

## MINUTES OF 81st SLBC MEETING – NCT OF DELHI HELD ON 20.11.2015

The 81st SLBC Meeting-NCT of Delhi was held on 20.11.2015 at Hotel 'The Royal Plaza', 19, Ashoka Road, New Delhi. The following dignitaries graced the occasion:- Shri Animesh Chauhan, Managing Director and CEO, Oriental Bank of Commerce; Shri Kapil Mishra, Hon'able Minister of Tourism, Art, Culture & Languages, Govt. of NCT of Delhi; Shri K. K. Saraf, Regional Director, Reserve Bank of India; Sh. Gulab Singh, Deputy Secretary, DFS, MoF, Govt. of India; Smt. Rachna Dikshit, General Manager (FIDD), Reserve Bank of India; Shri Asit Kumar Mohanty, General Manager, NABARD; Shri S.P. Singh, Special Secretary (Finance), Govt. of NCT of Delhi and Shri S.K. Jain, Special Development Commissioner, Govt. of NCT of Delhi.

Besides, all Member Banks of SLBC-Delhi, LDMS, Senior Officials from Central Government and Govt. of NCT of Delhi departments participated in the meeting as per the list attached.

At the outset, **Shri Navleen Kundra, General Manager/ Convenor, SLBC NCT of Delhi** welcomed dignitaries on the dais & all other participants. Convenor SLBC, requested **Sh. Animesh Chauhan, MD & CEO, Oriental Bank of Commerce** to address the House.

**Sh. Animesh Chauhan, MD & CEO, OBC** first of all, welcomed all the dignitaries and other participants. On economic and banking scenario, he said that India's GDP growth rate has been 7.3% for FY 2014-15. The interest rate had been revised downwards to promote investment. However the growth of Indian Banking Sector remained under pressure in FY 2014-15 on account of economic slowdown, various infrastructure bottlenecks and subdued loan demand. Due to this challenging backdrop, there has been adverse impact on the asset quality, capital adequacy and profitability.

He further stated that the economy is now slowly but steadily showing signs of recovery. Numerous initiatives have been undertaken by the Central / State Govt. on various fronts including mission '**Indradhanush**' to revamp PSU banks. It is expected that scenario in Banking environment will improve by the end of the current financial year and the results of such initiatives shall become visible. Once the economy revives, the stress on the banking system in terms of assets quality is likely to ease out. Credit Rating Agency Moody's has changed its outlook for Indian Banking System from **Negative** to **Stable** due to an improvement in the operating environment for banks. NPA accretion is slowing down. However, challenges remain as some of the core sectors like Iron & Steel and Infrastructure require some more time before we actually see any signs of de-stressing in these sectors. In this situation, it is imperative for us to continue with our efforts for business development in banking sector.

In such an environment the growth of banking business in NCT of Delhi has been moderate and better than the national level particularly in areas of Deposits / Advances / Priority Sector Advances Growth and CD ratio. Area of concern is MSME lending where growth is not up to the mark which needs to be focused when the scope



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of Agriculture financing is limited in NCT of Delhi as the availability of agriculture land is not so much.

He congratulated the Bankers on achievement of 71.58% of over all ACP against the target of 50% of annual ACP and achievement of 54.58% under Priority Sector Advances. He also showed satisfaction on performance of Banks under PMSBY and PMJJBY but expressed his concern on slow progress under APY.

He showed his happiness on successful organizing Town Hall meetings / Special Camps for disbursement of MUDRA loans particularly under 'Shishu' category in all 11 districts during the campaign period 25<sup>th</sup> September, 2015 to 2<sup>nd</sup> October, 2015 which were attended by more than thousand person each besides local representatives i.e. MPs/MLAs.

But he also showed his concern over slow pace after campaign period i.e. 02<sup>nd</sup> October 2015 and requested all the Member Banks / LDMS to achieve the disbursement target of minimum 15 Loans under 'Shishu' Category, 4 Under 'Kishor' category and one under 'Tarun' category per month per branch under MUDRA Yojna during special campaign launched from 01.11.2015 to 28.02.2016 as per directions from Mission Office, DFS, MoF, Gol.

On PMJDY, Shri Chauhan stated that opening of accounts was one part. Now issues before the Bankers are to bring down the %age of Zero Balance accounts which is still high i.e. 30%. He asked all the stake holders to bring it below 20% by December 2015. Second area of focus is delivery, activation of Rupay Cards and seeding of Aadhar to achieve real objective of DBTL and other Central / State Govt. schemes. On Financial Literacy, Shri Chauhan stressed upon to work together by the Banks, Central / State Government Departments.

Shri Chauhan appreciated the good work done by bankers and thanked the Central / State Govt. officials for their initiatives and constructive cooperation in successful implementation of various Govt. & social security schemes in NCT of Delhi.

Then, Mr Kundra requested Shri Kapil Mishra, Hon'ble Minister of Tourism, Art & Culture, Govt. of NCT of Delhi to address the house.

Shri Mishra praised the Bankers for taking initiatives for opening of Accounts, giving financial assistance to needy persons of the society in NCT of Delhi. But still there are some areas where financing is low and still having the scope of financing by Banks. He requested the Banks to give priority to these areas. He assured for coordination and necessary assistance from Govt. of NCT Delhi for overall development of Delhi.

He also stated that Delhi Govt. is trying to rationalize the taxation system, which will also make people more saving oriented and will also help the banks indirectly for their business development.



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After that Shri Kundra requested Shri K.K. Saraf, Regional Director, Reserve Bank of India to address the house.

Shri K. K. Saraf stated that SLBC being a high level forum to review the progress of the State under various parameters / Government Schemes, proper representation from Banks and Government authorities is must for fruitful discussion and to take decisions on the spot for the progress of the State. He also stressed upon submission of timely, accurate & consistent data/ information by the member banks for fruitful discussion and proper monitoring.

**After that Agenda items were discussed as follows :**

### **Agenda No. 2:**

- I. On opening of Bank Branch at Village Ujhwa, near Najafgarh the representative from Bhartiya Mahila Bank apprised the House that initiative has been taken for finalization of the premises so that the branch may be opened shortly.
- II. Regarding Enactment of Public Money (Recovery of Dues) Act, it was submitted by Shri S.K. Jain, Special Development Commissioner, GNCTD that the same is under consideration. Shri Animesh Chauhan stated that the act will avoid the unnecessary litigation i.e. filing suits by banks even for smaller loan amounts and the Act shall be helpful for Banks as well as public at large.
- III. Shri Saraf, RD, RBI added that in absence of the Act, there is also reluctance on part of banks for fresh financing, once the Act is in place, banks shall be sure for their recovery.
- IV. On Automation of State Treasury, the representative from GNCTD stated that they are on the move, pilot testing is going on and hopefully it will be rolled out during the current financial year.
- V. On CD ratio below 40% in 7 districts, LDMs of North and West districts informed that 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/ Mid and Large corporate branches. In number of Member Banks the Hubs/Recovery branches/ corporate branches/ mid corporate branches are located in New Delhi and Central districts. Due to above 63% of total financing in NCT of Delhi is in New Delhi district only.
- VI. Shri Saraf, RD, RBI suggested the Banks to review their data of advances reported to SLBC whether it relates to the financing made in NCT of Delhi or it also includes the data of financing made in NCR other than NCT so that the correct picture may appear.
- VII. On issue of monitoring of progress under PMJDY, PMSBY, PMJJBY, APY, PMMY and Government sponsored schemes, Shri Kundra apprised the house about the initiatives taken by the SLBC-Delhi during the quarter under review.

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- VIII. Regarding submission of timely and accurate data to SLBC, Shri Saraf elaborated that the issue is not of timely submission of data but it is the matter of consistency and correctness of the data also as data submitted to different forums do not match with each other. He requested controlling Heads of all the member banks to ensure submission of timely & consistent data.

### Agenda No. 4:

- I. On activation of Rupay Cards Shri Animesh Chauhan desired that data on activation of Rupay Cards should also placed before the House in next SLBC meeting and also requested all the stake holders to monitor it closely.
- II. On the issue of Zero Balance Accounts, Shri Gulab Singh, Deputy Secretary, DFS, MoF, GOI requested the Banks to educate their customers to have some balance in their accounts so that Rupay Cards may be activated and direct benefits of Govt. schemes can be availed by them.
- III. On the issue of Geographical Information System, Shri Animesh Chauhan asked the convenor, SLBC to write a letter to DFS, MoF, GoI for updation of site by them with 11 districts presently showing 9 districts, enabling the LDMs to update the data of their districts for proper monitoring.

### Agenda No. 4A:

- I. On holding of Financial Literacy Camps by the district authorities, Shri Animesh Chauhan stated that District Authorities should intimate the Banks / LDMs about the date and venue of holding Financial Literacy Camps so that they can also participate with counters / stalls on financial literacy to make these camps more effective.
- II. On appointing of BCs, Ms Rachna Dikshit, GM, RBI stated that in many cases BCs are not operational or existing even then banks are reporting. She requested to review whether BCs appointed are operational / working as per bank's guidelines and if not, stop reporting the same and submit the review report to RBI under copy to SLBC.

### Agenda No. 5:

On DBTL, Shri Kundra stated that the list of cases in which Aadhaar number is seeded at distributor level but pending at bank level have already been supplied to all the member banks & LDMs but the progress under Aadhaar seeding at banks level in these accounts is very slow. He requested all the member banks & LDMs to follow up with the branches for seeding of Aadhaar number in pending cases to minimize the gap.



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### Agenda No. 9:

On Agriculture Advances Shri A.K. Mohanty stated that out of advances of Rs. 12292 Crore under Agriculture, Rs.254 Crore relates to KCCs and remaining amount of Rs.12038 Crore relates to other than KCCs which seems to be on higher side. He asked the banks to review whether this belongs financing made by Banks in NCT of Delhi or also includes the finance for the units situated outside the NCT of Delhi and also to see the activities for which the above finance made.

Shri Saraf also requested the Banks/LDMs to ensure that there is no duplicacy in reporting of the data.

### Agenda No. 10:

On thrust to MSME, Shri Animesh Chauhan stated that RBI has been providing specific training to Bank Officials and also releasing good study material on MSME lending. Smt Rachna Dixit informed that they are going to conduct one session on National Mission for Capacity Building of Bankers (NAMCABS) for Financing MSME Sector in December 2015.

### Agenda No. 11:

On "Housing for all" Sh. Chauhan stated that It is a very good scheme with interest subsidy of 6.5% on Housing Loan to EWS and LIG beneficiaries. He requested all the banks to finance maximum under the scheme and lodge the subsidy claim with nodal agencies i.e. NHB etc.

Sh. S K Chadha, DGM NHB said that NHB had given a small write-up on this scheme. Sh. Chauhan asked to circulate the same to the banks to make awareness about the scheme among the bank staff and the general public.

### Agenda No. 14:

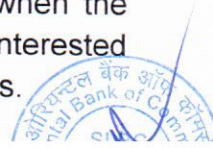
Convenor SLBC requested the State Govt. to expedite the enactment of Public Money (Recovery of dues) Act.

### Agenda No. 15:

Sh. Mohanty, GM NABARD suggested that district-wise targets may be allocated to the concerned LDMs to increase the KCC financing from present level of 11434 to minimum 14000 cultivators by the end of current fiscal year.

LDM West and LDM South explained the reasons for low coverage of KCC as under:

1. Out of list of villages in NCT of Delhi, number of Villages have been urbanized.
2. Value of agriculture land in NCT of Delhi is enhanced in crores when the scale of financing for KCC is very low. Most of the farmers are not interested to avail small amount of loan against their land having value in crores.



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On it, Mr. Saraf, RD, RBI requested the Agriculture Deptt. to make available the district-wise list of agriculturists in NCT of Delhi to the concerned LDMs under copy to SLBC so that LDMs can do the exercise to know how many are still doing agriculture activities on their land and how many are using the same for commercial activities so that exact position of agriculturists eligible for KCC (out of 28315 agriculturist) can be worked out. It is desired by the house that the above exercise must be completed by the end of December, 2015 so that the position can be reviewed during the next meeting of SLBC-Delhi

### **Agenda No. 19:**

Representative of Minority Community commission requested all the member banks to appoint nodal officer for monitoring of financial assistance to minority community. He also requested to provide financial assistance to minority community on priority basis and disposal of cases pending with their branches expeditiously.

Sh. Chauhan stated that if the minority commission is having any specific scheme for minority community in two identified minority concentrated districts in NCT of Delhi i.e. Central and North East, they may coordinate with LDMs of these districts for organization of scheme specific camps and financial literacy camps in these district.

### **Agenda No. 25:**

RD, RBI pointed out that there has been deterioration in the quality of notes being replenished into ATMs and requested all the member banks to look into the matter for replenishment of good quality of notes.

### **Agenda No. 26:**

RD, RBI informed that in large number of complaints received in Banking Ombudsman office find that CCTV cameras are not functional and requested the banks to ensure that CCTV camera should remain functional to minimize the complaints.

All other Agenda items were also discussed and reviewed as per Agenda Book.

The meeting was concluded with vote of thanks by Sh. N. K. Kapoor, GM, United Bank of India

  
**(Navleen Kundra)**

General Manager & Convenor,  
SLBC-Delhi

