

## Address by Chairman, SLBC, Puducherry - 24.02.2011

Good Morning to all

It gives me immense pleasure to be with all of you here in this fourth SLBC meeting of Union Territory of Puducherry for the current financial year.

At the outset I welcome the dignitaries on the dais, Senior Officials from Government of Puducherry, Reserve Bank of India, NABARD, Banks of Puducherry and other Development Departments, Electronic and Print media.

Our Country has been witnessing higher GDP growth averaged at 7.3 % during the last decade. The real GDP growth has catapulted the Indian economy to the status of the second fastest growing economy amongst the G-20 members. A stable financial system, high domestic savings rate, prudent monetary policy and fiscal improvement helped our Country to cope up with global crisis better than other countries. High Services growth including Banking and Insurance sectors growing at 10.8% had further changed the structure of the economy. Including construction, the services sector accounted for almost 65% of the GDP, compared with just about 34% at the start of the planning era. The increased contribution coming from banking sector to our country's GDP, only indicates the pivotal role now being played by the banking industry in the building up of Indian Economy.

Now, I briefly touch upon some major banking performance parameters in our State during the quarter ended December 2010 before throwing open the forum for a detailed deliberations.

Indian Bank, Union Bank of India and Puduvai Bharathiar Grama Bank opened one branch each and Puduvai State Cooperative Bank opened two branches here during the quarter. With this, the number of branches has gone up to 173 and works out to an average per branch population at 5632 in UT Puducherry as against the national average of about 15,000

Growth in Deposits during 2010-11 by all Banks registered a growth of 8.07% and Advances during the same period had grown by 12.09 %. This has resulted in the CD ratio of the UT touching 65% for the first time. My congratulations to all Bankers and appeal to sustain the momentum to reach further heights

Regarding performance under Annual Credit Plan which indicates Priority Sector Credit deployment, all Banks have disbursed a total of Rs 636.10 crores up to December 2010, which translates to 112 % of the target. I observe noteworthy performance under total outstanding credit to Agriculture in the State which has increased by 17.57 % during the current fiscal to surpass the level of ` 770 crores as at December 2010.

Bill Gates has once said “Banking is necessary but banks are not”. This is possible by the application of digital technology for inclusive banking. Banks in UT have so far provided banking services to 33 out of 43 unbanked villages with population above 2000. Not only the remaining 10 villages, but also the 25 identified villages with population below 2000 should be provided with banking services here, so that the State will be the model State in the country, having extended banking services in all its villages.

Since all the four regions of the Puducherry UT are located on the coastal line, it has faced Cyclone, Floods, Tsunami etc during the past. SLBC, Puducherry has supported the Government in rehabilitating the people affected by crisis and participated in the development of the UT all along. I would like to highlight in this respect, the urgency in extending the relief to borrowers who availed loans under Tsunami rehabilitation schemes. When their brethren in nearby Tamilnadu villages have been benefitted with waiver, I expect the same to happen here at the earliest so that our fishermen, affected on account of Tsunami also taste the sigh of relief. I understand that the required information has already been furnished to the Government by the Bankers and a favorable decision awaited.

Another issue requiring Government’s favorable decision is regarding land allotment to Rural Self Employment Training Institute (RSETI). This scheme was initiated by Ministry Of Rural Development, Government of India, three and half years ago with the objective of creating bank-led training institutes to provide skills to the unemployed rural youth. In the present Financial Inclusion era, capacity building assumes higher importance and the Indian Bank Self Employment Training Institute (INDSETI) functioning here, which caters to potential beneficiaries of all Banks, needs better infra structure for improved performance to achieve its fullest objective. I appeal to the Government to waive the stipulated annual license fee and allot the land free of cost as per Government of India guidelines.

I would like to thank the State Government, various developmental agencies and Bankers for their excellent support and co-operation rendered over the years. This is evident from the fact that any pilot project or new policy is test checked in Puducherry before embarking to other parts of the Country. Financial Inclusion is a standing successful example for the above.

It is my natural desire that the same level of mutual cooperation and synergic action would continue with the sole objective of the development of our UT.

Thank you.