

## MINUTES OF THE 74<sup>th</sup> STATE LEVEL BANKERS' COMMITTEE MEETING

1. The 74<sup>th</sup> SLBC Meeting of Delhi State, for the quarter ended December 2013 was held on 18<sup>th</sup> Feb, 2013 at Hotel 'Le-Meridian', New Delhi. The meeting was chaired by Shri Suresh N. Patel, Executive Director, Oriental Bank of Commerce.
2. The meeting was attended by representatives of the Reserve Bank of India, Govt. of NCT of Delhi, SIDBI, KVIC, KVIB and member banks. The list of participants of the meeting is placed at Annexure-II.
3. Shri Patel welcomed Shri Deepak Singhal, Regional Director RBI and Shri Pravin Rawal, Dy. Secretary, DFS, with a bouquet of flowers.
4. **Smt. Vidyavati Rudra, General Manager, Oriental Bank of Commerce and SLBC Convenor welcomed the participants of the meeting and spelled out the brief agenda for the meeting.**
  - 4.1 The CD ratio of the banks has increased from 91.86% to 95.18%, a net increase of 3.32% over December 2012. However, the CD Ratio of Delhi Rural has decreased from 137.30% to 101.667%, a net decrease of 35.64% mainly due to sharp decline in advances in the rural branches of Central Bank of India and Corporation Bank.
  - 4.2 Priority sector advances increased by 22% on YoY basis, which is respectable under the present scenario. However in absolute terms the outstanding priority sector advances remain low at 12.48% of total ANBC.
  - 4.3 Achievement of ACP in Delhi state stands at 73% as against the target of 75% by the end of December 2013. There has been a impressive growth in loans to micro and small enterprises, which have increased by 30% on YoY basis.
  - 4.4 Progress in covering villages below 2000 population has remained very slow and only 9 villages out of 21 have been covered so far.
  - 4.5 LDM offices have started functioning in all the 11 districts but still the districtwise data collection has a long way to go. This has been discussed at length in various meetings and this will be stabilized over the next few quarters.
5. **Shri Suresh N. Patel, Executive Director, Oriental Bank of Commerce welcomed the dignitaries' on dais and all other members.** He stated that although the CD Ratio of 95.18% is good as compared the other states, but big ticket advances have been made to large corporates and PSUs and for this reason it is difficult to achieve the 40% target under priority sector and resultantly it is very low at 12.48%.

- 5.1 He said since the target of no. of accounts and amount to be achieved under ACP is not very high, the banks should endeavor to achieve the target by end of February. With a few branches lending more the overall figure can be achieved, but the real achievement will come only when each and every branch achieves 100%.
- 5.2 In Government sponsored schemes the pending applications and the target are not too large per branch. However to decrease the rejection, increase satisfaction among the people and for hassle free recovery, the best way would be that the branches themselves identify the beneficiaries and inform the agencies about the beneficiaries whom they want to finance.
- 5.3 Mr. Patel pointed out that the Recovery Act in the state of Delhi is not as good as that of other states. The provisions available in the act do not cover the Government sponsored Schemes because these are not treated as arrears of land revenue. If some improvements are made in this act it will not only increase the recovery but confidence of the Branch Manger shall go up for further lending.
- 5.4 He desired that the remaining 12 villages with population less than 2000 be covered under Financial Inclusion by way of BC or Ultra Small Branch (USB) by 20<sup>th</sup> March positively without waiting for the cut-off date i.e. 31<sup>st</sup> Mar 2014 and he requested the Banks to “please see that we won’t default on the issue”.
- 5.5 Mr. Patel observed that not a single Joint Liability Group (JLG) has been formed in the state of Delhi. It will not only reduce paper work, recovery percentage is good and it can take care of lending to 4 - 5 persons. JLG can be formed in urban and rural areas and farmers who are not owning agriculture land can have access to loan for raising crops and interest subvention benefit. Since NABARD gives Rs 2000/- to the branch as an incentive for forming and funding JLGs it is requested that NABARD Officials develop a PowerPoint presentation on JLGs and that can be circulated to Branches.
- 5.6 Mr. Patel said that all controllers present should sensitize their Branches about the decisions taken in the SLBC forum for implementation in letter & spirit. This forum is not just for statistics and review of figures but for reaching out to the people for implementation of RBI and GOI guidelines.
- 5.7 He pointed out that to follow the RBI calendar for holding of SLBC meeting within 45 days, error free data be submitted to SLBC Convener within 20 days of closure of quarter.
6. **Shri Deepak Singhal, Regional Director, Reserve Bank of India** welcomed Shri Suresh N. Patel and appreciated his idea for collectively working towards

making SLBC forum more effective and commitments made in this forum be percolated to the bottom i.e. Branch level with full responsibility.

- 6.1 He insisted for covering of villages below 2000 population by way of banking services preferably before 15<sup>th</sup> March 2014.
- 6.2 Although the scope of priority sector lending is a kind of limited, some of the banks had set specific targets for themselves 6 months ago and against the committed target of 14% PNB could achieve 13.83%. BOI achieved 10.65% against commitment of 13%, but as on 31.12.2013 they are at 10.47% only. Similarly SBI and Allahabad banks failed to honour their commitments on priority sector targets.
- 6.3 He said that as rightly pointed out by Mr. Patel there are many gaps. The commitments made in SLBC did not percolate down to the Branches and for better results each Branch must contribute. He further said even if there is not much scope for agriculture advances in Delhi but priority sector advance should increase due to re-classification of MSME advances and there is scope for increasing priority sector loans by lending more to housing and education segments.
- 6.4 He further said that he failed to understand that why the branches of particular districts are not clubbed together for district wise reporting of data despite of the fact that the allocation of districts has been done 6 to 7 months ago and core banking is in place in all the banks.
- 6.5 He advised SLBC Convener to collect districtwise / segmentwise / activitywise disbursements from controlling heads and send the same to LDMs so they are in a position to prepare ACP 2014-15 by 31<sup>st</sup> March 2014.
7. **Mrs. Sonali Sen, General Manager, Reserve Bank of India**, pointed out that presently ACP is not capturing potential for Metro circle and Potential Linked Plan was covering rural blocks only so she suggested that without waiting for NABARD to prepare PLP, ACP for the financial year 2014-15 can be prepared and drawn based on the actual disbursements of priority sector loans during the previous years i.e. 2012-13 and 2013-14 (up to Dec-2013). However she said that LDMs are not getting granular data from the controllers and so they are not in a position to draw the ACP.
8. Mr. Patel suggested that a sub-committee of AGM level nodal officers and LDMs be formed and a meeting be fixed for 21.02.2014 for deciding modalities & deadlines to finish this task and the format may be as per existing format being used by NABARD presently. Since 40% target of priority sector cannot be achieved in one year itself, this sub-committee may decide the disbursement plan to achieve a potential linked target based on last year's actual disbursements.

9. **Shri Pravin Rawal, Deputy Secretary, Department of Financial Services**, stressed on the integrity of the data and said that the targets for priority sector which were finalized with the Govt. of India as per statement of intent must be achieved. In case of non-achievement of priority sector targets banks have to put a lot of money to less productive use from the angle of bank's commercial prospective. He further said that It may not be possible to achieve sub-sector targets but the overall priority sector must be achieved.
- 9.1 He pointed out that there is reluctance on part of the branch Managers to open the accounts especially of the migrant labours in general but more so when they have an account with some other bank or at their native place. He advised the banks to explore the possibility of account portability otherwise their accounts be opened without any hassles.
10. **Shri K. Mahesh, Special Commissioner, Industries** revealed that there are 1.25 lacs educated unemployed youth in Delhi but the no. of PMEGP applications received are very small. There are more than 2700 Bank Branches in the state and urged that each Branch to recommend at least one case to District Task Force.
- 10.1 He further said that DTF cleared 865 cases as on date and out of which 491 cases have been rejected by the Banks, 177 has been sanctioned and 197 cases are still pending with the different Banks. He further pointed that out of the sanctioned cases 163 cases are pending for disbursement for more than 3 months and the major defaulters are SBI and PNB with 87 and 20 cases respectively.
- 10.2 Mr. Singhal said that to sanction or not to sanction is prerogative of the banks, but wondered once the case is sanctioned why disbursement is kept pending for 3 to 4 months. He further said that since e-tracking system has been introduced for monitoring the movement of cases, the password should have already been given to the Branch Manager, then why they show ignorance about the same.
- 10.3 Mr. Patel pointed out that as on 31 Dec 2013 only 148 cases have been sanctioned collectively by all branches in Delhi against a very high rejection of 463 cases inspite of the fact that Banks representative is there in the DTF meeting in which the cases are screened. He requested that each branch should identify at least one beneficiary and recommend the same to the DTF by 15th March. He committed that each Branch of OBC will forward one case to DTF and all large Banks namely SBI, PNB and BOB also individually agreed for the same.
11. **The representative of SFAC, Shri B. R. Gupta gave a presentation on Equity Grant and Credit Guarantee Fund Scheme for Farmer Producer Organizations. The Main highlights of the presentation are as per enclosed Annexure-I.**

12. **Shri S.P. Bhatia, DGM, Oriental Bank Of Commerce made agenda wise presentation as under:**

Agenda 1 : Confirmation Of Minutes Of 73rd SLBC Meeting

The minutes of 73rd SLBC Meeting have already been sent to all concerned. A copy of the minutes has also been placed in the folders. No suggestion has been received on the minutes. The same may please be taken as confirmed.

Agenda 2 : Action Points Of 73rd SLBC Meeting

The Action Points emerged out of the 73rd SLBC Meeting and Action Taken on the same have been given on page 4 and page 5 of Agenda Book. Few points are still persisting. The percentage of Priority Sector Advances to Total Advances is still at a low level of 12.48%. 136 Loan Applications under PMEGP and 127 under SJSRY schemes are still pending. Out of 21 villages with population below 2000, 12 villages are yet to be covered under FIP. 26 Ultra Small Branches are yet to be opened. All SLBC Member Banks are requested to take action on all action points at the earliest. It needs to be pointed out that majority of the banks have not provided timely and correct data to SLBC this time also thus causing inordinate delay in preparing Agenda book.

Agenda 3 : Credit Deposit Ratio

With an absolute increase of Rs. 73,661 crores in advances over/during the year, CD Ratio of all banks has increased to 95.18% as on December 2013 which was 91.86% as on December 2012. However, CD Ratio of Delhi Rural has decreased from 137.30% as on December 2012 to 101.66% as on December 2013. All Banks are requested to make efforts for further improvement in CD Ratio particularly in Delhi Rural.

Agenda 4 : Financial Inclusion (FI)

All 110 unbanked villages with population 2000 & above have already been covered. 21 Villages with population below 2000 were to be covered by banks out of which 9 villages have been covered upto now and 12 villages still remain to be covered by concerned banks. The concerned banks are requested to cover these villages at the earliest.

Ultra Small Branches: 81 villages have been covered by BCA mode in which USBs are to be opened. 55 USBs have been opened upto now and 26 USBs are still to be opened out of which 16 USBs are to be opened by PNB.

*Mr. Singhal expressed concern over the pendency of USBs and advised PNB and other remaining banks to complete the task of opening of USBs by 10<sup>th</sup> March.*

Visits to Allotted Villages: All member banks should ensure that visits to allotted villages are made as per Govt. directions.

Opening of Basic Saving Bank Deposit Accounts (BSBDAs) and Issuance of GCCs: The Banks have opened 30,06,828 Basic Saving bank Deposit Accounts so far. 2,222 GCCs with loan amount of Rs. 632 lacs have been issued upto 31/12/2013.

ICT based Financial Inclusion: ICT Based facilities are being provided in 81 villages. 30,256 Smart Cards have been issued. 18,30,561 accounts have been opened so far.

Geographical Information System(GIS) : All SLBC Member Banks should provide immediate information to LDMs as and when new branches are opened, BCAs are engaged, ATMs are installed and Currency Chests are opened. The LDMs should make immediate updation in GIS.

*Mr. Patel informed that as per the Government guidelines all the branches should have onsite ATM, if not in same premises than very near to the Branch. There is a deadline that these onsite ATMs must be installed by March 2014 and information about the same shall also be placed on the GIS.*

Financial Literacy and Credit Counseling Centers (FLCC) & Financial Literacy Centres (FLCs) : Two FLCCs are working in Delhi State which are being managed one each by PNB, and OBC and SBI and PNB are running FLCs in their LDM's Office in one district each. 806 persons availed indoor services during the quarter under review, whereas 495 persons participated in 19 outdoor activities organised by these FLCCs.

*Mr. Singhal asked about the course content and performing the training need analysis before designing the financial literacy material. In answer Mr. Bhatia told that the training material is provided by the Govt. of India and the training is conducted in the villages for which the people are informed in advance and the venue is either the Panchayat building or in govt. schools. Mr. Singhal appreciated the efforts made in this regard.*

Urban Financial Inclusion – Launch of Campaign to ensure at least one bank account for each family : All the 272 wards of Delhi have been allotted to SLBC Member Banks. All banks should make house to house survey and ensure that every household has atleast one bank account in their respective wards.

Financial Inclusion drive to open Bank Accounts of Migrant Labour and Street Vendors/Hawkers in Urban Areas : 4,91,701 accounts of Migrant Labour and Street Vendors/Hawkers have been opened so far. All banks should open accounts of Migrant Labour and Street Vendors/Hawkers on priority basis and timely report the number of such accounts opened to SLBC as per the existing practice.

Disaggregated FIP : All banks have been advised by RBI to draw up a fresh three year Financial Inclusion Plan for the period 2013-2016. The plan targets formulated for next 3 years should be disaggregated at controlling office level and should also be percolated down to the branch level. All banks should send their revised disaggregated FIP for Delhi State to RBI and SLBC.

During the discussions it was suggested that the concerned govt. department officials should provide information regarding their existing schemes and any other new schemes started or implemented by them such as SJSRY, PMEGP etc. in the meeting.

#### Agenda 5 - Direct Benefit Transfer (DBT) Scheme:

The state Govt. has started DBT in all the 11 Districts of the State. Out of the 26 Centrally Sponsored Schemes (CSS), 9 Schemes are applicable in Delhi state. The State Govt. is presently working on 6 Centrally Sponsored Schemes. 112842 beneficiaries' accounts have been opened so far under DBT and 108129 accounts have been seeded with Aadhaar numbers, for which details were received from the concerned departments.

#### Direct Benefit Transfer Scheme for LPG Subsidy (DBTL):

All 11 districts of Delhi State were covered under Phase VI of DBTL which started from 01.01.2014. Member banks are seeding Aadhaar numbers of LPG consumers on top priority. Regular follow up is being made from SLBC with all LDMs, Nodal officers of all member banks as well as OMCs.

#### On-Site ATMs in Districts identified For DBT

There are 2723 bank branches operating in 11 districts identified for start of DBT. 2130 branches have on-site ATMs and there is a gap of 593 on-site ATMs. All concerned banks are requested to install onsite ATMs by 31.03.2014.

#### Agenda 6- Achievement under Annual Credit Plan 2013-14

Out of the ACP targets of Rs. 316.68 crore for the FY 2013-14, the concerned banks have achieved credit of Rs. 230.47 crore, i.e, 72.78% which is very near to 75% commitment given by the concerned Banks for Dec. 2013 quarter. It is expected that all concerned banks shall achieve 100% of the ACP targets upto March 2014.

#### Agenda 7 - Priority Sector Lending

The Priority Sector Advances have increased by Rs. 14,589.25 crore i.e. from Rs. 66,602.96 crores as on December 2012 to Rs. 81,192.21 crore as on December 2013. However, the percentage of Priority Sector Advances to Total Advances is still at a low level of 12.48%. Advances to SC/ST under

Priority Sector have increased by Rs. 514.44 crore over December 2012. All banks are requested to increase their Priority Sector Advances.

#### Agenda 8 – Advances Under Education Loan Scheme

The advances under Education Loan Scheme have decreased by Rs. 56.59 crores over December 2012. The total achievement is Rs. 1,188.05 crores as on December 2013 against target of Rs. 1,435.12 crores for the FY 2013-14. All banks should increase advances under Education Loan Scheme and achieve their targets.

#### Agenda 9 - Agriculture Advances

Agriculture Advances have decreased by Rs.819.18 crores as compared to December 2012. Agriculture Advances stood at 1.21 % of Total Advances as on December 2013 as compared to 1.51% as on December 2012.

Since there is limited scope of direct agriculture in Delhi, all member banks are requested to increase their indirect agriculture advances.

#### Agenda 10 - MSME Advances

Advances under MSE Sector have increased by Rs. 11,794.32 crore over December 2012 whereas advances under MSME Sector have increased by Rs. 4673.51 crore over December 2012. All banks are requested to make efforts for further increase in MSME Advances, particularly MSE Advances.

#### Agenda 11 - Housing Finance

Total Housing Finance has increased by Rs. 10,006.12 crore from Rs. 26107.54 crore as on December 2012 to Rs. 36113.66 crore as on December 2013. All banks should increase Housing Finance.

1% Interest Subvention Scheme: All Banks should generate more public awareness about the benefits of the Scheme and ensure vigorous implementation of the Scheme.

Rajiv Rinn Yojana (RRY): Interest Subsidy for Housing the Urban Poor (ISHUP) scheme stands replaced by Rajiv Rinn Yojana (RRY). All banks are requested to proactively provide credit under this scheme.

Reverse Mortgage Scheme All banks should popularize the scheme and make maximum advances so as to benefit the old age persons.

#### Agenda 12 - PMEGP

Against target of 1038 cases for the financial year 2013-14, 747 applications were received by the member banks out of which 148 loans have been



sanctioned and 117 loans have been disbursed upto 31/12/2013. 136 applications are pending with banks as on 31/12/2013. All Banks should step up their efforts towards disposal of all pending applications and ensure disbursement of sanctioned loans.

#### Agenda 13 - SJSRY

Against 292 applications received, only 70 applications have been sanctioned and loans in 37 cases have been disbursed. There are 127 applications pending as on 31.12.2013. All concerned Banks should immediately dispose off all pending applications and disburse the sanctioned loans. In the last SLBC Meeting we had requested the State Govt. to designate one official as Nodal Officer for the SJSRY Scheme and such official should conduct regular meetings on SJSRY. But we are still to hear from the State Govt.

#### Agenda 14 - Recovery Of Advances

Recovery percentage in Agriculture loans has been 73.75% up to December 2013 quarter.

Recovery percentage in PMEGP has been 50.07% up to December 2013 quarter.

Recovery percentage in SJSRY has been 53.09% up to December 2013 quarter.

Recovery percentage in DRI Scheme has been 70.58% up to December 2013 quarter.

*Mr. Singhal expressed concern over the low recovery rate in PMEGP and SJSRY and said that it will be difficult for the Banks to lend under this scheme if the recovery rate remains low.*

The State Govt. is again requested to enact Public Money (Recovery of Dues) Act at an early date.

#### Agenda 15 - Kisan Credit Card Scheme

7030 Kisan credit cards have been issued by banks so far. All banks should increase issuance of KCCs.

Swarozgar Credit Card (SCC) Scheme: 878 SCCs have been issued so far. All banks are requested to increase issuance of SCCs.

#### Agenda 16 - Self Help Groups

308 SHGs have been formed during the quarter under review and total 3,816 SHGs have been formed upto now. 2,574 Groups have been linked and loan outstanding is Rs. 2,781.29 lacs as on December 2013. The involvement of banks is required in formation and linkage of Self Help Groups. Special

emphasis should be made by the Banks on the villages allotted to them under FI Plan for formation and linkage of Self Help Groups in such villages.

#### Agenda 16 A - Joint Liability Groups

No fresh case of JLGs formation during quarter December 2013 have been reported by banks. All banks should form JLGs.

#### Agenda 17 - Advances To Women Entrepreneurs

Advances to women entrepreneurs have increased by Rs.963.19 crore over December 2012. All banks should increase advances to women entrepreneurs.

#### Agenda 18 - Advances To Weaker Sections

Advances to Weaker Sections have increased by Rs. 1,185.92 crore over December 2012. All banks should ensure disposal of proposals belonging to Weaker Sections on priority basis.

#### Agenda 19 - Advances To Minority Communities

Advances to Minority Communities have increased by Rs. 1,124.11 crore over December 2012. All member banks should give priority to extend loans to minority communities.

#### Agenda 20 - Credit Flow To Disabled Persons

Advances to disabled persons have increased by Rs. 12.04 crore over December 2012. All member banks should give priority to increase advances to disabled persons.

#### Agenda 21 - Differential Rate Of Interest Scheme (DRI)

Advances under DRI scheme have decreased by 1.72 crore over December 2012. The figure of DRI advances of 0.001% of total advances is far behind from the benchmark of 1% of previous year's Net Bank Credit. All banks should intensify efforts for enhancement of advances under the Scheme.

#### Agenda 22 - Credit Flow To Ex-Servicemen & Widows Of Ex-Servicemen And Semfex Scheme:

Advances to Ex-Servicemen and Widows of Ex-Servicemen have been sanctioned aggregating Rs. 13.47 crore to 603 beneficiaries upto December 2013 during current year. All banks should increase advances to Ex-Servicemen and Widows of Ex-Servicemen.

### Agenda 23 - Implementation Of Revival, Reform And Restructuring Package For Handloom Sector

The implementation of this financial package is being monitored by the State Implementing Monitoring Review Committee (SIMRC) in Delhi State. The Chartered Accountants for Special Audit of eligible handloom cooperative societies have been appointed by the Govt of NCTD on the recommendations of NABARD. All banks are requested to provide cooperation to the State Govt. in implementation of the packages.

### Agenda 24 - Automation Of State Treasury

The Finance Department, Govt. of NCT , Delhi has informed that the Detailed Project Report (DPR) has been finalized and now the State Govt. is in the process of selection of System Integrator (SI) which is likely to be onboard soon. The Government of NCT of Delhi is requested to expedite the work.

### Agenda 25 - Detection And Impounding Of Counterfeit Notes

The Reserve Bank of India has issued Master Circular No. DCM (FNVD) No. G-16.01.05/2012-12 dated 02.07.2012 on Detection & Impounding of Counterfeit Notes. Only 12 banks have reported detection of counterfeit notes to RBI during the quarter. All banks should strictly comply with the RBI instructions in this regard.

### Agenda 26 – Green Initiatives

As per DFS, Ministry of Finance directions all disbursements/payments, except for petty payments, shall be made directly into the accounts. The use of electronic mode of payments is beneficial to all concerned. All banks should sensitize their staff for making e-payments as per GOI directions.

### Agenda 27 - Failed ATM Transactions

The incidences of failed ATM transactions are increasing with the increase in ATM transactions. All banks should ensure that their ATMs are working properly and in case of any dispute regarding ATM transactions, the same should be resolved immediately. Some of the banks have not provided the data regarding failed ATM transactions and some of the banks have provided incomplete data. All banks are requested to provide complete data in future.

### Agenda 28 - CERSAI

The Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) has been promoted by the GOI to prevent frauds involving multiple lending by different banks on the same immovable property. The company is providing the platform for filing registration of transactions of securitization, asset reconstruction and security interest by the banks and

financial institutions. Any person can search and inspect the records maintained by the Registry on payment of prescribed fees. All banks should ensure to file applicable transactions on CERSAI portal.

#### Agenda 29 - Revival Of The Stalled Residential Projects

No such residential project in Delhi State is reported by member banks presently.

#### Agenda 30 - Finance To Tenant / Lessee Farmers

It has been pointed out at the level of GOI and RBI that banks are reluctant in extending credit to tenant / lessee farmers in various States. All banks are requested to extend credit to tenant / lessee farmers as per RBI guidelines and ensure that this category of farmers does not face any hardship in obtaining loans from banks.

#### Agenda 31 - Assignment Of Lead Bank Responsibility In All 11 Districts Of Delhi State.

RBI has assigned Lead Bank responsibility in all the 11 districts of Delhi State to 5 banks. LDMs have started functioning in all the 11 districts. They are requested to actively participate in implementation of ACP 2013-14, DBT/DBTL Schemes and other matters in their districts as per RBI and Govt. of India instructions.

#### Agenda 32 – Concessional Credit to Persons with Disabilities (PwDs)

The National Handicapped Finance and Development Corporation (NHFDC) was set up by the Ministry of Social Justice & Empowerment, Govt. of India in 1997. NHFDC is functioning as an apex institution for promoting economic development activities and self employment ventures for the benefit of Persons with Disabilities (PwDs). All banks are requested to initiate action for entering into agreement with NHFDC for flow of concessional credit to PwDs.

The meeting ended with vote of thanks.

## Annexure-I

- 11.1 SFAC is a Society established by DAC, GOI, chaired by Hon. Agriculture Minister. RBI, NABARD, PSBs are original promoters of SFAC, Notified as financial institution under RBI Act. The Mission is to link smallholders to investments, technology and markets.
- 11.2 Equity Grant Fund (EGF): This scheme will be directly implemented by SFAC. Equity Grant shall be a cash infusion equivalent to the amount of shareholder equity in the Farmer Producer Company (FPC) subject to a cap of Rs.10 lakh per FPC. Equity Grant sanctioned shall be directly transferred to the bank account of the registered FPC.
- 11.3 Credit Guarantee Fund (CGF): All banks are eligible to get cover from CGF and 85% cover to all loans made to FPCs, without seeking collateral. Maximum loan amount is upto Rs. 100 lakhs . One time fee of 0.85% of the sanctioned Credit Facility and Annual fee of 0.25% on outstanding is applicable
- 11.4 Mr. Singhal asked if somebody wants to setup a Cold Chain Project whether standardised Project Report available is with SFAC. Mr. Gupta informed that the all different project reports are available with SFAC and advised all the banks to simply inform the name of the promoters and SFAC will get the DPR prepared and send it to the concerned bank and also bear the cost for the same.
- 11.5 Venture Capital Scheme (VCA) for XII Five Year Plan (2012-2017) : It is an interest free loan provided by SFAC, always in conjunction with a bank loan, for setting up of agribusiness projects (including Dairy and Poultry) up to a project cost of Rs. 500 lakh. The maximum amount is 26% of promoters Equity or Rs. 50.00 Lakh whichever is low. The Tenure of repayment is same as that of Term Loan sanctioned by bank/FI. Individual entrepreneurs, coops, FPOs, SHGs, companies etc. are all eligible to apply. The Assistance is provided to prepare DPRs through empanelled consultants of SFAC/State SFACs.
- 11.6 Mr. Patel asked if SFAC is having offices at district level also. Mr. Gupta informed that they have already signed MoU with 24 Banks and SFAC give its support to every individual branch. SFAC is conducting various awareness camps at district level through NABCONS.
- 11.7 Mr. Patel called suggestion from Mr. Gupta as to what can be done on this scheme for Delhi State and particularly those branches which are on the periphery of Delhi. In answer Mr. Gupta added that every agriculture & allied activities have now been added in these schemes including dairy, poultry, cold storage, vegetable vending and other post harvest activities, so the no. of project will increase. The Banks should create awareness building among branches about both Schemes. They shall identify the cases for sponsoring and for preparing DPRs. The Branches must also participate in SFAC-sponsored district level awareness camps.
- 11.8 Mr. Patel advised the SAFC representatives to circulate the presentation containing information on these schemes to member banks through SLBC. The Banks can further inform individual Branches and achieve progress on these schemes