

Minutes of SLBC Sub- Committee Meeting on Priority Sector Advances – Delhi State held on 13.11..2015

Half Yearly Sub-committee meeting on Priority Sector, CD Ratio in NCT of Delhi was held on 13.11.2015 at 3.00 PM at Oriental Bank of Commerce, Harsha Bhawan, E-Block, Connaught Place, New Delhi which was attended by LDMs, representatives from Member Banks and Agriculture Department of NCT of Delhi.

At the outset Shri Navleen Kundra, General Manager and Convenor, SLBC, NCT of Delhi welcomed all the participants.

Shri Kundra apprised the house about the progress made in Priority Sector Advances giving figures that PS Advances have increased from Rs.86432.51 Cr to Rs.117098.63 Cr (by Rs.30666.12 Cr - 35.48%) on YoY basis from September 2014 to September 2015 and from Rs.101420.43 Cr as on 31.03.2015 to Rs.117098.63 Cr as on 30.09.2015 (by Rs.15678.20 Cr - 15.46%) during the Half Year ended 30th September 2015.

Percentage of Priority Sector to Total Advances has increased from 12.01% as on 30.09.2014 to 14.59% as on 30.09.2015 (increase of 2.58% on YoY basis) and 12.52% as on 31.03.2015 to 14.59% as on 30.09.2015 (increase of 2.07% during Half Year ended 30.09.2015). He further elaborated that Percentage of Priority Sector to Total Advances has largely increased due to reclassification of Priority Sector Advances as per revised RBI's guidelines on Priority Sector advances i.e. Finance to Medium Industry is now being reported under Priority Sector instead of Non Priority Sector.

Shri Kundra informed that in the following 6 banks Priority sector **Advances decreased more than 100 crore during the half year ended as on 31.09.2015.**

Sl. No.	NAME OF THE BANK	VARIATIONS OVER THE HALF YR
1	IDBI BANK	-577.58
2	UNION BANK OF INDIA	-531.79
3	AXIS BANK	-416.04
4	INDUSIND BANK	-326.67
5	INDIAN OVERSEAS BANK	-172.62
6	SYNDICATE BANK	-113.40

Representative from Syndicate Bank and other Banks explained that the reason for decline is due to repayment of loan granted to FCI.

Further Shri Kundra also detailed that in the following 22 banks Priority sector Advances increased more than 100 crore during the half year ended as on 30.09.2015.

SI.NO.	NAME OF THE BANK	Increase by > Rs.100 Cr. Over half year (Rs. In Crores)
1	STATE BANK OF INDIA	3317.57
2	YES BANK LTD	2863.87
3	HDFC BANK	2049.11
4	CANARA BANK	1745.62
5	ORIENTAL BANK OF COMMERCE	1194.27
6	PUNJAB NATIONAL BANK	1142.80
7	PUNJAB & SIND BANK	891.69
8	RBL BANK LTD	652.83
9	STATE BANK OF BIKANER & JAIPUR	540.77
10	SOUTH INDIAN BANK LTD	475.72
11	BANK OF MAHARASHTRA	464.74
12	ANDHRA BANK	338.39
13	BANK OF INDIA	287.08
14	ALLAHABAD BANK	281.05
15	UCO BANK	256.42
16	STATE BANK OF HYDERABAD	252.74
17	VIJAYA BANK	225.34
18	BANK OF BARODA	217.53
19	FEDERAL BANK LTD	212.50
20	CENTRAL BANK OF INDIA	193.89
21	STATE BANK OF MYSORE	141.12
22	STATE BANK OF PATIALA	114.80

POSITION OF ADVANCES UNDER MSME SECTOR:-

(Rs. in crore)

POSITION OF ADVANCES UNDER MSME SECTOR:-	POSITION AS ON		
	Sept., 2014	March 2015	Sept., 2015
Total Priority Sector Advances	86462.51	101420.43	117098.63
Total MSE Advances	62617.57	57295.63	64437.18
% of MSE Advances to Total Priority Sector Advances	72.45	56.49	55.03
Total MSME Advances	83463.42	79643.52	83111.93
% of MSME Advances to Total Priority Sector Advances	96.53	78.53	70.98

Shri Kundra pointed that MSME Advances constitute 70.98% of total Priority Sector Advances including MSE Advances constituting 55.03 % of total Priority Sector Advances whereas other sectors have not contributed at a desired level. He further made a note regarding negative growth in MSME advances on YoY basis. He advised that since the scope for Direct Agricultural Advances in Delhi State is limited due to shrinkage of agricultural land, Banks should strive for increasing MSE advances and Indirect Agriculture Advances to achieve goal of Priority Sector advances. Further Shri Kundra advised that a keen eye should be kept on sector wise development to observe the area of actual growth.

Shri Kundra further showed concern that on half year basis CD ratio in NCT of Delhi came down from 107.36% as on March 2015 to 93.75% as on September 2015 i.e. by 13.61%. Total Deposits have increased by Rs. 101692.34 Crore whereas the Advances have decreased by Rs. 7318.58 Crore during the half year ended as on Sept., 2015 but increased by Rs. 83091.20 Crore i.e. 11.54% on YoY basis.

Further CD Ratio of Delhi Rural branches has also decreased by 25.67% over March, 2015.

The CD Ratio is below 40% in seven districts namely East: 21.14%, North East: 13.36%, North West: 35.03%, North: 22.30%, West 21.05%, South West: 28.28% & Shahdara: 33.00% Concerted efforts are required in these districts to increase the CD Ratio.

He requested all member banks and LDMs to make concerted efforts to increase the CD Ratio in these districts.

Issue of coming down of CD Ratio in some of the District in NCT of Delhi:

Lead Banks Managers of East, West and North Districts has informed that due to creation of Hub the CD ratio in some of the districts came down drastically when the overall CD ratio of the banks for the state as a whole is satisfactory.

The issue of lower CD ratio has come up for discussion in many forums since formation of Lead Bank offices in Delhi. In most of the districts of NCT of Delhi the reason for very low or declining CD ratio is parking of loans in hubs/Recovery branches/ corporate branches/ mid corporate branches

The meeting ended with a Vote of Thanks.


(Navleen Kundra)
General Manager & Convenor,
SLBC-NCT of Delhi