

PROCEEDING OF 120TH SLBC MEETING HELD ON 26.05.2010 AT BHUBANESWAR

The 120th SLBC Meeting of Orissa was held on 26.5.2010 at Bhubaneswar under the Chairmanship of Shri S.K Goel, CMD, UCO Bank and Chairman, SLBC, Orissa. Among others, it was attended by Shri Prafulla Chandra Ghadai, Hon'ble Finance Minister, Orissa, Shri R.N Senapati, Additional Development Commissioner-cum-Agriculture Production Commissioner, Govt. of Orissa, Shri B.K Bhoi, Regional Director, Reserve Bank of India, Shri P.C Sahoo, OIC NABARD, Regional Office, Bhubaneswar, Mrs. Jyostna Jamkhandi, General Manager, SBI and Shri S.M Sinha, General Manager, UCO Bank-cum-Convenor, SLBC, Orissa. The list of participants is annexed.

Shri S.M Sinha, General Manager, UCO Bank and Convenor, SLBC, Orissa welcomed Shri P.C Ghadai, Hon'ble Finance Minister, Orissa, Shri S.K Goel, Chairman and Managing Director, UCO Bank and Chairman, SLBC, Orissa, Shri R.N Senapati, Additional Development Commissioner-cum-Agriculture Production Commissioner, Govt. of Orissa and other dignitaries off and on the dais to the 120th SLBC meeting.

He welcomed Shri B.K Bhoi, Regional Director, RBI who is a veteran Banker, is attending SLBC meeting for the first time, who is also the son of the soil and belong to Sambalpur District in the State of Orissa. He wished his tenure in Orissa a success one.

SLBC, Odisha has been playing a proactive role in coordinating the functioning of the Banking sector and aligning it with that

of Government Department and developmental agencies in the State.

At present although our economy is on the path of recovery, but there are challenges in the form of low GDP growth, high inflation, particularly in food prices. The Govt. is attaching high importance to raise investment in social and economic infrastructure and also agriculture. The economy is expected to grow by 8.5% in this Financial Year as compared to 7.2% and 6.7% in the previous two years. India's savings & investment rate is nearly 35% of GDP, second only to China's healthy 49%.

The Banking sector is also facing the challenges such as:

- (1) Pressure of stressed Assets i.e. fresh generation of NPAs and restructured assets.
- (2) Financial Inclusion i.e. by March, 2012 every unbanked village with population of 2000 plus should be provided with banking facilities.
- (3) Low Credit-Deposit Ratio.
- (4) Tough competition. Nevertheless, there is tremendous scope for banking development in our state.

Odisha Government is committed to recognize the need of providing quality industrial environment for supporting healthy industrialization. In order to transform the State into vibrant economy, State Government has endeavored to harness the rich potential of the State for socio-economic development through exclusive industrialisation with optimum value addition, technological upgradation and export promotion through a proactive industrial policy.

The Govt. of Odisha has been consistently taking steps for increasing the irrigation potential and many subsidy linked schemes have been designed having sizeable portions of subsidy to increase the agricultural production of the State.

He informed the House that excepting DRI and Weaker Sections Advances, Commercial Banks including RRBs have achieved all the National Parameters like Priority Sector Credit, Agricultural Sector & MSME Advances. Credit Deposit Ratio of the state has shown an improvement from 64.42% as on 31st March'09 to 65.21% as on 31st March'10. As Convenor of SLBC, he expressed his deep appreciation and thanks to the commercial Banks, Govt. Line Deptts., NABARD, SIDBI, other FIs and above all RBI for the great roles played by them in accelerating the process of economic development of the state.

He expressed that SGSY is the flagship poverty alleviation programme of Govt. of India to provide sustainable livelihood to people below poverty line where the performances of Banks is found to be good. Banks as a whole have achieved more than 100% of both physical as well as credit mobilisation target.

The performances of Banks in implementing PMEGP was also found to be good and achievement is more than 100%.

Nevertheless there is a need for more focused attention by the member banks for faster and better implementation of different schemes and programmes and also to analyze the causes of shortcoming and their remedial measures. Banks &

FIs should take all possible measures for stepping up credit flow & address issues relating to -

- (a) Handloom & Handicraft sector including Sericulture & monitoring at DCC level.
- (b) Issue of ACC, SCC, GCC etc. to be increased substantially.
- (c) WSHGs for their capacity building & sustainability.
- (d) Agriculture & allied sector to surpass the targets and to address the issue of inoperative KCC, farmers club etc.
- (e) MSME and collateral free MSE finance.

In fine, with active involvement and cooperation of everybody, all will be in a position to push up further the inclusive growth and all round development of the state.

HIGHLIGHTS OF THE SPEECH OF SHRI S.K GOEL, CHAIRMAN AND MANAGING DIRECTOR, UCO BANK AND CONVENOR SLBC, ORISSA

The Chairman and Managing Director, UCO Bank, welcomed Shri P.C Ghadai, Hon'ble Finance Minister, Orissa and other dignitaries and participants of the 120th SLBC Meeting. In his keynote address Shri Goel observed as follows.

There are some developments in Indian economy in general and financial sector in particular in recent times. Monetary policy of Reserve Bank of India and Union Budget are the key guiding factors that determine the general direction in which the financial sector takes its

course. The stimulus package of Government announced at the height of worldwide economic down turn of 2008-09 is likely to be rolled back gradually. The Reserve Bank of India in its annual monetary policy on April 2010 raised the key-inter-bank lending and borrowing rates and Cash Reserve Ratio by 25 basis points each to tame inflation. Repo rate, Reverse Repo rate and Cash Reserve Ratio have become 5.75 percent, 3.75 percent and 6 percent respectively and RBI has started the process of monetary tightening.

India's growth is getting more broad based. The growth in industrial output maintained double digit level of 13.5 percent during March primarily driven by growth in manufacturing consumer durables. Thus industrial growth has kept its robust pace despite monetary tightening and roll back of stimulus measures. In the midst of the global economic crisis last year, the Banks have done well and profitability has increased.

SME is the fastest growing segment and biggest contributor to our top line and bottom line. SME is still in undeserved segment in India and generates 30% job and SME contribute 18-20% to India's GDP. By contrast, SMEs contribute 60% of GDP and creates 80% of jobs in China. With huge investment, coming into Orissa for setting up of large scale industrial units, there is prospect and opportunity for banks and financial institutions in the State to expand their credit portfolio in this sector.

The Mission Shakti, a women empowerment programme of Govt. of Orissa is a holistic programme and has been able to bring about virtual revolution in the rural finance. In Orissa, more than 5 million women formed more than 5 lacs Women Self Help Groups (WSHG) shaving credit outlay of more than Rs. 1700 crores of rupees. This is really a worthwhile step towards eradication of poverty through micro finance.

The micro finance sector is growing very rapidly. But it has time and again drawn criticism for its corporate governing practices. Their rapid growth has also become a cause of concern for many as unbridled loan growth could lead to degradation of asset quality.

The Branch network of Commercial Banks has shown a significant growth with net addition of 160 new branches in the State in this financial year.

Aggregate deposits have increased by Rs. 15863 crores from Rs. 70681 crores as of March 2009 to Rs. 86544 crores as of March 2010.

During the same period, the total advances increased by Rs. 10899 crores from Rs. 45537 crores to Rs. 56436 crores at a growth rate of 23.93 percent.

Credit Deposit Ratio has increased from 64.42% as on 31st March 2009 to 65.21% as on 31st March 2010 as against the National norm of 60%.

The ratio of Priority Sector advances to total advances stood at 60.74% as against the National parameter of 40%. The share of Agricultural advance to total advances as of 31/3/2010 is 31.59% against the stipulated level of 18%.

MSME (Micro, Small and Medium Enterprises) have showed a sharp rise of 56.77% from Rs. 5416 crores as of March 2009 to Rs. 8491 crores as at March 2010. It is one of the best in the country.

Under Annual Credit Plan, as against the annual target of Rs. 11502.55 crores, the achievement upto March 2010 is Rs. 11142.88 crores, thus achieved 97% of the target which is also one of the best in the country.

Financial Inclusion and establishment of RSETIs are two important instruments for inclusive growth and development of rural economy. As regards establishment of RSETIs in every district, Banks have to accord top priority to this subject.

He requested the State Government to allot the land on priority basis for setting up RSETIs in all the districts and

streamline their operations for accomplishing the desired objectives.

Financial Literacy – Financial Inclusion and Establishment of RSETIs are two important vehicles for increase growth and development of rural economy.

RBI has been taking all possible steps to spread Financial Literacy in nook and corner of the country. Financial Literacy empowers the poor, women and people those are at the bottom strata of the society. It builds capacities to make decisions and take responsibilities for those decisions. It also increased the economic space of the down trodden who are at the bottom of the pyramid. Financial literacy is a primary step for financial inclusion since introspection, changes in behaviors which in turn make people seek and receive financial services and product.

Financial Inclusion in India is an enchanting dream, a dream that we alone can fulfill.

He quoted the words of Martin Luther King Jr.

“A dream of equality of opportunity, of privilege and property widely distributed; a dream of land where men will not take necessities from many to give luxuries to a few; A dream of a nation where all gifts and resources are held not for ourselves alone but as

instruments of service for the rest of humanity; the dream of a country where every man will respect the dignity and worth of the human personality”

Last but not the least he appealed to the Bankers and dignitaries from the Govt. line Department to work hard jointly to make this State very progressive and prosperous in the economic map of our country.

HIGHLIGHTS OF THE SPEECH OF SHRI PRAFULLA CHANDRA GHADAI, HON'BLE FINANCE MINISTER, ORISSA

While expressing pleasure being associated with SLBC, he remarked as follows.

- With the review of various schemes implemented by banks, poverty alleviation programme implemented in the State, he pointed that credit is an important input that helps the farmers, Small Enterprises who are the backbone of the State economy. Credit should be made available to the farmers at cheaper rate.
- While expressing about increase of CD Ratio of the State, he remarked that CD ratio of all banks in the State is 65.21% which needs to be increased. He expressed dissatisfaction that some of the Banks have CD Ratio below 50%.

- He quoted the Banks like Canara Bank, Corporation Bank, IDBI Bank, Punjab National Bank, Punjab and Sind Bank, Syndicate Bank, Union Bank of India, Vijaya Bank, ICICI Bank, Indusind Bank, Baitarani Gramya Bank, Nilachala Gramya Bank and Rushikulya Gramya Bank have CD Ratio as of 31.3.2010 below 50%,
- Leading Banks like BOI, IOB, OBC have CD Ratio below National Parameters of 60%.

He requested all present there to surpass the National Parameters of CD Ratio.

As regards MSME development strategies, (IPR- 2001) (Industrial Policy Resolution), IPR-2007 aims further development of MSME Sector in the State. Development of MSME should be the focused attention.

He told that percentage of SME advance to total advance is only 15.04% as on 31.3.2010 with credit outlay of Rs.8490.89 Crores extended to this Sector. The percentage of MSME advance to total advance is 12.80%. The finance to this sector needs to be improved.

The percentage of Agriculture Advance to total advance is 31.59% as of 31.3.2010 as against National Parameter of 18%. Those who are lagging behind are requested to achieve and improve. Banks like Bank of India, Bank of Baroda, Canara Bank, Syndicate Bank, Corporation Bank,

Dena Bank, IDBI Bank, Punjab National Bank, State Bank of India, Indian Bank are below the National Parameters.

Private Banks like ICICI Bank, Axis Bank are always far behind and at lower level.

He advised those banks to achieve the National Parameter of the percentage of Agriculture Advance to total advance, i.e. minimum of 18%.

- The Handloom and Handicraft Sector plays a very vital role in building the economy of the State. It provides employment to large Section of population in the State. He told that Hon'ble Chief Minister of Orissa announces Special Package of Handloom weavers. He requested to Banks to enhance the flow of credit to this sector.
- Extending Micro Finance, Banks have a major role to play. It is a fact that Money Lenders are charging a very high rate of interest from poor farmers, hence banks should finance more and more for acquiring knowledge of SHGs Groups, for capacity building about their business strategies, to promote Financial Inclusions, Banks should undertake training programme of the SHG Groups.
- Banks should come forward to promote specific Financial Inclusion as corporate social responsibility.

He emphatically said that Financial Inclusion will lift the financial condition of the poor people of the State. SHG

Bank linkage Scheme can be regarded as most potential incentive programme since independence. There is large number of SHGs in the Country. Saving from members of SHG teaches financial management

He said that Private Sector Banks, though their CD Ratio is above 60%, finance to Agril. Sector, Weaker Sections, finance to DRI is far below the stipulations of RBI, even, the performances of some Private Sector Banks in those sector found to be nil. He told that in last SLBC meeting, the matter was discussed in length and Private Sector Banks were requested to improve their finance in these Sectors.

Hon'ble Finance Minister categorically told that he will have to rethink the matter and shall be forced to issue directions to Govt. agencies, Public Sector Undertakings, Semi Govt. Agencies not to park their surplus funds with those banks, if performances to those sectors will not improve.

He reminded to cooperate and be liberal to extend credit to various Priority Sector of the economy to boost over all economy of the State.

NREGA Programme has been adopted in whole country. In order to eradicate corruption practices, Govt. wants to make NREGA payment through Banks. He told that BC (Business Correspondent Model) should be adopted to

promote. It enable Financial Inclusion and for payment of NREGA beneficiary through Biometric Card. He thanked SBI in implementing ICT based Model through IT enabled Financial Inclusion.

He requested all other banks who are lagging behind to come forward to appoint BC for promoting IT enabled Financial Inclusion in the State.

He appealed all to join hand with Govt. for progress and prosperity of the State. So far fiscal management is concerned, we are much ahead of other States. The sphere where, we are lagging behind few year back now State is developing and moving ahead on the ladder.

In the end, he stated that,all of them make this State to be No.1 State of the Country. Banks are required to play a very key role, a dedicated role, .a committed role to make the State a rich State. This is a rich State inhabited by poor people. Last not the least, he said that people of the rich State should be rich.

**HIGHLIGHTS OF SPEECH OF SHRI R.N SENAPATI,
IAS, ADDITIONAL DEVELOPMENT COMMISSIONER-
CUM-AGRICULTURE PRODUCTION COMMISSIONER,
GOVT. OF ORISSA**

Stating that State Level Banker's Committee is a forum to discuss various issues connected with the Socio Economic Development of the State, he observed as follows.

- The Agenda of the meeting should concentrate broad policy issues rather than Micro Finance issues and he highlighted that CD Ratio has been declining might be due to Global Recession. There has been sign of recovery. The CD Ratio has started improving, but if we compare the CD Ratio of Dec., 2009 and March, 2010, the CD Ratio is declining. The CD Ratio is still a matter of concern.
- He quoted the remarks of Hon'ble Finance Minister that some Private Sector Banks and Commercial Banks are lagging behind and performances of those banks are quite discouraging. So all concerned should take necessary steps to increase the CD Ratio, otherwise investment will not be there in the economy.
- Secondly he said that Priority Sector lending of March, 2009 is declining to 60% from 65% as of December, 2009.
- He gave importance on issues of Financial Inclusion, citing the same issues raised by Chairman UCO Bank, Hon'ble Finance Minister of the State and told that RBI is also very keen on this issue. 100% Financial Inclusion of the rest of the districts which have not yet achieved has to be achieved with out further delay.

- He said that not only NREGA payment through Banks, but also various payments of Govt. Deptt. has to be made through Banks and expressed that SBI has come forward to take some Panchayats and remarked that all banks should come forward to take all the Panchayats in the state. He quoted that **“Where there is a will there is a way”**. Our State should achieve 100% Financial Inclusion.

HIGHLIGHTS OF SPEECH BY SHRI B K BHOI, REGIONAL DIRECTOR, RBI

While expressing to look forward to work with all in a fruitful manner in the State of Orissa as Regional Director, RBI he remarked as follows.

- SLBC is a unique forum where regulator (RBI), Top Govt. Officials and Bankers meet together.
- He told that as stated in a newspaper, the State is going down and down, which gives him a great sense of anguish, the State is rich, people are very laborious, despite such richness why this State will go down and down.
- He assured the House to extend all cooperation on behalf of RBI for making this State a progressive one.

Agenda Item No.1

The proceedings of 119th SLBC meeting held on 17.11.2009 at Bhubaneswar was taken as confirmed.

Agenda Item No. 2

- (1) The credit flow to MSME Sector must be enhanced by the Banks. The pending applications under SME sponsored by DIC to various Banks are to be disposed of at the earliest.

ACTION : Banks/Industries Dept., Govt. of Orissa/ Directorate Textiles and Handloom.

- (2) The Banks should finance more and more under MSME Sector and take coverage under Credit Guarantee Fund Trust Scheme for Micro Small Enterprises which help the entrepreneurs to avail Collateral free loan upto Rs.100 Lakhs which includes PMEGP also. It was noticed that average loan are covered under the Scheme in Orissa is only Rs.2.96 Lacs, which is less than all Indian average of Rs.3.84 Lacs.

ACTION : Banks/ SIDBI/ KVIC/ KVIB/ Industries Dept., Govt. of Orissa

- (3) The Banks which have not yet established EDP Institute were advised to open Institute without further loss of time. As advised by Ministry of Rural Development, Govt. of India, Govt. of Orissa was once again requested to allot the land free of cost to those Banks which will open RUDSETI in the

district. Although SLBC already approved the setting up RUDSETI by the Lead Bank in the district as a matter of first performance in case Lead Bank expresses inability to set up Institute in their respective Lead district, other Banks may come forward to establish RSETI in accordance with the guidelines of MORD, Govt. of India, the details of RSETIS approved in the SLBC meeting is given below to appraised to MORD, NIRD, Govt. of India, RBI as and when required.

SBI

Bargarh, Bolangir, Boudh, Jharsuguda, Kendrapara, Malkangiri, Nawarangpur, Nuapada, Rayagada, Sambalpur, Sonepur, Sundargarh, Koraput, Kalahandi, Deogarh, Jajpur, Nayagarh, Kandhamal.

UCO Bank

Bhadrak, Jagatsinghpur, Angul, Dhenkanal, Cuttack, Balasore, Puri

Andhra Bank

Gajapati, Ganjam

Canara Bank & syndicate bank

Khurda

Bank of India

Keonjhar, Mayurbhanj

**ACTION : Banks/ PR Dept., Govt. of Orissa/
Revenue Dept., Govt. of Orissa, NABARD**

- (4) In Orissa, upto May, 2010, 27 Districts, i.e. Kendrapara, Koraput, Kandhamal, Kalahandi, Nuapada, Bargarh, Jagatsinghpur, Bhadrak, Balasore, Angul, Dhenkanal, Gajapati, Mayurbhanj, Bolangir, Boudh, Deogarh, Jajpur, Khurda, Sambalpur, Cuttack, Ganjam, Nayagarh, Puri, Rayagada, Sundargarh, Keonjhar Subarnapur except Malkangiri, Nawarangpur and Jharsuguda have achieved 100% Financial Inclusion. As reported LDM, Jharsuguda, 100% of Financial Inclusion of Jharsuguda District will be achieved by the end of July, 2010. As decided in the meeting, 100% Financial Inclusion of Malkangiri and Nawarangpur has to be achieved before March, 2011. LDMs of Malkangiri and Nawarangpur are advised to take all possible steps for completion of Financial Inclusion within stipulated time, i.e. by latest December, 2010.

ACTION : Banks/Revenue Dept., Govt. of Orissa

(5) Implementation of the Financial Inclusion Plan in the State of Orissa

In the Special SLBC Meeting held on 18.03.2010, the Financial Inclusion Plan (FIP) has been approved for providing banking facilities to 1878 villages having more than 2000 population as per 2001 Census. FIP is an important commitment for

the banks to be fulfilled. The performance of Banks in implementation of FIP is to be reviewed in the Sub-Committee of DCC in each District on monthly basis and report of the Sub-Committee of DCC on implementation of FIP in the district has to be submitted to SLBC on monthly basis. Thereafter, SLBC will hold the Sub-Committee of SLBC to review the performance of FIP at the State level. All the LDMs of thirty districts and Controlling Heads of all Banks operating in the State of Orissa are requested to kindly do the needful.

ACTION : Banks and LDMs

- (6) The services of the Certificate Officer posted in Special Certificate Court at Cuttack, Bhubaneswar, Berhampur, Sambalpur and Rourkela should be effectively utilized for functioning of the Court. Banks were requested to file as many number of certificate cases in the Special Certificate Court and should have effective liaison with Certificate Officers for recovery of dues. Certificate cases pending with Special Certificate Court to be disposed of in time.

ACTION : Banks/Revenue Deptt., Govt. of Orissa

- (7) The minutes of the Small Committee of SLBC for enhancing credit flow to the WSHGs and redressal of issues pertaining to WSHGs held on 15.4.2010 was placed before the SLBC meeting and ratified in the SLBC meeting.

ACTION : Banks/Govt. Line Department

- (8) All LDMs have to submit the district-wise information to Mission Shakti Deptt. as well as to SLBC as of 31.3.2010 and onward quarters. Except Deogarh and Koraput all LDMs have to submit the District-wise information on WSHGs to Mission Shakti Deptt. as well as to SLBC on monthly basis. The reconciliation of district-wise data with the SLBC data on financing to WSHGs has been a long standing issue which is to be resolved without further delay. The minutes of small committee meeting of SLBC on financing WSHGs and LDMs of all thirty districts of Orissa for reconciliation of District-wise data with the data of SLBC. **This is very very important, LDMs were requested to do the needful.**

ACTION: LDMs/Banks

- (9) Transparency in the cooperation of MFIs and the area of operation are to be determined. The lending Institution/Banks have to share the details of information of financing to MFIs on lending to SHGs/WSHGs/JLGs for monitoring their activities.

Lending Institutions which have financed MFIs must have to monitor about financing of MFIs for on lending to SHGs/WSHGs/JLGs.

ACTION : Banks

- (10) The Banks are advised to achieve the target set to them under Self Employment Mission for the year 2010-11. It may be noted that State Govt. has been giving maximum importance on State Employment Mission.

ACTION : Banks

- (11) Regarding registration equitable mortgage, i.e. mortgage of deposit of title deeds to prevent fraudulent transaction with minimum charges, the matter is under consideration of Govt. of Orissa.

**ACTION : Revenue Deptt., Govt. of Orissa/
Finance Deptt., Govt. of Orissa**

- (12) For Stamped duty of reconveyances of waiver of charges under Section 4(i) of the OACOMP (Bank) Act 1995 on landed properties, Revenue Deptt., Govt. of Orissa was kindly be requested to examine the matter.

ACTION : Revenue Department, Govt. of Orissa

- (13) Recommendation of working group of K.C Chakraborty committee on rehabilitation of Sick

Micro & Small Enterprises is to be followed by all concerned including Banks. The progress in implementation of the Scheme will be reviewed in SLBC meeting to be held on quarterly basis.

ACTION : RBI/Industries Deptt., Govt. of Orissa/ Banks

- (14) The minutes of the sub committee of SLBC for increasing credit flow to Handloom & Hadicraft sector held on 13/04/2010 was placed before the SLBC and was ratified. All concerned are requested to initiate action in the matter.

ACTION : Banks/ Govt. line Department.

- (15) The minutes of the Sub- Committee of SLBC for increasing flow of credit to Agriculture & Allied activities held on 12/04/2010 at Bhubaneswar was placed before the SLBC and was ratified.

Agenda Item No. 3

FRESH ISSUS

A. Issue raised by Panchayatiraj Dept., Govt. of Orissa

Banks were requested to gear up their machineries to achieve physical as well as credit mobilization target for the year 2010-11. Banks were requested to take all possible steps to achieve the National Target of credit subsidy ratio to 3:1. The applications sponsored to Banks during 2009-10 and kept pending with the Banks was to be treated

under the target of 2010-11 and Banks were requested to sanction and disburse the same.

ACTION : Banks/Govt. Line Departments.

B. Issue relating to RSETI (Rural Self Employment Training Institute)

Permissive possession of land to be provided inside the premises of ITIs/ Polytechnics for establishing RSETI in the district.

- In case of non availability of idle land inside the premises of it is and Polytechnics, the Lead District Manager of the Sponsoring Bank should take up the matter with the District Administration for identify of land.
- The Lead District Manager shall apply for an alienation of the land with appropriate authority.
- The land should only be transferred in the name of the Sponsoring Bank for the purpose of setting up RSETI.
- The process of identification of land shall be completed by 31st March, 2010 failing which Ministry of Rural Development; Govt. of India may stop assisting grant on RSETI in that particular district.

Lead District Manager, UCO Bank, Jagatsinghpur may be advised to take over the un-utilized building of Mini ITI at Jagannathpur, Tirtol for setting up RSETI. The Govt. of India grant-in-aid can be utilized for renovation of the existing building and other developmental purpose.

It was decided RSETIs have to be set up as per Model developed by MORD with detailed guidelines for setting up Rural Institute.

ACTION : Banks/Govt. Line Departments.**2. Orissa Scheduled Caste and Scheduled Tribe Development Finance Co-operative Corporation Limited.**

- o The Scheme of Self Employment Scheme for rehabilitation of Manual Scavenger (SRMS) successfully implemented in the State of Orissa and all the eligible Manual Scavengers were rehabilitated by 31.3.2010. This was possible due to coordinated and cooperative approach between the officials of the Govt. Line Departments and Banks.
- o The applications sponsored under OSFDC to Banks during the financial year 2009-10 kept pending with the Banks may be sanctioned and disbursed which will be included in the target set under 2010-11.
- o The target for the year 2010-11 under Scheduled Caste and Scheduled Tribe (DTDP) Sector is given in Annexure - XI of 120th SLBC Agenda Book (Page No. 81-82). Banks and SC/ST Department should take proactive steps for achievement of the target set for SC/ST Sector under 2010-2011.
- o It has been decided to finance SC individual applications where group applications are not available but the individuals should not be more than 30% of the total target of the district.

ACTION : SC/ST Department, Banks, LDMs**C. Issue raised by Director Agriculture and Food Production, Orissa**

- o Approved sale price of different models of tractors and other farm machineries (copy enclosed in Annexure - XII) by the SLTC is given in XII of 120th SLBC Agenda (Page No. 83-84). Banks were requested to scrupulously follow the approved sale price while financing farm machineries. Banks were requested to note that the rate of finance for various farm machineries should be within the SLTC approved rate.

ACTION : Banks, Agriculture Deptt., Govt. of Orissa

D. Issue raised by NABARD**I. Study on Back-end Subsidy System under SGSY**

The study report of NABARD in respect of back-end subsidy system under SGSY is given in page No. 12 of SLBC Agenda Page No. 93 to 94. The Banks were requested to follow the guidelines of the Scheme and loopholes mentioned in the Study Report of NABARD are to be removed and rectified.

ACTION : Banks

2. Sanction of loans upto Rs.50,000/- @ 3% Interest rate, Govt. of Karnatak

The Govt. of Orissa is kindly requested to look into the matter.

3. SBT - Farm Credit Campaign

The news paper item that has highlighted the Special Campaign by SBT is given in Annexure - XV. Banks and SLBC members may explore whether any such initiatives can be replicated in Orissa.

ACTION : Banks

4. Socio-Economic Status of Notified Minority Communities

With a view to enhance credit flow to Minority Communities, the Public Sector Banks were once again advised to step up lending to minorities to 15% of their Priority Sector lending.

ACTION : Banks and Govt. Line Departments.

E. Issue raised by SBI, Lead Bank Department, Local Head Office, Bhubaneswar

Regarding procurement of Sugarcane by Sugar factories in Cuttack, Jagatsingpur, Kendrapara and Jaypure Districts - allocation of reserve area among Sugar Mills, M/S Shakti Sugar Pvt. Ltd. And M/S Lashmipati Balajee Siugar and Distillaries Ltd., it was informed that the matter is sub-judiced and hence, decision has to be taken after the decision of Hon'ble Court.

ACTION : Govt. Line Departments/Banks

2. Prime Minister's Employment Generation Programme

Regarding allotment of target to SBI on proportion to the branch net work.

- o And participation of Private Sector Banks operating in the State implementing PMEGP, removal of anomalies of fixing of target at the district level and State level, varied practices of allocating targets to bank branches in different districts, revision of target more than once and delayed in sponsoring of applications to the branch with the financial target allocated to bank placed with nodal branch, the KVIC/Industries Department of Govt. of Orissa was requested to look in the matter immediately for smooth implementation of PMEGP in the State of Orissa.

ACTION : KVIC/KVIB/Industries Dept., Govt. of Orissa & Banks

Issue raised by Director of Handicrafts and Cottage Industries, Orissa

- o Banks have to credit linked kthe 87 Nos. of SHGs in Handicraft Sector against whom margin money placed with Bank as mentioned in Annexure-XVIII (Page No. 105 of Agenda Book of 120th SLBC Meeting) held on 26.5.2010.

- o Banks have to finance RHA-71 Nos. of cases sponsored to different banks and pending for sanction given at Annexure - XIX (Page No. 106 of Agenda Book of 120th SLBC Meeting held on 26.5.2010.
- o Banks have to finance 70 Nos. of Individual Artisans under PHE- as mentioned in Annexure-XX (Page No.107 of Agenda Book of 120th SLBC meeting) held on 26.5.2010.

ACTION : Banks, Directorate of Handicrafts and Cottage Industries, Orissa

G. Issue raised by UCO Bank

Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)

Govt. of India, Ministry of Housing and Urban Poverty Alleviation has launched the interest subsidy scheme for Housing the Urban Poor (ISHUP). The scheme is designed on a partnership mode among the various stakeholders viz. the Central Government, the State Government, the Urban Bodies and the financing institutions.

National Housing Bank is the nodal office for claiming for 5% interest subsidy.

Govt. of India, Ministry of Housing & Urban Poverty Alleviation (MH & UPA) has introduced two additional formats relating to reporting on i) Loans provided under the scheme for purchase of ready build houses/flats where

the interest subsidy will be released in one lot and ii) Loan repayment defaults.

The detailed guidelines under the scheme, including the salient features and the roles of different agencies, application form for loan under Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) and additional formats relating to reporting are given in ***Annex-XXI.(Page No. 108-124 of 120th SLBC Agenda Book)***

Banks were requested to finance under the scheme as national priority.

ACTION : Banks and Govt. Line Departments.

I. Issue raised by LDM, Nabarangpur.

Cash Holding limits set by RBI for currency chest branches need for upward revision for Nabarangpur & Malkangiri Districts.

Recently RBI has fixed cash holding limits for currency chest branches based on the calculation of the inflow and outflow of cash of respective branches. The limits will come into effect from 01.07.10. But the chest branches as well as the collectors of the Nabarangpur & Malkangiri have raised the concern over the lower limits fixed for the branches in their districts which may create cash dry situation in these districts leading to law & order problem. Their point of argument is that in the existing security

situation and for the distance factor, frequent cash remittance facilities can not be arranged with RBI from these districts. Therefore the chest branches of these districts require minimum four months stocking of cash. Hence RBI was requested to look into the matter and make upward revision of limits of chest branches in these districts. The matter was discussed in the last DCC meeting and the Chief Manager, Lead Bank was directed by the House to raise this issue at SLBC. RBI was requested to do the needful.

1. -

ACTION : RBI and Banks.

Agenda Item No. 4

Banking Key Indicator of Orissa as on 31.3.2010

The Banks have to increase the CD Ratio which is showing declining trend as compared to December, 2009. The Public Sector Banks like Andhra Bank, Bank of India, Bank of Maharashtra, Canara Bank, Corporation Bank, IDBI Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, Punjab and Sind Bank, State Bank of Hyderabad, Syndicate Bank, Union Bank, United Bank of India, Vijaya Bank and Private Sector Banks like ICICI Bank, Rajasthan Bank Ltd., ING Vysya Bank, AXIS Bank, Indusind Bank, The South Indian Bank Ltd. have not achieved the National Parameter of 60% CD Ratio which is

to be improved in coming days. The CD Ratio of Baitarani Gramya Bank, Utkal Gramya Bank, Kalinga Gramya Bank, Neelachal Gramya Bank and Rushikulya Gramya Bank has to be improved.

Name of the Banks have achieved National Parameter under DRI, i.e. 1% of total outstanding advance of previous year. All the Public Sector Banks have to achieve the target of National Parameter under DRI. The CD Ratio of the districts have to be improved. LDMs of Angul, Cuttack, Deogarh, Gajapati, Jagatsinghpur, Kandhamal, Kendrapara, Keonjhar, Koraput, Malkangiri, Nuapada, Rayagada, Sambalpur have to play a proactive role and should take all possible steps to improve their CD Ratio.

ACTION : Banks mentioned above/ All Banks/ LDMs of Angul, Cuttack, Deogarh, Gajapati, Jagatsinghpur, Kandhamal, Kendrapara, Keonjhar, Koraput, Malkangiri, Nuapada, Rayagada, Sambalpur

Agenda Item No. 5

Recovery

The overall recovery position as of 31.3.2010 is not satisfactory, i.e. 50.79%. The percentage of recovery IRDP/SGSY/PMRY as of 31.3.2010 were 45.78 and 20.63 % respectively needs improvement. Govt. machineries were

requested to render adequate help and assign in organizing recovery camps to improve the performance of recovery for better recycling of funds. As a matter of fact, loan recovery stands as a barrier for credit growth in the State.

ACTION : Banks/Govt. Line Departments

Agenda Item No. 6

Review of performance under Annual Credit Plan

The performance of the Banks under ACP 2009-10 is 97%. The performance of Banks as a whole under Allied Sector being 32% is not at all satisfactory. The performance of Bhadrak, Boudh, Cuttack, Gajapati, Jharsuguda, Kalahandi, Keonjhar, Malkangiri, Nayagarh, Nuapada, Rayagada needs improvement. The LDMs should take proactive steps in close coordination with officials of Govt. Line Departments and Bank officials to improve the performance of the districts under ACP 2010-11.

To improve the performance of Banks in financing Allied Activities, a Small Committee was constituted under the Chairmanship of Principal Secretary to Govt., Fisheries and Animal Resources Development, Govt. of Orissa with the following members to look into the matter.

1. Deputy General Manager, RBI RPCD, Regional Office, Bhubaneswar

2 Deputy General Manager, NABARD, Regional Office, Bhubaneswar.

3. Director Institutional Finance & Ex- Officio Additional Secretary to Govt. Finance Department, Govt. of Orissa.

4. Deputy General Manager, UCO Bank.

5. Deputy General Manager, State Bank of India.

6. Deputy General Manager, Bank of India.

7. Deputy General Manager, Andhra Bank.

8. Deputy General Manager, Union Bank of India.

9. Deputy General Manager, Punjab National Bank.

10. Deputy General Manager, Canara Bank.

11. Deputy General Manager, Indian Overseas Bank.

12. Deputy General Manager, Bank of Baroda.

13. Deputy General Manager, Allhabad Bank.

14. Deputy General manager, Indian Bank.

15. Chief Regional Manager, United Bank of India.

16. Assistant General Manager, Central Bank of India.

17. Chairman, Utkala Gramya Bank. **Proceedings of 120th SLBC**

18. Chairman, Neelachala Gramya Bank.

19. Chairman, Kalinga Gramya Bank.

20. Managing Director, OSCB.

21. ICICI Bank.

22. Director of Fisheries, Orissa, Cuttack.

23. Director of Animal Husbandry, Orissa, Cuttack.

24. UCO Bank is the Convenor of the Sub Committee.

The ACP of 2010-11 for Rs.16903.69 Crores was placed before the SLBC for allocation among the Banks and districts and was ratified by the SLBC.

The Controlling Heads of all Banks and LDMs have to take a proactive role for achieving the target set to them otherwise during 2010-11.

ACTION : Banks/LDMs/Govt. Line Departments.

AGENDA ITEM NO. 7

Progress under Women Self Help Groups (Mission Shakti).

- Banks operating in the state allotted with the target of financing WSHG during 2010-11 have to achieve the target and should give top priority in financing WSHG for improvement of women as our social objectives.
- LDMs have to submit the monthly data on WSHG bank wise of their district to Mission Shakti Dept., Govt. of Orissa as well as to SLBC by 10th of the succeeding month. (**Very very important**)
- MFIs operating the state have been financing WSHGs in large numbers which are to be monitored by the financing banks.
- Banks which have financed MFIs Must share their information to SLBC as well as to Mission Shakti Dept., Govt. of Orissa.

Action : Banks/ LDMs/ Govt line dept.

AGENDA ITEM NO. 8

Review of performance under PMEGP and SGSY

Target has been allocated under PMEGP for the year 2009-10. All Banks in Orissa should take proactive steps to achieve 100% target during the financial year 2009-10. SGSY. All Banks and Govt. line Dept. should work together to increase subsidy credit ratio and per capita investment under SGSY.

Action : Banks /Govt. line Dept.

AGENDA ITEM NO. 9

Credit Flow to Handloom & Handicraft Sector

In order to enhance the credit flow to Handloom & Handicraft sector, Banks have to extend hassle free loan to Handloom Weavers on priority. Banks should take proactive steps to issue ACCS to Handloom Weavers. Hanks have to finance SHGs promoted by Department of Directorate of Handicraft and Village & Cottage Industries, Orissa.

Action : Banks/Govt. Line Department.

AGENDA ITEM NO. 10**Progress under SJSRY**

Banks are requested to implement the scheme with all sincerity and commitment to uplift the Urban poor above the poverty line and target set for 2010-11 under SJSRY **has to be achieved.**

Action : All Banks/LDMs.

AGENDA ITEM NO. 11**The performance of banks under SC/ST/Scavengers/ITDA.**

The applications sponsored by OSCSTDFCC Ltd./OSFDC under SC/ST/Scavengers/ITDA should be financed with utmost sincerity as an objective of increasing credit flow to women as well as SC/ST sector.

Action: All Banks/Govt. line Department.

AGENDA ITEM NO. 12**Performance under KCC/SCC/ACC**

The Commercial Banks have to issue KCC to all eligible farmers. Banks were requested to take all possible measures to achieve the targets under ACC/SCC/KCC for the year 2010-11.

Action : Banks/LDMs

AGENDA ITEM NO. 13

Performance under Pisciculture

All the pending eligible proposals under Pisciculture should be sanctioned and disbursed on priorities. Banks should sanction short term credit just like crop loan in agriculture to fish farmers to increase the production in the State.

Action : Banks/Govt. line Departments.

AGENDA ITEM NO. 14

National Housing Loan, Home Loan, Rural Housing Finance, Finance to Ex-servicemen, Finance to Minority Community.

Banks have to improve their performance and correct reporting should be made by the Banks in respect of National Housing Loan, Home Loan, Rural Housing Finance, Finance to Ex-servicemen and finance to Minority Community.

Action : All Banks.

AGENDA ITEM NO. 15

Education Loan

Banks should give priority to Education Loan and finance more and more to this sector.

Action : All Banks.

AGENDA ITEM NO. 16

Progress under National Horticulture Board

Banks should give emphasis to provide more and more credit under this sector. All the pending application sponsored by the NHB kept pending with the banks are to be sanctioned and disbursed immediately.

Action : All Banks/NHB

AGENDA ITEM NO. 17

Financial Inclusion

The cent percent Financial Inclusion have to be completed as soon as possible. Lead District Managers of Malkangiri and Nawarangpur are requested to take all possible measures for completing Financial Inclusion of the State.

Action : All LDMs

Agenda Item No. 18

Progress under Reverse Mortgage Scheme.

It is observed that loans under the scheme is not picking up in Orissa. All banks were requested to take necessary

steps for publicizing the scheme. All banks were requested to extend loan to the senior citizens who is interested to avail loan under Reverse Mortgage Scheme.

Action : Banks

At the end Mr. C.P Das, Chief Officer, SLBC, UCO Bank proposed vote of thanks to the Chair as well as participants.