

PROCEEDING OF 122nd SLBC MEETING HELD ON 10.03.2011 AT BHUBANESWAR

The 122nd SLBC Meeting of Orissa was held on 10.3.2011 at Bhubaneswar under the Chairmanship of Shri Ajai Kumar, Executive Director, UCO Bank. Among others, it was attended by Shri R.N Senapati, Development Commissioner and Agril. Production Commissioner, Govt. of Orissa, Shri J.K Mohapatra, Principal Secretary to Govt., Finance Department, Govt. of Orissa, Shri B. Chakraborty, General Manager, RBI, Regional Office, Bhubaneswar, Shri C.R Pattnaik, CGM, NABARD, Shri C.H Narasimha Rao, CGM, State Bank of India, Local Head Office, Bhubaneswar and Shri S.K Dey Purkayastha, General Manager, UCO Bank-cum-Convenor, SLBC, Orissa. The list of participants is annexed.

Shri S.K Dey Purkayastha, General Manager, UCO Bank and Convenor, SLBC, Orissa welcomed Shri Ajai Kumar, Executive Director, UCO Bank and Chairman, SLBC, Orissa, Shri R.N Senapati, Development Commissioner and Agril. Production Commissioner, Govt. of Orissa, Shri J.K Mohapatra, Principal Secretary to Govt., Finance Department, Govt. of Orissa, Shri B. Chakraborty, General Manager, RBI, Regional Office, Bhubaneswar, Shri C.R Pattnaik, CGM, NABARD, Regional Office, Bhubaneswar and Shri C.H Narasimha Rao, CGM, State Bank of India, LHO, Bhubaneswar, participants from Govt. Departments/Agencies and Banks.

While introducing The Executive Director, UCO Bank, Shri Ajai Kumar as Chairman, SLBC he stated as follows.

“A Master of Science in (Physics) from University of Allahabad, Mr. Kumar has also secured degree in Bachelor of Law. He is a Certified Associate of Indian Institute of Bankers (CAIIB). Mr. Kumar’s career in Banking began when he joined Bank of Baroda as Direct Officer on 26th February 1973.

His thirty six years of service at Bank of Baroda saw him rise in his career with key responsibilities held in Branches, Zonal Offices, Head Office and New York Office and Off-shore Banking Operations of Nassau, Bahamas,

covering a vast spectrum of banking operations. Basically an operations man, his career at Bank of Baroda was spent in the field, where he could gauge the market pulse and take proactive, result oriented measures to garner market share. A man with a penchant for independent thinking, Mr. Kumar has painstakingly taken several initiatives for bank's growth through varied strategies. He also played a pivotal role in strengthening and consolidating Retail Business with centralized process through Retail Loan Factories and introduction of several new value based products for customers. His hands-on and practice driven experience facilitated balanced decision making with insight into all aspects.

During his tenure in Information Technology Division in Bank of Baroda, Shri Kumar was responsible for 100% automation of the Branches and migration to Core Banking Solution, putting in place Wide Area Network of the Bank, enhancement of technology platform through RTGS, NEFT, Cash Management Solution, Phone Banking, Internet Banking, Retail Depository, Institutional On-line Trading, Data Warehouse, Global Treasury, Risk Management, Anti-Money Laundering, Human Resources Information System, Centralization of Swift, City Back Office, Regional Back Office and Internet Payment Gateway etc. Shri Kumar also secured Outstanding Award for the paper submitted on "Knowledge Management - A Perspective for Public Sector Banks" in BECON 2003.

Mr. Ajai Kumar was also Member of the Board of Directors at Indo Zambia Bank Ltd. and later National Payment Corporation of India.

He has joined UCO Bank as Executive Director on 01/12/2009".

Mr. Dey Purkayastha pointed out that, as advised by RBI, SLBC has chalked out calendar of programme for holding SLBC meeting during the year 2010-11 and have communicated the same to all members of SLBC. He requested all concerned for kind cooperation to enable us to stick to the calendar proposed.

While preparing for this meeting, it was observed that compilation work was held up as many Banks had not submitted the data/information to SLBC on or before the scheduled date. He impressed upon the Controlling Heads of Banks to please ensure that data required for SLBC is submitted well in time. With CBS in place in all Banks, data submission should not be a problem. If this cooperation is not received, we shall not be able to hold the meeting as per the proposed calendar.

The recovery performance of Banks in the State continues to be poor. The overall recovery percentage as on 31/12/2010 is 42%. He requested the Govt. line Department to extend all cooperation to improve the recovery performance of banks for recycling of funds.

On the part of the Banks they should take all possible steps to enhance the Credit Flow to Agriculture Sector. Banks should facilitate improved farm technology, diversification of crops, diversification of traditional agriculture to hi-tech agriculture and commercial agriculture.

As most of the farmers belong to small, marginal and landless category, Banks should finance more and more through group lending either to Joint Liability Groups (JLG) or Tenant Farmer Groups (TFG).

All the pending proposals under Pisciculture are to be disposed in time bound manner. February to May is the peak time for development of Fishery Projects. Banks were requested to expedite the sanction of pending proposals on war footing.

BCSBI Code (Banking Codes and Standards Board of India) applicable to MSE entrepreneurs should be percolated to all MSE entrepreneurs and banks, so that transparency is maintained. There should not be any distrust between Entrepreneurs and Bankers.

Banks should take advantage of Credit Guarantee Fund Trust for MSE sector which helps the entrepreneurs to avail collateral free loan up to Rs. 1.00 Crore.

Hon'ble Prime Minister and Hon'ble Union Finance Minister, Govt. of India had launched a special campaign for Financial Inclusion to bring banking to the masses through Swabhiman - HAMARA KHATA - HAMARA SWABHIMAN,

Swabhiman is a movement that promises to bring basic banking services to all 73000 un-banked villages with over 2000 population as per 2001 census by March 2012 to provide banking services at the door step through Business Correspondent (Bank Sathi).

Financial Inclusion Plan (FIP) of the State reveals that there are 1878 villages having more than 2000 population which are unbanked and are to be provided with Banking services. The task is to be accomplished by the Banks by March 2012. It is noted that Banks have provided banking services to 270 villages up to January 2011. The Banks which have been asked to implement Financial Inclusion Plan (FIP) in our State have to gear up their machineries for successful implementation within the time frame.

The inclusive growth is a challenge as well as opportunity for India in the next decade. Banks must rise to the challenge if India is to emerge as an economic power in the years to come.

The Financial Inclusion would be completed only if facilities like opening of NO FRILL a/c are backed by other specialized services like simple overdraft, savings, insurance, remittance and loan products.

At the end he quoted Shri Rabindranath Tagore;

I slept and dreamt that life was joy.

I awoke and saw that life was service.

I acted and behold service was joy.

All the stake holders like banks, government department and agencies should render their services for the cause of the economic development of the State to bring joy to the people of Orissa.

**HIGHLIGHTS OF KEY NOTE ADDRESS BY SHRI AJAI KUMAR,
EXECUTIVE DIRECTOR, UCO BANK AND CHAIRMAN, SLBC, ORISSA**

The SLBC meeting is being held at a time of festivities in the State.

With the birth anniversary of Shri Biju Patnaik, the late Chief Minister and doyen of Entrepreneurship, an Entrepreneurship week is being celebrated in the entire State from 5th of March to 11th of March, 2011. Earlier International Women's Day was celebrated on 8th of March just two days before. So it is befitting to have an SLBC during this period. Really it is time to behold what we have done and how to go forward.

The world economy is recovering slowly. Food inflation has been a cause of concern for everybody, despite it declining from 20.2 percent in January 2011 to 9.3 percent in February 2011. The GDP growth in 2010-11 has been swift and broad based. The economy is back to its pre-crisis growth trajectory. Agriculture has shown a rebound and industry is regaining its earlier momentum, Service sector continues its near double digit run. As per Union Budget 2011-12, Gross Domestic Product (GDP) is estimated to have grown at 8.6 percent in 2010-11 in real terms.

According to Economic survey 2010-11, for the State of Orissa, State economy has been following a high growth trajectory and it is 9.57 percent in the first three years of the 11th Plan despite challenges posed by global economic slow down.

The thrust area before the bankers are Agriculture, SME, IT, Govt. sponsored schemes such as PMEGP, SGSY, SJSRY, WSHGs. Banks have to play a proactive role in financing these sectors.

It is indeed worthwhile to mention that huge investment exceeding Rs. 6 lakh Crores in sectors like Steel, Power, Aluminum, and Cement and down stream Industries, Tourism, etc. have been lined up in terms of MOU with Govt. of Orissa. As a matter of fact, Govt. of Orissa has taken several bold initiatives for fast industrialization in the State. In view of large scale industrialization in the State, in future days to come, Banks operating in the State have prospects in financing SME in large scale as their business propositions.

The Micro, Small and Medium Enterprise sector has a very important role to play in the economic development of the State. MSME is the second largest employment provider after agriculture and also has high share in export.

Orissa's economy is predominantly agrarian and rural oriented and 80% of its population still lives in villages. Banks have to lend more and more loans to farmers to boost the Economy. The State has great potentialities in production of cash crops like cotton, jute, sugarcane, groundnut and oilseeds. Modernization of agriculture has to be done at a faster pace in order to boost the crop production.

It is commendable to note that focus of Central & State Government on agriculture is increasing in a consistent manner over the last few years. In the Union Budget 2011-12, Agriculture has been given adequate importance. In the Union Budget, Finance Minister, Govt. of India has announced 3% interest subventions to the farmers and there is reduction of interest rate further by 1% for the farmers who repay loans in time. Credit target to the banks for the farmers has been increased to Rs. 475000 Crores in the country.

Apart from production of food grains, and commercial crops, Horticulture and Floriculture have got immense scope and potential in the State. All the pending proposals sponsored by NHB (National Horticulture Board) are to be disposed by the banks within a specific time frame.

The performance of Banks under ACP 2010-11 upto 31/12/2010 is 84% of December target and the same needs improvement. He requested all banks to achieve the target set for 2010-11 which will boost the economy of the State. He thought, 100% achievement is not a difficult task. He appealed to Banks to achieve target set for 2010-11 to boost the economy of the State.

The overall CD ratio of the State stands at 63.67% as against the National Parameter of 60% which again needs improvement. The Priority Sector

advance to total advances of commercial Banks is 57.73% as against the National Parameter of 40%. Figures are good.

Credit flow to SC/ST sector is to be given priority by the Banks, as the SC/ST population constitutes 38.23% of the total population of State as per 2001 census. Bankers should show more passion.

Under SGSY (Swarnajayanti Gram Swarajgar Yojana), the credit subsidy ratio is only 2.18:1.00 against the National Parameter of 3:1 and per capita investment is Rs. 26,049/-. He requested all Banker friends to take proactive approach to increase credit subsidy ratio to 3:1 and to increase the per group investment. While going through the agenda, it was noticed that large number of applications were pending at the branch level of various banks. Hence, Bankers were requested to sanction and disburse these applications without further delay.

SJSRY (Swarna Jayanti Sahari Rojgar Yojana) Scheme is an Urban poverty alleviation programme being monitored by Ministry of Urban & Housing Development, Govt. of India along with the Urban & Housing Department of the State. The performance of Banks needs improvement in implementation of the scheme.

The PMEGP is the flagship programme of the Govt. of India is to be implemented by Banks with zest and zeal. Last 2 years, Banks in Orissa have successfully implemented the PMEGP and during 2009-10, Banks had achieved cent percent of the target. This year, it was informed that performance of Banks in implementation of PMEGP is not at all satisfactory. Much is to be done yet. He requested all Banks operating in the State, KVIC, KVIB and Industry Department, Govt. of Orissa to jointly take all possible measures so that targets of PMEGP are achieved. He had discussed the matter with Development Commissioner and told him that Bankers are mostly very compliance oriented. Bankers need clear application. (Application must be completed with all respect.) If that is available, Banks will not lag in financing.

In compliances of the guidelines issued by the Ministry of Rural Development, Govt. of India, Banks have already established RSETIs in 10 districts in the State. As agreed upon SBI, UCO Bank, Andhra Bank has to establish RSETIs in rest of the districts. It is expected that these Training Institutes will yield desired results, thereby arresting migration of rural population to Urban area in search of livelihood. Govt. of Orissa is requested to allot land free of cost, facilitating the banks to set up RSETIs in the districts. RSETI concept is very good but is not getting the passion it needs. He told that, RSETIs in Rajasthan actually have been doing a good job. Right people should be there. RSETIs should be properly Staffed and monitored. RSETIs in all the districts. i.e 30 number of RSETIs should function as early as possible.

He announced before the house that during the financial year 2010-11, UCO Bank opened FLCC at Angul on 27/12/2010, the day of outreach programme of Hon'ble Executive Director, RBI to Poktunga village in Angul District. The said FLCC was inaugurated by Shri H.R. Khan, Hon'ble Executive Director, RBI, Central Office, Mumbai. On 25/02/2011 in honour of Hon'ble Governor, RBI during his visit to Jalanga Village, Bank opened its 3rd FLCC at Bhadrak. FLCC will make available information and guidance on borrowing, savings and debt counselling free of cost to all interested person in the district. He requested all Banks to open FLCCs in the remaining districts, at the earliest.

For policy makers and planners, financial inclusion has emerged as a top priority. Financial Inclusion is still in its infancy. There is a long way to go. Actions initiated so far are only small steps in the long journey towards total Financial Inclusion. Inclusive growth happens when every one participates in the economy. Financial Inclusion has been planned by Govt. of India and RBI in a very focused manner. Financial Inclusion must be completed by March, 2012. There is a long way to go. He pointed out that few days before UCO Bank has launched Mobile Van Banking totally connected on line. It is like a moving Branch. It goes to door steps of villagers and provides all banking facilities. It is actually a big success. 50 such vehicle will be launched by March, 2011. Other Banks should follow. IBA has recognized and given technology award to UCO Bank. He received the Award from the former President Shri APJ Abdul Kalam.

Last but not the least, he said that the recovery performance of Banks continues to be very poor. The overall recovery performance is 42.78% as of 31/12/2010. Recovery under Government sponsored scheme like SGSY, PMRY as of 31/12/2010 was at a level of 44.39% & 19.94% respectively. The bankers should seek more and more support and assistance of Government agencies to boost their recovery performance. Non-recovery of loans directly results in slowing down of future lending process and has serious repercussion. Therefore, all out efforts must be made to improve the situation substantially.

He requested the house to make elaborate discussion on each agenda items for its successful implementation. However, it is expected that the decisions arrived at this house must percolate to the grass root level i.e. to their branches and other Government functionaries at Blocks and Government Department Heads must ensure the flow of instructions/directions in this regard. He assured the State Government on behalf of the Banking fraternity that Bank would continue to be positive and rise to the occasion and meet the expectation of the people in the State.

HIGHLIGHTS OF THE SPEECH OF SHRI R.N SENAPATI, IAS, DEVELOPMENT COMMISSIONER AND AGRICULTURE PRODUCTION COMMISSIONER, GOVT. OF ORISSA

While expressing happiness in attending the SLBC Meeting of Orissa for so many years, he stated as follows:

- SLBC is a very good forum where many issues are discussed and interacted for their resolution.
- Without Bank's involvement, no progress can be achieved. There are many communication gaps among various stake holders and SLBC forum provides a very good platform for bridging the gap.
- He said that Sri Ajai Kumar, Executive Director, UCO Bank has already given the picture of progress of various sectors in the State.
- He expressed concern and referred certain issues like CD Ratio of the State; although it is above National Parameters, but once upon a time it was above 70%. He expressed that, during recession, entire world was affected and facing problem, this State is not an exception.

- There is scope for improving the CD Ratio of the State. All are aware that Govt. of Orissa has already signed MOU with different Industrialists for large scale industrialization in the State. So there is a lot of scope to enhance credit flow to industries and manufacturing sector.
- For enhancing credit flow to Agriculture Sector, Commercial Banks have to play a major role. It is noticed that more than 65% credit is financed by Co-operative Sector. As a matter of fact, barring Co-operative Bank finance to Agril. Sector, Commercial Banks have not done well. Farmers are the backbone of the Country. Hence, Commercial Banks have to finance more and more loan to the farmers under Agril. And Allied Sector to boost the economy of the State.
- RKBY (Rastriya Krishi Vikash Yojana) is implemented in the State.
- He hoped that flow of credit to Agril. and Allied Sector will be made in substantial manner.
- As per progress report of Financial Inclusion in the State, 29 districts have achieved 100% Financial Inclusion except Malkangiri district and he hoped that Malkangiri district will achieve 100% Financial Inclusion by March, 2011.
- Financial Inclusion does not mean that only opening 'No Frill A/C', but also to provide financial assistance by the Banks. All Govt. benefit should flow to common man through Banks.
- Providing Banking Services to the people through Business Correspondent Model has to go a big way.
- He expressed happiness that UCO Bank has taken a promising effort and SBI has done a lot. Other Banks should also come forward in a big way to provide banking services through Business Correspondent Model.
- Banks should come forward to finance more and more to MSME Sector to boost the economy of the State.

**HIGHLIGHT OF SPEECH OF SHRI JUGAL KISHORE MOHAPATRA, IAS,
PRINCIPAL SECRETARY TO GOVT. FINANCE DEPARTMENT, GOVT. OF
ORISSA**

He welcomed the dignitaries and stated as follows.

- Under the guidance of Shri Ajai Kumar, Executive Director, UCO Bank, SLBC, Orissa will be more vibrant and deliver well to the people of Orissa through lending.
- He stated that the most of the issues have been summarized by Development Commissioner as well as Executive Director, UCO Bank.
- He stated that under ACP, the performance of Banks as a whole is 84%.
- In Sector-wise break down, Agril. is much below in comparison to other Sectors. Credit flow to Allied Sector is also negligible.
- In the past, in implementation of PMEGP, Banks have done well and he was hopeful that Banks will keep up same tempo for current financial year, i.e. 2010-11.
- Under ACP, to achieve lending target, i.e. target of March, 2011, in the last quarter, Banks have to achieve the shortfall of Rs.6000 Crores in the last quarter.
- Banks have to develop mechanism, so that data/information in respect of particular month can be available and sent by 5th of succeeding month. As it is 2nd week of March, unless it is not determined, it is not possible to intervene effectively for progress/achievement in various sectors of lending.
- Financial Inclusion is an issue for everybody. He expressed happiness that many banks have geared up their machineries to accomplish the task of providing banking services to unbanked areas through ICT based Model for achieving financial Inclusion.
- He stated that Bank to set quarterly target for financial Inclusion and regular meeting etc. should be held for review and monitoring the progress.
- He stated that both demand and supply of credit should be looked into. Bankers are responsible for supply of credit and in other sides, Govt. Line Departments and other Stake Holders should have role to create adequate demand for credit. There are many gaps.

- He raised a question why there is return of applications by Banks? Whether it is arbitrary or applications do not fulfill fundamental criteria?
- It is much more challenging to create good demand in Agril. Sector, without that the declining CD Ratio can not be arrested.
- He stated that issuance of thousands of ACC is lying pending and suggested that better to arrange Credit Camps and dispose the pending proposals.

ADDRESS BY SHRI B CHAKRABORTY, GENERAL MANAGER, RBI, RPCD, REGIONAL OFFICE, BHUBANESWAR

While expressing concern about the CD Ratio showing a declining trend he stated as follows.

- In 19 districts, CD Ratio is below 60% and in some of districts like Gajapati, Deogarh, Jagatsinghpur, Malkangiri and Sambalpur, CD Ratio is below 40%. In some of the districts it is showing stickiness as if it is not moving.
 - He stated that although DCC is regularly monitoring, but there is no perceptible improvement in this regard. The CD Ratio of Kandhamal is 39%.
 - He suggested that one or two Collectors of the districts must be invited to SLBC.
-
- He expressed that Credit Potential of the district must be explored by the Banks.

- MSME Clusters in the district must be identified for sanction and disbursement. SHG & JLG lending must be done more aggressively by Banks.
- Other Priority Sectors must be given proper attention by DCC.
- Credit functions of the Banks must be supplemented by Non-Credit function of Govt. functionaries.
- He advised the LDMs that Credit flow discussion must be appropriately done in DCCs.
- The Committee constituted for low CD Ratio must act effectively in the district for increasing Credit Deposit Ratio.
- He expressed concern that progress under Financial Inclusion Plan is not encouraging for providing banking facilities to 1878 villages. He told that implementation of FIP in respect of providing banking facilities to those identified villages must be adhered by the Banks in a time frame. The allocation of villages under FIP to the Banks in is again creating certain issues that those villages are not in their Service area. In this context, such problems must be sorted out at DCC level. The reallocation of villages or changes must be reported to SLBC and SLBC must report to RBI.
- He requested LDMs to report the correct progress report of FIP to the SLBC in time, enabling SLBC to submit progress report to RBI.
- RBI has issued circular not to insist Collateral Security of loan upto Rs.10.00 Lacs in financing MSME Units. All Banks should take advantage of Credit Guarantee Fund Trust Scheme for MSE (CGTMSE) in financing to MSE Units. He told that RBI has decided to carry out a sample study jointly with Director of Industries taking major Banks into the group.
- The first report of the Committee on empowerment of women by PSU, Banks and NABARD recommended for each state to ascertain the plight of Women Entrepreneurs and credit opportunities available to them. It is decided to conduct a quick study by RBI, Regional Office. RBI, Bhubaneswar will undergo a study in Orissa to look out the problems faced by Women Entrepreneurs.

- Financial Literacy is also another important aspect. RBI has distributed study materials comprising 3 (three) books in Oriya to the students of Standard -V, VII and X.
- He told that Financial Literacy should be a regular curriculum in Classes. This is already implemented in States like Karnataka and UP.
- While telling about functioning of SLBC, he expressed that last 120th SLBC Meeting was done in May, 2010 and 121st SLBC Meeting for quarter ending June and September, 2010 was held in March, 2011. SLBC Meeting could not be held in time, as the data is not being shared to SLBC. In present day, all banks are operating in CBS platform, the submission of data is not a problem. Inability to provide data shows that this is a lack of control.
- The RBI has chalked out the calendar of holding SLBC Meeting which must have been informed to Banks.
- He advised the Controlling Heads of the Banks to submit the data well in advance so that SLBC Meetings is conducted in time.

HIGHLIGHTS OF SPEECH OF SHRI C.R PATTNAIK, CHIEF GENERAL MANAGER, NABARD.

While complementing all Banks operating in the State for achieving 84% of target of ACP by December, 2010, he expressed as follows.

- He was hopeful that it will not be difficult for achieving the year ending target.
- In the State, Credit Plan, it appears high but it will be achievable. Perhaps credit absorption capacity in Orissa is much more than what it is contemplating.
- He said that focus is required for enhancing credit flow to Agriculture Sector as most of the population depends upon Agriculture for their livelihood. For enhancing productivity, the State has long way to go. Credit is a typical input for enhancing productivity of Agriculture.
- Upto December, whatever data available, Banks have financed only 48% which is very modest.

- He said that during April to December in 2010, Banks as a whole in the State have lent Rs.4446 Crores to Agriculture, which is very negligible in comparison to performance of our neighboring State, Bihar and West Bengal. During the same period, credit flow to Agriculture Sector in Bihar is Rs.7127 Crores and Rs.7728 Crores in West Bengal which is much higher in comparison to our State. Banks have to do a lot in this regard. In 9 (Nine) months period Commercial Banks have lent Rs.4863 Crores in Bihar and Rs.4837 Crores in West Bengal and Commercial Banks in Orissa have lent only Rs.1600 Crores.
- Only relying on Co-operative Bank, the State can not push forward in agriculture. As in Budget Speech, Finance Minister has said Rs.475000 Crores will be deployed in Agriculture in the Country during 2011-12.
- In the State during 2011-12, NABARD has projected about Rs.9000 Crores in Agriculture. Govt. of India is implementing many programmes to promote Agriculture in our Country. Subsidy is available from Govt. of India through NABARD @ 25%.
- He said that proposals like :-
 - (i) Development of Small ruminants and rabbits.
 - (ii) Establishment of Poultry Estates and Mother Units for rural backyard poultry.
 - (iii) Skill for commercial production of organic inputs by Fertilizer Units.
 - (iv) Development and infrastructure for marketing agricultural produce.
 - (v) Establishment of Agri Clinics and Agri Business Centers.
 - (vi) Salvaging and rearing male Buffaloes.
 - (vii) Scheme for Pig rearing and fraternity.
 - (viii) Schemes for Dairy Entrepreneurship programme are to be promoted and financed by the Banks to boost Agril. Finance in the State.
- Govt. of India has been expressing concern that Orissa is not using budgetary resources. It is noticed that in the State, Banks are financing but not claiming Subsidy in due course. Availability of Subsidy will make these projects more viable.

- He said that in implementation of Financial Inclusion Plan, the performance of the Banks is not satisfactory. Banks are confined to open “No Frill A/Cs”. Still Banks have to go a long way in this regard.
- He said that funds are available for Branches of RRB and Co-operative Banks for migrating to CBS (Core Banking Solution).
- All Banks are eligible to get assistance for taking up IT enabled Financial Inclusion through BC (Business Correspondent) Model. The Commercial Banks, RRBs and Co-operative Banks will be getting assistance of 60%, 80% and 90% respectively.
- For establishing Financial Literacy and Credit Counseling Center Funds are also available with NABARD.
- He also said that other assistances are available for various purposes to encourage.
 1. Village Knowledge Centre.
 2. Resource Centre for Financial Inclusion.
 3. User friendly technology solution.
 4. Creating common technology information with comprehensive credit infrastructure.
 5. Conducting studies, Consultancy Research and Evaluation Studies.
 6. Promoting Seminars, Conferences, Works and other mechanization.
 7. Publication of Financial Inclusion Literature.

HIGHLIGHTS OF SPEECH OF SHRI CH. NARASIMHA RAO, CHIEF GENERAL MANAGER, STATE BANK OF INDIA, LOCAL HEAD OFFICE, BHUBANESWAR

While welcoming all the dignitaries in the dais, he observed as follows.

- State Bank of India is the major Bank in Orissa with 20% of branch network of the State and more than half of it is located in rural areas.
- He told that so far as business of SBI in concerned, rural economy is the key platform on which they survive.
- Agriculture and MSME is the main activity for survival of more than half of their branches.

- SBI plays a significant role contributing to rural economy in the State.
- He expressed that low recovery is the major cause for financing low to agriculture sector.
- He stated that they are educating the borrowers to repay for recycling of funds.
- He advised that others should come forward to educate the borrowers/farmers in this regard.
- He quoted Shri J.K Mohapatra, Principal Secretary, Finance Department, Govt. of Orissa that credit is the key for any sort of development activities and demand side must be developed.
- Changing of mono-cropped area to multi-cropped area will be boost for farmers. This will happen not only by Financial Inclusions but by combined effort with Govt. Departments.
- He exhorted, all to join hands and make sincere effort for development of the economy of the State.

At the end, he assured that as the biggest bank they will extend their solid support for development of the State.

Agenda Item No.1

The proceedings of the 121st SLBC meeting held on 18.11.2010 for the quarter ended June and September, 2010 at Bhubaneswar was taken as confirmed.

Agenda Item No. 2

- (1) Banks should extend more and more credit to MSME Sectors. All pending applications are to be disposed of in a time bound manner. Necessary steps should be taken by the Banks to submit the monthly information on MSME, and Sick MSME Units to SLBC by 5th of the succeeding month.

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

- (2) The position of coverage of CGTMSE has improved and all Banks should take full advantage of Credit Guarantee Trust for Micro and

Small Enterprise (CGTMSE) by giving coverage to Collateral free loans to MSME upto Rs.1.00 Crore.

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

- (3) UCO bank has committed to open three RSETIS by June 2011. State Bank of India has also committed to establish five more RSETIs by June 2011. The Controlling Heads of SBI, and UCO BANK were requested to bestow their attention in this regard. Govt of Orissa was also requested to give possession of land at the earliest.

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

- (4) Twenty nine districts of Orissa have achieved 100% financial inclusion taking one family one account as the concept. Necessary steps may be taken to achieve 100% Financial Inclusion of the Malkangiri district by March, 2011. The 100% achievement of Financial Inclusion of the districts was to be independently evaluated /checked by making a sample survey in selected districts by the Planning & Co-ordination Department, Govt. of Orissa and report has yet to be submitted. It is requested that Planning & Coordination deptt. to submit the evaluation study report as quickly as possible.

ACTION: Planning and Co-ordination and other Departments, Govt. of Orissa

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

Government of India and Reserve Bank of India has accorded Top Priority for attainment of inclusive growth by implementing Financial Inclusion Plan. It has been decided to provide banking services either through Brick and Mortar Branch or any other ICT based Model including BC/BF in 1878 identified un-banked villages by March, 2012. All Banks were requested to sort out problems relating to service area and pouching in to the area of other Banks at DCC level and should intimate to SLBC for onward transmission to RBI. All Banks were also requested to submit the progress report in respect of providing banking facilities to Lead District Managers of the respective districts by 5th of succeeding month and SLBC has to

submit the same by 10th of the month on monthly basis. Govt. of Orissa was also requested to provide all infrastructures to the areas where banking penetration need to be established.

ACTION: Banks / LDMs /Govt. Deptt.

(6) The services of the Certificate Officers posted in Special Certificate Courts at Cuttack, Bhubaneswar, Berhampur, Sambalpur and Rourkela have to be effectively utilized for disposal of Certificate Cases in a time bound manner. It was decided that General Manager of five DICs will be vested with power under OPDR Act and top five OPDR cases of each bank is to be disposed off in fast track expeditiously.

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

(7) The reconciliation of the District-wise information on Women Self Help Groups (WSHGs) with the WSHGs information of the Banks needs to be reconciled immediately. All LDMs should provide the information on WSHGs financed by the banks in the respective district in the format given by SLBC soon. The deadline for reconciliation data submitted by Controlling Heads of Banks and data received from the districts was 31st December, 2010. Hence, LDMs in coordination with coordinator Mission Shakti, ICDS Department of the District, DSWs have to submit the district data to Mission Shakti as well as to SLBC immediately on quarterly basis starting from March, 2010 upto march, 2011.

ACTION: Banks/Govt. Line Department

(8) There have been some concerns in the recent past regarding high interest rates, adoption of coercive recovery methods and multiple lending practiced by some Micro Finance Institutions. In Orissa in 121st SLBC held on 18-11-2010, a sub-committee was constituted by the Govt of Orissa under the chairmanship of Chief General Manager NABARD for study of the functioning of MFIs.

ACTION: Banks/NABARD/Govt. of Orissa

(9) Two meetings of the sub-committee have been conducted on 16.12.2010 & 18.02.2011. The Controlling head of those Banks who have exposure to MFI and have not submitted the information on MFIs were requested to submit the required information as per the format devised by NABARD to SLBC within 15 days from the date of SLBC meeting.

ACTION: Banks/NABARD/Govt. of Orissa

(10) Under State Employment Mission, banks have to finance more to provide self employment to unemployed youth. State Employment Mission has now reoriented towards skill up gradation. The gap between demand and supply has to be narrowed down. Public Sector Banks have been doing well in financing to entrepreneurs/ beneficiaries under self Employment Mission where as the performance of Pvt. Sector Bank is not encouraging. Hence, Pvt. Sector Banks were asked to finance more beneficiaries under State Employment Mission.

ACTION: Banks

(11) Regarding registration of equitable mortgage, i.e. mortgage by deposit of title deeds, to prevent fraudulent transaction with minimum charges, matter is under active consideration of Govt. of Orissa. It was informed that the matter will be placed before the cabinet very soon for its approval.

ACTION: Revenue Department, Govt. of Orissa

(12) For stamp deed of reconveyance of waiver of charge U/S 4(1) of the OACAMP (Bank) Act 1975 on landed properties, It was intimated that the matter will be placed before the Govt very soon for its approval.

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. RBI, Banks, Industries Department, Govt. of Orissa was requested to look into the matter.

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

(14) The minutes of the Sub- Committee of SLBC for increasing flow of credit to Agriculture & Allied activities held on 04.03.2011 at Bhubaneswar was placed before the SLBC and was ratified. The Banks were requested to take a note and implement the decision meticulously for enhancing credit flow to Agriculture and Allied sector in the State.

ACTION: Banks/ Govt. line departments

(15) The minutes of the Sub- Committee of SLBC for increasing flow of credit to Allied sectors held on 01.03.2011 at Bhubaneswar was placed before the SLBC and was ratified. Actions taken in the small committee

meting should scrupulously followed by the Bank and Govt line Department to increase the credit flow to Allied sector in the State

ACTION: Banks and Govt. Line Departments

Agenda Item No. 3

FRESH ISSUS

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

The applications of 2010-11 under SGSY pending with the Banks have to be sanctioned and disbursed by the Banks before March, 2011. The Controlling Heads of Banks are requested to achieve targets both financial and physical under SGSY for the year 2010-11 positively by end of March, 2011.

ACTION: Banks/Govt. Line Departments.

2. Issue raised by Director of Industries, Orissa, Cuttack.

A) Returning of MSME loan proposals by different bank-branches without mentioning any reasons thereof.

As per the decision in the 2nd Conference of General Managers DICs - 2010-2011 held on 23.09.2010, Directorate of Industries has already furnished the list of MSME loan proposals returned by the Banks without assigning any reason to SLBC Odisha for taking up the matter in the next SLBC meeting vide letter No. 13814 dated 14/12/2010. The list is given in **Annex-XI** (page no.68 of the 122nd SLBC Agenda book.)

B). Issues on PMEGP 2010-11

Banks have to achieve the PMEGP target for the year 2010-11. The Controlling Head of banks are requested to disburse all sanctioned applications under PMEGP scheme and claim margin money from the respective nodal branches before the end of March, 2011. Deputy Director of Industries stated that the issue raised by the State Bank of India regarding

PMEGP has been sorted out and stands resolved and target set under the PMEGP will be achieved. It was also decided that there should be the bottom to top approach in fixation of PMEGP target in the coming year. The District Task force in consultation with the respective LDM will decide the targets at district level and state target will be the consolidated target of the districts.

ACTION : Banks/ Neelachal Gramya Bank/KVIC /KVIB/Industries Department, Govt. of Orissa.

3. Issue raised by the Orissa Sch. Caste & Sch. Tribe Development Financial Cooperative Corporation Ltd.

Banks have to achieve the target for the year 2010-11 under Scheduled Castes and Scheduled Tribe (DTLP) Sector given by District authorities. It is noticed that the achievement under SC sector was 24.37% and achievements under ST sector was 16.86% of the sponsoring. The Controlling Head of Banks were requested to look in the matter and complete disbursement of all sanctioned proposals under SC/ST by March, 2011. All Banks were also requested to submit Utilization Certificate to the District Authority without further delay.

ACTION: Banks/Govt. Line Departments.

4. Issue Raised by Directorate Fisheries, Orissa, Cuttack.

- A. That, 10000 tanks are proposed for excavation under MGNREGS during the year 2010-11. The tanks are to be excavated in the own land of small, marginal and SC & ST beneficiaries with 100% assistance from the MGNREGS. The recurring expenditure is to be met from the Bank loan with the subsidy provision. Integrated Fish Farming with duckery/poultry, culture of Pangasius sutchi and fingerling/yearling raising programmes are to be taken up on those tanks.

All Bankers may be requested to extend credit support to meet the recurring expenditure of different activities to be taken up in MGNREGS tanks. The scheme for Fish farming with Duckery/Poultry is given in **Annex-XV** (Page no. 75&76 of the 122nd SLBC Agenda book). for information of the Bankers. .

- B. It is targeted for excavation and renovation of 550 ha & 450 ha under FFDA and 2000 ha & 1300 ha respectively under NFDB programme during the year 2010-11. Although a good number of proposals have been sponsored and are kept pending with the banks, but the sanction position is very much discouraging. Bankers were requested to expedite the sanction position. Since it is the most favourable time for excavation/renovation of tank, Bankers were requested to dispose off the proposal within one month from the date of sponsoring of proposal to Bank. The pending position is submitted separately.
- C. There is no dearth of fund for subsidy under pond development programme. Subsidy to the tune of Rs. 3.00 crores have already been released to the District level officers for sanction of subsidy in favour of the beneficiaries. Lot of subsidy provision is there under FFDA & NFDB programme. All DLOs have been advised to release subsidy soon after the excavation work is over.
- D. Bankers may be advised to extend finance for Net & Boat for 1000 units to PFCS members for exploitation of fishes from the inland water resources with the unit cost @ Rs. 0.15 lakhs and 20% subsidy assistance.

Banks are requested to be guided by the above scheme/projects and make finance accordingly for enhancing credit flow to Allied sector. All the pending proposals under PISCICULTURE should be sanctioned and disbursed at the earliest. Controlling Head of Banks were requested to extend credit support, short term loans to Pisciculture sector and L. vannammei prawn culture and also proposals under fish seed rearing, All Bank wise pending proposals given by the Director of Fisheries should be disposed of before March, 2011.

ACTION: Banks/Govt. Line Departments.

5. Issue raised by Directorate of Textile, Orissa.

Banks have to finance more and more to Handloom and Handicraft Sector. All pending applications under Handloom and Handicraft sectors should be disposed off by the Banks. Banks can also issue artisan credit cards to more Handicraft artisans. The viable SHG may be enrolled as a member in the nearest PWCS Ltd so that the weavers outside the cooperative fold can avail Govt assistance. The administrative circular issued vide letter no. 18394 dated 12.11.2010 addressed to all Zonal Officer Textile relating to the above matter is given in Annex-XVI given in Page no 77 to 79 of 122nd SLBC Agenda book.

Banks were requested to adopt the Handloom cluster and make finance under cluster approach mentioned in Annex-XVII in page No. 80 to 84 of 122nd SLBC Agenda book.

ACTION: Banks/Govt. Line Departments.

6. Issue raised by Directorate of Handicraft and Cottage Industries Orissa, Bhubaneswar

A. Bank linkage of SHGs promoted in Handicraft sector:

In cluster development programme under handicraft sector, craft clusters are developed on SHG mode. Among other interventions, margin money assistance of Rs. 900/- per artisan is provided to each SHG of different clusters for bank linkage. Out of 617 SHGs promoted in clusters only 299 SHGs have been bank linked. The district-wise & cluster-wise position is furnished at **Annex-XVII.**

(Page no 80 to 84 of 122nd SLBC Agenda Book). Banks are requested to adopt those clusters and extend finance.

ACTION : Banks/Govt. Line Departments

B. Rehabilitation of Handicraft Artisans :

Margin money assistance is provided to individual artisans @ 20% of the project cost with ceiling of Rs. 5000/- per artisan to avail bank loan for setting up of own production unit. During the year 2010-11, as against the target of 993, total 808 cases have been sponsored to different Banks and till end of December 2010 total 258 nos. have been sanctioned. The Bank branch-wise pendency position of the loan application is given in **Annex-XVIII.** (Page no 85 of the 122nd SLBC Agenda Book). Banks are requested to extend finance those pending Handicraft Enterprises mention there in.

C. Promotion of Handicraft Enterprise:

Margin money assistance is provided to individual entrepreneurs @ 15% of the project cost with ceiling of Rs. 7,500/- for availing bank finance to set up handicraft enterprise. During the current year 2010-11, at the end of December 2010, total 146 nos. cases have been sponsored against the target of 155 and out of them only 29 nos. cases have sanctioned. The Bank branch-wise pendency position of the loan application is given in **Annex-XIX**. (Page no 86 to 89 of the 122nd SLBc Agenda Book.

D. Issue of Artisan Credit Card to Handicraft artisans:

Under the scheme Artisan Credit Card of Development Commissioner (Handicrafts), New Delhi, credit limit up to Rs. 2.00 lakh can be sanctioned by Bank with issue of credit card. The loan is covered under Credit Guarantee Trust for Small Micro Enterprise (CGTSME) scheme and the guarantee commission/annual fee is borne by DC(H) instead of the loanee. So far ACC has been provided to 7658 artisans. The Bank branch-wise sponsoring application for issue of the ACC is given in **Annex-XX**. (page no 91 of 122nd SLBC Agenda Book). The Banks may issue Artisan Credit Card to more Handicraft artisans.

E. Adoption of Handicraft clusters by the Banks.

The banks may adopt some craft clusters mention in the Agenda Book. Banks are requested to issue Artisan Credit Cards as per Bank wise details sponsored by the Office of the DCH sambalpur in respect of MSEI D/O mentioned Annex-XX page no 91 of 122nd SLBC Agenda book.

F. Sanction of Cash Credit in favour of OSCHC Ltd. and Primary Cooperative Societies.

Banks may consider extending Cash Credit to OSCHC Ltd. and selected primary cooperative Societies.

ACTION: Banks

7. Issue raised by Directorate of Agriculture and Food Production, Orissa, Bhubaneswar.

The Cooperative Banks are financing Agricultural crop loan to the farmers at 5% rate of interest. 2% interest incentive is also made available to such farmers in case of repayment of loan on or before the due date. Hence, the

Commercial Banks may be insisted to extend such facilities to the farmers of the State in financing crop loan. Govt is requested to provide the required Interest subvention towards waiver of Interest so that Banks may come forward for finance.

ACTION: Govt.

8. Issue raised by Khadi & Village Industries Commission, Ministry of MSME (Govt of India), State Office, Bhubaneswar.

The Banks who are implementing the PMEGP are requested to sanction and disburse PMEGP application and claim the Margin Money from the respective nodal Branches before 31.03.2011. The Banks are requested to achieve the target (both physical as well as margin money) set under PMEGP during the current financial year 2010-11. Before sponsoring the PMEGP proposal to the Branches, the implementing Agencies will obtain the consent of the Lead District Manager of the respective District with regard to the Service Area.

ACTION: Banks/Govt. Line Departments.

9. Issue Raised by Orissa Khadi & Village Industries Board < Orissa

The Banks are requested to achieve the target (both physical as well as margin money) set under PMEGP during the current financial year 2010-11 sponsored by KVIB.

ACTION: Banks/KVIB

10. Issue raised by Govt. of Orissa Housing & Urban Development Department.

In the revamped SJSRY guidelines which came into effect from 1.4.2009 the unit cost and subsidy amount has been hiked to a maximum limit of Rs. 2,00,000/- and Rs. 50,000/- respectively under Urban Self Employment Programme. Subsidy ceiling has also been increased to 25% of the project cost. The Government intends that eligible urban poor should be provided with high cost units/projects so that subsidy utilization will be more. It is observed that during current financial year the average per capita subsidy consumption would be Rs. 16,600 which is too less and is not supportive to achieve the objective of the scheme.

It is observed from the information available, till end of 3rd quarter that out of 30 districts, in 19 districts, the achievement vis-à-vis target is less than 40%

under Urban Self Employment Programme (USEP) and in 21 districts under Urban Women Self Help Group (UWSP). The ULB wise target and achievement statement is given in **Annex-XXIII.** (Page no 94 & 95 of the 122nd SLBC Agenda book).

The bankers should look into the matter seriously and take necessary steps to sanction and disburse high value projects.

The Executive Officer, Balimela NAC has reported that he had sponsored 101 individual applications under USEP and 8 Group Applications under UWSP to State Bank of India, Orkel Branch during March 2010 but the concerned bank returned all the applications to the NAC owing to declaration of the Bank as NPA. The copy of the letter of the Executive Officer, Balimala NAC & Branch Manager, Orkel Branch of SBI is given in **Annex-XXIV** (page no 96 & 97 of the 122nd SLBC Agenda book).

ACTION: Banks/Govt. Line Departments.

11.Issue raised by Orissa State Financial Corporation

Govt is requested to release the compensation money against acquisition of mortgaged land directly in favour of OSFC for appropriation of the loan dues of the borrower the details of which is given in page no. 18, 19 & 20 of the 122nd SLBC Agenda book. With respect to the subject issue for release of compensation award by the govt. against acquisition of mortgaged land it suggested that Industries Department may be involved for redressal of the issues.

ACTION : Govt. Line Departments.

12.Issue raised by Agriculture Insurance Company of India Ltd, Bhubaneswar.

- a) Gram Panchayat is the insurance unit for Paddy crop under NAIS in Rabi 10-11 seasons instead of Blocks which meets long standing demand of the farming community.
- b) A new scheme called Modified NAIS (MNAIS) is being implemented in 5 districts namely Balasore, Bhadrak, Bargarh, Sonepur and Kalahandi for PADDY crop at Gram Panchayat level. (The details of the Notification is given in Annex-XXV).(Page no 98 to 112 of the 122 nd SLBC Agenda book). Banks requested to be guided by the above notification under modified NAIS.

ACTION: Banks

13. Issue raised by NABARD, Orissa Regional Office, Bhubaneswaer.

- A. Controlling Offices of all Banks in the State may communicate to their Banks/Branches the guidelines under the six Centrally Sponsored Schemes for Animal Husbandry Sector. Discuss/Review the issues/Progress in BLBC/DLCC/SLBC and advise the banks not to give scope for complaints made by entrepreneurs regarding non-receipt of guidelines by bank branches as well as poor off take of subsidy under this scheme. (Copy of the gist of

guidelines of the six schemes is given in **Annex-XXVII** mentioned in page no 113 of the 122nd SLBC Agenda book.)

- B. It may be ensured that the controlling offices of all the banks in the State communicate the guidelines of "Dairy Entrepreneurship Development Scheme: to their respective branches immediately. (A copy of the scheme is given in **Annex-XXVIII** page no 114 to 125 of the 122nd SLBC Agenda book.) Banks are requested to be guided as per the above circular issued by NABARD and finance
- C. Banks may advise their branches to start awareness building and financing projects under the Capital Subsidy-cum-Refinance Scheme for installation of Solar Off-grid (Photo-voltaic and Thermal) and Decentralized applications under Jawaharlal Nehru National Solar Mission of the Ministry of New and Renewable Energy, Govt. of India. (Copy of the scheme is given in **Annex-XXIX** page no 126, to 128 of

the 122nd SLBC Agenda book). Banks are requested to be guided by the above circular.

ACTION: Banks

14. Issue raised by National Housing Bank.

Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) - The practice for the implementation of ISHUP

Govt. of India, Ministry of Housing and Urban Poverty Alleviation (MoH&UPA) had launched the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP), a National Scheme to provide housing for the Economically Weaker Sections (EWS) and Lower Income Group (LIG).

The captioned Scheme is designed to operate on a partnership mode among the various stakeholders viz. the Central Government, the State Government, the Urban Local Bodies and the financing institutions viz., Banks and Housing Finance Companies (HFCs).

The progress of the Scheme is being discussed/reviewed periodically in the Meetings of the State Level Bankers Committee. Besides, a number of Meetings have been held by the MoH & UPA, Government of India together with NHB & HUDCO with various State Governments. NHB as a Central Nodal Agency has been sharing the outcomes of the meetings of the Steering Committee and the measures being taken by the few State Governments towards implementation of ISHUP. In this regard, we would like to share the following initiatives taken by Govt. of Tamil Nadu, which have provided fresh impetus to the Scheme.

- State Government of Tamil Nadu have issued the orders in the State regarding granting concessions like exemption from payment of development charges, stamp duty on mortgaging of house site pattas, etc. (Copy given in **Annex-XXX** page no 129 to 135 of the 122nd SLBC Agenda book.). Govt of Orissa is requested to take similar steps in respect of granting concessions like exemption from payment of development charges, stamp duty on mortgaging of House site pattas.

The SLBC will furnish the details regarding provision of concession to the urban poor in respect of implementing Interest subsidy scheme for Housing the Urban poor.

- Target of benefiting 1 lac families has been fixed in the State. Subsequent to this, district wise targets have also been fixed and the officials concerned have also been sensitized about the implementation of the Scheme.
- Banks and Authorities of Municipalities and Urban local bodies are requested to work in tandem for financing ISHUP.

ACTION : Banks & Govt line Department.

(15). Issue raised by State Bank of India.

The Tahasildars/Addl.Tahasildars has been designated as Income Certificate Issuing authorities in the State as per the decision of the last SLBC meeting. Govt of Orissa is requested to advise the designated authorities to issue the Income Certificate to the education loan borrowers as per the format of IBA. The copy of the model format is annexed in Annex-XXXI of page no 136 & 137 of the 122nd SLBc Agenda book.. The signatures of these authorities should be made available with the Branches through DLCCs.

ACTION : Banks/LDMs/ Revenue Department Govt.of Orissa.

Govt of Orissa is requested to create Central Electronic Registry by computerizing the Land records through e-governance to minimize the frauds. The details of the suggestion may be given by SBI to SLBC so that SLBc may furnish to the govt for its consideration.

ACTION : SBI/SLBC/GOVT of Orissa.

(16). Issue raised by Syndicate Bank.

In response to the Issue raised by Syndicate Bank, Govt of Orissa is requested to solicit their support in the light of the Govt of Madhya Pradesh in subsidising Hand Held machines, Smart Cards and Biometric ATMs for speedy implementation of Financial Inclusion Programme in the State. Govt is requested to kindly look in to the matter for successful implementation of the Financial Inclusion in the State.

ACTION: Banks/Govt. Line Departments.

Agenda Item No. 4:

Banking Key Indicator of Orissa as on 30.9.2010

The Banks have to increase the CD Ratio which is showing declining trend as compared to March, 2010.

The public sector Banks and Private Sector Banks having very low CD ratio are given below.

Public Sector Banks

Sl. No.	Name	CD Ratio
1.	Corporation Bank	17.00
2.	IDBI Bank	29.30
3.	Oriental Bank of Commerce	39.58
4.	Punjab & Sind Bank	12.12
5.	State Bank of Travancore	39.69
6.	United Bank of India	38.72
7.	Vijaya Bank	20.00

Private Sector Banks

Sl. No.	Name	CD Ratio
1.	Rajasthan Bank Ltd.	13.56
2.	The South Indian Bank Ltd.	2.92

The Districts like Deogarh, Dhenkanal, Jagatsinghpur, Kandhamal, Malkangiri, and Sambalpur which have CD ratio below 40% were requested to play proactive role and take all possible steps to improve their CD Ratio.

Commercial Banks in Orissa have achieved all national parameters except DRI & Advance to Weaker Sections advance as on 31.12.2010. On year to year basis the deposit and advance have increased by 25.91% and 20.71% respectively. The performance of Commercial Banks in respect of PS Advance was quite commendable. It was praiseworthy to mention that finance under agriculture sector has been substantially increased and crossed the National Parameter of 18% as on 31.12.2010.

ACTION: Banks mentioned above/All Banks/LDMs of Districts mentioned above.

Agenda Item No. 5

Recovery

The overall recovery position as of 31.12.2010 is not satisfactory, i.e. 42.78%. The percentage of recovery of IRDP/SGSY/PMRY as of 31.3.2010 was 44.39% and 19.94%.

The certificate authorities should take immediate steps to dispose of 5850 cases amounting to Rs. 5.14 crores pending under OACO&MP(B) Act and 19511 cases amounting to Rs. 54.60 crores pending under OPDR Act. The NPA position of special schemes also need special attention by the Banks for its reduction.

Govt. machineries were requested to render adequate help 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 Banks under ACP 2009-10 up to December-2010 was 84%. The performance of Banks as a whole under Allied Sector being 18% was very low. LDMs of districts like Bhadrak, Deogarh, Dhenlanal, Gajapati, Malkangiri, Nayagarh and Rayagada should take proactive steps in close coordination with Govt. line departments and Banks to improve their ACP performance as they have not achieved 60% under ACP. Controlling Heads of Banks should take appropriate steps to improve performance under ACP.

ACTION: Bank/LDMs/Govt. line Departments.

Agenda Item No. 7

Progress under JLG

Performance in financing JLGs in the State is very poor. Banks have to take proactive steps.

ACTION : Banks

Agenda Item No. 8

Progress under Women Self Help Groups (Mission Shakti)

In the banner of Mission Shakti, a project for empowering Women economically and socially, since inception, till 31/12/2010 an impressive number of 548450 WSHGs have been credit linked involving Rs. 2694.49 Crores, which is definitely an outstanding achievement. During 2010-11 (i.e. from 1/4/10 to 31/12/10) Credit linkages have been provided to 42094 WSHGs amounting to Rs. 321.08 Crores. It was decided earlier that each revenue village should have at least one WSHG.

ACTION : Banks/Govt. Line Departments/LDMs

Agenda Item No. 9

Review of performance under PMEGP and SGSY.

Banks have to achieve the PMEGP Margin Money target set for 2010-11. All Sanctioned proposals should be disbursed and margin money should be claimed. KVIC, KVIB and Industries Department, Govt. of Orissa and all concerned banks must work in tandem for achieving targets under PMEGP. All Banks and Govt. Line Departments should work in tandem to increase subsidy credit ratio and per-capita investment under SGSY. As on 31.12.2010 Recovery under SGSY is only 44.39%. In order to focus on the vulnerable members of the society, Government department and Banks should see that there should be 50% flow of credit to SC/ST as per guidelines. Govt. line departments should use their good offices to help improve recovery.

ACTION : Banks/Govt. Line Departments

Agenda Item No. 10

Credit flow to Handloom and Handicraft Sectors

Banks have to enhance hassle free credit flow to Handloom weavers on priority and issue more and more ACC. Banks have to finance SHGs promoted by Directorate of Handicraft and village and Cottage Industries, Orissa.

ACTION : Banks/Govt. Line Departments

Agenda Item No. 11

Progress under SJSRY

As on 30.9.2010 out of 2646 applications, 12021 cases have been sanctioned and 1969 cases have been disbursed. Banks are requested to implement the scheme sincerely for upliftment of the urban poor.

ACTION : Banks/ LDMs

Agenda Item No.12**Performance of Banks under SC/ST/Scavenger/ITDA**

Applications sponsored by OSCS/DFCC Ltd./OSFDC under C/ST/Scavenger/ITDA should be financed with utmost sincerity for upliftment of weaker sections.

ACTION : Banks/Govt. Line Departments

Agenda Item No. 13**Performance under KCC/SCC/ACC**

Banks were requested to take all possible steps and measures to achieve the target under KCC/SCC/ACC for the year 2010-11.

ACTION : Banks/LDMs

Agenda Item No. 14**Performance under Pisciculture**

It is the right time for financing the Pisciculture loans to the farmers so that they can able to complete the excavation work during the financing year. The participating banks may be requested to take timely suitable action in sanctioning and financing the FFDA loans. The Banks are advised to finance short term loan to the beneficiaries who have developed their tanks under MGNREGS Scheme.

ACTION : Banks/Govt. Line Departments

Agenda Item No. 15

National Housing Loan, Home Loan, Rural Housing Finance, Finance to Ex-Servicemen and Finance to Minority Community

Banks have to improve their performance and correct reporting should be made by Banks in respect of finance to the above sections. Banks should make sincere efforts to finance Minority Communities and should achieve 15% of their outstanding Priority Sector Credit as at the end of previous year.

ACTION : All Banks

Agenda Item No. 16

Education Loan

Govt. of Orissa is requested to advise the designated authorities to issue the Income Certificate to the education loan borrowers as per the format of IBA. The copy of the model format is annexed in Annex-XXXI of the 122nd SLBC Agenda. The signatures of these authorities should be made available with the Branches through DLCCs. Banks should give utmost priority to Education Loan and finance more and more to this Sector.

ACTION : All Banks

Agenda Item No. 17

Progress under National Horticulture Board

All valid Letter of Intents pending with various Banks for sanction of loan to the Horticulture Sectors should be sanctioned and disbursed without further delay. Utilization certificates pending with different Banks should be sent to the concerned sponsoring Agencies soon.

ACTION : All Banks/NHB

Agenda Item No. 18

Financial Inclusion

Except Malkangiri District, all 29 Districts have achieved 100% Financial Inclusion. . LDM of Malkangiri should take steps for achieving 100% Financial Inclusion by March-2011.

ACTION : All LDMs

Agenda Item No. 19

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 publicising the scheme. All Banks were requested to extend loan to the Senior Citizens who are interested to avail loan under Reverse Mortgage Scheme.

ACTION : All Banks

The Meeting ended with vote of thanks by Mr. C.P Das, Chief Manager, SLBC, Orissa.