

MINUTES OF 79TH SLBC MEETING – DELHI STATE HELD ON 20.05.2015

The 79th SLBC Meeting – Delhi State was held on 20.05.2015 at Hotel ‘The Royal Plaza’, 19, Ashoka Road, New Delhi. The following dignitaries graced the occasion:- Shri Suresh N. Patel, Executive Director, Oriental Bank of Commerce; Shri Deepak Singhal, Regional Director, Reserve Bank of India; Sh. Sanjay Kumar, Deputy Secretary, DFS, MoF, Govt. of India; Sh. Manoj Kumar, Deputy Secretary (Finance) Govt. of NCT of Delhi. Shri Asit K. Mohanty, General Manager, NABARD; Smt. Rachna Dikshit, General Manager (FIDD), Reserve Bank of India;

Besides, all Member Banks, Senior Officials from Central and State Government Departments and LDMs participated in the meeting as per the list attached.

At the outset, **Shri Navleen Kundra, General Manager/ Convenor, SLBC Delhi State** welcomed dignitaries on the dais and all other participants and informed that the agenda of 7TH Bi-Annual meeting of Executive Director with LDMs will be discussed after the Agenda of 79th SLBC meeting.

Convenor SLBC, requested **Shri Suresh N. Patel, Executive Director, Oriental Bank of Commerce** to address the House.

Sh. Suresh N. Patel, First of all he welcomed all the participants. He while narrating the good efforts made by bankers under PMJDY stated that further step being taken now is from ‘**Jan Dhan to Jan Suraksha**’ for providing social security. Hon’ble Prime Minister, Sh. Narendra Modi launched another three schemes namely Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Atal Pension Yojana on 09.05.2015 in the National Level function held at Kolkatta. These schemes were simultaneously launched at 115 locations throughout the country.

In NCT of Delhi, this state level function was organised by Oriental Bank of Commerce, being Convener, SLBC, Delhi. Sh. Rajiv Pratap Rudy, Hon'ble Minister of State (Independent Charge) of Skill Development & Entrepreneurship, Govt. of India, launched these schemes in this State level function in the presence of Sh. Satyender Jain Hon’ble Minister Govt. of NCT Delhi, Ms. Meenakshi Lekhi, Member Parliament, Sh. T. M. Bhasin, IBA Chiarman and MD & CEO Indian Bank, Sh. K.K. Sharma, Chief Secretary, Govt. of NCT of Delhi, Sh. Deepak Singhal, Regional Director, Reserve Bank of India, Sh. Ashwani Kumar, Secretary Revenue cum Divisional Commissioner, Govt. of NCT of Delhi and other Senior Officials from Banks, Life Insurance Companies, General Insurance Companies, Centre and State Government’s officials & Lead Bank officials.

He congratulated all for its grand success and thanked all the concerned Centre and State Govt. officials for their whole heartedly support and cooperation in organizing the function and making it successful. He also appreciated the active participation and

cooperation of all Banks, all life Insurance Companies, General Insurance Companies and other officials.

The enrolment till now in NCT of Delhi in these schemes has been 8.50 lacs. He said still there is a huge gap in terms of number of accounts and number of enrolments done and there is ample scope for bringing far higher numbers under these schemes. He asked the bankers to make all efforts through general publicity. Special enrolment camps be organized to ensure that large number of account holders, subscribe to these schemes like the way it was done during the first week of May 2015

On PMJDY, he said that it is true that opening of account is one part of scheme. **Now the issues before the bankers** are seeding of Aadhaar, operation in zero balance accounts, issuance of Pass Books, RuPay Cards to customers and sanction of OD limits in eligible cases. Continuous efforts are required to make these accounts operative to achieve the real objectives of the scheme. There is a need to closely monitor the progress of PMJDY to make these accounts remain operative.

He requested the Controlling Heads of the Member Banks to take steps for:-

- Issuance of Pass Books and RuPay cards;
- To educate the customers for making RuPay Card transaction, at least, once in 45 days in order to get the benefit of accidental insurance;
- Still the % age of **zero balance accounts is high**. To make them viable these accounts needs to be operationalised.
- In the cases where the account holder has expired and all necessary papers have been submitted, claim must be lodged and settled within time frame.
- He emphasized on Financial Literacy to achieve the goal.

On priority Sector lending he informed that RBI has recently vide their circular dated 23.04.2015 has revised the guidelines on targets and classification of Priority Sector advances. The revised guidelines have been sent by the banks to their branches. He said that as per revised guidelines, the accounts needs to be classified.

He further informed that the priority sector non-achievement will be assessed on quarterly average basis at the end of the respective year from 2016-17 onwards, instead of annual basis as at present. Now, there is lot of scope to increase the Priority Sector advances.

On participation level he said that SLBC is a very important forum and the controlling heads must attend these meeting personally on regular basis and what ever is deliberated here should be percolated to the branch level.

On financial inclusion and social security schemes, he suggested that for monitoring mechanism of PMJDY and two insurance schemes, PMSBY and PMJJBY and one pension scheme, APY and Govt. sponsored schemes, there should be small committee comprising

of GM (FIDD) RBI, one representative from Mission Director Office, five major Public Sector Member Banks, two private member banks and each member from LIC, GIC & PFDR. The Convenor SLBC shall convene the meetings to review and monitor the progress under these schemes on monthly basis and will place the report before the SLBC in its quarterly meetings. The House accepted the suggestion.

He thanked all members and requested **Shri Deepak Singhal, Regional Director, Reserve Bank of India** to address the house.

Shri Deepak Singhal, Regional Director, RBI, said that under ACP 2014-15 by the end of December 2014 quarter the target was achieved to an extent of 125% and now by end of March 2015 quarter, the targets have been achieved to an extent of 237%. He said that either targets were set too low or most of the lending is happening without having regard to the target, also monitoring is not proper. In many govt. sponsored schemes achievement of targets are missing. He further said the achievement of priority sector 40% targets are also missing, which needs to be reviewed and monitored. The SLBC and major banks must sit together and review the achievement under ACP 2014-15 and ACP targets for 2015-16.

He further informed that RBI conducted a study on banking correspondents (BCs) and it was found that a large no of BCs are defiant. RBI guidelines are there that the BCs have to be visited by the Branch controllers and to ensure that the BCs are functional, but in a large no. of cases, BCs were found deficient in performance. As per RBI guideline the banks senior management should monitor on regular intervals whether the BCs are functioning or not.

He further informed that they came to know through BCs that many Branches are not making payments to their BCs so they have stopped working. But on the other side, BCs are supposed to give results and outputs to get the payment of Rs. 5000 or so. There should be proper machinery and mechanism for monitoring the working of the BCs.

He said that RBI did a study on disposal of MSME applications in case of about 8 banks mostly large public sector banks, to find out whether the computer based credit proposal tracking system are there or not, as most of the banks are now supposed to have tracking system on websites.

In majority of the banks the application tracking system was not implemented properly. He requested all the controllers of the banks to take up this task seriously.

On working of FLC, he informed that on visit of 11 FLCs in the Delhi it was found that though the staff is posted in all the FLC but the necessary infrastructure like computers and furniture etc. is not there. Due to lack of infrastructure, the FLCs are not properly functional. To make these FLCs functional in real sense it requires basic infrastructure along-with human resource. Only posting of counselor is not sufficient. He requested to

ensure that the FLCs which are with the Lead Banks are properly functional with all necessary infrastructures.

He said that with the revised guidelines of Priority sector, banks will find it much more easy to achieve Priority Sector targets. The Priority Sector Advances in Delhi is only 12% now and with the categorization as per revised guidelines, this percentage will go up, as the category for Priority Sector advances have been broadened and new categories have been brought into the Priority Sector. In the next quarter, Priority Sector advances needs to be re-categorized.

He informed that on 21.05.2015 there is a town hall meeting on Foreign Exchange in Gurgaon, also there is a town hall meeting in Parparganj area of Delhi on MSME on 11.06.2015. He requested the controlling heads of concerned banks to attend these meetings.

There after **Shri Navleen Kundra**, GM, Convenor, SLBC presented the Agenda items before the house:

AGENDA 1 : Confirmation of Minutes of 78th SLBC Meeting

Since no suggestion/objection was received, the proceedings were taken as confirmed.

AGENDA 2A : Action Points of 78th SLBC Meeting

CD Ratio: The CD Ratio still remained low in three districts North East: 18.58%. West: 28.33% and North: 30.08%. However the CD Ratio of Shahdara has increased from 28.24% as on Dec-14 to 42.32% as on Mar-15.

Mr. Patel asked LDM Shahdra to share his experience with the House so as to how the sizeable increase in the CD ratio is achieved in 4th quarter from 28% to 42% on which LDM reported that this time the private banks also achieved the ACP targets apart from the Public Sector Banks and no bulk lending was there.

Priority Sector Advances: It has increased by Rs.12815.35 crore during the financial year 2014-15 registering a 14.46% increase over March, 2014. The percentage of Priority Sector advances to Total Advances was 12.52 % as on March, 2015 as against 12.12 % as on March, 2014.

MSE Advances: The MSE advances have registered an increase of Rs.2216.40 crore on Y-o-Y basis which amounts to 4.02% growth in comparison to March 2014.

Identification of potential PMEGP cases, one case per branch in the NCT of Delhi: Out of 2368 branches identified in Delhi State, only 443 cases had been identified by various Banks till 31.03.2015. GM NABARD raised concern about the large number of PMEGP cases pending with banks.

Ultra Small Branches: 75 villages are covered by BCAs in which USBs were to be opened. Out of these villages, 72 USBs have been opened so far and 3 USBs are yet to be opened (one each by Corporation Bank, Syndicate Bank and Vijaya Bank).

LDM Offices: Now, necessary infrastructure in terms of staff, premises, equipments and other facilities have since been provided.

FLC Counselor: SBI and Bank of Baroda have now designated separate officers as FLC Counsellors and FLCs have started functioning as per laid down guidelines in their LDM offices.

Data on grievances redressal under PMJDY: As decided in 78th SLBC meeting, SLBC has started the complaints redressal mechanism under PMJDY in member banks on monthly basis. Total of 23 complaints have been received by all the member banks under PMJDY upto 31.03.2015 and all have been resolved.

Monitoring of transactions in PMJDY Accounts with zero Balance: As decided during the last SLBC meeting, SLBC has started monitoring the transactions in Zero Balance accounts under PMJDY. The data is being reported on weekly basis by the member banks. Up-to 31.03.2015, a total of 2514059 accounts have been opened under PMJDY out of which 1178498 accounts are still with zero balance i.e. 46.88%.

AGENDA 2B : Persisting Action Points:

Enactment of Public Money (Recovery of Dues) Act.: Mr. Manoj Kumar Dy. Secretary (Finance) informed that the Govt. of NCT Delhi is working on it and are in consultation with other stake holders. It will take some time.

As the matter is pending since long, the Govt. of NCT of Delhi is requested to take requisite steps for expeditious enactment of the Act.

Submission of Data by SLBC Member Banks: The data was submitted timely only by a few member banks. Majority of the banks submitted the data much later than the mandatory cut-off date. Also, several mistakes were observed and it took a lot of time for corrections

Mr. Patel requested all concerned to submit the data in time and with accuracy.

Automation of State Treasury: Dy. Secretary (Finance) informed that Public Finance Management System is being developed by the Govt. of India and in pilot phase it is starting in 2 districts. The whole product will be rolled out by Oct 2015.

Regional Director RBI stated that the automation will be beneficial for the state Govt. and therefore it may be expedited.

AGENDA 3 : Deposit and Advances: The Total Deposits have increased by Rs. 36853.05 (5.13%) and Advances by Rs. 79241.10 crore (10.84%) during the FY 2014-15 on YoY basis.

Credit Deposit Ratio: The C:D Ratio has reached to 107.36%, with an increase of 5.53% over March 2014 on YoY basis. C:D Ratio of Delhi Rural has increased by 46.53% over March, 2014 and ascended to 121.29%.

AGENDA 4: Pradhan Mantri Jan Dhan Yojana (PMJDY): Mr. Patel stated that a Sub Committee has been formed for review and to monitor progress of PMJDY, Social security schemes i.e. PMSBY, PMJJBY & APY and Govt. sponsored schemes. The committee will meet every month to ensure smooth implementation with coordination of all concerned.

Sh. Sanjay Kumar, Dy. Secretary, DFS, MoF, GoI said that inter operability between banks must be there in BC transactions and Rupay Card must be issued to all the account holders so that the OD limit and insurance benefits are available.

Agenda 4A: Financial Inclusion Plan: RBI vide their letter dated 17.04.2015 informed that on the visit of villages Mundhela Kalan and Mundhela Khurd by the LDO, it was found that no banking facility was available in these villages having population above 2000, which were allotted to SBI for providing the Banking facility through BC. All member banks are requested to inform the RBI and SLBC about the closer or operational difficulty faced if any in providing Banking facility through BC in the villages with population above or below 2000 and all endeavour be made to ensure that these services are provided without interruption.

Financial Literacy and Credit Counselling Centres (FLCC) & Financial Literacy Centres (FLC): Already discussed under Agenda Item no. 2A

AGENDA 5 - Direct Benefit Transfer (DBT) Scheme: RBI Regional Director requested the controlling heads of the banks to sensitize their branches for Aadhaar seeding and it must also be mapped in NPCI.

Position of Onsite ATMs: There are 2958 branches operating in all 11 districts out of which 49 branches belong to Delhi State Cooperative Bank which is as yet not on the CBS platform. Out of the remaining 2909 branches, 228 bank branches are not having onsite ATMs.

AGENDA 6- Achievement under Annual Credit Plan 2013-14: Regional Director RBI said that the achievements under ACP 2014-15 and ACP Targets for 2015-16 need to be reviewed why there is so much variation.

Mr. Patel suggested to formulate a Team, comprising of 5 major public sector banks, 2 major private sector banks, General Manager (FIDD), RBI, General Manager, NABARD and members from Govt. of NCT of Delhi which will meet on 02.06.2015 to fine tune target set for AAP 2015-16 correlating with last year actual performance and potential available in each district for various activities. LDMs to also be part of the Team. The revised ACP 2015-16 be there after circulated to all member banks.

GM NABARD informed that the Agriculture Target for Delhi has been allocated to Rs. 81 Crore and be taken into account for revising the Targets.

AGENDA 7 – Credit flow to Priority Sector: Already discussed under Agenda no. 2A.

The **Credit Flow to SC/ST** under Priority Sector increased by Rs.623.21 crore over the financial year 2014-15. In percentage terms, the increase was 25.82 % in the financial year.

AGENDA 8 – Credit flow under Education Loan Scheme: The banks have achieved a figure of Rs.1191.71 crore against a target of Rs. 1348.00 crore for the F.Y. 2014-15.

AGENDA 9 - Agriculture Advances: Total Agriculture Advances have decreased by Rs. 539.42 crore over March, 2014 on YoY basis i.e. -5.27%.

AGENDA 10 - MSME Advances :

Advances under MSE Sector have increased by Rs.2216.40 crore over the financial year 2014-15. The YoY growth is 4.02%.

Advances under MSME Sector have increased by Rs.4929.98 during the Financial Year 2014-15 %age of growth on Y-o-Y basis is 6.60%.

CGTMSE Coverage : No. of Units covered under CGTMSE have increased from 12311 to 13395 on YoY basis.

AGENDA 11 - Housing Finance: Total Housing Finance increased by Rs. 2814.54 crore i.e. 7.37 % over the year (YoY basis)

AGENDA 12 – PMEGP: Identification of potential PMEGP cases, one case per branch:

Till 31.03.2015, only 443 PMEGP Loan cases have been identified by different bank branches.

Mr. Patel said that banks must impress upon their Branch Managers to indentify at least one case per branch and in this way recovery will also be better and can easily surpass the targets.

He also said that the pending cases must be disposed off on immediate basis and not to keep pending.

AGENDA 13 – SJSRY: All concerned Banks are requested to immediately (i) disburse the sanctioned loans, (ii) dispose of all pending applications. As scheme has been discontinued by the Government of India, and is replaced by the new scheme “National Urban livelihood Mission” (NULM). It is purposed to drop this item from the Agenda subject to approval of the House.

AGENDA 14 - Recovery of Advances: The recovery position under Agriculture and other Govt. sponsored schemes was placed before the house.

Mr. Patel said that in the absence of the State Recovery Act the recovery is adversely affected.

AGENDA 15 - Kisan Credit Card Scheme: 2045 KCCs have been issued by all the Banks during the financial year 2014-15 taking the cumulative figure to 9318.

Mr. Patel said that comparison should be on the basis of total number of cultivating farmers and number of KCC issued. The LDMS should emphasize the branches in the rural area to issue the KCC to all the eligible cultivating farmers.

AGENDA 16 - Self Help Groups: 3953 SHGs have been formed upto the quarter under review. Further 3064 Groups have been linked and loans amounting to Rs. 2950.61 lacs have been disbursed. The involvement of banks is required in formation and linkage of Self Help Groups. As only 77% of the SHGs formed have been credit linked.

AGENDA16 A - Joint Liability Groups: 2061 JLGs have been formed during the FY under review taking the cumulative position figure to 3247 and 1640 JLGs have been linked. Total Loan amount disbursed is Rs. 1210.75 lac.

AGENDA 17 - Advances to Women Beneficiaries: Advances to women entrepreneur have increased by Rs.2833.84 crore during the Financial Year 2014-15. There has been an increase of 27.88 % on YoY basis.

AGENDA 18 - Advances To Weaker Sections: Advances to Weaker Section have increased by Rs.571.30 crore (11.13%) over the financial

AGENDA 19 - Advances to Minority Communities: Advances to 'Minority Communities' have increased by Rs.1573.78 during the Financial Year 2014-15. In % age terms Minority Communities advances to Priority Sector Advances increased from 7.24% to 7.88% during the Financial Year 2014-15 on Y-o-Y basis.

AGENDA 20 - Credit Flow to Disabled Persons: Advances to disabled persons have increased by Rs.1.03 crore (0.16%) during the current financial year 2014-15.

AGENDA 21 - Differential Rate of Interest Scheme (DRI): Advances under Differential Rate of Interest Scheme have increased by Rs.1.52 crore during the Financial Year 2014-15. DRI advances are mere 0.001% of Total Advances. This percentage is far behind the stipulated benchmark of 1% of previous year's Net Bank Credit.

AGENDA 22 - Credit Flow to Ex-Servicemen & Widows Of Ex-Servicemen and SEMFEX Scheme: During the financial year 2014-15, advances to the tune of Rs. 771.47 lacs have been sanctioned and disbursed to 434 beneficiaries under Ex-Servicemen and Widows of Ex-Servicemen category.

SEMFEX Scheme: Out of 7 applications received under the scheme, 5 stands sanctioned and disbursed amounting to Rs. 16.50 lakhs and 2 cases have been rejected. No case is pending under the scheme.

AGENDA NO. 23: Automation of State Treasury: Already discussed under Agenda no. 2B.

AGENDA 24 - Detection and Impounding of Counterfeit Notes: Only 13 banks have reported detection of counterfeit notes to RBI during the quarter ended March 2015.

AGENDA 25 – Green Initiatives: All Banks should ensure that all disbursement/payments except petty cash are made through electronic mode only.

AGENDA 26 - Failed ATM Transactions: As on March 2015, out of total 49,19,88,875 ATM transactions, 10,98,289 transactions (0.22%) have been reported as failed.

Agenda No.27: Services of CERSAI: Out of 35 Member Banks, only 33 Banks have submitted the information as on March 2015 till finalization of Agenda Notes. All transactions related to immovable properties done by them should be registered on the portal of CERSAI.

AGENDA 28 - Revival of Stalled Residential Projects: No Member Bank has reported stalled residential project financed by them in Delhi State.

Agenda No.29: Assignment of Lead Bank Responsibility: Now all LDM offices have started functioning with adequate staff and other infrastructure.

AGENDA 30 – Concessional Credit to Persons With Disabilities (PWDs): All the member banks are requested to extend credit to persons with disabilities.

Agenda No.31: NPS / Swavalamban: PFRDA has given a target of 70 cases per branch to the 26 Aggregator Banks (2332 Branches), which works out to 163240. NSDL e-Governance Infrastructure Limited issued a communication wherein they have informed that PFRDA (Pension Fund Regulatory and Development Authority) that there would not be any new enrolments under NPS-Swavalamban with effect from 1st April 2015.

OPEN SESSION:

It was deliberated and unanimously agreed that the Annual Credit Plan for the year 2015-16 needs further refining and will be carefully examined by the Team formed in the meeting to be held on 02.06.2015. The ACP will be finalized only after reviewing of the same in the above meeting and will be circulated to all. The Regional Director, RBI stated that ACP targets must be based on potential and realistic.

Mr. Patel asked to collect the data on the Pradhan Mantri MUDRA Yojana and the name should be included into the Agenda from the next SLBC meeting. Representative from MUDRA Bank be invited for SLBC meetings.

The Representative of IFCI informed about the Credit Enhancement Guarantee Scheme for Schedule Castes launched by the IFCI and distributed the Implementation Booklets on the scheme to the participants. He also told that the scheme is also beneficial for the implementing 'Make in India' concept. He requested for successful implementation of the same.

The Meeting was ended with Vote of thanks by Mr Subhash Kawatra General Manager Punjab & Sind Bank.