

Minutes of Meeting of Sub Committee on CD Ratio , MSME and Govt. Schemes held on 05.10.2018 to discuss/ review the improvement in CD ratio and progress of MSME, PMEGP, PMMY, Stand Up India and SHG/JLG Schemes.

A Meeting of Sub Committee on CD Ratio , MSME and Govt. Schemes held on 05.10.2018 at 11.00 AM to discuss/ review the improvement in CD ratio and progress of MSME, PMEGP, PMMY, Stand Up India and SHG/JLG Schemes.

At the outset, Shri Surender Singh, General Manager & Convener, SLBC, Delhi welcomed all participants present in the meeting including Sh.Vivek Srivastava(AGM) Reserve Bank of India (FIDD) , Official from NABARD, LDMs and officials from some member banks.

The pointwise details of the minutes of the meeting are furnished below.

CD Ratio: Sh.Surender Singh expressed that though the CD ratio of Delhi as whole is satisfactory at 95.73 % , but there is regional disparity among the different districts of Delhi. On the higher side ,the CD ratio of Central Delhi is 184.02 and that of New Delhi is 132.02, whereas the CD ratios of East Delhi-24.87, West Delhi-26.22, North Delhi-27.37, North East Delhi-16.11, North West Delhi-28.02, South delhi-47.28, South East Delhi-66.91, South West Delhi-33.56 & Shahdara-23.15. There is regional disparity and imbalance in distribution of credit in different districts.

LDMs from –North East, East Delhi & Shahdara put up their opinion that most of the areas in their districts are unauthorized , as such the Banks are not able to finance there in Housing Loan, MSME and other schemes also as the setting up of units in these areas are not permitted. Banks are reluctant to obtain property in unauthorized area as collateral security in advances.

Some of the LDMs were of the view that the loans were sanctioned by a Retail Hub or a branch located in some other part of Delhi whereas the place of utilization of loan or factory of units are scattered all over Delhi which resulted in disparity in credit distribution and CD ratio. The credit is reported as per place of sanction by branch or Hub Sh. Surender Singh expressed that the place of utilization of credit should be the criteria for reporting a loan in that area. But as per RBI circular dated 2.7.2018 there are three categories for distribution of Loans

Individual Banks at Head Office	Credit as per place of Utilization + RIDF
State Level (SLBC)	Credit as per place of Utilization + RIDF
District Level	Credit as per place of Sanction

It was viewed that the different criteria at different levels should be reviewed and should have uniformity at all levels to remove the disparity among areas. (Action : RBI)



Sh. Surender Singh expressed that govt. should overcome this issue in Delhi and increase infrastructure there like malls, cinema Halls, shopping complexes etc. so as to enhance business/economic activities there and improve the CD ratio.(Action :GNCTD)

Sh. S.K.Sharma , LDM- Central Delhi pointed out that the data for some districts are not accurate and did not match with the data placed in DLRC meetings. The matter of wrong reporting in the SLBC portal by the member banks was taken seriously and it was emphasized that the data should be checked thoroughly before feeding in the portal. The wrong reporting of data should be viewed seriously and the matter will be taken up with Controlling Heads of member banks and dealing officials should be made accountable.(Action:All member banks)

LDM North viewed that many banks are under PCA and they are not sanctioning loans which resulted in low CD ratio. It was suggested that these banks should finance in Retail sector, Mudra and other Govt.Schemes instead of Corporate loans.(Action: Member Banks)

LDM North West said that the area of Wazirpur is facing the Sealing problem. The area from Rohini to border is having residential area no industrial units . The people of that area only prefer to avail KCC upto Rs.1 Lakh only to avoid huge amount on mortgage charges. Sh. Surender Singh viewed that "Model Agriculture Act" should be implemented in Delhi. SLBS has written to GNCTD in this regard and this was one of the agenda in SLBC meeting. Similarly process of RC filing for recovery of loans be also applicable in Delhi.(Action : GNCTD)

LDM- West Delhi pointed that bank branches are not reconciled between west and south west districts so there is need to proper mapping of branches in different districts.(Action: All LDMs and District Authorities)

The LDMs pointed out the problem of shortage of staff in their offices. This problem has already been pointed out in 92nd SLBC meeting. Controlling Heads of the banks should take necessary steps to resolve the issue. (Action: LDMs and banks)

Sh. Vivek Srivastava, RBI, remarked that in some of the districts fresh FLCs are not appointed /deputed in place of retired FLCs, which should be taken care of by the banks at priority.(Action: LDMs and banks)

Sh. Surender Singh requested all the LDMs to submit the profile of their respective districts viz. population, area, infrastructure facilities, number of banks, unique features, adverse conditions etc. so as to review the low CD ratio there and find ways and means to improve it. .(Action: LDMs)



Further LDMs were advised to prepare the agenda in DCC/DLRC meetings similar to that of SLBC meeting to have uniformity and more effective inputs and results.(Action: LDMs)

Under PMMY, Stand up India scheme the progress was not satisfactory. Shri Surender Singh emphasised the need of publicity through FLC camps. He advised LDMs to play more active role and create awareness among people in their area/district. He also advised to take quick decision in disposing the applications under Govt. Schemes. The controlling Heads/Sanctioning Authorities should participate in meetings for better results. Govt. of India and RBI have repeatedly emphasised to generate more employment and GDP growth (Action: All member Banks)

On **PMMY**, LDMs and Member banks were requested to follow up & review the progress of the scheme to achieve the targets. (Action; LDMs and Member Banks)

PMEGP: The pending cases under PMEGP was viewed with concern by the house. It was requested that member banks should follow up with their concerned branches for disposal of all pending cases lying with them. The Target for Financial Year 2018-19 is 113. Out of total applications 557 sent by KVIB , only 37 cases were sanctioned till 3.10.2018 . Member Banks and LDMs are requested to vigorously expedite the disposal of pending cases.(Action; LDMs and Member Banks)

LDMs/member banks also pointed that in portal the title name alongwith Agenda Number be given , to which IT official –SLBC assured to do that but the same will take time. Also the member banks should update the names of latest DCOs in the portal.

It was also advised that LDMs need not call separate data from DCOs and all relevant data has to be extracted from portal only so that there should not be any mismatch in data submitted by LDMs and banks.

SHG/JLG: The official from NABARD was requested to send the various schemes run by NABARD which may benefit people of Delhi may be shared with all the banks .(Action NABARD)

The meeting was concluded with Vote of Thanks.


(Madan Chandra)
Dy. General Manager ,
SLBC-Delhi.

