

Minutes of 42nd meeting of SLBC Jharkhand held on 14th February'2013

At Hotel capitol Hill, Ranchi

The 42nd meeting of SLBC was held on 14th February'2013, at Hotel Capitol Hill, Ranchi, chaired by Sri T. R. Chawla, Executive Director, Allahabad Bank and was co-chaired by Sri S. K. Chaudhary, Chief Secretary, Govt. of Jharkhand.

Sri Madhukar Gupta, advisor to H. E. Governor of Jharkhand was the Chief Guest in the meeting.

The meeting was attended by senior functionaries of Govt. of Jharkhand, Commercial Banks, Financial Institutions and other related agencies. (List annexed as Annexure – I).

Sri A. K. Pandeya, Dy. General Manager, Allahabad Bank, Ranchi, welcomed the dignitaries and participants in the meeting.

Sri T. R. Chawla, Executive Director, Allahabad Bank and Chairperson of SLBC Jharkhand welcomed Sri Madhukar Gupta, Advisor to H.E. Governor of Jharkhand and other senior Govt. and Bank officials in the 42nd SLBC meeting of Jharkhand state.

In his key note address Sri Chawla shared some of the macro economic developments, which have taken place in recent times. He said that 25 basis point cut in repo rate combined with a reduction in CRR by RBI will enable banks to lower lending rates and improve circulation of money in the market. As inflationary expectations adjust downward, banks will have greater flexibility in reducing deposit rates, thereby lowering their cost of funds. This will create further space for a reduction in lending rates in coming months.

Further, Sri Chawla focused on the challenges ahead of banking sector in the state on Direct Benefit Transfer, as Jharkhand is one of the 18 states for implementation for the first phase of roll out of Direct Benefit Transfer (DBT). He said that as the DBT is based on Aadhaar based payment system, seeding of Aadhaar number in bank account of the beneficiaries is the most important step for the implementation of Direct Benefit Transfer. He asked for active and committed participation of the banks in the successful implementation of the scheme.

Despite having many odds against, Agriculture sector, Jharkhand has shown a robust growth in last couple of years and Kishan Credit Card has played an important role in this regard.

Sri Chawla in his key note address highlighted the overall performance as well as challenges ahead of banking sector in the State. CD Ratio as per place of sanction is increasing continuously over the years and reached at 58.15%. The CD Ratio as per place of utilization and RIDF increased from 57.96% to 58.15% as on 31st December'2012. He stressed that although CD ratio is not the alone benchmark for inclusive growth and overall banking development in the state, but to get higher CD Ratio, there is imperative need to create enabling situation to improve CD Ratio. The gross credit of the Banks in the State has increased by **17.67%** during the review period which is quite satisfactory. Priority Sector advance registered a growth of Rs. **9168.96** Crore representing growth of **42.76 %** on YoY basis as on 31st December' 2012. Priority Sector being **63.46%** of gross credit is well above the National benchmark for Banks of **40%**. Agriculture Credit stands at Rs.**6554.19** as on 31st December' 2012, which is **13.59%** of Gross Credit. In absolute term Agriculture credit grew by **Rs. 2103.32** crore on YoY basis, representing a growth of **47.25%**. There is impressive growth in MSE Sector. Advance under this sector grew by Rs. **5120.49** crore on YoY basis. Share of MSE sector in total credit is 34.53%. Disbursement

under annual credit plan is Rs. **12493.80** crore as on **as on December'2012** against the annual target of Rs.19000.00 crore which is **65.76** % of Annual target.

The importance attached to Financial Inclusion through covering the entire population under banking fold needs no special mention. As per recent GOI instruction the coverage in terms of various population brackets is no longer relevant and the entire area of districts/state, as per roll out plan, would need to be covered with banking facilities. However, as per RBI guidelines roll out plan for Financial Inclusion for the villages having population below 2000 have been prepared by the LDMs and all the Banks operating in Jharkhand are requested to ensure coverage as per Rollout plan. He also emphasized the importance of CSCs as Banking Correspondents (BCs). Deptt. of Financial Services has categorically stipulated that wherever a CSC exists, the CSC is made a BCA. Banks can engage additional BCAs, if required in such cases. Since the functioning of the CSCs is monitored by the Government, and they are permanently stationed at a fixed place, it would be always prudent to engage them as BCs.

Commenting on NPA position in the state, Sri Chawla expressed his deep concern over the alarming figures of NPA. The NPA increased alarmingly by Rs.1138.80 core on YoY basis from Rs.1593.38 cr to Rs. 2732.18 which is 5.67% of Gross credit. Recovery in PSC (47.30%) and Govt. sponsored schemes (40.18%) is very dismal. Decreasing recovery trend and increasing NPA is the main cause of concern for the banking fraternity. Since recovery of Bank dues has a direct impact on revolving of funds, effective implementation of PDR Act through the established mechanism of Certificate Officers need be strengthened. Similarly, recovery through invocation of SARFAESI and DRT cases also need special attention by all concerned departments/Agencies.

At the end of his deliberation Sri Chawla extended thanks to the state Government and various development agencies for excellent support & Co-operation rendered to banking sector in all the spheres of banking activities which is evident from the noteworthy performance of banking parameters and poverty alleviation programmes. He hoped the same level of mutual co-operation and synergic action amongst the Bankers and various Govt. departments in future.

Hon'ble Sri Madhukar Gupta, Advisor to H.E. Governor of Jharkhand in his address to the house touched upon some of the important issues, issues of positive trends and issues for concern for the banking and economic status in the state. He described SLBC as the extremely important forum in the context of economic development of the state. Credit and Financial Services are the key enabler for economic growth both in terms of overall growth in context of liberalized economy and particularly with special intervention required to ensure inclusive growth and development. He stressed upon the total commitment and coordination between the State Govt. on one hand and by the Banks on all levels on the other hand. Commenting on the CD Ratio of the State Sri Gupta said that although CD Ratio has grown upto 58% appears to be good in terms of benchmark and perhaps in terms of growth but at the same time it may not reflect the real picture in context of the state which is highly industrialized at one level and having a very high poverty level at another. He appealed to increase the CD Ratio of rural areas which is at present 40%. He described strengthening and development of a robust rural credit delivery mechanism with due attention to simplification of procedure and efficient and timely delivery to the needy people. Union Agriculture Minister during his visit to state also pointed out the delay in delivery of various Rural development schemes and asked for discussion over the issue in SLBC meeting. He said that Agriculture Credit in the state is

13.59% of total credit, which is showing an increasing trend but it needs special attention of all to improve it further. He advised the Banks in the state to organize special credit camps in every block to issue Kishan Credit card to all eligible farmers in a time bond manner. In the context of rural and agriculture credit, Sri Gupta described SHG as the fairly efficient users of the credit particularly woman SHG. SHG has played a very important role in rural development and it is also having greater recovery percentage, therefore it needs to be promoted.

Commenting on the issues related with land records and resultant issues of collateral security for Banks especially in MSME and Housing, Sri Gupta urged to address in a focused manner. He said that some of the issues are pending and challenges are very old and need to be addressed in a focused manner, some new challenges like seeding of Aadhaar number in account and Direct Benefit Transfer, requires mission oriented approach and action. Sri Gupta stressed upon the need of deployment of adequate manpower in the rural branches of the Bank to ensure smooth and timely compliance of the Govt. agenda in rural areas.

Sri P. K. Jena, Regional Director, Reserve Bank of India in his address said that the SLBC has served its purpose very usefully for the last several decades. He flagged off some of the important issues in his address. He complemented Govt. of Jharkhand for taking so many initiatives for the development of the state and described it as a very proactive bureaucracy. Govt. of Jharkhand has provided Panchayat buildings for Financial Outlets of Banks, incentive for Govt. own staff for collection of KCC application and provisioning of State Industrial Force for security of Bank treasure are some of them.

On Financial Inclusion plan Sri Jena said that in first phase 1541 unbanked villages having population above 2000 have been covered under the plan by 31st March'2012. In the next phase, Banks in Jharkhand have to cover 26000 identified villages below 2000 population either by a brick & mortar branch or by any type of BC model. He also addressed the issue of computerization of land records and said that at the time of financing and taking a land as collateral banker must know the real owner of the landed property. If the online creation of charge is available, it will reduce the processing time in financing.

Sri Jena highlighted the issue of shortage of coins and position of soiled notes. He appealed the bankers to ensure compliance of their minimum commitment in this regards by 31st March'2013 by installing coin vending machine and note exchange counters. He also discussed the issue of non Banking companies, taking public deposit and said that in Jharkhand no companies other then Banks are authorized by the RBI and by any other Govt. institution for accepting public deposit. At the end of his deliberation Sri Jena hoped that with the sustained cooperation of state Govt. and bankers success will come to Jharkhand.

Dr. S Sarvanavel, Chief General Manager, NABARD, Ranchi while addressing the meeting informed that NABARD has prepared State Focus Paper, which is aggregation of district wise PLP amounting Rs. 12888 crore. He requested SLBC and other Banks having Lead bank role in the state to instruct the LDMS to prepare ACP 2013-14 on the basis of that PLP. Further, he also discussed credit flow in the state. He informed that Govt. of Jharkhand has taken many rural infrastructure projects for the development of Jharkhand. He hoped that during the current Financial year Govt. of India may sanction Rs. 900 crore for infrastructure projects and NABARD will release Rs. 750 crore under RIDF.

RIDF loan outstanding is also taken into account for CD Ratio purpose and has a impact on the rural credit flow. He specially mentioned about small and medium level irrigation project which is very important for having two crops on the same land.

Thereafter, Agenda wise discussion was started by Sri R. N. Mohanty, General Manager(PSC), Allahabad Bank Head Office :-

Agenda No.1 - Confirmation of the Minutes of 41st SLBC meeting held on 09th November'2012.

Minutes of 41st SLBC meeting of Jharkhand State held on 09th November'2012, circularized to all concerned vide letter no. SLBC/AB/02/609 dated 20th November'2012, confirmed by the house without any amendment.

Agenda No. 2 - Action taken report on the decision taken in previous SLBC meetings

Issues pertaining to State Govt

2.1.1.Updating of land records and Amendment in tenancy Act (S.P.T Act & C.N.T. Act)

Updation of land records completed in Lohardaga and East Singhbhum district and updation is complete to the extent of 75-80% in 10 districts viz Khunti, Sahibganj, Chatra, Gumla, Latehar, Jamtara, Garhwa, West Singhbhum, Ranchi and Dumka. In next phase the work will start in Palamu, Giridih, Godda & Simdega districts.

Amendments in C.N.T. Act and S.P.T. Act can be taken up only after nod of Tribal Advisory Committee which is still awaited.

2.1.2.Amendment in PDR Act

The proposal for making necessary changes has been referred to the Law Department. The notification in this connection will be issued by the Member, Board of Revenue after getting clearance from Law Department.

2.1.3. U.P. Agriculture Money Recovery Act

The Revenue and Land Reforms Deptt. is analyzing the proposal in the context of CNT and SPT Act. The matter is also referred to Tribal Advisory Committee for consideration.

2.1.4. Amendment to the Bihar Money Lenders' Act 1974 and Rules as prevalent in Jharkhand.

The articles of amendment in the Bihar Money Lender's Act-1974 were finalized and necessary formalities to make the amendment are under process.

2.1.5. Recovery of Bank's dues

Revenue & Land reforms department has since examined the proposal and is taking action for bringing amendments in the Act for employing the retired Govt. officials as dedicated certificate officer.

Sri N. N. Khanna raised the issue of recovery as the major concern for the Banks. Sri Mohanty GM, Allahabad Bank categorically mentioned 03 major hurdle in recovery viz PDR act amendment, recovery officer appointment and delay in getting possession of mortgaged property under SARFESAI Act 2002

Smt. Vandan Dadel responding to the issues stated that amendment in PDR act and appointment of retired Govt. officials as dedicated certificate officers are under process.

She also stated that instructions have been issued to all DCs for extending co-operation in taking physical possession of mortgaged property under SARFESI Act.

2.1.6. Security arrangement for safety & security of Banks Treasury in Jharkhand.

02 battalion of State Industrial Security Force for industries including Banks have already been raised and are under training at Bokaro, which will be made available after the training.

2.1.7. Allotment of land to R-SETIs

Land allotted in 22 districts, transferred in 17 districts in the state.

2.1.8. Establishment of USB as per Master Circular of DFS, MOF, GOI

Total 70 USBs have been opened till Dec.2012, rest of the 12 USBs will have to be opened. The Banks who are lagging behind in this are as under.

IOB - 1, PNB - 1, United Bank - 1, JGB - 2, VGB - 7

2.1.9. Extension of Swabhimaan

Coverage of villages having population between 1600 to 2000 as per 2001 census under Swabhimaan scheme has to be covered by March'2013, however, DFS, MOF, GOI has decided to roll out Direct Benefit Transfer, the coverage in terms of population would no longer be relevant and the entire area of districts/States, as per roll out plan, would need to be covered with banking facilities.

2.1.10. Uploading of Service Area Plan

The preparation of the revised service of the plan is going under way.

2.1.11. Issues related with Special SLBC meeting of Jharkhand State on relief measures for Early Season Drought in Jharkhand

DCC meeting on the issues were held in all the districts. Information regarding identification of the beneficiaries and identification of loss have not yet been provided to the Banks. Only few Banks have provided the data required proposed interest subvention in agricultural loans.

Agenda No. 3 Key Indicators of All Schedule Commercial Banks as on 31.12.2012

Deposit growth The Aggregate Deposit of the Banks in the State of Jharkhand grew by Rs.13764.99 crore on YoY basis as on 31st December' 2012 in absolute term, representing a YoY growth of 17.22%. It reflected a growth of Rs.8703.94 crore from March'2012 i.e. 10.24% in three quarters of current FY.

Credit Growth The gross credit of the Banks in the State grew by Rs.7242.12 Crore on YoY basis as on 31st December' 2012. Thus credit expended by 17.67% during the review period which is quite satisfactory. Credit grew by Rs. 4098.95 crore from March' 2012, i.e. 9.29% in three quarters of current FY.

CD ratio CD ratio of the Banks increased from 57.96% to 58.15 % over previous quarter as on 31st December'2012. The CD ratio as per place of sanction is increasing continuously over the period.

Commenting on the issue of difference in the figure of CD Ratio reported by RBI and by SLBC as pointed out by the Development Commissioner, Sri Mohanty enumerated the probable reasons of difference. He also proposed to form a sub committee headed by the Secretary, IF & PI to examine the matter for one time settlement as this issue was also raised earlier. He advised that the report will be discussed in next SLBC meeting. The committee will comprise members of IF & PI, RBI, NABARD, SLBC, SBI and Bank of India.

Priority Sector Advance Priority Sector Advance registered a growth of Rs. **9168.96** Crore representing growth of **42.76 %** on YoY basis as on 31st December' 2012. Priority Sector being **63.46%** of gross credit is well above the National benchmark for Banks of **40%**.

Agriculture Credit Agriculture Credit stands as on 31st December' 2012, at Rs.**6554.19**, which is **13.59%** of Gross Credit. In absolute term Agriculture credit grew by **Rs. 2103.32** crore on YoY basis, representing a growth of **47.25%**. The growth in outstanding Agriculture Credit during the FY 2012-13 is Rs. **821.81** crore. Although, the growth is slow but it is increasing continuously.

Weaker Section Advance to Weaker Section by the Banks in Jharkhand is Rs.**7399.27** crore (**15.34%**), is well above the National bench mark of **10%**.

Advance to Women Advances to women as on December' 2012, is Rs **4196.40** crore showing an increasing trend from December'2011, and reached to **8.70%** of total credit, which is above the National benchmark of **5%**.

Advance to Minority Community Advance to Minority community has increased from **1797.69** crore to **2496.75** crore on YoY basis representing a growth of **38.88%**. However, it is **8.70%** of Priority Sector as on December' 2012, which is below the stipulation of **15%**, requires the attention of all the stakeholders in the light of Sachhar Committee recommendation. Secretary Welfare intervening in the discussion requested the Banks to extend Bank credit to minorities as per recommendations of the Sachar Committee, which at present in the state is not satisfactory.

Share of DRI advance Share of DRI advances as on December' 12 in Gross Credit stood at Rs.**63.45** Crores, which is only **0.14 %** of Gross Credit of previous financial year against minimum benchmark of **1%**.

Sri Chawla, Chairperson of the SLBC and ED Allahabad Bank said that due to some very attractive incentive based schemes of state Govt. probably there are no seekers of DRI advance so it is a challenge for the bankers to achieve the 1% target.

3.2 CD Ratio of the State as On 31.12.2012.

Banks having CD Ratio below 30%

The CD Ratio of UCO Bank(28.70%), Indian Overseas Bank(26.84%), State Bank of Patiala(25.03%), Oriental Bank of Commerce(24.57%), Andhra Bank(24.49%), Vijaya Bank(23.00%) Federal Bank 22.94%, Jammu & Kashmir Bank(23.38%), Indian Bank(18.72%), Punjab & Sindh Bank(12.14%), South Indian Bank(11.81%) & Laxmi Vilash Bank(2.22%) still hovering below 30% mark.

Districts having CD Ratio below 30%

Now, only one district in Jharkhand i.e. Chatra (28.76%) is having CD Ratio below 30% mark.

3.3. POPULATION GROUP (RURAL/SU/U) WISE DISTRIBUTION OF DEPOSIT & CREDIT AS ON 31.12.2012(as per place of sanction & excluding RIDF)

In rural areas CD Ratio has increased from **37.50%** to **40.80%** on YoY as on 31st December'2012. Overall CD ratio has increased from **51.30%** as of December'2011 to **51.49%** as on December'2012(as per place of sanction & excluding RIDF). Advances in Rural and Semi-urban and Urban area are showing sharp growth and CD Ratio of Rural areas is showing an increasing trend on YoY basis.

It is worth mentioning that advances is showing higher growth than the Deposit over the year and in rural areas Deposit grew by 1.01% where as Advance grew by 9.92% on YoY basis.

3.3.2 Incremental Deposit & Credit during Dec.' 2011 to Dec.'2012 Incremental CD Ratio is more than 50%.

Agenda No. 4. Review of achievement under ACP 2012-13 as on 31st December'2013

Over all achievement under ACP at the end of December quarter of FY 2012-13 stands at **65.76%** of the annual target. Achievement under Agriculture sector is **72.00%** of annual target, whereas achievement under MSE stands at **87.32%**. The total achievement under PSC is **69.74%**. Achievement under ACP in Agriculture, MSE OPS and total priority sector is higher than of December'2011 achievement. The overall achievement under ACP is slightly higher than previous year achievement.

4. 2. Preparation of ACP for Financial Year 2013-14

The State Focus paper is a plan document prepared by NABARD, by aggregating the Potential Linked Plan of 24 districts of the state, prepared in consultation with all stakeholders at the district level for FY 2013-14. LDMs of all the district are requested to prepare the ACP for 2013-14 well in time taking into account of the PLP.

Agenda No. 5. Agriculture and Kishan Credit Card, including new KCC scheme

Total Agriculture credit of all Banks in the state is **Rs.6554.19** crore which constitutes **13.59%** of the Gross credit. Agriculture credit in the State is lower than the National bench mark of **18%**. However, it is showing an increasing trend over the years. Focused attention of all the stake holders i.e. state Govt., Banks, NABARD and other agencies is needed.

Bank wise progress of issuance of KCC up to 31st December, 2012

Banks in Jharkhand have issued 546677 KCC during the current Financial Year.

5.1.3. Special Incentive scheme of GOJ for mobilization of KCC application

In the scheme a target has been fixed to cover all the left over farmers (**18,50,656**) in Jharkhand. As per the latest data collected from Banks **546677** KCC have been disbursed by the Bank branches in the state.

5.1.4. RuPay Credit Card

All normal KCC has to be upgraded as Smart KCC by 31st March, 2013 with the new system of credit limit assessment to make it functional with ATM & POS. NABARD has started a pilot extending financial support for RuPay cards & POS machines to all KCC holders in 100 villages under service area of Jharkhand Gramin Bank.

Sri A. K. Singh, Principal Secretary, Agriculture, GOI raised some of the issues. He said that 9.87 lakh KCC applications have been collected and 7.28 lakh applications have been sent to banks and as per banks report around 2 lakh KCC applications is still pending for sanction. He requested for a very proactive approach by the bankers in this regard as the target is to issue KCC to all eligible farmers. Sri Singh also said to launch KCC camps at block level as suggested by the Advisor to H. E. Governor to issue KCC to all eligible farmers. Secondly, Sri Singh requested to examine the status of live KCCs issued so far to know how many KCCs per branch issued by banks to make an overall assessment. He also desired to know the pattern of financing under KCC because state is basically following mono cropping pattern and is prepared to go for double cropping. Commenting on the recovery, Sri Singh said that Govt. is procuring Paddy on very large scales through PACS and LAMPS and Banks can link their recovery with procurement proceeds through cooperative Department.

Sri T. R. Chawla, Executive Director, Allahabad Bank and Chairperson SLBC made an observation that no KCC can be categorized as Active or Passive, however banks can provide the data of NPA and surrendered KCC.

5.2. Finance to Micro & Small Enterprises (MSE) and Medium Enterprises

5.2.1. Financing to Micro & Small Enterprises (MSE) (Priority Sector)

Total Credit to MSE Sector in the state has recorded at Rs.16653.62Cr on 31st December'12. It increased by Rs.4564.59 from 31st Mar'11, showing a robust growth of over 37.75%. Share of credit to Micro Enterprise in total credit to MSE Sector stood at 32.83%. As per RBI guideline, Banks have to achieve 60% share of Micro Credit in overall MSE by Mar'13.

National Mission on Food Processing (NMFP):

Ministry of Food Processing Industries (MFPI) has launched a new Central Sponsored Scheme (CSS) -National Mission on Food Processing (NMFP) during 12th Plan (2012-13) for implementation through States / UTs. The basic objective of NMFP is decentralization of implementation of Ministry's schemes, which will lead to substantial participation of State Governments / UTs. The NMFP contemplates establishment of a National Mission as well as corresponding Missions in the State and District level. NMFP is likely to improve significantly the Ministry's outreach in terms of planning, supervision and monitoring of various schemes.

Sri A. P. Singh, Secretary, Industry, GOJ appraised the house, some of the benefits of the scheme that the subsidy is parked with the state Govt. and banks should come forward to finance under the scheme.

5.3. Education Loan

Education loan has shown a robust increase over the last year figure. Education Loan outstanding as on 31.12.2012 was Rs.1928.50 crore in 53919 account representing a growth of 9600 account over the year.

5.4. Housing Loan

Performance of Banks operating in Jharkhand in Housing Loan Sector has shown a growth of over 13.24% in total number of accounts from December'11 and 9.78% growth in terms of amount from Dec. 11. Total lending to Housing Loan stood at Rs.**3580.74**Crs as on December'2012.

5.5.1. Artisan Credit Cards

As on 31st December'12, the Banks in Jharkhand have achieved 86.60% of allocated target. The total outstanding as on 31st December'12 stood at Rs.9.50Cr.

5.5.2. SWAROJGAR CREDIT CARD

Against the target of issuance of 5000 GCC 7892 GCC have been issued.

5.6.1. Credit Flow to Minority Communities

The share of Minority community in PSC is **8.15%** as on Dec'12. Though the state has surpassed the target fixed by DFS, MOF, Gol in Priority Sector lending and Lending to Minority Community but in percentage term the share of minority community in Priority Sector lending is less mainly due to comparably higher lending in Priority Sector.

Sri L. Khiangte, Secretary, Welfare, GOJ informed the house about the Sacchar Committee report and requested the Banks to act accordingly.

5.6.2. Credit Flow to Women

There is a growth of Rs.**7242.12**Cr. on YoY basis in credit flow to women in Jharkhand. It has also increased in percentage terms from **5.35% to 8.70%** surpassing the benchmark of 5% of Gross Credit.

5.6.3. Credit Flow to DRI

DRI Lending has **decreased** on YoY basis and remained below benchmark 1%.

5.6.4. Credit Flow to SC/STs

The over all credit to SC/STs has increased by ` **2521.58** crore from ` **2587.25** crore to ` **5108.83**cr as on December'12 over December'2011. In percentage term the share of credit has increased from **6.31 % to 10.59 %**.

5.7. Scheme for Revival, Reform and Restructuring of Handloom Sector

The "3R Package for Handloom Sector" is being implemented, as a Centrally Sponsored Plan Scheme with a total outlay of Rs.3884 crore. NABARD is the implementing agency and the funds will be provided for repayment of 100% of principal and 25% interest as on date of loan becoming NPA which is overdue as on 31.3.2010. **Out of the total 157 PWCS and 01 AWCS in Jharkhand, 52 societies had submitted claims out of which 27 PWCS were found eligible.** Applications of 369 Individual weavers were received through the financing banks (i.e. SBI, PNB and VGB) and were also approved by the SIMRC.

Weavers Credit Card

Against the target of issuance of 3000 Weavers Credit Card in current FY, 236 cards have been issued. All Banks are requested to gear up their activities so that the target of Weavers Credit card for FY 2012-13, may be achieved.

5.8. Scheme for financing Women SHG

Gol, MoF, DFS has issued detailed guidelines for promotion and support of Women SHGs in backward District of India. Dr. S Sarvanavel, CGM, NABARD informed the house that under Woman SHG scheme No. of districts covered is 18, no of blocks covered is 209, no of Anchor NGO is 16, no. of supporting NGO is 111, no. of coordinators for NGO is 795, no. of bank branches approved by DLCC is 440, no of SHG formed 11158, no. of SHG SB linked 4213 and no. of SHG credit linked is 33. He said that the implementation KYC norms is posing major hurdle and requested the Banks to issue circulars in line with the RBI circular for the revised norms for SHG.

Sri R. S. Poddar, Principal Secretary, Rural Development Deptt., GOJ informed that 75,000 woman SHG have been financed under NRLM SGSY scheme.

Agenda 6 : Review of Progress under Govt. Sponsored schemes for the FY 2012-13

Prime Minister's Employment Generation Programme

Out of 3108 applications sponsored, 1452 projects (46.78%) sanctioned by Banks in Jharkhand. Only 12% margin money of the State has been achieved which indicate that subsidies have not been settled with respective Nodal Bank branch in all disbursed cases. All the stakeholders are requested to ensure all out effort to ensure achievement of Margin money target.

Sri A. P. Singh, Secretary, Industry, GOJ raised the issue of pending application bank wise and stressed upon to ensure 100% achievement under the scheme.

National Rural Livelihood Mission (NRLM)

National Rural Livelihood Mission (NRLM) programme launched by MoRD, Gol, has to be implemented in a mission mode across the country replacing SGSY and a Sub-committee of SLBC has been constituted under the Chairmanship of The Principal Secretary, Rural Development, GOJ. The JSLPS has been nominated as convener of the sub-committee and the Sub-committee has had its meeting on 14.12.2012 & 05.02.2013.

Sri R. S Poddar Principal Secretary, RDD, GOJ informed that the JSLPS, Rural Development Department intends to appoint a retired or working Banker on their pay roll having sufficient knowledge of Financial Inclusion and livelihood programmes. It was assured that a panel of 2-3 such names will be forwarded by SLBC to the Govt.

Agenda No. 7 - FINANCIAL INCLUSION

7.1.1. Roadmap- Provision of Banking Services in villages with population below 2000 as per RBI guidelines.

SLBC has finalized the roadmap as per RBI guidelines for the coverage of villages with population below 2000. SLBC has provided the allotment to all the Banks and requested to cover the villages as per their Roadmap.

Most of the Banks have informed that they have their Board approved FI Plan for covering below 2000 population villages.

Smt. P. Kala, Dy. General Manager, SBI raised certain issues in connection with functioning of CSCs as BCs including delayed or non-payment of wages to the BCs by the service provider UTL resulting in poor performance of CSCs. However, UTL representative presented the reasons of poor functioning of CSC in the state. During the course of discussion other functional difficulties have been discussed in length. Sri R. N. Mishra, Dy. General Manager, IDBI Bank informed that IDBI Bank has not been allotted any village in Jharkhand and IDBI has already sent letters to LDMs for allotment of villages to IDBI. Sri R. N. Mohanty, General Manager, Allahabad Bank instructed SLBC Cell to write letters to LDMs for allotment of villages to IDBI Bank as per their request.

7.1.2. Financial Inclusion Fund & Financial Inclusion Technology Fund

During the FY 2012-13 Financial support from Financial Inclusion Fund (FIF) is Rs.42.19 lakh and Financial Inclusion Technology Fund (FITF) is Rs. 269.00 lakh extended by NABARD.

Agenda no. 8 Important Issues for Implementation in terms of DFS, MOF, GOI guidelines

8.1 Rollout of Direct Benefits Transfer from 01st January' 2013

It has been decided to shift to a system of Aadhaar enabled Direct Benefit Transfer of funds under 34 identified central sector/centrally sponsored schemes. In the first round of Direct Benefit Transfer, the rollout has been launched on 01.01.2013, under 26 selected schemes in 43 districts of 16 States. Initially beneficiaries will be able to withdraw from their own bank branches or ATMs or Business Correspondents (BCs) wherever they exist. The system of micro_ATMs and multiple BCs will roll out subsequently with full inter-operability gradually.

Sri S. V. Sahu, Dy. Director, IT, GOJ informed that in 04 districts Ranchi, Ramgarh, Hazaribagh and Saraikela DBT is rolling out, in 03 district Bokaro, Khunti and Lohardaga roll out will start from 15th March and in the rest of the districts from 01st April, 2013. He stressed upon the need to prepare roadmap for seeding and mapping of data. He pointed out that in Inoperative account which is about 25% of total beneficiaries, seeding of Aadhaar is not possible, RBI should revise its guidelines regarding definition of inoperative account. Over the issue of the deployment of Micro ATM or some other kind of disbursement system as per MOF guidelines for seamless roll out of DBT, Sri Sahu requested the bankers to act in a time bound manner.

8.2. Seeding of Aadhaar number in the CBS of the Banks

The seeding of Aadhaar number in bank account of the beneficiaries is the most important step for the implementation of Direct Benefit Transfer. After getting the data of beneficiaries from Govt. user departments in digitized format for each scheme Banks have to seed the Aadhaar number in CBS without error. All the controlling heads of the Banks to ensure quick and error free seeding of Aadhaar number whenever received from Govt. Department. The controlling Heads are requested to monitor the seeding of Aadhaar number on daily basis and ensure that seeded accounts are finally mapped/uploaded in NPCI server through their CBS project office on daily basis.

8.3. Mapping of Gram Panchayats and Planning for BCA/CSC for Sub- service area approach

It has become necessary to prepare comprehensive plan for the coverage of entire districts through Banking Services to enable Direct Benefit Transfer. It shall be the endeavor to ensure that there is at least one bank branch/business correspondence Agent (BCA) in every Gram Panchayat. Bank need to ensure that about 1000 to 1500 households are available in Sub – service area of BCA. LDM has to prepare Sub- Service area based on group of Gram Panchayat taking the population and geographical condition into consideration such that one Branch/BCA/CSC extend service to each sub- Service area. In case any Panchayat requires more than one BCA/CSC, the sub service area for each BCA/CSC, within gram Panchayat must be specified. In the Sub- Service area where neither a BCA nor a functional CSC is available, new CSC or BCA should engage.

8.4. Operationalization of CSC as Business Correspondent

In view of roll out of Direct Benefit Transfer, the coverage in terms of population would no longer be relevant and entire area of districts/states, as per roll out plan, would need to be covered with banking facilities. In order to extend the outreach of BCAs, Public Sector Banks have signed an agreement with the CSC e-Governance Services India Ltd (CSC SPV), a special purpose vehicle setup by the Government of India to monitor and manage the Common Services Centre, for engaging CSCs as BCA. The service providers for the CSC e- Governance are asking the Banks for having separate agreement to take up the job. Due to this deadlock CSC is not taking off in Jharkhand. However, SBI and BOI have separate agreement with UTL that's why these two Banks have started operations with the CSC.

Sri Sri S. V. Sahu, Dy. Director, IT, GOJ informed that KO code allotment to CSC is very slow and needs to be expedited.

8.5. . Installation of Onsite ATMs in all branches

DFS, MOF, GOI advised all the Public Sector Banks and RRBs operating in 51 pilot districts for DBT to install on site ATMs in all branches by 31st January'2013. All account holders in these districts, particularly the beneficiaries under Direct Benefits Transfer, are issued ATMs

cum Debit card on priority so that they can transact at the ATMs. The controlling heads of the Banks to ensure installation of onsite ATMs as the deadline has already expired.

8.6. Installation of Biometric Cash dispenser in rural & Semi- Urban areas.

DFS, MOF, GOI advised the PSBs to ensure that the Cash Dispenser provided, particularly in Rural and Semi- urban areas, have facility for biometric authentication to enable customers to use the same. Controlling heads have to ensure the compliance of the same as the RFP finalized by the PSBs for "Outsourcing of Installation and Managed Services of Cash Dispensers" had a provision that bidder should provide all new CDs with biometric functionality.

8.7. Putting up of guidelines issued by DFS, MOF, GOI in DLCC meeting

LDMs to ensure that the guidelines/circulars issued by department should be placed before the DLCC meetings chaired by the District Collector and the contents of the guidelines/circulars should be discussed during the DLCC meetings to bring it to the knowledge of all the concerned for the seamless implementation of the guidelines.

8.8. Uploading of Service Area Plan on the District website maintained by NIC

The revised Service Area Plans need to be updated every month and date of last update be indicated on the service Area Plan. Service area plan of all 24 districts is uploaded in SLBC website.

8.9. Financial Inclusion Drive to open Bank accounts of Migrant Labours and Street Vendors/Hawkers in Urban areas.

SLBC Jharkhand has set up a Call Centre with Toll free number for the Migrant Labourers and street vendors/Hawkers. An advertisement in this respect has also been published in daily newspaper for 06 weeks in a row.

8.10. Micro Insurance and Non-Life Insurance through BCs.

For inclusive growth of the service area villages, Life/Non-life insurance policies should be given to villagers. Govt. Insurance companies should take initiative to cover the insurance of villagers, their crops, animals etc actively.

Agenda no. 9 - RSETIs

The cost of construction as suggested by the Bank Architect is coming out to be around **2.50-3.00** Crore, whereas the RSETIs get only **1.00** crore as grant from NIRD. The cost of construction has been the main hurdle for the construction to take off.

Agenda no. 10. Review of Recovery/ Recovery matters

Gross NPA of the state is alarmingly high at Rs.2732.18 crore which constitutes 5.67 % of Gross Credit. On YoY basis NPA increased by Rs. 1138.80 crore from Rs. 1593.38cr to Rs. 2732.18 crore. Recovery under PSC as on 31st December'2012 is 47.30% of Total Demand of Rs. 4877.97 crore. Recovery under Govt. Sponsored Schemes as on 31st December'2012 is 40.18%. 103441 Certificate cases involving an amount of Rs.304.76

crore is pending for disposal. Total No. of DRT cases pending for disposal are 1049 constituting Rs.344.45 crore.

Agenda no. 11 Functioning of various sub committee of SLBC

Convener of Sub-committees is requested to convene meetings of Sub-Committees at more frequent intervals but at least once in a quarter.

Agenda no. 12 Miscellaneous

12.1. Extension of Equitable Mortgage in Khunti and Ramgarh

Ramgarh and Khunti, which have been carved out from Hazaribagh and Ranchi districts respectively are not having the equitable mortgage facility as these two districts have not been notified for creation of Equitable mortgage by the State Govt.

SLBC has requested to IF & PI department, GOJ to take up the matter with the concerned department of Govt. to notify these two districts as notified centres for Equitable Mortgage.

12.2. Financing to Special category of Borrowers

In case of Housing Loan to the employees of Central Govt./State Govt./ Banks and other PSU, Education Loans to the ward of Central Govt./State Govt./ Banks and other PSU employees and for Investment credit, SLBC proposes that a time frame should be fixed to minimize the delay in granting the permission for mortgage by DCs to facilitate these type of Loans which generally otherwise gets unduly delayed.

12.3. Provision of space for DRT Ranchi

SLBC requested Govt. of Jharkhand to provide suitable space in any Govt. building for DRT Ranchi. SLBC Jharkhand once again requested the State Govt. to provide space for DRT Ranchi.

At the end meeting concluded with the vote of thanks given by Sri S. R Das, Dy. General Manager, Central Bank of India, Ranchi.