

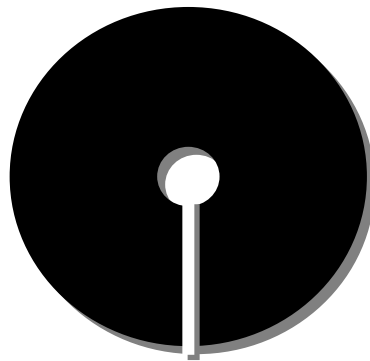
STATE LEVEL BANKERS' COMMITTEE, BIHAR

27TH REVIEW MEETING
AS ON 31st DECEMBER' 2008

VENUE: HOTEL CHANAKYA, PATNA

DATE: 26.03.2009

TIME: 11 A.M.



CONVENOR:

STATE BANK OF INDIA
LOCAL HEAD OFFICE
P A T N A

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**STATE LEVEL BANKERS' COMMITTEE
27th MEETING**

NOTES ON AGENDA ITEMS

AGENDA NO. I

**CONFIRMATION OF MINUTES OF THE
26th STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON the 25.11.2008**

The House may please confirm the Minutes of the 26th State Level Bankers' Committee meeting held on the 25th November 2008, and circulated to all concerned.

AGENDA NO. II

ACTION TAKEN REPORT ON THE 26th SLBC MEETING

ACTION POINTS

ACTION POINT-1.- All Banks should ensure 100 % achievement under the Annual Credit Plan 2008-09, and at least 70 % of Credit Plan should be achieved by December'2008

(Action: All Banks)

ACTION TAKEN: - As on 31st December, the overall achievement stands at 50 % of the ACP 2008-09 against the achievement of 47.21 % during the corresponding period last year, i.e., as on 31.12.2007 (2007-08). Bank-wise / Dist-wise performance placed on **Page No 12A to 12F**

In terms of volume, Banks have disbursed Rs.8745.85 cr. of loans up to the 31st December'08 during this year, against Rs.6185.79 cr. (up to Dec'07) during the corresponding period last year, thereby recording a growth of 41.39 %.

ACTION POINT-2.- Government should examine the possibility of re-launching the scheme of Minor Irrigation (MSTP) at the earliest possible.

(Action: - Government of Bihar)

ACTION TAKEN: - The Government has not yet announced its decision on the matter.

ACTION POINT-3.- 100 % Financial Inclusion of the remaining 18 of the 19 identified Districts of the State should be completed by the end of current fiscal, i.e., 31st March 2009. 100 % Financial Inclusion should be completed by December'08 where we have already achieved 90 % financial inclusion till September'08

(Action: - All Lead Banks concerned & the Taskforce of the SLBC, Bihar)

ACTION TAKEN: - So far, in three Districts namely SHEOHAR (Lead Bank- Bank of Baroda), SHIEKHPURA (Lead Bank-Canara Bank) and PURNEA (Lead Bank- State Bank of India), 100 % Financial Inclusion has been completed as on 31.12.2008. Further, more than 90 % financial inclusion has been completed in Gaya, Madhubani and Munger Districts as on 31.12.2008, and 100 % FI is expected in all the three districts by the end of March'09. In all the remaining districts except Bhojpur, efforts are being made to achieve the target by March'09. In case of Bhojpur, the progress is only 36.50 % as on 31.12.2008, which is woefully poor. The House is requested to discuss the reasons of the poor progress in the district and suggest the remedial measures. Status as on 31.12.2008 is placed on **Page No-13B**

ACTION POINT-4.- RUDSETI type training centers to be opened in every district of the State by the Lead Bank concerned.

(Action: - Lead District Banks)

ACTION TAKEN: - Banks are continuing their efforts for setting up RUDSETI type training institutes in each district of the State. So far, State Bank of India, Punjab National Bank, Central Bank of India and Canara Bank have already established the institutes respectively at Purnea,

Patna, Muzaffarpur and Hajipur. For covering 14 more districts, Lead Banks are making efforts for establishing RSETIs as detailed hereunder:-

Sl. No	Bank	Proposed District	Action already taken / being taken by Bank
1	SBI	Madhepura	District Administration on principal has agreed to provide building for Setting up RSETI. SBI is holding talks with the District Administration on finalizing the modalities in this regard. Once the building is provided to the bank, the institute will be set up and made operational forthwith.
		Saharsa & Supaul	At both the centers, SBI is making close contact with the District Administrations for providing either lands or buildings for the purpose. Process of setting up the institutes will be started once the buildings / lands are made available to the Bank.
2	PNB	Gaya & Rohtas	As advised by PNB, they have persuaded the District Administrations of both the Districts (Gaya & Rohtas) to provide lands / buildings, but so far the same have not been made available to PNB. However, the Bank is trying on the alternatives in this regard.
3	CBI	Katihar Darbhanga & Siwan	DDC, Katihar has assured CBI of providing a building (consisting of two halls and two rooms) at Block Office, Korha. After putting adequate repairs to the building, the institute will be started by CBI. Further, CBI is on the look out of suitable accommodations at Darbhanga and Siwan for opening of RSETIs, but the State Government is, as reported by CBI, not in the position to provide either land or building at both the centers. The Bank is however making very sincere efforts in this direction so that RSETIs may be set up as early as possible.
4	Canara Bank	Sheikhpura	As informed by Canara Bank, one RUDESTI type institute is proposed to be set up at Sheikhpura during the financial year 2009-10. The Bank has already submitted a request to the District Administration for allotment of land for the purpose.
5	Bank of Baroda	Sitamarhi & Sheohar	Bank of Baroda has informed that one house at Dumra has been finalized. Negotiation for monthly rental with the land-lord is underway. The proposed institute, as informed by the Bank, will take care both of Sitamarhi & Sheohar Districts.
6	UCO Bank	Munger	Details of land have been given by the District Administration to the LDM concerned, but the process of transferring the same in favor of Bank is underway. On completion of the formalities, UCO Bank will expedite setting up the institute at Munger.
7	Union Bank Of India	Samastipur & Khagaria	Union Bank of India has almost completed the process of setting up RSETIs at both the centers. The functioning of the institutes is expected to begin within a few months.

ACTION POINT-5.- Banks to achieve the target of DRI, which is 1 % of the total advances at the close of the previous year.

(Action: All Banks)

ACTION TAKEN: - All Banks have time and again been advised in this regard. Financing is also picking up under the scheme due to enhancement of loan limit from Rs.6500 to Rs.15, 000 & Rs.20, 000 (Housing), and family income criteria having been revised from Rs.6,400 to Rs.18,000 in rural areas and to Rs.24,000 in urban areas. As on 31.12.2008 the level of DIR loan is Rs.108.12 cr. (0.47%) in the State against Rs.36.60 cr. (0.18 %) during the corresponding period last year as on 31.12.2007. Bank-wise position is placed on **Page No-23J & 23K**

ACTION POINT-6.- Under DRI, each Bank- branch to provide at least 10 loans per quarter to the village artisans for the year 2008-09

(Action: All Banks)

ACTION TAKEN: - The performance data are placed on **Page No- 17 F**

ACTION POINT-7.- Rejection of education loans on flimsy grounds should be avoided.

(Action: All Banks)

ACTION TAKEN: - This issue has been under important discussion at the SLBC Level as well as in the Inter-institutional Co-ordination body under the Chairmanship of the Development Commissioner, Government of Bihar. All participating Banks are properly sensitized on the issue, and there has been drastic reduction in reporting of such cases.

ACTION POINT-8.- All the eligible beneficiary farmers of the Agricultural Debt Waiver & Debt Relief Scheme 2008 should be provided fresh loans (KCC) without obtaining fresh LPCs, however, updated rent receipt to be obtained.

(Action: All Banks)

ACTION TAKEN: - In this regard, the decision of the SLBC has since been conveyed to all banks for compliance, and Bank-branches are acting accordingly in case of financing under KCC to the beneficiaries under ADWR'2008.

ACTION POINT-9.- All the borrowers of KCC should invariably be covered under National Agriculture Insurance Scheme

(Action: All Banks)

ACTION TAKEN: - This is an extant provision for financing under KCC. In most of the cases, financing Bank-branches are covering the KCC beneficiaries under the National Agricultural Insurance Scheme, but some times, it appears that some beneficiaries are left out at some branches. In this connection, Banks in coordination with NAIS should speed up their efforts so that not a single eligible beneficiary is left uncovered.

ACTION POINT-10.- All the Banks as well as the Lead District Managers concerned should ensure to achieve 100 % coverage under KCC in all the identified 12 Districts

(Action- All Banks & All Concerned Lead Banks)

ACTION TAKEN: - All concerned particularly the Lead Bank Managers of the identified districts have been taking serious efforts for making the campaign a success. The campaign got a little setback in Shahrsa & Purnea due to the recent devastating floods, but now got speeded up. Moreover, due to the State Government's initiative of organizing Mega Credit Camps at Block level in the entire State each month, all the Banks geared up their efforts with the result that KCC-wave swept away throughout the State. This gave tremendous momentum to KCC financing also in the identified districts under Special Campaign.

District-wise performance as on 31.12.2008 is placed on page no- 21C for review by the House.

ACTION POINT-11.- Banks should arrange to hold special camps for distributing KCC on the dates fixed by the State Government, as well as continue to hold camps on other dates.

(Action: All Banks)

Action Taken: - In compliance of the Hon'ble Deputy Chief Minister's Action Point, in the entire State on the 27th December'08, 29th January'09 and the 28th February'09, Mega Credit Camps for KCC financing at Block levels were successfully organized by Banks in coordination with the State Government-functionaries. Besides this, most of the Banks keep on holding such camps at selected centers.

ACTION POINT-12.- Banks should provide consumption loans to aggrieved masses of the flood affected areas without much paper works / hassle and the amount of the consumption loans should be disbursed in one installment.

(Action: Banks)

ACTION TAKEN: - Banks are following the instructions in this regard.

ACTION POINT-13.- Banks should implement Business Facilitator / Business Correspondent models on large scale. The use of technology should also be stepped up.

(Action; Banks)

ACTION TAKEN: - ALL MAJOR Banks are utilizing the services of Business Facilitators in a very big way. Banks are also introducing / contemplating on introducing IT based smart cards / biometric cards under technology initiatives for facilitating and increasing the outreach of banking in rural areas through Business Correspondent Models. State Bank of India is presently utilizing the services of India Post as Business Correspondent. 340 Post Offices have been engaged in the entire State for the purpose.

ACTION POINT-14.- Loan accounts of the affected people should be restructured / rescheduled invariably without obtaining consent. However, consent may be obtained later on, if applicable.

(Action: All Banks)

Action Taken: - Banks have since issued instructions in this regard to their branches operating in flood affected areas of the State.

ACTION POINT-15.- Notification should be made by the Government regarding flood affected areas / Districts.

(Action: Government of Bihar)

ACTION TAKEN: - The Notification on flood affected Districts has since been issued by the Disaster Management, Government of Bihar. The Government is requested to arrange for making the same available to the SLBC as well as all the Controlling Heads of Banks.

ACTION POINT-16.- District Level Co-ordination Committee (DLCC) & Block Level Bankers' Committees (BLBCs) meetings should be attended by the senior functionaries of the Banks, viz, AGMs, RMs, ZMs etc.

(Action- Controlling Heads of All Banks)

ACTION TAKEN: - The same has been reiterated to Banks many times earlier in the previous meetings of the SLBC. The functionaries from the Controlling Offices of Banks are attending the meetings most of the times. The feedback on the matter received in the meeting with the LDMS held on the 5th March'2009 was satisfactory.

ACTION POINT-17.- Bank accounts of the beneficiaries of various schemes of the Government viz, Balika Cycle Yojna, Balika Poshak Yojna, NREGs and SHGs should be opened without hassle

(Action- All Banks)

ACTION TAKEN: All Banks have since instructed their branch level functionaries on the matter. Accounts of the beneficiaries under the above mentioned programmes are being opened by Bank-branches in a liberal way. However, some more improvement is needed in this regard.

ACTION POINT-18.- Wednesday should be utilized by the Banks to do the works related to SGSY (SHG) especially, and it should be declared as SGSY Day.

(Action All Banks)

ACTION TAKEN: - As decided in the State Level Coordination Committee on SGSY held on the 19th June'08 under the Chairmanship the Principal Secretary, Rural Development, Government of India, State Level Bankers' Committee, Bihar has already advised all Banks to enjoin upon their branches to observe every Wednesday as "SGSY Day". In this connection, branches with "NON WORKING BANKING DAY" on Wednesdays are fully utilising the day exclusively for the works relating to SGSY. Other Bank-branches have also earmarked the day for works relating to SGSY, evaluating the performance under the scheme, drawing strategies for removing the bottlenecks being faced under the scheme.

ACTION POINT-19.- It should be ensured that no district of the State should have less than 30% CD Ratio by the end of current fiscal.

(Action – All Banks)

ACTION TAKEN:- The position of district-wise CD Ratio as on the 31st December'08 is placed on **Page No23E**. In this connection, as per recommendation of the Expert Group on CD Ratio, all such districts with CD Ratio below 40 % in the State, Special Sub-committees under the District level Co-ordination Committees are constituted and functional since 2006. The House is requested to discuss how the Sub-committees under the DLCCs may be made more responsible and proactive in improving the CD Ratio.

ACTION POINT-20.- Branch-wise data relating to various Government Sponsored Schemes and other important schemes viz, SGSY, SHG, KCC, DRI, Education Loans etc. should be made available to the SLBC to monitor the progress.

(Action – All Lead Banks & Controlling Heads of all Banks)

ACTION TAKEN:- Performance data of Banks under the above mentioned schemes / programmes are placed on Page No19A & 19B / 20C & 20D /21A to 21C /23J &23K /13A for discussion and review by the House. Branch-wise performance data of Banks under the scheme have not been received by the SLBC.

ACTION POINT-21.- PACS should be utilized as Business Facilitators / Business Correspondents.

(Action – All Banks)

ACTION TAKEN:- Now, the PACS are properly stabilised in the State. The State Government is therefore requested to take decision in this regard in consultation with Banks.

ACTION POINT-22.- Banks should open branches in unbanked Blocks and under banked areas by the end of current fiscal.

(Action- All Banks)

ACTION TAKEN:- Detailed report is placed on **Page No25 & 26** for review by the House.

ACTION POINT-23.- Banks should install more ATMs and use of Mobile Phones for Banking services, internet banking should be used as effective tools by Banks for providing Banking services.

(Action- All Banks)

ACTION TAKEN: - Electronic and IT supported banking service delivery-system is the requirement of the day for customers to have efficient, cost-effective, round the clock and much faster banking services. With this objective in view, every Bank is taking initiative by installing ATMs, introducing internet & mobile banking and the likes. Even in pursuit of 100 % financial inclusion, IT enabled solutions are being contemplated for introduction by Banks. So far, 283 ATMs of State Bank of India are in service in the State, further 229 ATMs are being installed by SBI, and the process will be completed by the end of March'09 in the State. Internet Banking of State Bank of India has already been in service for last few years apart from all the SBI Branches having been placed on Core-banking Network. State Bank of India has recently pressed into services its "MOBILE BANKING" in the State.

As regards other Banks, the position of number of ATMs functional and proposed to be installed in the State is detailed hereunder:-

BANKS	NUMBER OF ATMs IN OPERATION		NUMBER OF ATMs PROPOSED TO BE OPENED	
	Nos	IN Nos OF CENTRES / DISTs	Nos	IN Nos OF CENTRES/ DISTRICTS
BANK OF BARODA	11	7 DISTs	5	4
CANARA BANK	30	12 DISTs	NIL	NIL
PUNJAB NATIONAL BANK	75	—	25	—
CENTRAL BANK OF INDIA	23	—	NIL	NIL
BANK OF INDIA	15	9 DISTs	NIL	NIL
UNION BANK	15	15 DISTs	25	14 DISTs
UCO BANK	7	5 DISTs	5	—
Allahabad Bank	8	7 DISTs	NIL	NIL
UNITED BANK OF INDIA	4	3 DIST	NIL	NIL
SYNDICATE BANK	13	11 DISTs	—	—
ORIENTAL BANK OF COMMERCE	2	1 DIST	—	—
INDIAN BANK	1	1 DIST	—	—

ACTION POINT-24.- Banks should make all out efforts to achieve the target fixed under SGSY scheme, and there should not be any Zero-lending branch. The data relating to SGSY at the District level should be submitted to the Controlling Heads and the Rural Development Department, Government of Bihar under the joint signatures of the LDM & the Development Commissioner concerned.

(Action- All Banks & the DCCs)

ACTION TAKEN:- The performance of Banks under the scheme is placed on Page No19A & 19B for review in the House. As regards reporting of performance data / report with the joint signatures of the LDMs & the DMs, the decision has been reiterated to the Controlling Heads as well as the Lead Bank Managers many times in the past either from SLBC Level or from the Department of Rural Development, Government of Bihar. In respect of Zero Lending Branches, specific reports from Banks are yet to be received by us.

ACTION POINT-25.- Purity of data being submitted to the SLBC should be ensured by Banks.

(Action- SLBC & All Lead Banks & Controlling Offices of all Banks)

ACTION TAKEN:- State Level Bankers' Committee once again feel that reporting quality of Data / information by Banks needs to be improved, as correct and consistent data furnished by Banks form the basis of review and taking important decisions in the SLBC Meetings attended by the apex level functionaries both from Banks and the Government. SLBC, Bihar therefore requests all Banks to ensure purity in data while reporting the same to the SLBC.

ACTION POINT-26.- Updation of the SLBC website should be ensured.

(Action- Convenor of SLBC)

ACTION TAKEN:- Being done on regular basis.

ACTION POINT-27.- CGTMSE Scheme should be popularised / publicized.

(Action- All Banks & Government of Bihar)

ACTION TAKEN:- All Banks have since been advised in this regard.

ACTION POINT-28.- PMGEP scheme should get proper attention of all concerned as it is a newly formulated scheme, so that the target set for the current fiscal may be achieved.

(Action- All Banks & KVIC)

ACTION TAKEN:- The performance under the scheme is very decimal, because of the scheme itself having been launched very late, involvement of multiple agencies causing delays in coordination and delay in setting up of Task Force resulting in generation of inadequate number of applications for the financing institutions. We hope that financing during the next financial year will be much better.

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STATE LEVEL BANKERS' COMMITTEE, BIHAR

KEY INDICATORS

(ALL SCHEDULED COMMERCIAL BANKS)

(AMT IN CRORE)

Sl. NO	ITEMS	As on 31 st March'08	As in quarter ending last year (Dec.2007)	As in quarter ending this year (Dec.2008)	Bench Mark
1	DEPOSITS	68243.71	62603.45	75010.95	
2	Credit	22077.23	20589.45	23996.74	
3	CD Ratio	32.35	32.89	31.99	60 %
4	Priority Sector Advances	14048.67	12534.58	15201.94	
5	Share of PSA in total adv. (%)	65.11 %	62.53 %	65.96 %	40 %
6	Agricultural Adv.	7717.74	6844.90	8143.88	
7	Share of Agl. Adv in PSA (%)	35.77 %	34.15 %	35.34 %	18 %
8	MSME Adv.	1669.76	1466.06	1838.71	
9	Share of MSME Adv. In to PSA (%)	7.74 %	7.31 %	7.98 %	
10	Adv. to Weaker Sec.	5301.27	4484.33	5645.75	
11	Share of Weaker Sec. in PSA (%)	24.57 %	22.37 %	24.50 %	10 %
12	DRI Adv.	33.25	36.60	108.12	
13	Share of DRI Adv in PSA (%)	0.15 %	0.18 %	0.47 %	1 %
14	Adv. To Women	311.65	187.83	161.60	
15	Share of Adv in PSA (%)	2.20 %	1.50 %	1.06 %	5 %
16	BRANCH NETWORK (IN NUMBER)				
a	Rural	2482	2482	2493	
b	Semi-urban	683	683	687	
c	Urban	553	553	592	
d	Metropolitan	—	—	—	
e	Total	3718	3718	3772	

AGENDA NO. III

REVIEW OF ACHIEVEMENT UNDER ANNUAL CREDIT PLAN 2008-09

The achievement of all Banks under the Annual Credit Plan 2008-2009 up to the quarter ended 31ST December' 2008 is as follows:-

BANKS	TARGET (in cr.)	ACHIEVEMENT (in cr.)	% AGE
Com Banks	13531.98	7203.07	53.23 %
Co-op Banks	982.72	186.58	18.99 %
RRBs	2976.86	1356.20	45.56 %
Total	17491.56	8745.85	50.00 %

Sector-wise break-up of target and achievement of all Banks operating in the State is as under

SECTOR	TARGET (in cr.)	ACHIEVEMENT (In cr.)	%
Agriculture	7075.73	3591.99	50.76 %
Industries	1050.05	414.26	39.45 %
OPS	3360.06	1690.99	50.33 %
TPS	11485.84	5697.24	49.60 %
NPS	6005.72	3048.61	5076 %
Total	17491.56	8745.85	50.00 %

ALL BANKS UP TO THE END OF DECEMBER'08 HAVE EXTENDED A CREDIT OF RS. 8745.85 CRORE. WHICH IS 50.00 % OF OVERALL THE TARGET UNDER THE ACP 2008-09.

BANK-WISE & DISTRICT-WISE POSITION FURNISHED ON PAGE NOS 12A TO 12F

Banks	2007-08 (Rs. in cr.)		2008-09 (Rs. in cr.)		2007-08	2008-09
	Target	Ach	Target	Ach	% Ach	% Ach
Comm.	10239.71	4927.68	13531.98	7203.07	48.12	53.23 %
Co-op	687.48	288.97	982.72	186.58	42.03	18.99 %
RRBs	2172.81	969.14	2976.86	1356.20	44.60	45.56 %
Total	13100.00	6185.79	17491.56	8745.85	47.22	50.00 %

SECTOR	2007-08 (Rs. in cr.)		2008-09 (Rs. in cr.)		2007-08	2008-09
	Target	Ach	Target	Ach	% Ach	% Ach
Agriculture	4879.67	2291.73	7075.73	3591.99	46.96	50.76 %
Industries	913.06	282.57	1050.05	414.26	30.95	39.45 %
OPS	2687.64	1341.33	3360.06	1690.99	49.91	50.33 %
TPS	8480.37	3915.53	11485.84	5697.24	46.17	49.60 %
NPS	4619.63	2270.16	6005.72	3048.61	49.14	5076 %
Total	13100.00	6185.79	17491.56	8745.85	47.22	50.00 %

The above comparative performance shows that the overall achievement as on 31.12.2008 is 50 % against 47.22 % during the corresponding period previous year, i.e., as on 31.12.2007.

Rs. 8745.85 cr. has been disbursed up to 31.12.2008 during this year against Rs. 6185.79 cr. extended by Banks against the corresponding period ending December 2007 during the previous year 2007-08, recording a growth of 41.39 %.

Financing under different priority sectors as well as non-priority sector in this year has recorded higher percentage of achievement in comparison to corresponding period previous year. Under Bank-wise performance, Co-operative Bank has recorded much lower performance this year.

AGENDA NO-IV

EDUCATION LOANS

To help meritorious and needy students to meet the expenses on their studies not only in the State but also out side of the State and abroad, education loans are being provided by Banks under one of the most focused priorities in Bihar.

During the year 2008-09, loans amounting to **Rs.339.77 cr.** have been extended to **13588** students up to December 2008.

BANK-WISE PERFORMANCE SO FAR IS PLACED ON PAGE NO-13A

The progress under education loan is being reviewed by the Development Commissioner along with the Regional Director, RBI; the Chief General Manager, SBI, and the Principal Secretary, Finance, Govt. of Bihar, since July 2008.

Following one of the decisions taken by the Inter Institutional Body in its 3rd meeting, SLBC, Bihar has advised all LDMs to facilitate redressal of complaints about education loans at the district level itself in coordination with bank-branches apart from identifying Nodal Branches for the purpose in Districts.

However, in case of students who have not been satisfied with the Nodal branches, the Lead Bank Managers have been advised to obtain from the concerned students a **General Information Format** as devised by the SLBC and ratified by the House, and arrange for sending the same to the Bank-branches deemed suitable. For the purpose, SLBC, Bihar has already sent the **General Information Format** in sufficient number to all the Lead Bank Managers. In this connection, all Lead Bank Managers should sensitize all bank-branches towards extending education loans to the needy and meritorious students without any hassle.

FINANCIAL INCLUSION

As on the 31st December'2008, overall **83.07 %** financial inclusion has been completed in all the 19 identified districts in the State. Out of them, three districts namely Shiekhupura (Lead Bank-Canara Bank), Sheohar (Lead Bank- Bank of Baroda) & Purnea (Lead Bank- State Bank of India) have achieved 100 % Financial Inclusion up to 31.12.2008. Further, there are three districts- Gaya (Lead Bank –PNB), Madhubani (Lead Bank- CBI) and Munger (Lead Bank- UCO Bank) where more than 90 % of the target has been achieved. In case of other Districts except in Bhojpur, nearly 80 % FI has been completed, and concerted efforts are being taken to complete the task by 31.03.2009.

As regards Bhojpur District, progress under 100 % FI so far remained very poor. As on 31.12.2008, the progress as advised by the Lead Bank Manager, Bhojpur was as low as 36.50 %.

The House is requested to discuss the issue so as to find out the reasons of poor progress, and to suggest some measures as to how the progress can be improved under 100 % Financial Inclusion in Bhojpur District.

DISTRICT-WISE PERFORMANCE AS COMPILED BY THE SLBC IS PLACED ON PAGE NO-13B

FLOOD IN BIHAR- RELIEF MEASURES BY BANKS

This year in the month of August, the entire Kosi division was literally swept out by the Kosi. The devastation by the floods was so horrible and wide spread that the Hon'ble Prime Minister declared it as "**National Calamity**", while the Hon'ble Chief Minister, Bihar termed it as "**Jal Pralaya**". Banks in coordination with the Government Agencies did appreciable works also in providing non-banking relief to the affected people. At the same time, Banks tried their best to continue the banking facilities to their customers particularly in the areas where Bank-branches were shut down due to flood water.

This agenda item has already been discussed at length in the last 26th SLBC Meeting held on the 25th November'2008. The performance of Banks in accordance with the RBI guidelines on the relief measures for natural calamity affected areas is placed on **page no-14A** for review by the House.

HOUSING NEEDS IN FLOOD AFFECTED REGIONS IN BIHAR **RURAL HOUSING SCHEMES OF NATIONAL HOUSING BANK**

For assessing the housing needs of the flood affected people in Bihar, NHB convened a meeting under the chairmanship of the Development Commissioner, Government of Bihar, with Banks and the Government functionaries on the 25th September 2008 in the Board Room, Reserve Bank of India, Regional Office Patna. The meeting deliberated on the need for reconstruction of housing in an organised manner with due regard to technology, designing, infrastructure planning and financing inputs. The meeting also deliberated on the nature of participation in the pursuit by different stakeholders.

This agenda item was also discussed in the previous 26th meeting of the SLBC held on 25.11.2008, and details of a new housing scheme named "**Productive Housing in Rural Areas (PHIRA)**" of NHB were also placed in the House as the scheme is taking care not only of the housing needs but also of the income generation of the beneficiaries apart from providing them insurance coverage and refinance by NHB to Bank.

Banks are requested to extend finance under the scheme particularly in the flood affected areas of the state so that the affected people may be assisted for building or renovation of their houses and generation of their sustainable income.

PRIME MINISTER'S NEW 15 POINT PROGRAMME **FOR THE WELFARE OF MIONRITY COMMUNITY**

The 26th SLBC Meeting held on the 25th November'08 discussed the issue at length. Under the programme, Banks have to ensure that within the overall target for priority sector lending and the sub-target of 10 % for the weaker sections, minority communities receive an equitable portion of the credit.

With this objective in view, 121 minority concentrated districts all over the country have been identified exclusively for monitoring the credit flow to minority communities. In Bihar, the following seven districts are among the 121 minority concentrated districts:-

(i).Kishanganj (ii) Araria (iii) Purnea (iv) Katihar (v) Sitamarhi (vi) Darbhanga (vii) West Champaran

The Controlling Heads of all Banks functioning in the identified districts are advised to suitably instruct their branches to step up lending to the minority communities and to furnish required data to the concerned Lead District Managers who are to ensure that proper steps are being taken to facilitate smooth flow of credit to the targeted minority communities.

Performance in all the seven identified districts is placed on **Page No _____** for review by the House.

DRI ADVANCES

Government of India formulated DRI Scheme for extending financial assistance at certain concessional rate @ 4 % pa to selected low income groups for productive endeavors.

Target of DRI scheme is fixed as 1 % of the total advances outstanding as at the end of previous year. It should be ensured that not less than 40 % of the total advances under DRI scheme go to SC/ STs.

In the 26th SLBC Meeting held on the 25th November'08, several steps in respect of DRI were suggested to Banks for covering the target groups, including minority communities & achieving the benchmark.

As on the 31st December '08, the aggregate advance level under DRI scheme is 108.12 cr. against Rs.33.25 cr. as on March'08. In terms of National Benchmark, the level of advances under DRI as on December'08 accounts for 0.49 % of the total advances (Rs.22077.23 cr.) as on 31.03.2008. **Bank-wise performance as on 31.12.2008 is placed on Page No-23J & 23K**

Although the performance of Banks improved considerably, yet it needs to be improved by with focused attention and priority so as to meet the benchmark under the scheme.

COMPLIANCE OF UNION FINANCE MINISTER'S ACTION-POINT:-

The action point which emanated from Finance Minister's meeting with the CEOs of Public Sector Banks held on the 1st May 2008 is reproduced hereunder for Banks to implement:-

"Banks to meet DRI target of lending and adopt a policy of active and targeted lending to village artisans like carpenters, blacksmiths, dhobis, cobblers etc and ensure at least 5 loans per quarter per branch"

The Government of India has recently revised the target for financing village artisans under DRI. Now it stands 10 loans per quarter per branch for the year 2008-09.

Performance of banks in respect of Finance Minister's Action Point is placed on **Page NO-17 F** For review by the House

THE MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) SECTOR

For the first time, financing under MSME sector replacing the existing SSI Sector is included to review Banks' performance under the Annual Credit Plan, as the micro and small enterprises (MSEs) have been accepted worldwide as the engine of economic growth and for promoting equitable development. The MSEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports.

The performance of banks under the sector is placed on page no-12A &12B for review and discussion by the House.

In view of the worldwide global recession affecting our economy as well, the Ministry of Finance, Government of India advised all SLBC Convenor Banks to hold Special Meetings to discuss, facilitate and pursue the implementation of several economic stimulus measures announced by the Government, Reserve Bank of India and All India Banks' Association (IBA) particularly for MSME, Housing and Auto Sectors.

Accordingly two Special Meetings respectively on the 23rd January & the 26th February'09 have been convened by SLBC, Bihar. The meetings discussed the issue at length and reviewed progress on items of economic package in line of format as suggested by Ministry of Finance, Government of India.

Progress data is placed on page no- 17A & 17 D

In the first Special meeting of the SLBC, Bihar held on the 23rd January'09, the salient suggestions which came up for implementation are placed hereunder;-

1. All Banks should implement the economic measures announced by Government of India, Reserve Bank of India and All India Banks' Association (IBA).
2. Cluster approach should be adopted by Banks for financing under the following activities in the specified districts:-
 - {i} Handloom & Silk cluster in Bhagalpur District.
 - {ii} Weavers' Cluster at Manpur (Gaya).
 - {iii} Spices-processing cluster in Samastipur District.
 - {iv} Gun manufacturing cluster in Munger District.
 - {v} Madhubani painting cluster in Madhubani district.
 - {vi} Rice-mill cluster in Kaimur & Rohtas Districts.
 - {vii} Shoe manufacturing cluster in Nalanda District.
3. Creation of Care Centers by Banks for ascertaining position of requests / representation in any form received by branches from MSME enterprises.
4. Banks should not insist upon collaterals for loans up to Rs.5 lakh under MSME sector.
5. Banks should publicize the special features contained in the IBA Package and RBI measures.
6. Banks should consider their margin needs for credit extension to sustainable projects under MSME Sector and equity participation through venture capital.

In the second Special Meeting held on the 26th February'09 attended by Shri A.K.Sinha, Principal Secretary, Industrial Development, Government of Bihar as special guest, the impact of the economic stimulus measures among other related issues were discussed. The action points taken in the meeting are as follows:-

1. For effective monitoring of progress under economic stimulus measures, the existing reporting format is to be modified by adding some additional columns for reporting number of MSME accounts identified and number of accounts eligible for restructuring.
2. Apart from review at the State Level, the progress under the measures should be reviewed at DLCC & BLBC levels at regular intervals.
3. Block-wise / Bank-wise progress is to be compiled for effective monitoring and review.
4. For facilitating the review and monitoring, Banks are to submit the details of restructuring of MSME accounts to the SLBC fortnightly.

The House is requested to reiterate the above mentioned action points to all concerned for compliance.

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Credit Guarantee Scheme being the flagship scheme of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, is operated by the Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) set up by the Government of India and Small Industries Development Bank of India, with a committed corpus of Rs.2500 crore for guaranteeing collateral-free / third party guarantee free credit facility **up to Rs.50 lacs** extended by Banks and other Member Lending Institutions (MLIs) to units in the Micro and Small Enterprises sector.

Recently, the Hon'ble Union Finance Minister indicated that all Banks should increase both the number and average size of loans covered under the scheme during the current financial year.

As on December 2008, **4480** proposals under SME sector sanctioned by different Banks have been accorded guarantee approval amounting to Rs.81.52crore under CGS. Bank-wise details are furnished on **Page No- 17 E**

All the eligible crop loans disbursed should compulsorily be covered under NAIS. AS advised by the Agriculture Insurance Company of India Ltd, the total crop loans insured as on the 31st December '2008 is Rs.775.43 crore , covering 357539 farmers.

Out of the above, 289992 farmers have been covered under Kharif with a sum of Rs.637.82 cr. assured, and 67547 farmers under Rabi with a sum of Rs.137.61 cr. assured.

All Banks are requested to instruct their branches for taking immediate action to get all the eligible crop loans insured under NAIS, for the safeguard of farmers' interest.

BANK-WISE POSITION IS PLACED ON PAGE NO-17 G & 17 H

THE HOUSE IS REQUESTED TO ADVISE ALL BANKS IN THIS REGARD

AGENDA NO. V

REVIEW OF PERFORMANCE GOVT. SPONSORED SCHEMES/PROGRAMMES

A) PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)

The Government of India has introduced a new programme “**Prime Minister's Employment Generation Programme (PMEGP)**” by merging two programmes - Prime Minister Rojgar Yojna (PMRY) and Rural Employment Generation Programme (REGP).

The Ministry of Micro, Small and Medium Enterprises (MOMSME) will administer the programme under central sector scheme. Khadi & Village Industries Commission (KVIC), a statutory organisation under the administrative control of MOMSME will implement the scheme as the single nodal agency at the National level. At the State level, the implementing agencies will be State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and Banks. Subsidy under the scheme will be routed by KVIC through identified Banks for eventual distribution to the beneficiaries / entrepreneurs in their bank accounts.

Copies of detailed guidelines on the scheme released by MOMSME have already been circulated for information and guidance in the House during the 26th SLBC Meeting held on the 25th November 2008.

Under the scheme the following budget for 2008-09 has been allocated by the Directorate of PMEGP / REGP

Items	KVIC	KVIB	DIC		Total
No of projects	1610	1610	1074	1073	5367
Margin Money (In lakh)	1932.07	1932.06	1288.05	1288.04	6440.22
Employment (In Nos)	16099	16099	10734	10733	53665

Bank-wise / District-wise target under the scheme worked out by the SLBC in consultation with KVIC, has already been approved in the 26th SLBC Meeting and circulated amongst all Banks for implementation.

The performance under the scheme is so far very decimal, since the scheme itself has been launched very late and is involving multiple agencies causing delays in coordination. Further, delay in setting up of Task Force has resulted in generation of inadequate number of applications for the financing institutions. As a little time is remaining to go for this financial year, we hope that financing under the scheme will pick up with faster momentum during the next financial year which is just knocking at the door.

House is requested to discuss the issue

B) SWARN JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 31.12.2008 under SGSY during the year 2008-2009 has been shown below:

PARTICULARS	NUMBER	AMT (In cr.)
Target	1,96,260	490.78
Proposals received	52714	
Proposals sanctioned	48283	142.45
Proposals disbursed	46920	134.79
Achievement in % (sanction / target)	29.03	
Achievement in % (disb / target)	27.46	
Proposals returned/rejected	724	
Proposals pending	3707	

(Number of applications sanctioned includes applications for individuals plus number of groups)

Bank wise performance is furnished on Page Nos.19 A & 19 B

Performance of all Banks under the scheme is 27.46 % as on 31.12.2008.

OUT OF THE ABOVE PERFORMANCE, BANK-WISE GROUP FINANCING (SHGS) vis-à-vis PHYSICAL TARGETS IS GIVEN HEREUNDER-

BANKS	Groups		% Ach
	Target (No)	Ach (No)	
State Bank of India	3600	1526	42.39 %
Central Bank of India	2323	707	30.43 %
Punjab National Bank	3065	784	25.58 %
Canara Bank	458	149	32.53 %
UCO Bank	867	379	43.71 %
Bank of Baroda	481	145	30.15 %
Union Bank	256	112	43.75 %
Bank of India	803	221	27.52 %
Allahabad Bank	1009	370	36.67 %
Indian Bank	86	9	10.47 %
Syndicate Bank	43	31	72.09 %
United Bank	462	99	21.43 %
Madhya Bihar KGB	1615	935	57.89 %
Bihar KGB	512	577	112.29 %
Samastipur KGB	271	310	115.00 %
Uttar Bihar KGB	3775	3563	94.38 %
Total	19626	9917	50.53 %

As on December 2008, Banks have extended loans to 9917 groups under SGSY, which is 50.53 % of the physical targets fixed for group-financing.

House is requested to review.

C) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Against the receipt of 497 applications, 475 applications have been sanctioned and disbursed

Bank-wise position is furnished on **Page No 20 A & 20 B**

D) SELF EMPLOYMENT SCHEME FOR THE REHABILITATION OF MANUAL SCAVENGERS

The Government of India, Ministry of Social Justice and Empowerment, has decided to implement the captioned scheme as national priority. The objective of the scheme is to rehabilitate, in a time bound manner, all those remaining scavengers who are yet to be assisted. The Ministry of Social Justice and Empowerment, Government of India and also the Finance Department (Banking Division), Government of India have issued directives to CMDs of all Banks and Reserve Bank of India for extending full cooperation in implementation of the scheme.

Under the scheme, the identified scavengers and their dependents are to be financially assisted through bank loans / subsidies.

In this connection, the State Level Bankers' Committee, Bihar has already advised the district-wise target for 2008-09 to all the LDMs vide our Letter No. RBU-I/ SLBC/ 70 dated the 9th April 2008.

No performance under the scheme has been reported by any Bank. The House is requested to advise all Banks to submit to SLBC the performance under the Scheme on regular basis from the next SLBC meetings for review.

AGENDA NO VI

FINANCE TO SELF HELP GROUPS (SHGs)

The access to timely and adequate credit and other financial services by the vulnerable and weaker sections of the society at an affordable cost is essential for the overall economic development of the society. With this objective in view, SHGs play a very crucial and effective role, and Banks spearhead their efficacies through credit linkages with them.

Banks have credit-linked 18408 SHGs as on 31.12.2008 with Bank-finance of Rs.165.49 crore.

Review of the Bank-wise progress made under the scheme is shown as under:

SHG Financing (Under NABARD regular scheme)

(Amt. in Crore)

Year	Linkage of new groups	Bank Finance
Up to 2000-04	16246	51.82
During 2004-05	11769	37.42
During 2005-06	18206	31.20
During 2006-07	26517	82.54
During 2007-08	49738	240.99
During the quarter ended December' 2008	18408	165.49

Bank-wise comparative year-wise performance under SHG Bank-linkage as on 31.12.2008 is enclosed on **page No20 C & 20 D**

AGENDA VII

KISAN CREDIT CARD (KCC) REVIEW OF PROGRESS AS ON 31. 12.2008

A summarized statement of targets vis-à-vis cards issued by Commercial Banks & RRBs up to 31/12/2008 is given below:

Banks	Target (Number)	Ach. Sanc.(Nos)	%Ach
Com. Bank	8,61,429	298676	34.67 %
RRBs	4,78,571	204325	42.69 %
Co-operative Banks	1,60,000	58540	36.59 %
TOTAL	15,00,000	561541	37.44 %

Average financing under KCC by Commercial Banks as on December '08 stands at Rs.42 thousand approximately; while by RRBs, Rs.39 thousand and by Co-operative, Rs.20 thousand approx.

Bank wise performance is furnished on Page No 21 A & 21 B

SPECIAL CAMPAIGN FOR FINANCING UNDER KCCs IN BIHAR

There are twelve districts namely Madhubani, Samastipur, W.Champaran, Gaya, Rohtas, Khagaria, Purnea, Bhagalpur, Saran, Saharsa, Nalanda and Munger , which have identified for the Special Campaign for 100 % coverage under KCC.

District-wise performance as on 31.12.2008 in all the 38 districts in Bihar is placed on **Page No21 C**

The performance in the identified 12 districts is not encouraging and Banks immediately need to step up financing under KCC so as to maximise the coverage of eligible farmers in the districts.

The House may review the position

AGENDA NO. VIII

DISCUSSIONS ON FOLLOWING ISSUES

C D RATIO-

The C D Ratio in the State as on 31.12.2008 is as under:

(Rs. in Crore)

BANK	DEPOSIT	CREDIT	C D RATIO
Comm. Banks	64129.44	18516.62	28.87 %
Co-op. Banks	1041.11	596.25	57.27 %
RRBs	9840.40	3933.87	39.98 %
Total	75010.95	23046.74	30.72 %
RIDF	—	950.00	
GT	75010.95	23996.74	31.99 %

As on December'08, CD Ratio in Bihar stands at 31.99 %

Bank-wise and other details (Dec'08) are furnished on **Page Nos. 23 A to 23 E**

Efforts to bring in huge investments for infrastructure development such as urban development, transport, tourism, civil aviation and industries need to be made, so that Banks may also commit themselves in the process whereby credit flow would automatically increase manifolds and which would also help increase C D Ratio in the desired way in the State. State Government should also utilise more and more money from the RIDF.

There were no districts in Bihar where CD Ratio was below 20 % as on March 2008, and the position persists on 31.12.2008 as well.

District-wise position as on 31.12.2008 is placed on **Page No-23 E**

However, the House is requested to review the position.

RECOVERY-

A summary of the recovery data (As on 31.12.2008) as collected by the SLBC is given below.

(Rs. in crore)

BANK	DEMAND RAISED	AMOUNTRECOVERED	RECOVERY %
Com. Banks	3495.73	1703.01	48.72
Co-op	654.92	144.30	22.03
RRBs	1271.34	440.10	34.62
Total	5421.99	2287.41	42.19

The recovery percentage as on the 31st December'08 stands at only 42.19 % of the total demand raised by Banks, which clearly indicates that NPAs are on the rise in the State. Bank-wise position of recovery as on 31.12.2008 is furnished on **Page Nos 23 F & 23 G**

THE HOUSE MAY REVIEW THE POSITION

NPA & WRITE-OFF-

As on 31.12.2008, overall position of NPA and the amount of loans written off are as under

Banks	Total Adv.	Total NPA	% of NPA	Amt written off	% of written off
Comm.	18516.62	1554.78	8.40 %	1157.40	6.25 %
Co-op	596.25	79.72	13.37 %	0	0
RRBs	3933.87	279.70	7.11 %	160.56	4.08 %
Total	23046.74	2096.30	8.31 %	1317.96	5.72 %

The NPA level as on 31.12.2008 is 8.31 % of the overall advances. The position is not encouraging and all efforts need to be taken for bringing down the NPA level below 5%, At the same time, advances written off is a matter of concern for Banks. Due to advances written off every year, C D Ratio has also been affected. Details on Page NO-23 H & 23 I

THE HOUSE MAY REVIEW THE POSITION

PRIORITY SECTOR LENDING:-

As on 31.12.2008, the national benchmark of 40% in respect of the share of priority sector advances in over all advances has been achieved by all Banks except a few Banks.

Bank-wise position is furnished on **Page No 23 J & 23 K**

The House may notice that the ratio of priority sector advances to total advances is as high as 65.96 %, which is well above the stipulated benchmark of 40%.

AGRI CREDIT: -

At the State level, the ratio of Agri Credit is at 35.34 % against the national benchmark of 18%. However, a few banks are below the benchmark. Bank-wise position is furnished on **Page Nos.23 J & 23 K**

DIFFERENTIAL INTEREST RATE (DIR): -

As on the 31st December '08, the aggregate advance level under DRI scheme is 108.12 cr. against Rs.33.25 cr. as on March'08. In terms of National Benchmark, the level of advances under DRI as on December'08 accounts for 0.49 % of the total advances (Rs.22077.23 cr.) as on 31.03.2008.

As per the Union Finance Minister's directives, all Banks have been requested to finance at least 10 beneficiaries per branch under the scheme. We requested member Banks to monitor the progress in this regard so that the benchmark stipulated was achieved.

Bank-wise position is furnished on **Page Nos 23 J & 23 K**

WEAKER SECTION: -

Against the benchmark of 10% under weaker sections, performance of all Banks as on 31.12.2008 is 23.13 %. Bank-wise position is furnished on **Page Nos. 23 J & 23 K**

AGENDA -IX

STATUS OF UNBANKED BLOCKS - BRANCH EXPANSION

SUB-COMMITTEE ON UNBANKED BLOCKS

As on date, there are 24 unbanked Blocks in the State, out of which 14 Blocks have already been surveyed afresh by a small Committee under the Sub-committee of the SLBC, Bihar on Unbanked Blocks, The eight Blocks which have been found viable for opening of new branches are Chugain (Buxar), Chausa (Madhepura), Shankarpur (Madhepura), Srinagar (Purnea), Dagarua (Purnea), Lakhnaur (Madhubani), Chourat (Sitamarhi) & Chewra (Shiekhpora).

LATEST POSITION AS REGARDS OPENING OF NEW BANK BRANCHES IS GIVEN AS UNDER

NAME OF THE BANK: PUNJAB NATIONAL BANK

S.N	DISTRICT	BLOCK	STATUS
1	BUXAR	KESATH	Fresh branch opening survey will be undertaken by a small team of the Sub-committee on Un-banked Blocks.
2	BUXAR	CHAUGAIN	The Block has been found viable for a new branch. Punjab National Bank has assured to initiate action
3	ROHTAS	RAJKHAR	Found non-viable by Bank.
4	GAYA	PARAIYA	Three branches of RRB have been functioning at the centre.
5	GAYA	MOHRA	Block Head Quarter is functioning from Atari Block
6	NALANDA	BAIN	Branches of North Bihar Kshetriya Gramin Bank are functioning
7	NALANDA	THARTHARI	Found non-viable by Bank
8	NAWADA	MESKAUR	Branch of Madhya Bihar Kshetriya Gramin Bank is functioning.
9	LAKHISARAI	PIPARIYA	Found non-viable by Bank

NAME OF THE BANK: STATE BANK OF INDIA

S.N	DISTRICT	BLOCK	STATUS
1	MADHEPURA	CHAUSA	RBI has already issued licences to SBI for all the four new branches, and SBI has since initiated the process for opening the branches. For the purpose, advertisements have already been published in newspapers, seeking offers from the interested people for providing suitable premises for the new branches at all the centres. New Branches are expected to be opened by the 15 th April'09. (RBI Licences are valid up to November'2009)
2	MADHEPURA	SHANKARPUR	
3	PURNEA	DANGARUA	
4	PURNEA	SRINAGAR	

NAME OF THE BANK: CENTRAL BANK OF INDIA

S.N	DISTRICT	BLOCK	STATUS
1	DARBHANGA	GAURABAURAM	Found Nonviable
2	MADHUBANI	LAKHNAUR	The Block has been found viable for a new bank branch thereat. Central Bank of India, the Lead Bank, has assured to initiate appropriate action for obtaining branch opening licence from the RBI.
3	W.CHAMPARAN	BHITAH	Nonviable
4	W.CHAMPARAN	PIPRASI	Nonviable

NAME OF THE BANK: BANK OF BARODA

S.N.	DISTRICT	BLOCK	STATUS
1	SITAMARHI	CHIRAU	In view of two most vital infrastructures not being in place such as the Police Station not established in the Block and the metal road still under construction, Bank of Baroda will be able to initiate action in this regard only after one year since they expect that by then position of the infrastructure will get improved.
2	SHEOHAR	DUMRIKUTSARI	NOT VIABLE

NAME OF THE BANK: UCO BANK

S.N	DISTRICT	BLOCK	STATUS
1	BHAGALPUR	ISMAILPUR	Found nonviable

NAME OF THE BANK: CANARA BANK

S.N	DISTRICT	BLOCK	STATUS
1	SHIEKHPURA	SHIEKHOPUR SARAI	Found nonviable
2	SHIEKHPURA	CHEWARA	Found Viable for a new branch. Canara Bank assured to initiate action for obtaining the branch opening licence from the RBI.
3	SHIEKHPURA	GHATKUTUMBA	Found non-viable

NAME OF BANK: UNION BANK OF INDIA

S.N	DISTRICT	BLOCK	STATUS
1	SAMASTIPUR	SHIBAJINAGAR	Found nonviable

OTHER AGENDA ITEMS - X

LEVYING SERVICE CHARGES- NREG / NOAP ACCOUNTS

The Ministry of Finance, Government of India has recently indicated that Banks are levying service charges @ Rs.45 per transaction per NREG / NOAP accounts causing additional burden on Government and / or hardship on the poor beneficiaries. In this connection, State Level Bankers' Committee, Bihar has already advised all Banks to look into the matter, ascertain the position obtaining in this regard and issue suitable guidelines to their branches.

However, Banks are requested to clarify in the House their position in respect of levying any service charges on transactions in NREG / NOAP accounts.

The House is requested to look into the matter so as to ensure that no service charges are levied on transactions in above mentioned accounts.

FARM MECHANISATION - POWER-TILLER FINANCING SCHEME

It is a fact that we have already attained self-sufficiency in food production; nevertheless, we need to improve the same for meeting food requirements of the ever growing population of the country. By the help of farm mechanisation, food production can be made many folds by the farmers, who are largely small and marginal and need low cost farm equipments and machines. Keeping in view the needs of small and marginal farmers in particular, Power Tiller Scheme has been launched in all the 38 Districts of the State. The scheme has been included under the Central Government Sponsored "Micro Management Scheme" as well as National Agriculture Development Scheme and the State Scheme.

Brief details of the scheme are as follows:-

- ☐ **SUBSIDY:** - Maximum Rs.60, 000/- per power tiller.
- ☐ Scheme covers farmers, farmers' SHGs, member farmers of cooperatives.
- ☐ Under the scheme, subsidy amount will be credited directly to the beneficiaries' loan accounts.
- ☐ Subsidy under the scheme is available only on the make / models approved by the Ministry of Agriculture, Department of Agriculture & Cooperative, Government of India.

Under the scheme, 33 % small, marginal & women farmers, 16 % scheduled caste farmers and 1 % scheduled Tribe farmers are to be covered. Besides, farmers' SHGs and member farmers of cooperative will also be eligible under the scheme.

Considering the benefit of the scheme for the farmers of the State, both the Government and Banks in coordination should implement the scheme in right earnest.
The subsidy available should be made front-ended.

THE HOUSE IS REQUESTED TO EXPRESS THEIR VIEWS ON IMPLEMENTATION OF THE SCHEME

FISHERIES DEVELOPMENT IN BIHAR

Fish and fish products have assumed very significant place in agricultural exports of the country, contributing nearly 3 % of the total exports, and nearly 20 % of the total agricultural exports of the country. In view of the above, Indian fisheries & aquaculture has become a very important sector of food production in the country.

Bihar is one of the states blessed with rich and diverse water resources. Most of the people of the State consume fish, thereby creating local demands. There also exists ample scope in our State for export of fish to nearby States and potential markets. In this backdrop, fisheries development is very impotent in our State; moreover, it will help people improve their per capita income & protein intake.

Despite vast water resources in form of tanks, ponds, mauns, chours and reservoirs covering an area of about 1.38 lakh Ha. of the State, the fishery development potential has not been tapped even to the extent of 10 %.

In this connection, NABRD, Patna had organised a workshop on fisheries development in coordination with the State Government on the 26th February'09.

The emerging areas for fisheries development in the State as earmarked in the workshop are as follows:-

(i) Hatchery Development (ii) Nursery / Rearing Farms (iii) Integrated fish culture (iv) Reservoir fisheries.

The workshop also summed up the following for the development of the fisheries in the State:-

- ☐ The vast potential in fisheries and aquaculture in the State should be tapped for improving the livelihoods and women empowerment.
- ☐ For the development of aquaculture, new and innovative production technologies should be adopted apart from management & utilization of less utilized water resources and proper market tie-ups.
- ☐ Fish production can be enhances by the help of reservoir fisheries.
- ☐ Diversification and high value produce can add new dimension to the sector.
- ☐ For realizing full potential of the sector, proper post-harvest handling, reduction of losses and hygienic primary processing should be taken care of.
- ☐ Effective marketing arrangements are to be made to ensure adequate return to the fisheries and the farmers.

NABARD in coordination with the Fishery Development Department, Government of Bihar and Banks should work out a detailed plan so as to tap the vast potential still untapped in fisheries in the State.

THE HOUSE IS REQUESTED TO DISCUSS THE ISSUE

REGISTRATION OF EQUITABLE MORTGAGE

With a growth in mortgage Loans, Banks have come across a large number of fraudulent transactions where forged or fraudulent tile deeds were submitted for availing loans particularly in respect of housing loans. For curbing such fraudulent practices, at the instance of the SLBC, Tamil Nadu, the Tamil Nadu Government has introduced a system of registration of Equitable Mortgage against nominal charges.

The Indian Bank Association has also discussed the matter and found the same very effective for safeguarding Banks' stake in mortgage loans. Consequently, the Indian Banks' Association advised all SLBC Convenor Banks to take up the matter with the respective State Government for setting up of "Registries for Equitable Mortgage"

The issue was discussed in the Steering Committee Meeting under the SLBC held on the 24th March 2008i and later in the 24th SLBC Meeting held on the 13th May 2008.

THE EXCERPT OF THE STEERING COMMITTEE MEETING IS AGAIN REPRODUCED HEREUNDER

- ☐ In absence of the information to the Registry Office about the creation of Equitable Mortgage by the beneficiaries, true copies of the title deeds can easily be obtained by the people for ulterior motive, which may jeopardize Banks' interest.
- ☐ Therefore, such arrangements should be made in which due information about the creation of Equitable Mortgage be sent to the concerned Registry Office for registration thereof.
- ☐ Further, arrangements should be made for noting of Lien on **Records of Right** (Register-I & II) in respect of the Tile Deeds against which mortgage is created in favour of Banks.
- ☐ Banks should send memorandum of Equitable Mortgage with Photos of the parties for facilitating registration of the Equitable Mortgage thereat.

House is requested to take a view in he matter so that some effective arrangement may be made for registration of equitable mortgage, thereby safeguarding the interest of Banks.
