Regional Office, Bhubaneswar on February 24 and 25, 2012 at OUAT, Bhubaneswar. The theme of the conclave was 'Towards greater production and productivity of agriculture in Odisha and transformation of subsistence agriculture to Agri-business'. Several suggestions/ recommendations have emerged out of the deliberations of the conclave. The list of action points emanating there from will be forwarded shortly to the appropriate implementing authorities for doing the needful, in consultation with the State Government and NABARD.

6. Timely holding of DCC meetings -

The SLBC calendar of events for the year 2012-13 has been since been issued. The LDMs have to prepare calendar for holding DCC and DLRC meetings for 2012-13 on the lines of the SLBC calendar and intimate to us and SLBC by March 15, 2012. The DCC/DLRC meetings should be held prior to SLBC meeting so that the relevant issues can be brought to SLBC meeting for discussion.

7. Recovery of banks' overdue and amendments to OPDR Act -

It was the decision of the special SLBC meeting that the banks have to prepare a consolidated list of suggested amendments in the OPDR Act and take up with the State Government for necessary action. The banks may give their suggestions latest by March 15, 2012 to SLBC else it may be treated that they have no suggestions in this regard.

8. Setting up of FLCC and functioning of RSETIs -

In pursuance of the decision of the last Special SLBC RBI since prepared a checklist to carry out a study on the functioning of RSETIs and RBI, LDOs are on the job. The findings of the study will be shared with all concerned in due course.

Andhra bank and Bank of India have not yet opened FLCC in any of the allocated lead districts. They should expedite the matter. SBI also should expedite opening of the remaining FLCCs.

9. Upcoming outreach programmes to be carried out by RBI -

RBI is organizing two more outreach events in the state during this year (2011-12) in Bhedabahal village, Sadar block of Sundergarh district on 07.03.2012 and Govindpur village of Tirtole block on 16.03.2012. In Sundergard district, Shri B Mohapatra, Executive Director, RBI will be participating in the programme. These events are being organized throughout the length and breadth of the country to promote financial inclusion and financial literacy. RBI expects State Government and banks' participation at the highest level in these events.

HIGHLIGHTS OF THE ADDRESS OF SHRI P.C. GHADEI, HON'BLE FINANCE MINISTER, ODISHA.

While addressing the dignitaries and participants of 126th SLBC meeting Shri P.C Ghadei, Hon'ble Finance Minister, Odisha drew the attention of the house on low CD ratio of some leading Public and Private Sector Banks as well as those of many Districts of Odisha. He stated that though the overall CD ratio of all Banks in the State is 73.52% yet some leading Banks like Bank of Baroda, Bank of India, Bank of Maharashtra, Punjab & Sind Bank, Axis Bank, and Federal Bank have CD ratio below 60%. This has adversely affected the overall CD ratio of all Banks. He advised those banks to give preferred attention to this area and gear up their machineries for deployment of more resources in the State.

Achievements under Annual Credit Plan:-

It was envisaged in the Annual Credit Plan for year 2011-12 that an amount of Rs.25233.43 crore would be disbursed to various sectors i.e Agriculture and Allied Sector, Non-Farm Sector, and other Priority Sector. But it was observed that the

achievements under Annual Credit Plan for quarter ended December-2011, in Angul, Bhadrak, Bolangir, Cuttack, Deogarh, Dhenkanal, Gajapati, Ganjam, Jharsuguda, Kalahandi, Kandhamal, Khurda, Koraput, Malkanagiri, Nayagarh, Nawarangpur, Nuapada, Rayagada, Sonepur and Sundergarh District was below 60% and District like Gajapati and Malkanagiri have not crossed 30% of the District Target. He advised controlling Heads of leading Banks present in the meeting to bestow their preferred attention for achieving the target in all the sectors set for their Banks under the Annual Credit Plan. Odisha is known to be an agrarian State and 65% livelihood is derived from Agriculture. The State Government in the last Budget for 2012-13 presented in Odisha Legislative Assembly on 24th February, 2012 have accorded utmost priority to develop the Agriculture Sector and accordingly, the allocation for Agriculture Department have been substantially stepped up from Rs.1167.48 crores in 2011-12 to Rs.1516.16 crores in 2012-13 which represents an increase of 42.64% of the outlay under State Plan. He expressed concern in relation to rural credit which are generally inadequate, constraints on timely availability, high cost, neglect to Small and Marginal Farmers, low Credit Deposit ratio, and continued presence of informal markets. The commercial Banks are more focused in improving profitability and inclined to give comparatively less towards priority Sector and Rural credits. He stated that commercial Banks have to take a lead role in stepping up their credit to Agriculture Sector. Focus on redirecting attention to Agriculture diversification with an eye on the growth of secondary and tertiary sectors also appears to be paramount importance. He observed that during current year the Banks operating in the State have disbursed credit to the tune of Rs.5710.82 crores up to 31st December,2011 to Agriculture Sector which was only 52 percent of the Target under ACP set for the quarter ended December,2011 and this is far from satisfactory.

Opening of Brick & Mortar Branches:-

Out of 30 Districts Reserve Bank of India has identified 24 unbanked Districts under Financial Inclusion Plan. 83 Villages with population of above 5000 have been identified as Under Banked centers where Banks may open their service outlets for making

banking services available. It was indicated and discussed in the last SLBC meeting held on 15th November, 2011 that steps must be taken to provide banking facilities by either a Public Sector or Private Sector Bank in the seven blocks of Malkangiri and Nawrangpur Districts which do not have either a Branch of a Public Sector or Private Sector Bank. Further in a SLBC meeting held in the month of August, 2011, it was envisaged that the conventional Brick & Mortar Branches of the Banks will be opened in at least 10 percent of the 1877 villages which identified in the State for provision of Banking facilities. But it was observed by him that only 38 centers have Brick & Mortar Branches. He advised controlling Heads of Banks and Reserve Bank of India to prepare a roadmap for opening of Brick & Mortar Branches in at least 200 centers as suggested by Governor, Reserve Bank of India during his recent visit to our State out of the 1877 villages identified for provision of Banking Facilities.

The State government has been pushing for greater financial inclusion. Unrestrained access to public goods and services is an essential condition of an open and efficient society. It is argued that as Banking services are in the nature of public goods. Commerce with the poor is more viable and profitable provided there is ability to do business with them. The provision of uncomplicated, Small, affordable products can help to bring low-income families into the formal financial sector. Taking in to account their seasonal inflow of income from Agricultural operations, migration of one place to another and seasonal irregular work availability and income, the existing financial system needs to be designed to suit their requirements. Mainstream financial institutions such as Banks have an important role to play in their effort not as a social obligation but as a pure business proposition.

Credit to MSME and Handloom and Handicraft Sectors:-

In order to address the needs and requirements of MSMEs of the State in a focused manner for their revival and development the State Government have created a separate department known as " Micro, Small & Medium Enterprises Department" especially to implement the Central Government & State Government policies for promotion of Micro Small & Medium Enterprises. The MSME development policy-2009 has been notified to facilitate the competitiveness of MSMEs through clusterization

and facilitate setting up of ancillary and downstream of existing and as well as upcoming mega industries. He observed that only 20.17 percent of total Advances have been extended to MSME Sector which needs improvement.

He stated that Handloom and Handicraft Sector provides income and employment to the sizable rural population. Hon'ble Chief Minister has already announced a special package for Handloom weavers in the State in August,2007. The union Finance Minister had also announced that Government of India would provide Rs. 3000 crores to NABARD for implementing the financial package for Handloom Sector for waiver of overdue loans. The revival, Reform, and Restructuring Package for Handloom Sector is being implemented by Government of India as a new centrally sponsored Plan Scheme with a total outlay of Rs.3884 crores starting with the current financial year. In order to supplement the efforts, the State government has already provided Rs.30 crores in the Budget for 2012-13.

He requested the Banks to increase flow of credit to the Handloom and Handicraft Sectors for which NABARD refinance is also available to meet the working capital requirements. The Government will also provide interest subsidy of 3% on the fresh loans to the weavers whose overdue have been paid by Government of India/NABARD under the above Scheme.

He concluded by saying that the inclusive growth will not be completed unless millions of Micro Entrepreneurs are created across the country. The Financial Inclusion is the road which India needs to travel towards becoming a global player. Financial access will attract global market players to our country and that will result in increasing employment and business opportunities. Inclusive growth will act as a source of empowerment and allow people to participate more effectively in the economic and social progress.

Agenda Item No. 1

Confirmation of Proceeding of 125th SLBC meeting held on 15.11.2011 at Bhubaneswar.

The proceedings of 125th SLBC meeting held on 15.11.2011 at Bhubaneswar has been circulated among the members and since no comment has been received the same was taken as confirmed.

Agenda Item No. 2

Action Taken Report on Major decisions taken in the 125th SLBC meeting held on 15.11.2011.

Point No.01.

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 excluded marginalized group.

Samarthya Sibirs were organized by Women and CD Department in all the Block Headquarters of the State. Applications were collected in all such Sibirs from differently abled persons. 3867 Nos. of applications have been received in the State. The BDOs/DSWOs are yet to complete the process of sponsoring the applications to different bank branches as per their Service Area allocation. The progress under the Scheme will be placed in the next SLBC meeting for review.

Action: Banks/Women & CD Department

Point No.2.

Hon'ble Chief Minister while addressing the participants in the SLBC meeting dated 18.08.2011 appealed all to ensure coverage of each and every habitation of the State either through regular branches or through the BCs by the end of the year.

Out of 1877 villages identified each with 2000+ population, banking services have been provided in 1662 villages as per FIP till end of Dec. 2011. Out of 1662 villages new bank branches have been opened in 38 villages. Further 83 centers have been identified for opening Brick and Mortar branches under FIP by Sept. 2012. Convenor, SLBC is following up with the Controlling Head of Banks of the State for opening of these branches by the target date.

Action: Banks/RBI / Finance Department.

Point No.3.

Hon'ble Finance Minister of Odisha in his address to the participants in the SLBC meeting dated 15.11.2011 requested the Bankers to undertake the rehabilitation operation for flood victims of the State by extending liberal production and investment credit by the Banks. He further advised for reschedulement, rephasement and extension of moratorium period in agricultural and other credit.

The list of flood affected Blocks/ULBs have been circulated to Banks by SLBC on receipt of the list from the Revenue Department, Govt. of Odisha on 24.12.2011. The Banks have assisted 279192 Nos. of flood affected people to the tune of 132829 Lacs as reported in **Annexure-I (Page No.27 of the Agenda Note)**

Point No.4

Hon'ble Finance Minister of the State in his address to the House stated about non-existence of any Public/Private Sector Banks in Seven Block Headquarters of Malkangiri & Nawrangpur districts. He suggested that SBI having largest patronage of State Govt. and being Lead Bank of those districts, must come forward for opening of branches in the subject blocks before the end of the

It has been reported by SBI that field surveys have been conducted by the concerned LDMs in 7 Blocks of Malkangiri and Nawrangpur districts. The survey reports are being examined and decision in this regard will be taken very soon. The Regional Director, RBI desired that the matter of opening of branches of Commercial Banks in these 7 blocks may be referred to RBI for examination from viability / potentiality angles.

Action: SBI/RBI

Point No.5.

The Chairman, SLBC in 124th SLBC meeting requested the State Govt. to take suitable action for making Iron Ore available at cheaper prices to prevent large chunk of money invested in this sector by Banks from turning NPAs. It was reported by Finance Secretary in last meeting that the situation and the issue is being taken up by a Committee headed by Finance Minister.

The principal Secretary to Govt, Finance Department, Govt of Odisha, has informed the House that issue has been taken up with the Department of Steel & Mines of Govt of Odisha and Odisha Mining Corporation is prepared to offer Ore linkages to all the plants with which the State Govt has signed MOU at market determined prices. Such Industries who have signed MOU with the State Govt for setting up integrated steel plant can approach OMC for appropriate Ore linkage. SLBC convener wanted to know how smaller units (which are not integrated steel plants) can meet their requirements. Principal Secretary, Finance responded that for smaller units and others who do not have MOU with State Govt., OMC is trying to ramp up their ore production from 5 million tons to 10 million tons & half of that quantity will be put through electronic trading. Hence, another channel would be opened & long term, medium term ore linkages as well as electronic trading of a larger quantity will be made available ,to augment availability.

Action: Finance Department Govt of Odisha

Point No.6.

It was suggested by GM, RBI in 125th SLBC meeting that while submitting the statement on CD Ratio to SLBC, the Banks should attach a separate statement showing the amount disbursed outside the State but utilized in Odisha and vice versa in a format designed by the RBI .

The details of Bank-wise information received from different Banks for the amount disbursed outside the State and vice versa have been summarized and placed in **Annexure-III** (Page no.33 of SLBC Agenda Note) for information of the members.

Point No.7

It was committed by representative of SBI in the House of 125th SLBC that 100% Financial Inclusion in the district of Malkangiri will be achieved by December, 2011.

It has been reported by LDM; Malkangiri that Financial Inclusion in Malkangiri district as at the end of December, 2011 has reached 99% (As per data submitted by DSWO, Malkangiri). The house agreed to treat it as 100% financial Inclusion.

Point No.8

Referring agenda item 2(05) of 124th SLBC meeting as raised by GM, RBI, it was reported by the representative of Planning and Co-ordination Dept. that the survey report on the reality of 100% Financial Inclusion undertaken by the Directorate of Economics and Statistics will be completed by December, 2011.

The Convener, SLBC informed the house that Planning & Coordination department of gov't of Odisha has reported that the suggested survey could not be conducted due to Panchayat election. However, all preparations for the survey are in place and likely to be conducted soon and report of the survey is expected to be placed for review by end of June, 2012.

Action: Planning Co-ordination Deptt, Govt of Odisha

Point No.9

Regarding opening of the FLCC,

Convener SLBC remarked that UCO Bank has already opened FLCCs in all the seven lead districts allotted to them. Representative of SBI informed the house that FLCCs have been opened in ten districts and the rest districts will be covered by March-2012. Similarly representative of Bank of India informed that they are going to open FLCCs in their two lead districts by end of March, 2012. Representative of Andhra Bank assured the house to open two FLCCs in their lead districts by end of April, 2012.

Action: UCO Bank/SBI/ Bank of India/ Andhra Bank.

Point No.10

Regarding streamlining EBT Mechanism, Principal Secretary, Finance wanted RBI , All Banks and Panchayati Raj Department are to sit together and take this initiative forward.

Principal Secretary, Finance, Govt of Odisha, informed the house that in addition to existing three districts which are covered by SBI under EBT, govt wants to extend the facility to another fifteen districts during 2012-13. He emphasized that in order to fulfill the commitment given to the Governor of RBI during his recent visit to Odisha the meeting of the small committee headed by RD, RBI with Principal Secretary, Panchayati Raj, Director, Special Project, Panchayati Raj Deptt, Director, Institutional Finance, Convenor, SLBC and CGM, SBI as member was constituted to deliberate on the issue. The first meeting of the Small-Committee was held on 06.01.2012 and it is expected that the issue will be settled very soon. this should be held before 15th of this month. However he expressed his desire to finalize the modalities for extending the facility in the first half of the year 2012-13.

Action: RBI/SLBC/ Finance Dept., & Panchayati Raj Dept., Govt. of Odisha.

Point No11.

Regarding reopening of RSETI at Bhawanipatna,

It has been reported by SBI that the RSETI at Bhawanipatna as already become functional. and training programme are being conducted regularly.

Point No.12

Opening of more Special Certificate Courts in all the other districts keeping in view the manpower constrains and lack of support from the Govt, Convenor, SLBC wanted to have about 5 such courts to be established in next 3 months.

Finance Secy stated that Revenue & Disaster management department will be requested to set up the five courts & take clearance from him. The cost, recovery & logistic part can be discussed separately. The representative of Revenue Department stated that the Special Courts in rest of the districts will be opened in due course since the Retired Officers have attended the interview and the vacant posts will be filled up very soon.

Action: Revenue Dept./ Director of Industries/ Banks

Point No.13

A query was raised by the Convenor, SLBC whether interest subvention of 3% will be available on restructured crop loan on account of flood. GM, RBI wanted to seek clarification from their Central Office on the subject.

It has been clarified by RBI, Bhubaneswar vide their letter No. RPCD (BHU) No. 1014/05.03.01/20-11-12 dated 02.01.2012 that the relief intended to be afforded to customers affected by natural calamities by conversion of Short Term Loans may not be diluted by imposition of additional interest post conversion. Further, on repayment of converted loan by the borrower in adherence to the revised repayment schedule additional interest subvention of

1% for timely payment may also be made admissible. The copy of RBI letter is enclosed in **Annexure-II.(Page No.28, 126th SLBC, Agenda Note)**. Principal Secretary Finance observed that recently some areas have been declared as drought affected and the same benefit which is available to flood affected people may also be extended to the drought affected people. As the RBI guideline was in reference to restructured loan accounts of people affected by natural calamities both Convener SLBC & GM, RBI observed that there is no hindrance for extending the same benefit to people of drought affected areas.

Point No.14

Regarding distribution of KCC to all the eligible farmers of the State by 15.10.2011, the Sub-Committee had drawn up action plans for completing the exercise by 15.12.2011. The project did not make much head way except printing of uniform Loan application form by the Department of Agriculture. No support was extended by the extension officials of Agril. Deptt. in sponsoring the applications.

Director, Agriculture informed that 1.5 lac common application forms have been printed & sent to ground level functionaries with instruction to cover people who have not yet availed KCC at the first instance. Again it is being planned to print another 10 lac applications. Nearly 2000 applications have been collected so far. Regarding the hosting of server he hopes it to be ready by this month end. He remarked that only 10 Banks have provided the required information and requested all to provide the information to upload the same in the server. On behalf of the ground level functionaries he assured of full cooperation. GM, RBI insisted on a definite time line for submission of data by Banks for uploading in the website. After deliberation with different banks it was decided to fix the deadline as 10th April, 2012 and all banks were requested to ensure submission of required information before 10-04-2012, to the Department of Agriculture under intimation to SLBC.

Action: Agril. Dept./Banks/ SLBC

Point No.15

It was proposed by DGM, RBI that all the LDMs of the State should hold their quarterly DCC meeting before the schedule date of SLBC so that the unresolved/critical issues of the DCC can be placed in the SLBC meeting for discussion.

Convener SLBC stated that the calendar for holding the SLBC for the coming year has been fixed & circulated and he requested the controlling heads to advise the respective LDMs to ensure to prepare the calendar for DCC meetings well before the scheduled SLBC meeting as per decision taken earlier. DGM, RBI wanted commitment from all the LDMs regarding holding of DCC before 15th March this time.

GM, RBI emphasized the importance of timely holding of DCC meetings and remarked that if calendar for holding DCC is prepared well in advance synchronizing with SLBC then it will be easier for the district collectors / public representatives to plan & attend the meetings.

LDM Boudh expressed the difficulty in getting the dates of availability of public representatives like MLAs /MP s of the concerned area.

RD, RBI observed that by proper liaisoning with district administration & public representatives by the LDMS their participation in DCC meetings can be ensured. He cautioned of stringent action for non holding of DCC meeting on time.

Action: RBI/SLBC/LDMs/Banks

Point No.16

As per the direction of Hon'ble Finance Minister and APC of the State, it was decided to constitute a Sub-Committee under the Chairmanship of Secretary, H&UD Dept. All

Controlling Heads are to be invited to the meeting to review the performance under ISHUP Scheme.

A meeting of the Sub-Committee was convened on 02.01.2012 at Pantha Niwas, Bhubaneswar under the Chairmanship of Secretary, H&UD Dept. All the LDMs/Controlling Head of Banks and other Stake holders were invited and the progress under the scheme was discussed. Suitable strategies/action plans have been worked out for achieving the target set for the State.

Point No.17

All Banks/LDMs were requested to extend cooperation to the Convenor Bank, i.e. UCO Bank by submitting data to SLBC Secretariat in time to enabling the Convenor Bank to hold the SLBC meeting as per the calendar submitted to RBI for holding of SLBC meeting. The SLBC meeting for quarter ended March, 2012 is to be held on 15.05.2012.

There have been improvements in submission of information by the Controlling Head of Public Sector Banks and RRBs. However most of the LDMs and Controlling Head of Private Sector Banks need to accelerate their mechanism for timely submission of the data.

Convenor SLBC informed the house that a Web based data collection system is being considered.

GM, RBI emphasized the importance of data integrity & accuracy and appealed all controlling heads to ensure the same to have a meaningful review.

Action: Controlling Head of Banks and LDMs.

Point No.18

In the 124th SLBC meeting it was suggested by Shri H.R Khan, Deputy Governor, RBI to have a Sub-Committee which will deal with how to improve extension support for agriculture in the State.

A Sub-Committee has been constituted under the Chairmanship of Dr. S.S Nanda, Dean of Agril. Extension and Research, O.U.A.T with the members from Agril. Dept., Fisheries and ARD Dept., Water Resources Department, Co-operation Dept., Finance Dept., UCO Bank, SBI, OSCB and Neelachal Gramya Bank. The Sub-Committee has deliberated on the issue and final recommendation is expected within a fortnight.

Action: Banks/SLBC/ NABARD/State Agril. Department.

Agenda Item No.3

FRESH ISSUE

Issue raised by Collector and District Magistrate, Malkangiri

It has been reported by the District Collector Malkangiri that regular monitoring, follow up and supervision and flow of Institutional credit in the district are neglected. One LDM is posted for the Malkangiri and Nawrangpur districts with Headquarter at Nawrangpur. Malkangiri is 155 Kms away from Nawrangpur. Journey from Nawrangpur to Malkangiri takes 9 hours on road and it is difficult for a person to regularly travel to Malkangiri. He has stressed for immediate posting of separate LDM at Malkangiri for giving focused attention for monitoring, supervision and follow up action of all the Govt. sponsored and other development schemes of the district. SBI has been given lead Bank responsibility for both the Districts & they are requested to respond in the matter.

CGM State Bank of India informed the house that separate LDM has been posted in the Malkangiri District for monitoring and follow up action of all Govt. sponsored and other development scheme.

Agenda Item No. 4

Banking Key Indicator of Odisha as on 31.12.2011

Commercial Banks in Odisha have achieved all national parameters except DRI Advances. On a year to year basis the deposit and advances have increased by 20.54 % and 40.18 % respectively. In absolute term there was increase in credit growth from 57751.85 Crores as of 31.12.2010 to 80956.15 Crores as of 31.12.2011, thus there is an increase of 23204.30 Crores during the year.

Sl. No.	Ratios (Inclusive of RIDF)	RBI stipulation	As on Dec. 10	As on Dec. 11
1.	CD Ratio	60	61.57	71.60
2.	Priority Sector	40	57.73	52.72
3.	Agriculture Advance	18	28.75	23.29
4.	Weaker Section advance to Priority Sector advance	25	20.25	25.37
5.	DRI Advance	1	0.07	0.26

The Banking Key Indicators are given Annexure-III (Page no.29-33 of the 126th SLBC Agenda Note). The Public Sector Banks and Private Sector Banks having very low CD Ratio below 50 % are given below.

Public Sector Banks

Sl. No.	Name	CD Ratio
1	Syndicate Bank	37.35
2	Punjab & Sind Bank	8.89

Private Sector Banks

Sl. No.	Name	CD Ratio
1	ING Vyshya Bank	20.29
2	Federal Bank	26.40
3	South Indian Bank	1.89
4	Laxmi Vilas Bank	14.86

CD Ratio as of 31/03/2011, 30.09.2011 & 31/12/2011 for all Districts of Odisha (For all Banks) is given in the Page No 12 of the 126th SLBC Agenda for reference.

Agenda Item No. 5

RECOVERY AS ON 31.12.2011

Overall Recovery position of Banks is given in Annex-IV (page no 34-41 as per the 126th Agenda) for reference. As on 31.12.2011 the recovery of all Banks in Orissa is being 49.75 % is very poor. Banks and Govt. Departments may have joint endeavor with specific strategies to improve the performance of recovery for better recycling of funds. Under PMRY and SGSY, the recovery performance is 18.22 % and 43.07 % respectively which is far from satisfactory. Various line department officials are requested to be present in recovery camps to boost the recovery of bank dues.

Regarding disposal of **Top Five PMRY** cases of each DIC where cases have been filed with GM DIC during the quarter, 12.89 lakhs has been recovered in 22 a/cs out of 195 cases filed with GM DICs involving an amount of more than 30 crores. Only Six cases have been disposed off during the quarter. The Details account wise positions have been enclosed in **Annexure-V** (Page no.42-46 of the 126th SLBC Agenda) for reference.

GM, RBI observed that there are large numbers of pending OPDR cases and requested to devolve a course of action so that the cases are disposed of.

Director of Industries remarked that in the process of joint recovery drive initiated by them there is lack of cooperation from banks' side.

LDM, Jharsuguda cited the non cooperation of GM, DIC in the district in disposing of the pending OPDR cases.

Chairman, SLBC observed that when NGOs / MFIs are in a position to recover, why the Banks with so much power in hand and also with the help of the State are lagging behind ? He advised for concerted effort and endorsed the suggestion of RD, RBI to put district wise recovery data for review.

Ultimately Convener, SLBC concluded with an appeal to all member bankers to go in for better coordination with industry department on a day to day basis so that a better recovery climate is created and people throughout the state realize that they have to repay the loans availed by them.

GM, RBI suggested to host the list of district wise recovery officers in the SLBC website.

Agenda No. 6

REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN AS ON 31.12.2011 (Please refer Annexure-VI, Page No.47-48 of the 126th SLBC Agenda)

The performance of Banks under ACP 2011-12 for the 3rd quarter ended, i.e. quarter ended December, 2011 is 55 %.

The district-wise review of performance for December, 2011 reveals that except Angul, Bhadrak, Cuttack, Dhenkanal, Gajapati, Malkanagiri, Nayagarh, Nabarangpur, Nuapada, Rayagada, Sonepur and Sundergarh districts other districts have achieved more than 50% of their target. The LDMs should take proactive steps in close coordination with Govt. line departments and banks to improve the performance of their districts for next quarter.

Bank-wise performance under ACP-2011-12 for December, 2011 quarter reveals that Corporation Bank, Dena Bank, State Bank of India, Vijaya Bank, HDFC Bank, I C I C I Bank, The Karnataka Bank Ltd, Karur and Vyshya Bank, Rushikulya Gramya Bank and OSCB have achieved 50 % and more of their target. However, other banks operating in Odisha have not performed well. The Controlling Heads of these banks should take steps to increase their performance for the next quarter.

The low achievement as of December, 2011 in relation to the target fixed may be attributed to an ambitious target fixed for the period with 69.18 rises over last year.

CGM, NABARD observed that the performance of commercial banks in agricultural finance is not satisfactory in comparison to Gramya banks and they need to do a lot. Now Odisha is being looked as the future food security region along with other eastern states. He reiterated that there are lot of potential for market yards, godowns & storage facilities. He drew attention to the level of farm mechanization in the state. He informed the house that agricultural credit in Odisha is only 3% of all India level and if this eastern part is viewed as the future food security zone and lot of push is given by GOI then we have to raise this 3% to somewhere around 4% by end of 12th five year plan.

Agenda No.7 -I, II & III

Agenda Item No. 7 (Part 1)

Implementation of Revival, Reform and Restructuring package for Handloom Sector.

Govt. of India has implemented a new scheme called Revival, Reform and Restructuring Package for Handloom Sector starting from current financial year with a total outlay of Rs.3884 Crores. NABARD has been identified as the nodal agency for implementation of the scheme.

The Govt. has further approved an interest subvention of 3% for 3 years to be extended from the date of disbursement of the fresh loan extended by banks to Handloom Co-operative Societies and individual Handloom weavers covered under the scheme. The interest subvention would not be available after the date on which a loan becomes non-performing asset. The Govt. will make necessary provision towards payment of Guarantee fee @ 1% and annual service charge @ 05% to be paid to CGTMSE for a period of 3 years for fresh loans.

Salient features of the scheme are given in the Agenda booklet.

Agenda No. 7 (Part -II)

Implementation of new component - Institutional Credit under Integrated Handloom Development Scheme.

In order to address the requirement of the working capital of the handloom weavers and the handloom organizations to carry out their economic activities, a loan at subsidized rate, margin Money @ Rs.4200/- per weaver and interest subsidy @ 3% per annum will be provided. At the same time, it is observed that the banks are reluctant to extend credit to the handloom weavers and handloom organizations and therefore, credit guarantee coverage will be provided to such loans under the Credit Guarantee Scheme of Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE).

Salient features of the scheme are given in the Agenda booklet.

Both the Schemes have been uploaded in the SLBC website. The member banks may browse www.slbc.orissa.com for the detailed guidelines.

ACTION POINTS FOR BANKS

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Implementation of Revival, Reform and Restructuring package for Handloom Sector.

Controlling Heads of all Banks operating in Odisha are requested to note the following for strict compliance in relation to the package for the Handloom sector:

1. Operating Instructions for the scheme should have been issued by all the Banks for implementation by their branches in Odisha as Odisha Govt. has already given Letter of Commitment to GOI for participating in the scheme.
2. Once the Banks give their commitment to participate in the RR&R package, the exercise of preparing branch wise list of loans to be waived off will have to be initiated and will have to be completed by 30th March, 2012.

Further with respect to Weavers Credit Card it is informed that "Awareness and Enrollment Camps" are being conducted at cluster level across the state. The schedule of the camps has been uploaded in the SLBC website. Enrollment forms collected during the camps have to be submitted to LDM for enabling him to take further steps for issuance of Weavers Credit Card.

Convener, SLBC requested the Dy Director O/O DC, Handlooms, Ministry of Textiles, Govt of India to brief the house on the outlines of the package. Deputy Director briefed the house as follows.

A High level Committee under the chairmanship of MD, NABARD submitted its recommendations to GOI on the Issues relating to Credit to Handloom Sector. Announcement of the Handloom Package has been made by the Hon'ble FM in his budget speech for 2011-12 which was approved CCEA on 24th November 2011

The Objective & Expectations are

Expected revival of 15,000 Weaver Cooperatives Societies (WSC) and 3 lakh Handloom Weavers.

Total Package of Rs. 3884 crore, of which Gol share is Rs. 3137 crore and state share Rs. 747 crore

Recapitalize Viable & Potentially Viable WCS and assistance for one time waiver of overdue loans as on 31 March 2010 for infusion of fresh credit support

Funds will be placed with NABARD as implementing Agency

DELIVERABLES

Recapitalization of Viable & Pot. Viable WCS (as on 31 March 2010) by:

Funding of o/due loan (Principal + 25% of Interest overdue)

Meeting shortfall in capital (NDR) availing fresh loan

Banks to write off 75% of Interest & 100% of Penal Interest

Fresh finance supported by Interest Subvention @ 3% for 3 yrs and Credit Guarantee for 3 years

Reforms aiming towards democratization, functional & business autonomy, Common Accounting System, MIS, Computerization, Training, Merger/Liquidation of non-viable society etc.

One time waiver of overdue Loans to Individual weavers as on 31.03.2010

CONSENSUS WITH STATE GOVT.

Signing of MOU has been signed with the State Governments

Release Pattern: 80% on signing MOU & 20% on actual implementation of reforms

Assistance to NABARD in Implementation / Special Audit

All unpaid dues from State Govt/GOI be paid upfront

Financial Outlay (Rs. crore)

Recapitalization Assistance to Cooperative societies as an 31.03.2010	3021
Waiver of loans to individual weavers as an 31.03.2010	500
Strengthening WC Societies	88
Trg. For functionaries	30
Interest Subvention for fresh loans	180
Credit Guarantee Mechanism	25
Loss Assessment exercise & Implementation Cost	40
TOTAL	3884

SHARING PATTERN : GOVT. OF INDIA AND STATE GOVTS.			
Sl. No	Beneficiary	General Category States (Centre : States)	Special Category States (Centre : State)
(i)	State level apex societies	75 : 25	90 : 10
(ii)	Primary handloom cooperative societies	80 : 20	90 : 10
(iii)	Individual weavers/SHGs etc.	80 : 20	90 : 10

STEPS IN IMPLEMENTATION

Time frame : Completion by December 2012 (excluding Interest Subvention claims of 2013-14)
 Signing of Tripartite MOU : NABARD, GOI and State Government) with each party agreeing to their responsibilities and obligations as per Package
 Conduct of Special Audit of Viable & Potentially Viable WCS (as on audited B/Sheet of 2009-10)

- Amendments to State Acts pertaining to WCS
- Release of Recapitalisation, Waiver, Interest Subvention & Credit Guarantee assistance
- Training & Capacity Building.
- Computerization in PWCS & AWCS
- Common Accounting System & MIS

MONITORING STRATEGY

The entire scheme will be monitored by:

NI MRC (at national level) :

Chaired by Secretary (Textile), GoI. RBI, NABARD, St. Govt & Banks as members

SI MRC (at state level) :

Headed by Principal Secretary (Textile), St Govt. Director-H/Looms, NABARD, CA, Banks as members.

DIMRC (dist. Level):

Headed by Representative of Director- Handloom in districts. NABARD, DCCB/Bank & CA as members.

Comprehensive Package for handloom sector covering

(i) Credit

(ii) Yarn

CREDIT AVAILABILITY

The Proposal consists of following Components :

- Handloom weavers' Credit Card;
- Credit guarantee through the Credit Guarantee Fund for Micro and Small Enterprises (CGTMSE);
- Interest subvention of 3% for 3 years from the date of first disbursement
Margin money assistance @ Rs4200 per weaver.

Service Charge @2% of the amount of margin money & interest subsidy disbursed by I.A.
WEAVERS CREDIT CARD

ELIGIBILITY

All Weavers and Ancillary Workers identified under Third Handloom Census or by the State Government.

Weaver credit card will be given to weavers in individual capacity.

Ministry of Finance vide circular no. F.No. 3/68/2006-AC-VOI.I dated 26th September, 2011 issued from the Dept. of Financial Services, and Indian Banks' Association circular on Social Banking No.SB/CIR/WCC/4221 Dtd . 5th October, 2011

CREDIT CARDS

- Weavers' Credit Card will be issued for an upper limit of upto Rs. 2.00 lakh for individual weavers with the expected average off take in the range of Rs. 30,000 to 50,000 per card.
- CARD to be valid for a three year period.
- The beneficiaries under the Scheme will be issued with a :
- Photo Weaver Credit Card (WCC) for identification and indicating sanctioned limit and validity period of credit facility;
- A Credit Cum Passbook incorporating name, address, borrowing limit, validity period, etc. for recording of ongoing transactions;
- Bank may also issue Smart Cards or any other electronic device for identification and operation of loan account, the cost for this may be borne by the Banks themselves.

CREDIT LIMIT

- The limit is expected to be utilized as a revolving cash credit and will provide for any number of drawals and repayment within the limit.
- Banks may fix a repayment schedule for the portion of loan availed for the purchase of tools and equipments.
- The credit limit will be fixed based on assessment of working capital requirements as well as cost of tools and equipments required for carrying out weaving activity.
- As the limit sanctioned would normally have a validity of three years, incremental working capital requirement may be accommodated on need base.

VALIDITY / RENEWAL OF LIMIT

- The credit card would normally be valid for 3 years subject to an annual review by the Bank.
- The review may result in continuation of the facility, enhancement of the limit or cancellation of the facility, depending upon the performance of the borrower.
- Need based enhancement will be considered within the overall limit of Rs.2 lakh for borrowers having satisfactory performance / conduct of account.
- For annual review, the borrower is not required to submit any financial statement.
- Based on the assessment of performance during inspection of field staff and operation in the account, the review exercise may be carried out annually and the decision on continuation or otherwise of the limits sanctioned may be taken. No fees will be charged at the time of review/renewal of card.

CGTMSE (Credit Guarantee Trust For Micro And Small Enterprises)

- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was set up by GOI and SIDBI for the purpose of guaranteeing credit facilities extended by the lending institutions to the eligible borrowers.

- The trust provides Guarantee Cover to credit facilities including term loan and working capital facilities sanctioned by its member lending institutions to eligible units in the Micro and Small Enterprises Sector.
- No collateral security required.
- CGTMSE has 126 Member Lending Institutions (MLIs), which includes Scheduled Commercial Public and Private Banks, Regional Rural Banks, Foreign Banks etc.

MARGIN MONEY

- A corpus of funds will be placed with NABARD to provide margin money to the participating Bank branches;
- GOI will provide margin money @ Rs.4200/- per weaver to the Bank and balance, if any, will be borne by the weaver /State Govt;
- Normally no margin money will be required for limits upto Rs. 25,000/-

INTEREST SUBVENTION

- Interest subvention will be @ 3% p.a.
- The interest subvention is for 3 annual cycles from the date of first disbursal.
- Interest subvention will not be available after the date on which a loan becomes NPA , if any.
- Funds will be placed with NABARD for the same.
-

CGM NABARD segregated the scheme in to two parts i;e

1. Pertains to Weavers co-operative societies. Cooperative societies are largely financed by the Cooperative Banks and few cooperative societies as per the Govt of Odisha Scheme were handed over to Regional Rural Banks.

2. Commercial Banks which are major partners in today's meeting are mostly concerned with the individual Loans of Weavers SHGs or Weavers Group. Here nine Districts have been focused for weavers. There may be isolated cases where some finances might have done.

He said that the scheme is more or less in the lines of ADWDRs scheme where there is a cut off date. Here the cut off date is NPA as of 31st March-2010. If NPA has arisen in earlier years and amount has frozen and no interest has been charged where amount outstanding in the books of the Bank as on 31.03.2010. such account are to be considered by the Banks' Branches .Out of this total principal amount eligible for relief plus 25% of interest which is NPA that has to be paid. 75% of the Interest portion or any penal interest are to born by the Banks. In the meeting held on 20th January it was indicated that all banks are supposed to have their board decision process completed by 31.01.2012. Hence Banks of these nine Districts might have received their Board Decisions. He requested all controlling Heads to look at it. Once the State Govt enters in to MOU with Govt of India and NABARD then there is 60 days thereafter . The list of persons to whom benefit has been given has to be posted on the notice Board of the Branch within 60 days. The date which has been given by the Deputy Director Govt of India of 31.12.2012 is pertaining to the societies where audit and other formalities are to be done.

Convenor SLBC informed the house that this has been put up for action points of Banks. Awareness and enrollment camps which mentioned earlier has been put up in the SLBC website and every body concerned can look up the SLBC website.

Agenda No. 7 (Part - III)

Financing to Handicraft and Cottage Industry

The issue regarding Bank linkages of SHG promoted in Handicraft sector, Rehabilitation of Handicraft Artisans, Promotion of Handicraft Enterprises and issue of Artisan Credit Cards to Handicraft Artisans furnished by the department of Handicraft & Cottage Industries, Odisha are as follows.

- **Bank Linkage of SHGs promoted in Handicraft Sector**
- **Rehabilitation of Handicraft Artisans**
- **Promotion of Handicraft Enterprises**
- **Issue of Artisans Credit Cards to Handicraft Artisans**

The district-wise position in respect of the above 4 points is given in **Annexure- VII** (Page 49-63 of the 126th SLBC Agenda Note).

In spite of its product demand in national and international level presently the annual credit flow to this sector is around 10 crores only. In order to increase the credit flow to this sector State Govt is giving margin money support to individual artisans for Bank finance. In craft villages or in clusters the DICs are organizing SHGs exclusively for Artisans. Out 696 SHGs promoted by DICs in different cluster only 320 SHGs so far has been Bank linked and for rehabilitation of Handicraft Artisans there is a Target of 1407 against which DICs have sponsored 893 applications and of which 556 cases has been sanctioned. And disbursement has been made in 465 cases. All the Banks are requested to increase the Credit support to this Sector.

GM RBI suggested putting the Target in the DCC where DIC as nodal officer will monitor the development.

Convenor SLBC requested the Banks to consider the sponsored cases more positively and faster way.

Agenda No. 8

Assistance provided to Flood Victims

In terms of decision taken in 125th SLBC meeting, Bankers were advised to provide assistance to flood victims as per the extant RBI Guidelines. The list of flood affected Blocks/ULBs received from Revenue and Disaster Management Department, Govt. of Odisha was sent to all the banks of the State vide our letter No. FGM/SLBC/ODI SHA/354/2011-12 dated 24.12.2011. The Banks in the State have assisted **279192** Nos. of flood affected people during the quarter for an amount of **132829.3 Lakhs**. The details of Bank-wise disbursement have been furnished in **Annexure-I** Page no 27 of the SLBC Agenda Note..

Agenda No. 9

Progress under Govt. Sponsored Schemes

(a) PMEGP - Progress during the year 2011-12

Achievement under the scheme for the year 2011-12 at the end of December, 2011 is furnished in **Annexure-IX**. It is observed from the statement that against the target 1206 physical units accepted by DIC 1197 has been sanctioned involving Margin Money of 2025.36 lakhs against the Target of 1688.34 lakhs. Similarly against the physical Target of 904 of KVI C, 358 cases have been sanctioned and against the physical Target of 905 of KVI B, 706 cases have been sanctioned. Director in Industries informed the house success rate of PMEGP scheme is much better than PMRY scheme. The recovery is much better in PMEGP Scheme.

Pending margin money release (2010-11) - The list of pending margin money release by the nodal bank for the year 2010-11 received from Director of Industries is furnished in **Annexure-X**. The Controlling Heads should take up with their nodal branches for release of the same.

(b) SGSY - SGSY is a centrally sponsored scheme has been closed on 31.12.2011. The progress under the scheme as December-2011 has been furnished in separate annexure. Against a State target of 120957 physical units with 3675.00 lakhs credit mobilization the achievement has been 108650 physical Units with 18453.68 lakhs credit mobilization. The bank-wise/district-wise achievements are given in **Annexure-VIII**. The details of operational guidelines for implementation of NRLM are to be received from the Govt.

(c) SJSRY & ISHUP - It has been reported by H&UD Department, Govt. of Odisha that as at the end of December, 2011, the Banks have disbursed 761 Nos. of beneficiaries under Urban Self Employed Programme (USEP) and 69 groups under Urban Women Self-Help Programme (UWSP) against 4552 and 509 Cases sponsored under the scheme. Similarly the Interest Subsidy for housing of Urban Poor (ISHUP) the scheme is still non-starter. The Commissioner-cum-Secretary, H&UD Department had taken a meeting with the Controlling Heads of Banks, LDMS and Line department officers for speedy disbursement of loans under the above two schemes. The bankers should concentrate in financing under these two schemes during the last quarter of the year. The Bank wise progress of SJSRY is furnished in **Annexure-XI**. In reply to the Joint Secretary Housing & Urban Development Department SLBC convener clarified that individual cases need to be discussed at District Level since proper forum is DCC.

Mr. S. Chakraborty, Regional Manager, National Housing Bank, has mention that the Performane under Golden Jubilee Rural Housing Finance Scheme the total numbers of loans disbursed during the year is less than 1000. Except Utkal Gramya Bank no other Bank has disbursed loans under Home Loan Scheme. A sub Committee has been constitutes under the Chairmanship of Secretary H & UD taking SLBC, LDMS and controlling Heads as members. He requested that NHB should be taken as the member of the sub committee for ISHUP.

(d) Financing under SC/ST/DFCC Schemes - During the financial year 2011-12, the Corporation has fixed target for financing **21046** Scheduled Caste families through **2124 Self Help Groups, 12350 Sch. Tribe** through individual and Self Help Groups under Credit linked Income Generating Schemes through Banks. It is also decided to finance SC individual applications during 2011-12 where group applications are not available but the individuals should not be more than 30% of total target of a District.

The district-wise physical target and achievement till end of 21.12.2011 under Sch. Caste and Sch. Sector is given at **Annexure-XII**. The achievement both under Sch. Caste Sector and Sch. Tribe Sector is very poor. Against the sponsoring of **14170 Sch. Caste** applications, the Banks have disbursed only **4804** applications. Under ST Sector against sponsoring of **4836** applications, the banks have disbursed only **1286** applications. So the Banks may take steps for disbursement of all eligible cases immediately.

Agenda No.10

Progress under WSHG (Mission Shakti)/KCC/JLG/ACC/SCC/Employment Mission

A.WSHG - Under the banner of Mission Shakti a project for empowering Women economically and socially is in operation since 08.04.2001. Since inception till 31.12.2011 an impressive number of 543261 WSHGs have been credit linked involving 2952.08 Crores which is definitely

a remarkable achievement. During 2011-12 (i.e. from 01.04.2011 to 31.12.2011 credit linkage have been provided to 34290 WSHGs amounting to 341.79 Crores. The Bank-wise achievement as on 31.12.2011 is furnished in **Annexure-XIII** of the 126th SLBC Agenda Note.

B. KCC - As per direction from Department of Financial Services, Govt. of India, all Banks were required to distribute KCC to all the eligible farmers of the State by 15.10.2011. To achieve the goal a series of meetings were held and action plans were chalked out to achieve the target. During the process of implementation of various decisions, the department of Agriculture could finalise the common application forms and 1 Lac forms were printed by the department. However, maintaining the database centrally and sponsoring of applications could not materialize. It was thereafter decided by the bankers of the State to observe KCC fortnight during 1st December 2011 to 15th December, 2011 and complete the exercise. The number of KCC disposed by different banks is furnished in Annexure-XIV. The experience of the Banks was also not encouraging during the KCC fortnight. Some of the banks had organized loan sanction/disbursement camps in their service area villages. They had even gone for beating of drums, distribution of leaflets and putting of posters at different places of the villages to draw the attention of the farmers. In spite of their best efforts the response was poor. It was once again decided by a Small Committee of SLBC to undertake sample survey of 3 villages by each major banks of the State to assess the reason for non-availability of good number of applications to take up the Scheme.

The survey report is being enclosed as Annexure-XV for information of the members.

JLG/ACC/SCC/Employment Mission - Progress under Joint Liability Group (JLG) financing as on 31.12.2011 is furnished in Annexure-XVI. Similarly the financing position of Banks under **Artisan Credit Card (ACC), Swarojogar Credit Card (SCC) and Employment Mission Schemes** are given in **Annexure-XVII, Annexure-XVIII & Annexure-XIX**. The General Manager NABARD Stated that the Target allotted to Commercial Banks under JLG is much less. He said that the JLG Target for Odisha is one Lakh. The Co-operative Bank is going to finance 15,000 where as the commercial Banks Target is 15300. He opined that commercial Banks finance under JLG is reported under SHGs. Convener SLBC advised the controlling Heads of Banks to ask their Branches to have a check about the fact that JLG financing are reported under SHG.

Agenda No. 11

Progress under Pisciculture and Diary Schemes

3195 Nos. of FFDA/NFDB/NMPS proposals with water spread area of 1480.15 Ha and amounting to Rs.5277.83 Lakhs are sponsored to different banks for sanction, out of which 342 cases with WSA of 190.72 ha amounting to Rs.726.64 Lakhs have been sanctioned and loan to a tune of Rs.526.05 Lakhs have been disbursed. The details are enclosed in Annexure-XX (Page no 108 of the SLBC Agenda Note).

Matsya Credit Card has been implemented for the MGNREGS fish farmers to provide financial assistance to take up fingerlings culture integrated with horticulture activities with 50% subsidy from RKVY. During the year, 1235 loan proposals have been sponsored to Cooperative Banks and 774 cases have been sanctioned amounting to Rs.232.20 Lacs for taking up culture in 154.80 ha water spread areas.

The Hon'ble Chief Minister of Odisha has been pleased to announce the MATSYAJIBI UNNAYANA YOJANA (MUJ) on 09.12.2011 to provide social security and livelihood support to the fishermen community with an financial outlay of Rs.30.63 Crores per annum. The Bankers are requested to extend finance for implementation of the following programme.

- Replacement of Wooden country craft with FRP Boat
- Assistance for fish marketing infrastructure for inland, Marine and Chilika
- Area fishermen
- Assistance for Net & Boat for inland fishermen
- Sea-weed Culture
- Dairy Entrepreneurship Development Scheme (DEDS)

Govt. of India has launched a Scheme called Dairy Entrepreneurship Development Scheme (DEDS) to encourage dairy formers. Under this scheme F&ARD Department, Govt. of Odisha has fixed a target to finance 10500 Units during the current year, i.e. 2011-12. As on 31.12.2011 against this target 32148 loan applications have been sponsored to banks of which 2016 cases have been sanctioned. Since the banks in the State have already completed the sanction of loans under two major centrally sponsored schemes like SGSY and PMEGP during the current quarter, branches have concentrated in financing the remaining schemes including DEDS. However, Controlling Head of Banks should advise the branches to clear good number of proposals and achieve the target fixed for the State. Some of the Bankers told that Subsidy under DED sanctioned cases were not released by the NABARD and this will hamper in further sanction. CGM NABARD informed that the subsidy given under DED scheme is a Back ended subsidy and it will adjusted at the time of liquidation of the Loan otherwise the subsidy will be returned back to Govt of India. GM NABARD informed the house that they have checked with the Govt of India about the continuity of the Scheme and assured the house that the scheme is going to be continue for coming years and pending subsidy will be carried forward. With regard to the formulation of the new scheme under dairy and poultry as per the Special SLBC meeting held on 15.02.2012, the representative of the animal husbandry Department told that on **12th March, 2012**, there will be a State consultation meeting at VOTI and he requested GM RPCD to take note of that. Convener SLBC informed the representative of Animal Husbandry Deptt to make formal intimation to the participants. CGM NABARD while clarifying the house that this scheme requires 10% borrower's margin even for loan of one lakh or fifty thousand. It is the essentiality of the scheme. Rs. one lakh is given not for two animals only but lot more items are included. Regarding subsidy NABARD is administering on behalf of Govt of India and Govt of India has not released any amount of subsidy ever since September-2011. The Scheme in Odisha has picked up in the month of August and September-2011. The claim received has been sent to Head office, NABARD for getting it from Govt of India. Unless Govt of India releases subsidy NABARD cannot release the subsidy. In reply to the question of LDM, Ganjam, RD, RBI suggested that the issue relating to return of the subsidy claim by NABARD should discussed individually ant SLBC is not the forum for such discussion.

The representative of the fisheries Department stated that Banks have financed only 10% of the sponsored cases. He requested the Banks to complete financing all 2000 pending cases under FFDA amounting Rs.3.00 crore and in NFDB 259 cases. He informed that in FFDA and NFDB schemes the subsidy is limited to 25% where in NMPS scheme the subsidy given is 40%. Regional Director, RBI suggested that the fisheries Department should provide the list of Small & Marginal farmers to RBI, LDOs and the mater will be taken up in the DCCs.

Agenda No. 12

Progress under Financial Inclusion Plan (FIP)

Financial Inclusion -

As on 31.12.2011, Financial Inclusion exercise has been completed in the lone remaining Malkangiri District of the State, thereby covering 100% Financial Inclusion in the State of Odisha.

Financial Inclusion Plan -

For FIP, 1877 villages with 2000+ population have been identified in the State and allocated among different banks as per their Service Area. As on 31.12.2011, Banking facilities have been provided in 1662 villages by opening of Brick and Mortar Branches (38 Branches) through BCA (154 villages) and through Mobile Van in (83 Villages). The details of Bank-wise progress are given in **Annexure-XXI**.

DGM, RBI, RPCD stated that out of 1877 villages some banks reported to have provided Banking services. RBI LDOs have visited in many of such villages and found that services were limited to mobilization of applications, the CSPs and BCs are changing frequently, and accounts are not being operationalised even if banks have provided services one year back and nothing have progressed except mobilizing applications. There is no interface between the FIP server and CBS server and practically the CSPs were frustrated and people have forgotten that this has been done.

Convener SLBC stated that Banks have been mainly concentrating in opening of the accounts and enrolling for issuance of cards. Banks have to come down for issuance of transactions.

Chairman, SLBC stated that initiation has been done. Regional Heads with the help of their Head Office should call BCs and have a thorough discussion. In case of connectivity problem Banks can contact their Head Offices. He suggested officer of the Bank should visit each village along with the lap Top where the connectivity is available so that the villages will have a confidence that what ever money they are paying to BCs is being accounted for in his account. The money the people are withdrawing, the Statement of account, SB passbook updating has to be implemented. Unless transactions are being made, the financial Inclusion will be in books only. It has to be done in war footing because in years to come the NREGS payments and all other payments have to go through this medium. Unless the technical things are established, proper handheld devices are given to BCs and smart cards are given, and being used with proper training to BCs and if transactions doesn't takes place then BCs will not get the remuneration. The transactions should be escalated and agents for micro insurance can be included and sale of various banking products so that some income can be derived. He requested the Banks to give a proper prospective so that mission by the Government should move in a proper way.

Opening of Brick and Mortar/Ultra Small Branches -

As per Govt. of India, Ministry of Financial Services Department, guidelines Brick and Mortar Branches /Ultra Small Branches are to be opened in villages with 5000+ population in under banked districts and in 10000+ populations in other districts. Accordingly 83 Centers have been identified for opening of such branches in the State. All the branches are to be opened by the end of September, 2012.

SLBC has been asked by the Govt. of India, to monitor the position of branch opening every month and send the progress report to Govt. of India, Financial Services Department. The list of identified centers with the name of Service Area Bank is given in Annexure-XXII. As on 31.12.2011, out of these 83 Centers, it has reported that Union Bank of India has opened one branch at Srikona in Bhadrak district. The plan of action of opening branches received from 3 Banks namely, UGB, Canara Bank and United Bank of India

Controlling Heads of all Banks are requested to immediately furnish information on their plans for opening of Branches. They are also requested to send information on Branch Opening as per format given in Annexure-XXIII by 5th of every month without fail so as to enable SLBC to send report to the Ministry. In case reports are not received in time names of defaulters will be communicated to the Ministry. Convener SLBC requested to communicate the plan by 15th of this month positively.

D) Widening the coverage of banking services- campaign for opening of Savings Bank Account.

As a part of efforts to wider banking reach the Department of Financial services had asked public sector banks to launch campaign for opening of Saving Bank Accounts across the country. The Indian Banks Association was given the responsibility of preparing the publicity material & monitoring the progress in the country. The Lead Bank of district are the nodal point for the entire activity and the LDMs are responsible and accountable for the entire campaign as it was felt by the managerial committee of IBA that the district level campaign coordinated by the Lead Bank could reach the target group more effectively. IBA has prepared some publicity materials which are to be tailored to meet the local requirement by respective Lead Banks. The publicity material so prepared by IBA has been sent to all the LDMs of the state by Convenor SLBC with a request to undertake the campaign. Role of LDMs in the campaigns are outlined by IBA and given in the Agenda booklet.

Ministry is now asking SLBC to know whether campaign has been carried out and what was the effect of the campaign. Convener SLBC requested the controlling Heads of State Bank of India, Andhra Bank, Bank of India and UCO Bank to discuss with their LDMs to take the lead in initiating awareness campaigns for opening Savings Bank Account and make it a success. He requested all LDMs to send a report on opening of Savings Bank Account campaign to SLBC by the end of March-2012 so that report can be sent to ministry in time.

Agenda No.13

Progress made in financing under MSME Sector.

Odisha has recently opened a new Department for MSME. Director Industries stated that the new department has started functioning and it was headed by Principal Secretary to Govt, Gvt of Odisha. The new department has been bifurcated from Industries Department but policies will remain same.

The details of finance made by the Banks during the quarter and balance outstanding position as on 31.12.2011 are furnished in **Annexure-XXIV** of the 126th SLBC Agenda Note. It is observed from the statement that during this financial year, Banks have financed 37036 number of MSME fresh proposals for Rs.135121 Lakhs of which 3913 applications for 67395 lakhs are for manufacturing sector. The total balance outstanding under MSME sector constitutes 16.21 % of the total Advance outstanding of the State. The Bank wise coverage under CGTMSE is given in **Annexure-XXIV** of the 126th SLBC Agenda Note.

Agenda No.14

Financing under Home Loan, Golden Jubilee Rural Housing Loan, Finance to Ex-Servicemen, Minority Community and Education Loan.

The bank wise achievements and disbursement in the above schemes during the year up to December-2011 have been furnished in Annexure-XXV, Annexure-XXVI and Annexure-XXVII of the 126th SLBC Agenda Note..

Agenda No.15

Table Agenda No.1

Opening of Brick & Mortar branches in at least 200 villages with population above 2000 by March, 2013.

Convener SLBC stated that as per the directions given in the special SLBC meeting by the Governor, Reserve Bank of India, held on 15th February, 2012, it was suggested to open at least 200 brick and mortar branches in 1877 FIP villages identified for FIP with population of 2000 & above in each of these villages. In this context it was mentioned that Department of Financial Services Government of India has advised Convener SLBC to identify centres for opening of brick & mortar / ultra small branches in villages with 5000+ population in unbaked districts and with 10000+ Population in other districts. Accordingly SLBC had identified 83 centres as per the Government of India instruction and the progress in this regard is being monitored in SLBC meeting. In the meantime Banks in the State have already opened 38 Branches in the FIP villages. Besides the above 100 more centres/villages are to be identified for opening of Brick & Mortar branches as suggested by RBI Governor. The number of centres allotted to each bank for branch opening has been furnished in a separate enclosure. All the controlling heads are requested to prepare and intimate their road map / calendar of opening branches to SLBC latest by 15th March 2012 for information of Government of India. Subsequently every month they have to submit a report on the no. of Bank Branches opened (latest by 5th of next month) for compilation & review at SLBC and reporting to Financial Services Department, Ministry of Finance, Govt of India.

Chairman SLBC suggested that opening Brick & Mortar Branches has got a cost & manpower and to start with Banks can go for ultra small Branch as visits could be made to 3 or 4 villages in a week. Convener, SLBC clarified that Ministry of Finance; Govt of India is advocating ultra Small Branches where there is base Branch, village allocated if under the base Branch where there is one BC. The officer from the base Branch visits that place of ultra small Branch once a week along with the BC. The BC does the cash transaction and the officer does it in his Lap Top. This is the model the Ministry said to adopt. Gram Panchayat of the village can be utilized for the purpose. RD RBI stated that as per the agreement all should sit together and see that 200 Brick & Mortar Branches are opened.

Table Agenda No. 2

Action Plan for Financial Inclusion in LWE affected States Viz Andhra Pradesh, Chhatisgarh, Bihar, and Odisha.

A meeting to work out an action plan for Financial Inclusion in Left Wing Extremism (LWE) districts of five states(viz. of Andhra Pradesh, Chhatisgarh, Bihar, Jharkhand and Odisha) was held in Department of Financial Services, Ministry of Finance under the Chairmanship of Secretary(FS) on 21.02.2012 with representatives from Ministry of Rural Development, NABARD and SLBC conveners of these five states.

Initiating the discussions, Secretary (FS) stated that innovative ideas will have to be thought of for ensuring that Financial Inclusion is implemented in right letter and spirit in the LWE areas. The SLBC conveners of the 5 States updated with information regarding the coverage of villages with population of 2000 and above and constraints that they are facing. Certain suggestions were also made regarding how these constraints could be met.

A draft action plan consisting of 19 points under the broad heading of Infrastructure, Credit availability, Advocacy and Livelihood Development was taken up for discussion. A copy of the circulated action plan is annexed. After detailed discussion, the following decisions were taken:

(A) Infrastructure:

(i)Preparation of Service Area Approach, appointment of BCAs and

Branch Expansion Strategy:

All SLBC conveners were requested to ensure that the Service Area Plan of all the districts in their respective State is prepared in accordance with the latest instructions issued by the Department and uploaded on the website of the District.

Each village of 2000 plus population should be covered by BCAs. It was suggested by Joint Secretary (Rural Development) that the strong network of Public Distribution System and Rojgar Mitra/Rojgar Sahayak of NREGA Programme could be utilized in Chhattisgarh for engaging them as BCAs.

Guidelines for opening of branches have already been issued by the Department and this needs to be closely monitored for compliance by September, 2012. These could be regular brick and mortar branch or a stripped down version with lesser staff or even an ultra small branch to be set up in space provided by Gram Panchayat. It was also suggested that Rajiv Gandhi Soochna Kendra could also be utilized for setting up of the branch premises. In case connectivity is a problem, the matter may be raised at the appropriate level so that VSAT connectivity can be used for providing banking services. It was also suggested that Mobile-Van can be utilized for providing banking services in places where habitation is sparsely scattered.

For inclusive growth of the area, Life/Non-life insurance policies should be given to villagers and Govt. Insurance Companies should take initiative to cover the insurance of villagers, their crops, animals etc. actively. It has to be ensured that all BCAs are also appointed as Specified Persons of the Life & Non-life Companies.

All LDMs are requested to upload their service area plan in the respective District Web sites with three days i.e 5th of March-2012 since ministry is asking the names of the Districts where service area plan is not uploaded.

(ii) Currency Chest and Clearing Houses:

Currency Chest has to be established in all the Districts in the country. Similarly Clearing Houses are to be opened in all the Districts subject to the condition that there are more than 2 banks operating in the District and there is adequate cheque volume. The Lead Bank of the District should ensure compliance of these guidelines.

(iii) E-payment and Alternative Delivery Channels of Banking Services:

It was emphasized by Secretary (FS) that e-payment model should be utilized optimally using Debit Card, KCC, POS and ATMs to reduce the dependence on currency notes as making of provision of small denomination currency is costly affair in LWE districts because of logistic and security.

(iv) Manpower in Rural Branches and Back up Power for Branches:

Adequate staff be posted in rural branches. NABARD is required to discuss with RRBs for staff strength problems so that recruitment of staff can be done as per laid down policies.

Inadequate availability of power supply can cause a problem in remote areas which can be mitigated by using solar power devices. Government of India provides subsidy for the projects which uses solar power.

(v) Visit of branch officer to FI villages:

It must be ensured that an official from the bank branch visits atleast once a week in each FI Village on specified day and time regularly. It should be ensured that the same person visits regularly to build up the confidence of local people.

(B).Credit Availability:

NABARD and Banks should focus on credit growth in rural areas, particularly in LWE districts. Possibility of financing JLG and SHG should be explored. Help of NGO can be taken for SHG formations and no MFI is to be employed/financed for this purpose. Each family of the FI village should have linkage with bank. NABARD should be proactive in formation of SHGs.

NABARD should formulate schemes of agriculture which are suitable for draught areas, help in providing quality seed supply and for natural resource management. Information should be shared among NABARD operating in different districts so that best practice can be identified and shared.

(D) Advocacy:

There is urgent need to strengthen the FLCC so that communication with local people can be done effectively. Benefit of schemes should be communicated in local dialect through loudspeaker/visual-audio, wall paintings and other Ad-campaign methods

(E) Livelihood Development

NABARD should ensure integration of schemes for rural development. Area Development programme is required to be monitored jointly by Ministry of Rural Development and Department of Land Resources, Govt. of India.

In the end, Secretary (FS) emphasized that the banks will have to play the lead role in Financial Inclusion and setting up of the infrastructure as well as in ensuring availability of credit for Self Help Groups and in promoting advocacy measures. NABARD will similarly have to play an important role in ensuring credit availability and livelihood development as well as in advocacy.

GMs were advised to have a joint meeting of Zonal Heads of all banks, NABARD, LIC and Non-life PSU Insurance Companies to work out an action plan.

It was also decided that the next meeting will be held through Video Conferencing on 19th March, 2012 for which notice will be issued separately by DFS. Insurance Companies will also be invited in the said meeting.

CGM NABARD emphasized that there are 21 districts in Odisha which have some or more effects of LWE. Fifteen Districts are moderately affected, and five are very largely affected. The basic objective is that livelihood arrangement has to be made for the people in these districts which will help the people to begin to check LWE. Banks have to provide Banking services in that locality. Having set for financial Inclusion in those areas Banks have to look for income generation. NABARD has advised their DDMs to see that the activities already being done and what other programme which may help in enhancing livelihood generation activities. All things have to be included in the Annual Action Plan. They will have to have the meetings with the LDMs of the 15 Districts, Major RRBs with these Districts, and major commercial Banks other than the lead Bank as well. Very detail exercise will be conducted by

NABARD in the two Districts i.e. Gajapati and Rayagada. DDMs will move to those districts and technical officer will be put in and all type of other support will be given and various micro projects will be evolved which will act as model for other Districts. This meeting should be held well before 19th so that we can report to the ministry that beginning has been made.

Chairman, SLBC concluded saying that the role of SLBC is increasing day by day, Ministry used to call the Chairman of Banks to discuss overall growth of the Bank. But now there is emphasis on Priority Sector Advances and Agriculture Advances. With regard to Priority Sector -, Agriculture, Financial Inclusion and Rural Branch Opening SLBC conveners have been made in charge. The focus will made through the SLBC level and LDMs will also be responsible for all these tasks.

The meeting was ended with the Vote of Thanks to the dignitaries and participants of the 126th SLBC meeting.

LIST OF PARTICIPANTS-126th SLBC MEETING

Sl. No.	Name	Designation	Organization
DIGNITARIES			
1	Shri P.C.Ghadei	Finance Minister	Govt of Odisha
2	Shri S.Chandrasekharan	Executive Director, UCO Bank -Cum- Chairman, SLBC, Odisha	UCO BANK
3	Shri J.K.Mahapatra, IAS	Principal Secretary, Finance Department	Govt of Odisha
4	Shri B.K.Bhoi	Regional Director	RBI , RO, Bhubaneswar
5	Shri K.K.Gupta	CGM	NABARD
6	Shri S.K Dey Purkayastha	G.M.,UCO Bank -Cum- Convenor, SLBC, Odisha	UCO Bank
7	Shri P..Gupta	CGM	SBI ,LHO,Bhubaneswar
Government			
8	Shri B.C.Mohapatra	Joint Secretary	H& UD Deptt. Govt.of Odisha
9	Smt.Usha Padhee	Special Secretary	P.R.Deptt.Govt.of Odisha
10	Shri Sachidananda Behera	Under Secy.to Govt.	Co-operation Deptt.
11	R.S.Gopalan	Director Agril.	Agril. Deptt. Govt.of Odisha
12	Smt.Snehalata Bhuyan	Addl.Secretary	P&C Deptt. Govt.ofOdisha
13	Shri S.N.Ahmed	Spl.Secretary	Revenue Department,Govt.of Odisha
14	Shri K.N. Khatel	Commissioner-cum- Director(Industries)	I ndustries Deptt.Govt.of Odisha
15	Shri Nikunja Kr.Sundaray	Principal Secretary to Govt.	MSME
16	Shri A.K.Mohanty	Supervisor	Director of I ndustries,Cuttack
17	Shri C.S.Mahapatra	I PO	-do-
18	Shri B.K.Bose	Managing Director	OSFC,Odisha
19	Shri B.C.Mohapatra	Director	Textile & Handloom
20	Shri N.Palai	Director	Handicrafts & Cottage I ndustries.
21	Shri B.B.Panigrahi	Astt.Director	MSME-DI -Cuttack.
22	Shri B.Majhi	Asst.Director	SO, KVIC, Bhubaneswar.
23	Shri S.C.Mohanty	Dy.Director(Tel)	Textile ,Govt.of Odisha
24	Shri B.C.Das	Asst.Director	I ndustries ,Odisha
25	Shri S.Patnaik	Regional Manager	Agril.I nsurce Company.

26	Shri Ayun Naik	Addl.Director	Fisheries Deptt.
27	Dr.Sanant Mishra	CEO,OLRDS	F&ARD Deptt.
28	Shri Manoj Jain	Dy.Director	O/O DC(HC)
29	Shri P.C.Nayak	Chief Manager	NSI C
30	Shri R.K.Choudhury	State Director Weavers Service Centre	KVI C
31	Shri T.K.Sarkul	Textile Designer	Textile Department
32	Shri Pitabash Mehera	Technical Supdt.(P)	-do-
33	Shri M.M. Sahoo	Joint Director	Textile Department
RESERVE BANK OF INDIA.			
34	Shri B. Chakraborty	General Manager	RBI
35	Smt. Puspamitra Sahu	DGM	RBI
36	Shri CDV Raghunath	Manager,RPCD,RBI	RBI
NABARD			
37	Shri S.Panda	GM	NABARD
38	Shri R.K.Tripathy	Manager	NABARD
SIDBI			
39	Shri S.S.Acharya	DGM	SI DBI
PUBLIC SECTOR BANK			
40	Shri P. Datta	DGM	Allahabad Bank
41	Shri A.C.Kundu	Sr.Manager	Allahabad Bank
42	Shri K.C.Pradhan	AGM	Andhra Bank
43	Shri N.K.Samant	Dy.Zonal Manager	Bank of India
44	Shri D.Bahinipati	Sr.Manager	Bank of Boroda
45	Shri R.N.Senapati	AGM	-do-
46	Shri P.K.Mohanty	DGM	Central Bank of India
47	Shri S.K.Satpathy	AGM	CANARA BANK
48	Shri M.P.Panda	Sr.Manager	Canara Bank
49	Shri Y.P.Rao	AGM	Corporation Bank
50	Shri B.K.Mohanty	AGM	Dena Bank
51	Shri P.K.Mansingh	Manager	IDBI Bank
52	Shri T.K.Sahoo	Sr.Manager	Indian Overseas Bank
53	Shri O.P.Ambasht	DGM/ZM	Indian Bank
54	Shri Ashutosh Rath	Branch Head	Kotak Mahindra Bank
55	Shri Chandrasekhar	Chief Manager	Karnataka Bank
56	Shri A.Satya Srinivas	Manager	Karur Vysya Bank
57	Shri A.Hembram	Manager	OBC
58	Shri L.D.Acharya	Chief General Manager	OSCB
59	Shri P.K.Patnaik	AGM(P)	OSFDC
60	Shri A.K.Tripathy	Sr.Manager	PNB
61	Shri J.K.Nayak	Chief Manager	Punjab & Sind Bank
62	Shri S.K.Mohanty	Circle head	PNB
63	Mrs.Sasmita Mishra	Chief Manager	SBBJ

64	Shri Kailash Goyal	AGM	SBI
65	Shri A.K.S.K.Mohanta	DGM	Syndicate Bank
66	Shri R.K.Sarangi	Sr.Manager	Syndicate Bank
67	Shri A. Dey	Dy.General Manager	Union Bank of India
68	Shri P.Tripathy	MD/ARCSO	Odisha Federal Urban Co.op Bank
69	Shri Rajesh Kumar	DGM/CRM	United Bank of India
70	Shri A.Das	Chief Manager	United Bank of India
71	Shri S.Das	DGM, SLBC ,Circle Office	UCO Bank
72	Shri B.B.Sahay	DGM/ZM-FGM's Office	-do-
73	Shri R.Gupta	DGM/ZM,UCO Bank Zonal Office, Sambalpur	-do-
74	Shri Vinod Kumar	Zonal Manager, Cuttack	-do-
75	Shri B.N. Sahoo	CM, Cuttack	-do-
76	Shri N.K Panda	Chief Manager, SLBC	-do-
77	Shri R.N.Senapati	Sr.Manager	Andhra Bank
78	Shri C.S.Jena	Sr.Manager	Union Bank
79	Shri A.K. Mishra	AGM	State Bank of India
80	Shri S.N.Nayak	DGM	Indian Overseas Bank
81	Shri A.H.G. Shelly	DGM/CM	Vijaya Bank
82	Shri M.K.Das	Sr.Manager	Central Bank of India
83	Shri J.K.Sarangi	Sr.Manager	State Bank of India
84	Shri H.A.Khan	Senior Manager, SLBC	-do-
85	Shri C.S Raju	DCO (Security)	-do-
86	Shri B.C Dash	Sr. Manager, SLBC	-do-
87	Shri K.K Kanungo	Manager	-do-
88	Shri V.V.Raju	Manager	Vysya Bank
PRIVATE SECTOR BANK:			
89	Shri Satyajit Parija	Asst. Manager	Laxmi Vilas Bank
90	Shri A Choudhury	Officer	Karnataka Bank Ltd.
91	Shri N.Sethi	VP	AXI S Bank
92	Shri Jayadev Dash	Regional Manager	AXI S Bank
93	Shri Pradosh Rout	Regional Director HBDAD-Odisha	I C I C I Bank
94	Shri Amlan Seth	Chief Manager	I C I C I Bank
95	Shri K.Nayak	Asst.Manager	-do-
96	Shri Ekata Swain	Asst.Manager	South Indian Bank
97	Shri Manish Kumar Singh	CM(RSM)	I ndusind Bank
98	Shri Subhasis Choudhury	Asst.Vice President	HDFC Bank
National Housing Bank			
99	Shri S.Chakraborty	RRR	National Housing Bank
RRBS			
100	Shri Aurobinda Bhowmick	Chairman	Baitarani Gramya Bank
101	Shri S.K.Jain	Chairman	Kalinga Gramya Bank

102	Shri S.K.Mishra	GM	Neelachal Gramya Bank
103	Shri P.V.S.T.R.Seshagiri Rao	Chairman	Rushi kulya Gramya Bank
104	Shri A.N Parida	Chairman	Utkal Gramya Bank
Cooperative Banks			
105	Shri T.K Panda	M.D	Orissa State Co-operative Bank
LEAD DISTRICT MANAGER			
Andhra Bank			
106	Shri S.R Mohanty	LDM	Ganjam
107	Shri A.K Panda	LDM	Gajapati
Bank of India			
108	Shri M.R. Mishra	LDM	Mayurbhanj
State Bank of India			
109	Shri S.K.Praharaj	LDM	Boudh
110	Shri B.B Dash	LDM	Kalahandi
111	Shri S.K.Khadanga	LDM	Baragarh
112	Shri J.B Nayak	CM/LDM	Jajpur
113	Shri B.N Satpathy	CM (LB)	Kendrapara
114	Shri G.C. Rath	CM(LB)	Sundargarh
115	Shri Jogeswar Naik	CM (LB)	Sambalpur
116	Shri B.R Acharya	CM (LB)	Nabarangpur
117	Shri G.D Mishra	LDM	Nayagarh
118	Shri U.S Das	LDM	Jharsuguda
119	Shri N Mallick	LDM	Nuapada
120	Shri R.J Achary	LDM	Kandhamal
121	Shri P.K.Pattnaik	CM(Lead Bank)	State Bank of India
122	Shri B.G.Rao	LDM	Koraput
123	Shri B.B.Rath	LDM	Deogarh
UCO Bank			
124	Shri B.P Tripathy	LDM	Dhenkanal
125	Shri R.K.Dash	LDM	Jagatsinghpur
126	Shri R.Chakraborty	LDM	Anugul
127	Shri R.K.Parida	LDM	Puri
128	Shri P.L.Mahallik	LDM	Bhadrak
129	Shri R.k.Mohapatra	LDM	Cuttack
130	Shri R.K.Dash	LDM	Jagatsinghpur