



पुदुच्चेरी संघ राज्य क्षेत्र का राज्य स्तरीय बैंकर समिति
State Level Bankers' Committee for UT of Puducherry

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| दूरभाष Phone : 0413 233 0288 फैक्स Fax : 0413 233 0217 ई मेल E Mail : abdpondi@indianbank.co.in idib_pon01@indianbank.co.in | अग्रणी बैंक Lead Bank मंडल कार्यालय Circle Office, 10 कामराज सालै Kamaraj Salai, पुदुच्चेरी Puducherry – 605 011 |
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Dated: 31.03.2010

To

All the Members of the SLBC, UT of Puducherry

Sub: Minutes of the SLBC meeting held on 22.03.2010.

The State Level Bankers Committee (SLBC) Meeting for the Union Territory of Puducherry was held on 22 03 2010 under the chairmanship of Shri M S Sundara Rajan, Chairman and Managing Director, Indian Bank, in the august presence of Shri V Vaithilingam, Hon'ble Chief Minister of Puducherry. Shri R Chandra Mohan I.A.S., Chief Secretary (Health & Industries), Government of Puducherry, Shri Cholleti Prabhakar I.A.S., Secretary (Revenue), Government of Puducherry, Shri K R Ananda, Regional Director, Reserve Bank of India, Shri N Krishnan, General Manager, NABARD, Chennai, Shri Selvam Veeraraghavan, General Manager (PS), Indian Bank, Chennai, Shri A T M Philip Joseph, General Manager and Convenor SLBC, Senior Executives/Officials from various banks, Senior Officials of various Government Departments and District Co-coordinators of banks attended the meeting.

The list of participants is given in the annexure.

Shri Selvam Veeraraghavan, General Manager (PS) Indian bank in his welcome address made special mention of the presence of Hon'ble Chief Minister of Puducherry for the second time in succession which signifies the importance of the meeting. While detailing the performance under key parameters he informed that there is good incremental growth in all the parameters compared to same period last year. Under deposits the growth is Rs.667 crores when compared to Rs.289 crores of last year and advances Rs.451 Crores to Rs. 301 Crores. There is incremental growth in SC/ST, Minorities and DRI advances but to reach the prescribed level there is long way to go. Under minorities the target is 15% by March 2010 but the same is at 7.93% and under DRI 1% is to be reached. There is also a marginal increase in CD Ratio to 59% and the desired level is 60% and more. He requested all bankers to take steps to reach the

parameters set by Government of India and Reserve Bank of India. He informed that the meeting also assumes significance as the Chairman and Managing Director, Indian Bank is due to retire by the month end. He recalled the contribution of the Chairman, his presence in almost all the meeting and his valuable guidance for the smooth functioning of the forum and on various key areas.

Shri R Chandramohan, Chief Secretary, Government of Puducherry in his address informed the forum of the growth in deposits. The saving potential of people of Puducherry is more and the per capita income is also more and it is also increasing. Puducherry is a welfare state and the Government is focusing on the welfare of the people by subsidized cost of living and various welfare measures through more than 70 autonomous societies and subsidy through various departments. Banks have to supplement the role of the Government by financing more units for asset creation. The banks should not be happy with growth of deposits and credit, but they have to take more risks for creation of more job opportunities for all-round growth of the State. They should finance for new ventures and also guide the government in formulation of new schemes required for the development of the Territory. The banks are also to guide the persons availing credit/seeking credit and ensure utilization of the same for prompt repayment and overall development. He requested the Lead Bank to include in the coming meetings the review of employment generated through credit extended by the banks so that we could see how many people have been benefitted through credit. He said bankers have to play their role in development of the people also.

Shri Cholleti Prabakar, Secretary (Revenue), Government of Puducherry in his address recalled the immense contribution of the Chairman and Managing Director to this forum. He informed of the interactions during the discussions of relief measures during Nisha Cyclone, SHG Movement, during the visit of Deputy Governor of Reserve Bank of India, Mrs. Usha Thorat and also the excellent key note address in the various meetings. He informed the forum of the role of Lead Bank in streamlining the planning process and growth of plan from Rs.73.42 crores in the year to Rs. 804.68 Crores for the year 2010-11.

Shri M S Sundara Rajan, Chairman and Managing Director, Indian Bank in his presidential address welcomed the special invitees, thanked the Hon'ble Chief Minister for attending the meeting, Reserve Bank of India, NABARD and other Government Departments for their continued cooperation. He recalled his visits to Puducherry to attend the SLBC meetings and informed that he has never missed SLBC meetings during his tenure except one as already informed by General Manager in his welcome address when he has to be in Delhi to attend the meeting of all Bank Chairmen with the Hon'ble Finance Minister. During every visit, he said he would look at the changes, growth and

development taking place at the Union Territory of Puducherry. He informed that the request of Chief Secretary to include the data on employment generation through bank credit would be carried out from the ensuing SLBC meetings. Puducherry has a unique place in every event of India right from the launching of National Pilot Project for Financial Inclusion in the year 2005. Any scheme which is launched in Puducherry will result in immense success everywhere; hence, he said that all new project related to financial inclusion were launched here. The involvement of all the banks wholeheartedly in every step is bringing the runaway success and he thanked them for their wholehearted co-operation. He said that the welfare schemes are implemented in the region with close co-ordination of the Government and the banks. The bankers he said may be from different places in India but when they are in Puducherry they treat the place as their homeland and involve themselves in its development. Men may come and men may go but the organization will remain and informed that his successor is a very capable man and would do better work in the sphere of SLBC and expressed sincere thanks and gratitude to one and all for their immense co-operation during his tenure.

The Chairman said that he is delighted to participate in this State Level Bankers Committee meeting conducted for the final quarter of the financial year 2009-10. He valued this again as a great occasion to be amidst you in Puducherry in this forum of SLBC this evening.

After welcoming all those present he informed that Reserve Bank of India's third quarter review of Macro economic and monetary development for 2009-10 revealed that the global economic outlook improved significantly in the third quarter of 2009. IMF's current (October 2009) projections for global growth suggest a recovery to 3.1 per cent in 2010, from (-) 1.1 per cent in 2009, which will be led by the emerging and developing economies that are expected to exhibit stronger recovery from 1.7 per cent in 2009 to 5.1 per cent in 2010.

India's GDP growth at 7.9 per cent in the second quarter of 2009-10 showed a significant recovery in relation to the 5.8 per cent growth recorded during the slowdown phase in the second half of 2008- 09. As we are emerging out of the crisis, central bank has their task cut out, to distil the lessons of the crisis, translate them into concrete reform measures and get cracking on implementing them and strongly believe that Reserve Bank of India should be credited for the speedy revival of our economy.

Chairman felt proud that Union Territory of Puducherry has always been a model and front runner among states in growth trajectory and highlighted the performance of Banks in this UT during the third quarter of the current fiscal.

During the current fiscal, 12 new branches have been opened and as of December 2009, there are 38 banking institutions with a total network of 157 branches operating in the Union Territory of Puducherry. The average population served per branch has come down to 6206 from 6496 during this quarter. The commercial banks with 118 branches, Puducherry State Co-operative Bank with 23 branches, and Puducherry Co-operative Central Land Development Bank with one Branch and the Regional Rural Bank viz Pudukkottai Bharathiar Grama Bank with 15 branches are taking care of the banking needs of the people here.

Though CD ratio of Banks had remained at 58% as of March 2009 as well as September 2009, he expressed happiness that it has improved marginally to 59% during this quarter and requested all member Banks to lend liberally so as to achieve desirable CD ratio of 60% by March 2010.

With regard to outstanding advances under Agriculture he expressed great pleasure that an all time high of 19.05% has been achieved as of December 2009, from the level of 17.5% as of September 2009. There is consistent growth in lending to Agriculture in Union Territory of Puducherry from the fact that there is an increase of 2% points in lending to agriculture since March 2006. He recalled his emphasis regarding the vast potential of Agriculture in the region and reaching the RBI stipulation of 18% and thanked all the bankers and Government officials for making it possible. He requested that Government to ensure favourable climate for agricultural lending is maintained and requested banks also to improve the portfolio of Agriculture as it is an important portfolio.

Besides Agriculture, SME financing is the thrust area under Priority sector lending. Strong industrial recovery has been the key underlying strength behind the recovery of GDP of our country in the second quarter. During April- November 2009, the Index of Industrial Production (IIP) increased by 7.6 per cent, which is higher than 4.1 per cent growth experienced during the corresponding period of the previous year. In Union Territory of Puducherry 66.57% of population live in urban areas against All India level of 25.70% and hence there is tremendous scope for SME lending. But, it is disturbing to note that our SME portfolio has come down from 18.43% of total advances as of March 2009 to 16.76% as of December 2009. He requested bankers to put extra efforts and ensure that the funding of SMEs is fulfilled to the required level by getting right directions in special monthly SLBC meetings being convened regularly for this purpose.

With regard to key indices of the Union Territory he expressed happiness that Banking has registered growth in terms of all financial parameters. For the nine months ended

December 2009, growth in deposits registered 11.86% to Rs.6293.24 crores. Advances during the same period have grown by 13.94% to Rs. 3689.02 crores.

Outstanding under Priority Sector Advances of the UT stood at Rs.2170.02 crores recording 59% of the total advances against the RBI norm of 40%. Weaker section advances amounted to Rs.414.21 crores works out to 11.23% of total advances against the RBI stipulated target of 10%.

Despite the fact that outstanding under DRI advances has increased by 36.36% during this fiscal, we have to go a long way to reach the RBI stipulated level of one percent of the Gross advances. Banks should look into every possibility to increase lending under this portfolio.

Banks have disbursed Priority Sector Advances of Rs 591.34 crores under Annual Credit Plan during the nine months ended December 2009, achieving 103% of the target and expressed confidence that Banks would achieve more than cent percent of Annual target by March 2010 also.

Under Government sponsored schemes, Banks have been doing well in the Union Territory due to the best teamwork and coordination between bankers and Government officials. He requested all concerned to dispose-off all the pending applications under SGSY, SJSRY, PADCO and PMEGP if any as only few more days left in this financial year.

Puducherry UT pioneered the concept of National Pilot Project for Financial Inclusion. He expressed strong belief that all the beneficiaries under FI would be getting the benefits of Savings, Credit, and Remittance facilities, Insurance, Pension and Transaction (SCRIPT) to attain our aim to eradicate poverty from the country. He appealed to the Banker friends to find all the ways and means to make Union Territory as a role model for all other states to emulate.

Indian Bank Self Employment Training Institute (INDSETI) which started functioning at Puducherry on 28.03.2009 has so far conducted 14 training programmes and 375 persons have been benefitted. Another 835 persons got counselled from Indian Bank's financial literacy and credit counselling Center (FLCC) so far.

All Bankers should continue to make full use of FLCC and INDSETI as both these new initiatives are intended to bring every one under the mainstream of banking and empower them through credit counseling, training to rural masses for undertaking self employment ventures and credit. Since INDSETI is now functioning in hired premises he requested the Government of Puducherry to allot suitable land near Puducherry, as

directed by Government of India at the earliest to enable to take up construction and create necessary infrastructure immediately.

Lending to SHGs has become a good bankable proposition. Number of new SHGs opened SB accounts during this quarter is 907 taking the cumulative figure to 15832 SHGs in the UT. He expressed happiness that 2076 new SHGs were credit linked during the current fiscal upto December 2009 with Bank Loan of Rs 34.73 crores.

Chairman in his concluding remarks expressed fullest satisfaction of working of this great forum of SLBC, Puducherry UT for which he was privileged to contribute in the capacity as Chairman and Managing Director of the convenor bank. He said that he would always cherish his moments in this apex forum of SLBC in Puducherry which has always been lively and participatory with the wholehearted involvement of all the members.

He expressed confidence that there will be free exchange of information by all the members as usual to result in identification of bottlenecks, measures to overcome them and to facilitate percolation of benefits to the under privileged people of the State. He once again thanked of the great opportunity bestowed on him to share and views and wished deliberations of the meeting all success.

Shri V Vaithilingam, Hon'ble Chief Minister of Puducherry in his address appreciated the bankers for their role in development of Puducherry. He informed that the Budget for the Union Territory is to be presented within couple of days and banks have given their plan for the ensuing year through the Annual Credit Plan 2010-11 which is for an amount of Rs.804.68 Crores. Puducherry is a deposit oriented state where the per capita income is high which is resulting in more savings and more deposits to the banks. This savings gives more money to the banks to lend more to the people. In rural areas people would be depositing the money immediately on getting the same and afterwards they would be planning for expenditure. The banks can act as counsellors for guiding the people in utilization of the savings so that people can be benefitted, banks as well can be benefitted, ultimately the State is benefitted. He again requested the bankers to do something for the urban poor especially the vendors of the Markets situated in Puducherry. They start their work very early by 4 - 5 AM. They are mostly illiterates who have a zeal for progress. They toil hard for a meager earning and have no time to visit the bank as their income would be lost by that time. Banks should do something to them. Banks should be in their place of work and also at their convenient time, they should start their work early along with these clients. Banks should give credit to these people and do transaction at the work place so that they could be weaned away from the clutches of money lenders who charge exorbitant interest.

Banks give credit facilities to new industries by which job opportunities are created for local people. While giving loan the banks make a study on viability of such industries and they should also share this information with the Government so that they can also be benefitted. Bankers can inform the Government of what type of new ventures are possible and the kind of improvement in existing industries could be done in Union Territory of Puducherry so that the same can be included in the Master plan of Union Territory. Banks are also giving loans for students for their education. They can also counsel them regarding what type of course they can take and which study would be more beneficial to them etc so that everyone would be benefitted of the same. Banks also can play a larger role in the entrepreneurship development. Puducherry has better co-ordination between banks and Government departments in implementation of various welfare schemes which results in economic upliftment of the persons. The Government has completed 500 days rule and banks have played their due role in development of the territory. Especially Indian Bank has fulfilled all his request from a Bio-metric ATM at Madukkarai to immediate sanction of short term loan for AFT Mills for wages of the employees. They have opened more Bio-metric ATMs in Puducherry which even the illiterates find very easy to operate as the machine talks with the person in their own language with a pleasant voice. He wished all the best to the Chairman and Managing Director for a peaceful and healthy retired life.

Shri K R Ananda, Regional Director Reserve Bank of India in his address informed that the participation of Chief Minister in the SLBC meeting will help in improvement of performance and informed that this is the 3rd meeting he is attending in Puducherry. Overall performance of the banks is good, but there are some areas of concern which are to be attended to. CD ratio is below the desired level of 60% as improvement of CD ratio will result in creation of more employment opportunities. Banks should lend to agriculture through Kisan credit card as this reduces work load of the banks and also provide hassle free credit to the farmers with less documentation. Under NPPFI the banks have to make efforts to prevail upon 36000 unwilling households and bring them to the banking fold. The recovery under priority sector at 77% and Government Sponsored Schemes is area of concern as good recovery will result in more lending. Poor recovery rate will deter banks to give more loans. The Recovery mechanism should be streamlined to improve the rate.

He informed the forum of the major recommendations of the High Level Committee on Lead Bank Scheme which has been placed as an agenda for information of the members and requested all the banks should work together to implement the same. With regard to the road map to provide banking services to unbanked villages banks should utilize the latest IT based solutions. The INDSETI and FLCC should be properly utilized by the banks and general public. A sub-committee of SLBC should be formed to improve upon

the lending to SC/ST, Minorities and DRI which are below the prescribed norms and also to ensure proper coverage under PLP prepared by NABARD which forms the base for the Annual Credit Plan. The Lead District Manager/Lead Bank Office will be the focal point in respect of overall banking development of the Territory and the implementation of various Government Sponsored Schemes. Hence, the Lead Bank office has to be strengthened with sufficient powers and adequate manpower and infrastructure facilities. The office should be dedicated exclusively for Lead Bank activity. The Banking ombudsman should also be invited to SLBC meetings.

With regard to report of working group for credit facilities to MSME sector which was submitted to the Hon'ble Finance Minister recently the limit for collateral free loan to this sector has been increased to Rs.10 Lakhs and the guarantee cover also has been increased. The guarantee fee is also less for women entrepreneurs, the procedure for filing and invoking the cover under CGFTS has also been simplified and if the proposal is properly scrutinized and sanctioned there will not be any problem in getting the cover. Banks should not always insist on security for every loan. They should utilize the other forms of cover available and lend more to the MSME sector which is creating more job opportunities. This will help in growth of the country and recovery will give more money for lending again.

He outlined the outreach programme organized by Reserve Bank of India as a part of its platinum Jubilee celebration in which Executive Director of Reserve Bank of India and Executive Director of Indian Bank also participated. Over 1000 people of the village participated in the function in which SHG and other loans were issued to the beneficiaries. ICT based technology by way of hand held device through Smart Cards were issued and a business correspondent to provide banking facility to people of the village was also demonstrated and launched in the village. This is first of its kind in Union Territory of Puducherry and by Indian Bank. He informed that such functions were also organized in 8 villages in Tamil Nadu in which MPs and other VVIPs participated.

With regard to road map to provide banking services to villages with more than 2000 population by March 2011, the same is directly monitored by Governor of Reserve Bank of India and the banks which have been allotted the 43 villages identified in Union Territory of Puducherry are to adopt any form/model of ICT based solution to provide banking services. The technology development fund of NABARD can help Pudukkottai Bharathiar Grama Bank in providing banking facility to these villages. He concluded the speech with his experience in working with Chairman since June 2009 and recalled his positive attitude in every meeting he had with him and wished a healthy retired life to the Chairman.

Shri N Krishnan, General Manager, NABARD then addressed the participants. Noting that lending to agriculture constituted more than 50% of credit disbursements, he dwelt upon the new Annual Credit Plan 2010-11 which has an increase of about Rs.39 Crores. He requested the bankers that the target could be more as banks have achieved 105% of the target for December 2009. He requested that instead of keeping the target low and achieving more than 100% slight increase in target and achieving near the target could be considered. The area under cultivation is decreasing and Jewel Loan for Agricultural purpose has increased. There is need to increase the use of latest technology in agriculture to maximize production and this should result in more credit flow to term loans under agriculture. Funds are available with NABARD for use of Regional Rural Banks in such ventures and only Pandian Grama Bank has taken the lead and utilized such funds. He requested Indian Bank, the sponsor bank of Pallavan Grama Bank and Pudukkottai Bharathiar Grama Bank to utilize the funds for technology based initiatives.

Shri A T M Philip Joseph, General Manager, Indian Bank Puducherry and Convenor SLBC thanked the Hon'ble Chief Minister for his valuable suggestions and participation in the meeting. He initiated the discussion on the Agenda items.

Discussion on Agenda Items:

AGENDA 1

The confirmation of the minutes of the SLRC meeting held on 23 12 2009.

The forum confirmed the minutes of the SLRC meeting held on 23.12.2009.

AGENDA 2

Review of follow up action taken on the decisions of SLBC meeting held on 23 12 2009.

2.1 Road map for providing banking facility to every village by 2011.

The forum was apprised of the follow-up made by Lead Bank in finalizing the road map and the commitments given by various banks. As already informed by Regional Director, Reserve Bank of India that the matter is directly monitored by Governor Reserve Bank of India and all the allotted banks are to immediately inform their plan of action to the Lead Bank so that banking services can be provided to these villages before March 2011. With regard to request by Pudukkottai Bharathiar Grama Bank to take more villages the

forum felt that PBGB should not substitute any bank. It is the duty of the allotted bank to come up with their plan of action and each bank should honour their social commitment, Reserve Bank of India guidelines and SLBC allotment. With regard to query by PSCB regarding societies present in these villages, Regional Director, RBI clarified that if these societies are designated/appointed as Business Correspondents of PSCBs they can act on behalf of the bank. If this is not done then they have to go for some other Business Correspondent or other models as per the recommendations.

Action: Bank of Baroda, Canara Bank, Indian Overseas Bank, Lakshmi Vilas Bank, PSCB, Syndicate Bank and UCO Bank

2.2 Extension of cut-off date for the payment of dues by other farmers under Agricultural Debt Waiver and Debt Relief Scheme 2008.

The forum was informed of the letter written to Government of India and Reserve Bank of India based on the suggestion in the last meeting for extension of time for payment of 75% Share by other farmers upto 30.06.2010 and the announcement made by the Hon'ble Union Finance Minister in his budget speech. The forum was also informed that formal communication is awaited from Government regarding the same.

Agenda 3 - New Issues.

3.1. Letter from Reserve Bank of India regarding non-response for sanction of educational loan at Puducherry

The forum was appraised of the contents of the letter forwarded by Reserve Bank of India on the difficulty faced by a student for sanction of education loan and the follow-up made by Lead Bank in forwarding the matter to UCO Bank. The representative from UCO Bank citing the academic record of the student expressed their inability to consider education loan for the student. The forum suggested that as the student has secured admission into the college, he should be treated as meritorious and education loan is to be considered. However, the representative of UCO Bank has informed that they shall take up the matter with their Head Office on the subject.

Action : UCO Bank

3.2. Functioning of Revenue Recovery Cell

The forum was appraised of the letter from Canara Bank regarding functioning of Revenue Recovery Cell. The forum was informed of the total recovery effected in the camps conducted by Revenue Recovery Cell with the concerned banks as Rs.7,59,000/-. The total outstanding under PMRY as on 31.12.2009 is Rs.663.02 Lakhs out of which

Demand is Rs.367.89 Lakhs and Collection is Rs.101.73 Lakhs and the recovery rate is at 28%. The improvement in recovery is only marginal over the years and is mostly hovering around 28%-30% and the salary expenditure for staff posted in Revenue Recovery Cell from December 2005 to February 2009 is Rs. 12,09,114/-. In various SLBC meetings the forum has requested for amendment of Revenue Recovery Act to give more powers to RR Cell and also strengthen the RR Cell with more staff.

The Chief Manager of Canara Bank informed that since adequate staff is not there in RR Cell and RR Act has also not been amended to give more powers to RR Cell. While paying the share of salary expenditure of staff, their controlling office is also questioning the need for incurring the expenditure without any considerable recovery.

The Chairman pointed out that some more time is to be given for the RR Cell as it is difficult to build a system but dismantling it is easy, but if the dismantled system is to be rebuilt that will be nearly impossible. Regional Director, RBI, suggested for formation of sub-committee involving major banks and Government to sort out the problems in this regard. Chairman suggested that some more time is to be given to review the effectiveness of the RR Cell and requested all the banks to fully co-operate to make the cell fully functional and requested the Government to make suitable amendments in RR Act to give more powers to improve the recovery.

Action: Sub-committee for RR Cell to formed and Government to provide Revenue Recovery powers to RR Cell

3.3. Letter from State Bank of India regarding alleged irregularities committed by NGO.

The Convenor informed the forum of the letter from State Bank of India regarding majority of SHGs sponsored by a particular NGO in one of their branches turned out to be bogus and non-existent and in few groups the accounts were fudged. The group photos submitted was all manipulated and also the copy of minutes/proceedings was false. They have informed that they have also initiated investigation to ascertain the extent of irregularities and requested for suitable action to curb such menace to preserve healthy SHG lending.

The representative from State Bank of India informed that the investigation is in the final stages and they would be informing Indian Bank of their opinion in this regard.

Action: State Bank of India

Agenda 4

Review of performance of Commercial Banks - Position as at the end of December 2009

The Convenor informed that as on December 2009 with opening of 12 new bank branches the total number of bank branches has become 157. The deposits increased by Rs. 667.07 Crores to Rs.6293.24 crores registering a growth of 11.86% whereas advances increased by Rs.451.43 Crores to Rs. 3689.02 crores a growth of 13.94% and the CD ratio increased to 59%. The ratio of agricultural advances to the total advances is at 19.05% as of December 2009 as per the revised guidelines of calculation of ratio based on the previous years outstanding advances and the Weaker section advances has reached a level of 11.23%. Banks were also requested to lend more under DRI and to the SC/ST and Minorities so that the prescribed norms could be achieved. The growth in advances of private sector banks is to be looked into.

The forum was informed that out of the 157 branches, 97 branches constituting 62% are in urban/semi-urban areas and the average population served per branch is placed at 6206. The Number of branches increased from 110 in 2005 to 157 in December 2009. The average population served per branch was at 9000 in the year 2005 decreased to 6206 as on December 2009. In Karaikal Region 30 branches are operating and the average population served per branch is around 5693.

Agenda 5

Review of performance under Annual Credit Plan 2009-10

General Manager while reviewing the Annual Credit Plan 2009-10 informed that the achievement of disbursement stood at 103%. The total credit disbursement amounts to Rs. 591.34 Crores. The credit flow to Agriculture sector reached a level of Rs. 246.58 crores as against the target of Rs.224.43 crores achieving a level of 110% of the target. Under Non Farm Sector the level of achievement was 83% and under services sector the level of achievement was 107%. Private Sector Banks and Co-operative banks were requested to lend more to achieve their targets.

Action: Co-operative Banks and Private Sector Banks

Agenda 6

National Pilot Project for Financial Inclusion – Puducherry

Convenor informing of the achievements under Financial Inclusion mentioned that some improvement has been made in convincing unwilling households and opening of no-frills accounts. Total accounts opened so far is 193950. The progress under credit facilities is almost stagnant at this level of a long period. The forum requested all banks to actively participate in the second phase to achieve the desired results of financial inclusion.

Action: All Banks to cover more clients under OD/GCC.

Agenda 7

Flow of Credit to Agriculture

The General Manager while reviewing the progress under flow of credit to Agriculture informed that Rs.246.58 Crores have been disbursed to agriculture against the annual target of Rs.300.33 crores. Rs.56.52 crores has been disbursed to new farmers. Tenant farmers & Oral lessees have been financed to the tune of Rs.2.18 Crores and under Debt Swap Scheme Rs.4.37 crores have been disbursed to 2206 beneficiaries. Banks were requested to finance Agri. Clinics and all the crop loans to be routed through KCC. Banks were requested to insure all the crop loans given to notified crop in notified areas under NAIS. Representative from AICI informed the members of the salient features of the scheme and benefit derived by the farmers. He compared the data of other states with Puducherry and requested all the banks to cover all KCC under NAIS. General Manager, Indian Bank informed that the crop loans given under Sugarcane tie up arrangement are insured by the sugar mills and the farmers are not willing to take more number of insurance cover. Also the delay in settlement of claims by AICI is also not going well with the farmers in encouraging them to take the NAIS. The procedure followed in calculating yield data crop cutting experiment is also not uniform and the benefit received by the farmers is also not adequate. These are the reasons due to which the farmers are not willing to be part of the NAIS Scheme. The forum requested the Agricultural Insurance Company of India to go the field level to educate the farmers to join the NAIS scheme. The representative informed they have recently conducted a campaign in Karaikal with the help of Government of Puducherry for more coverage of non-loanee farmers. The forum again informed the AICI to conduct such campaign among farmers to popularize the scheme.

Action: Agricultural Insurance Company of India - conduct of awareness campaign among villages/farmers.

Agenda 8:

Review of Recovery Performance under Government Sponsored Schemes as of December 2009

The Convenor detailed the rate of recovery under various Government Sponsored Schemes. The recovery under PMRY decreased to 28%. Under group loans (SJSRY-DWCUA) is at 84% and the rate of recovery under SJSRY (USEP) individual loan has also decreased to 47%. The recovery under SGSY stands to 89% and Priority sector advance recovery also remained at 77% of the total demand. The forum felt that effective utilization of Revenue Recovery Mechanism as already discussed would help in increase the rate of recovery in all the Government Sponsored Schemes.

Action Point: All Banks to pay their share of expenditure for Revenue Recovery Cell immediately and utilize the services fully.

Agenda 9

Review of performance under Government Sponsored Schemes in UT of Puducherry

The Convener informed the forum of the latest position in the various Government Sponsored Schemes viz. SGSY, PMEGP and PADCO.

The forum expressed satisfaction of achievement of targets under PADCO and hoped that the targets under SGSY and PMEGP would also be achieved by the month end as the achievement as on beginning of the month is about 90% and the Margin Money target under PMEGP is almost achieved. The forum advised the bankers to ensure that there were no applications pending for disposal at the end of this month.

Action: All Banks and Line Departments to co-ordinate to ensure zero pending positing as on 31.03.2010

Agenda 10

Performances under various Schemes

The Convenor appraised the forum of the disbursement position as on December 2009 under various schemes. Banks disbursed Rs.127.04 Crores for 1673 accounts under Housing Loans Under Educational Loan Scheme the disbursement was Rs.28.67 Crores to 2964 students. The total outstanding under Education Loan is Rs.150.70 crores amounting to 4.09% of total advances. Under Non-farm Sector the banks have

disbursed Rs.127.10 crores for 3375 accounts. As there is more scope under these schemes banks have to utilize these opportunities to lend more under these sectors and achieve the set targets. Banks were requested to take note of the Credit Guarantee Cover available and lend more to non-farm activities without insisting of security as per the norms.

Action: All Banks to lend more to these Sectors.

Agenda 11

Performances under Special Schemes

The General Manager informed of the disbursement made by banks to SC/ST, Minorities and Women. Credit to the tune of Rs.37.91 crores to 4333 accounts were provided to minority communities and Rs.24.46 crores were provided to 2414 SC/ST beneficiaries. With regard to disbursement to women beneficiaries banks have disbursed Rs.44.08 crores to 7884 accounts and the outstanding advances to women stands at 7.31% of total advances well above the target of 5%. Banks were requested to lend more to SC/ST and Minority communities to reach the prescribed targets.

Action: All Banks to lend more to SC/ST & Minorities and provide correct data

Agenda 12

Performance under other Schemes

The Convenor informed that during the year 7489 cards under KCC have been issued providing credit assistance to the tune of Rs.30.52 Crores. Under SHG direct linkage banks have credit linked 2076 groups amounting to Rs.34.73 Crores and repeat finance was given to 732 groups amounting to Rs.17.71 Crores. Banks were requested to utilize the applications sponsored by Handicrafts Marketing Centre for Artisan Credit Cards and second phase of NPPFI by way of issue of GCC to achieve the target of 500 cards under r Swarozgar Credit Card (SCC) fixed for Union Territory.

Action: All Banks to provide correct and complete data

Agenda 13

Submission of LBR 2 and LBR 3 Returns

The Deputy General Manager informed the forum that the for this quarter the submission level of LBR 2 and 3 has reduced from 100% and the performance under various schemes is based on these Reports submitted by the Member Banks. The forum

requested all the banks to ensure 100% submission in ensuing quarter so that the actual performance is presented for review. The forum requested the members to take care in reporting the data so that actual performance can be reviewed.

Action: All Banks to provide correct and complete data within the stipulated time frame.

Agenda 13

Stimulus package to MSME Sector

The forum was informed of the steps taken by SLBC in compliance of the directives of Reserve Bank of India regarding the conduct of Special SLBC every month to discuss the issues relating to MSME sector and the same is also to be discussed as a part of agenda in the regular SLBC meetings.

Accordingly, monthly special SLBC meetings are being conducted from January 2009 onwards to deliberate on the Credit Delivery to Micro and Small Enterprise Sector. The latest meeting was conducted on 12.03.2009 and the report submitted to Ministry of Finance was informed to the members of the forum. The Convenor requested all the banks to submit correct report in time so that the consolidated report can be sent to Ministry of Finance before 15th of every month.

Agenda 14 - Table agenda.

Table Agenda – Approval and launching of Annual Credit Plan 2010-11

The forum was informed of the steady growth of credit projections under Annual Credit Plan from the year 1995-96, from an outlay of Rs.73.42 crores to Rs.591.34 crores as of end of December 2009 and the preparation of Annual Credit Plan 2010-11 by banks in Union Territory of Puducherry based on the potential available in their respective command area and the Potential Linked Credit Plan prepared by NABARD.

The highlights of the Annual Credit Plan 2010-11 of outlay of Rs.804.68 crores showing an increase of Rs.39.49 crores over the plan outlay of the previous year. In percentage terms it works out to 5% growth rate. Considering the performance during the earlier years the outlay projected is reasonable. The Non Farm Sector is provided with Rs.186.89 Crores accounting for a share of 23% of the total outlay as compared to Rs.166.94 Crores allocated during 2009-10. The outlay to agriculture is projected at Rs.301.31 crores against the outlay of Rs.300.33 crores during 2009-10 taking into

account the agri. jewel loans given by the banks. In PLP NABARD has estimated the likely Credit Flow of Rs.804.34 Crores for 2010-11 and the actual ACP outlay works out to Rs.804.68 Crores which is well in tune with the PLP projections.

The Annual Credit Plan for the year 2010-11 with an outlay of Rs.804.68 crores was approved by the forum. The Booklet and the CD of Annual Credit Plan 2010-11 with a plan outlay of 804.68 Crores was released by Hon'ble Chief Minister of Puducherry.

Table Agenda – Interest Subsidy Scheme for Urban Poor

The forum was informed of the request by National Housing Bank for placing the Interest Subsidy Scheme for Urban Poor for information of the members. The members were reminded that the same was already placed for information of the members in the SLBC meeting held on 25.06.2009 After due follow-up with various departments of the Government of Puducherry the status of the scheme was placed in the SLRC meeting held on 23.12.2009. The representative from NHB informed the forum of the salient features of the scheme and requested the Government to identify the nodal agency for implementation of the scheme.

Table Agenda – Recommendations of High Level Committee on Lead Bank Scheme.

The forum was informed of the report of the High Level Committee to Review Lead Bank Scheme and its recommendations for implementation by SLBC. As already mentioned by Regional Director in his speech the members were requested to take note of the same and extend their fullest co-operation in implementation of the same.

Agenda 15. Any other Matter with the permission of the Chair.

1. Implementation of MUPSES

General Manager, District Industries Centre requested the forum to reconsider the decision of the implementation of MUPSES scheme for the programme year 2009-10 for want of advance subsidy. He again reiterated the arguments placed in the last meeting regarding the financial rules etc and also informed that all the subsidy claims received from the banks have been released by the department and the subsidy claims for the sanctioned cases but not received from the banks are only pending.

General Manager, District Industries Centre also informed that they have having more number of applicants under the scheme and requested the forum to approve for implementation of the scheme for this programme year as per the existing pattern of the

scheme and as per the targets already allocated to banks was discussed by the forum. He also informed that now the Government has permitted to secure Block Sanction for the number of applications sent and they can settle the subsidy claims within a maximum period of one month.

On specific query of the forum regarding the amount of subsidy available, the representative replied that they have around Rs.4 Lakhs available and the forum felt that since the amount will not be sufficient for the applications available and the amount will only be just sufficient for the pending claims by the banks. Representatives from banks were also of the view that availability of advance subsidy will only be beneficial for banks and the beneficiaries. The forum felt the block sanction and immediate release of subsidy is also a new concept and that can be given a trial and can be taken up for implementation for the ensuing programme year. Banks were requested to sanction maximum number of cases by 15th of April 2010 and the representative from the department agreed to obtain sanction of subsidy for all these cases by 30th April 2010.

2. Setting up of Registry for Equitable Mortgage.

Representative from Indian Overseas Bank wanted to know the present position of the setting-up of registry for equitable mortgage and capping of registration fees. The convenor informed that as the Government has informed that as the GO is in the final stages and is expected to be released any time now. The convenor informed that the same would be informed to all the banks as soon as received from the Government.

Shri B Baskaran, Chief Regional Manager, Indian Overseas Bank, proposed the Vote of Thanks. He recalled the contribution of Chairman to SLBC forum his dynamic presence clear solutions to various issues, active participation etc. He also thanked his contribution to the development of Union Territory of Puducherry by bringing in various firsts to the State, the successful conduct of educational loan campaign and other functions. He thanked all the dignitaries on the dais for their timely intervention on various points and valuable suggestions to various problems. He thanked all the members for their active participation.

महा प्रबंधक एवं संयोजक – एसएलबीसी
General Manager & Convenor - SLBC

List of participants of the SLBC convened on 22.03.2010

| S.No. | Name (Sarvashri) | Designation | Bank |
|--------------|--------------------------|------------------------|-------------------------|
| 1. | V Vaithilingam | Hon'ble Chief Minister | UT of Puducherry |
| 2. | M S Sundararajan | CMD | Indian Bank, Chennai |
| 3. | R Chandramohan I A S | Chief Secretary | Govt. of Puducherry |
| 4. | Cholleti Prabhakar I A S | Secretary (Revenue) | Govt. of Puducherry |
| 5. | K R Ananda | Regional Director | RBI Chennai |
| 6. | P K Jena | General Manager | RBI Chennai |
| 7. | N Krishnan | General Manager | NABARD Chennai |
| 8. | Selvam Veeraraghavan | GM (PS) | Indian Bank, Chennai |
| 9. | A T M Philip Joseph | GM, SLBC Convenor | Indian Bank, Puducherry |
| 10. | R Mohan | AGM | RBI, Chennai |
| 11. | K Shivaswamy | AGM | RBI, Chennai |
| 12. | Shripathi Kalkura | AGM | NABARD, Puducherry |

GOVERNMENT DEPARTMENTS/BOARD/CORPORATION

| S.No. | Name (S/Shree) | Designation | Department |
|--------------|---------------------------|-------------------------|--------------------------------|
| 1. | B. Senthakrishnan | Chief General Manager | PIPDIC |
| 2. | G. Pannerselvam | Director of Industries | DIC |
| 3. | S. Jayasankar | Addl. Director | Agri. Department |
| 4. | Dr. V .Adimoulame | Deputy Director | Economics & Statics |
| 5. | R. Asokan | Deputy Director | Planning & Research Dept |
| 6. | V. Madhivanan | General Manager | DIC |
| 7. | K. Deivasigamani | Project Officer | DRDA |
| 8. | G. Malarkannan | MD | PADCO |
| 9. | M. Dinesh | Chief Executive officer | PKVIB |
| 10. | M. Vijaya Kumar | Project officer PUDA | PUDA Pondicherry |
| 11. | P. Augustin Lucien Diagou | Functional Officer | DIC |
| 12. | P Nicolas | Dy. Functional Manager | DIC |
| 13. | J Rajendiran | Assistant Director | Dept. of Industries & Commerce |
| 14. | J. Nadarajan | Asst. Director | Dept. of Fisheries |
| 15. | Vijayam Sathishkumar | Asst. Director | KVIC |
| 16. | P. Sekizhan | Executive Officer | PKVIB |
| 17. | P. Sagunthala | Project Officer (SJSRY) | Pondicherry Municipality |
| 18. | G. Indra | Asst. Project Officer | DRDA |
| 19. | M. Devanathan | Asst. Project Officer | DRDA |
| 20. | A. Kuppusamy | Sr. Accts. Officer | Social Welfare Department |
| 21. | C. Anbarasu | Regional Manager | Agri. Ins. Co. Ltd |
| 22. | S. Raman | Manager | PIPDIC |
| 23. | S. Senthil Kumar | Manager | Padco |
| 24. | T. Irissanc | Manager | Oulgaret Municipality |
| 25. | V. Santhanam | Deputy Tahsildar | DIC(AMRY) |
| 26. | M. Mathew Francis | Deputy Tahsildar | Revenue Department |
| 27. | S. Murugesan | Deputy Registrar | Coop. Dept |
| 28. | D Venkatraman | Technical Officer | DIC |
| 29. | k. Sadhasivam | Technical Officer | DIC |
| 30. | C. Jayaraj | L.I (PMEGP) | Khadi Board |

BANKS/FINANCIAL INSTITUTIONS

| S.No. | Name (S/Shree) | Designation | Bank |
|--------------|-----------------------|-----------------------------|---------------------------|
| 1. | B. Baskaran | Chief Regional Manager | Indian Overseas Bank |
| 2. | B. V. Baliga | Deputy General Manager | Corporation Bank |
| 3. | P Dharmaraj | Assistant General Manager | Indian Bank, Puducherry |
| 4. | P. E. Muthu | Assistant General Manager | State Bank of India |
| 5. | R. Manimaran | Chairman | PBGB |
| 6. | J Chandrasekaran | Asst.General Manager(LDM) | Indian Bank, Puducherry |
| 7. | Nishish Mobar | Assistant General Manager | Union Bank of India |
| 8. | S. Arumuga Pandian | Assistant General Manager | Tamilnad Mercantile Bank |
| 9. | R. Elango | General Manager (credit) | P S C B Ltd |
| 10. | K R Muaralidharan | Chief Manager | Vijaya Bank |
| 11. | A Joyce Mal | Chief Manager | State Bank of India |
| 12. | Roy Francis | Chief Manager | Bank of India |
| 13. | K. Raju | Chief Manager | Syndicate Bank |
| 14. | D. Selva Raju | Chief Manager | U CO Bank |
| 15. | C. A. Keerthi | Chief Manager | Dena Bank |
| 16. | V. Sundaramurthy | Chief Manager | Indian Overseas Bank |
| 17. | S. Somasundaram | Chief Manager | Indian Overseas Bank |
| 18. | K. Mariappan | Chief Manager | Bank of Baroda |
| 19. | D. Nagesh Arlithaya | Chief Manager | Canara Bank |
| 20. | T. Parameswaran | Director | INDSETI |
| 21. | L. Rajesh | Cluster Branch Manager | ICICI Bank Ltd |
| 22. | K. Lakshmanan | Credit Relationship Manager | ICICI Bank Ltd |
| 23. | K. Renganathan | Area Manager- ARB | Ing Vysya Bank |
| 24. | R. Gopalakrishnan | Branch Manager | Ing Vysya Bank |
| 25. | W. Christopher Robin | Relationship Manager | National Housing Bank |
| 26. | S. Chandrasekharan | Counsellor | FLCC Centre |
| 27. | R. V. Ramane Rao | Sr. Branch Manager | Andhra Bank |
| 28. | V. Manoj Kumar | Senior Manager | HDFC Bank |
| 29. | V. L. Narasimhan | Sr. Branch Manager | Karnataka Bank |
| 30. | K Rajagopalan | Senior Manager | Bank of Maharashtra |
| 31. | G. A. Theodore | Senior Manager | Union Bank of India |
| 32. | A. Thijagarajan | Senior Manager | Allahabad Bank |
| 33. | M. R. Ezhilrani | Branch Manager | Dena Bank |
| 34. | K Hari Kumar | Manager (Admn) | Federal Bank |
| 35. | T. Jayachandran | Manager | PCCLD Bank |
| 36. | V Sriram | Manager | Oriental Bank of Commerce |
| 37. | P. Ganesh | Manager | Axis Bank |
| 38. | B. Narayanan | Manager | Central Bank of India |
| 39. | P. Sundaram | Manager | State Bank of Mysore |
| 40. | R. Suresh | Manager | City Union Bank |
| 41. | R. Chandra Mohan | Manager(credit) | Bank of Baroda |
| 42. | B. Bala Nehru | Manager | Lakshmi Vilas Bank |
| 43. | G. Shankar | Deputy Manager | Axis Bank |
| 44. | P V Ittiachan | Assistant Manager | South Indian Bank |
| 45. | Paulsin X. patteri | Assistant Manager | Catholic Syrian Bank |
| 46. | T. Vijaya Raghavan | Assistant Manager | Syndicate Bank |
| 47. | P. Raveendra Kumar | Assistant Manager | SIDBI |
| 48. | G. Hariram | Assistant Manager | State Bank of Hyderabad |

