

STATE LEVEL BANKERS' COMMITTEE, BIHAR

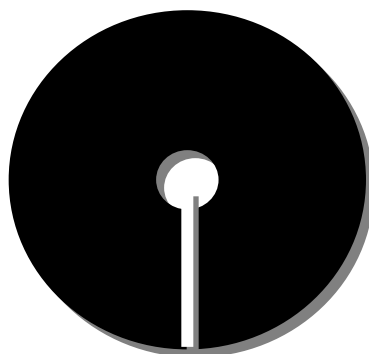
34TH REVIEW MEETING

FOR THE QUARTER ENDED 30TH SEPTEMBER 2010

VENUE: HOTEL MAURYA, PATNA

DATE: 13.12.2010

TIME: 10.30 AM



CONVENOR:

STATE BANK OF INDIA

SLBC DEPARTMENT (5TH FLOOR)

LOCAL HEAD OFFICE, WEST GANDHI MAIDAN

P A T N A- 800 001

PH.NO. 0612-2209076 / FAX- 0612-2209075

WEBSITE - <http://slbc.bih.nic.in>

A G E N D A I T E M S

| ITEM NO. | SUBJECT | PAGE NO. |
|----------|--|----------|
| I | CONFIRMATION OF THE MINUTES OF THE 33 RD SLBC MEETING HELD ON THE 8 TH SEPTEMBER 2010 | 2 |
| II | ACTION TAKEN REPORT ON THE 33 RD SLBC MEETING | 3 - 8 |
| | KEY INDICATORS | 9 |
| III | REVIEW OF ACHIEVEMENT AS ON 30 TH SEPTEMBER 2010 | 10-11 |
| IV | FINANCIAL INCLUSION | 12 |
| | EDUCATION LOANS | 13 |
| | PM'S NEW 15 POINT PROGRAMME FOR THE WELFARE OF THE MINORITY COMMUNITY | 13-14 |
| V | GOVERNMENT SPONSORED SCHEMES/ PROGRAMMES | 13-14 |
| | (A) BIHAR GROUND WATER IRRIGATION SCHEME (BIGWIS) | 14 |
| | (B) PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP) | 15 |
| | (C) SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY) | 15-16 |
| | (D) SWARNJAYANTI SHAHARI ROZGAR YOJANA (SJSRY) | 17 |
| VI | FINANCING TO SELF HELP GROUPs | 17 |
| VII | KISAN CREDIT CARD (KCC) | 18 |
| | NATIONAL AGRICULTURE INSURANCE SCHEME (NAIS) | 18-19 |
| | DAIRY, FISHERY AND POULTRY | 19 |
| | FARM MECHANISATION | 19 |
| | LOANS PROVIDED TO SMALL & MARGINAL AND OTHER FARMERS | 20 |
| | SMALL ROAD TRANSPORT OPERATORS (SRTOs) | 20 |
| | ADVANCES GRANTED UNDER CGTMSE COVERAGE | 20 |
| | ADVANCES GRANTED TO UNITS PROVIDING STORAGE FACILITY | 21 |
| VIII | CD RATIO | 21-22 |
| | RECOVERY, NPA & WRITE-OFF | 23 |
| | CERTIFICATE CASES & PRIORITY SECTOR LENDING | 24 |
| | AGRI. CREDIT, DRI, WEAKER SECTION | 25 |
| IX | EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POULATION OF MORE THAN 2000 BY MARCH 2012 | 26 |
| X | INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP) | 27 |
| XI | IMPLEMENTATION OF FINANCIAL INCLUSION PLANS IN SECURITY SENSITIVE AREAS | 28-29 |
| XII | OPENING OF NO-FRILLS ACCOUNT AND PROVIDING OVERDRAFT AND GENERAL CREDIT CARD TO NO-FRILLS ACCOUNT HOLDERS | 29 |
| XIII | EXTENSION OF CREDIT TO MICRO FINANCE INSTITUTIONS | 30 |

STATE LEVEL BANKERS' COMMITTEE

34TH MEETING

NOTES ON AGENDA ITEMS

AGENDA-I

CONFIRMATION OF MINUTES OF THE

33RD STATE LEVEL BANKERS' COMMITTEE MEETING

HELD ON THE 08.09.2010

The House may please confirm the Minutes of the 33rd State Level Bankers' Committee meeting held on the 8th September 2010.

AGENDA-II

ACTION TAKEN REPORT ON THE 33RD SLBC MEETING

[1] ACTION POINT- Banks should put in concerted efforts for achieving the targets under Annual Credit Plan 2010-11. The targets set for Agriculture Sector should be achieved by December as Rabi season sowing ends by that time.

(Action- All Banks)

ACTION TAKEN: - Due to the concerted efforts put in by all banks operating in the State, an amount of Rs. 10811.73 Crore was disbursed during the period under review, while only Rs.7788.53 Crore could be disbursed during the corresponding period last year. Thus, a growth of 38.82% has been registered Y-o-Y. Further, banks have also registered an impressive growth of 37.12% under Agriculture Sector as compared to the last year disbursement of Rs.3117.73 Crore.

[2] ACTION POINT- Banks should ensure that the targets set for issuing Kisan Credit Cards are achieved. All the crop loans disbursed should invariably be covered under crop insurance.

(Action: All Banks)

ACTION TAKEN: - Banks have issued 716142 Kisan Credit Cards amounting to Rs.2901.38 Crore during the first half of the current financial year against 414545 KCCs amounting to Rs. 1873.20 Crore issued during the same period last year. A growth of about 73% and 55% has been witnessed in terms of no. of KCCs issued and amount of finance extended Y-o-Y. Further, all banks have been advised to sensitize their operating functionaries to ensure that all the crop loans disbursed are insured.

[3] ACTION POINT- The proceeds of crop insurance claims should be credited immediately to the accounts of the beneficiaries without delay.

(Action: All Banks)

ACTION TAKEN: - Controlling heads of all banks have been advised by the SLBC to instruct their operating functionaries to ensure that the crop insurance claims received are credited to the accounts of the beneficiaries immediately.

[4] ACTION POINT- Banks should initiate relief measures in the drought-affected areas with utmost priority. Progress report should be submitted by all banks and LDMs to SLBC at fortnightly intervals so that the same may be discussed and reviewed by the Steering Committee set up for the purpose.

(Action: All Banks and Lead District Managers)

ACTION TAKEN: - All banks operating in the State were advised by the SLBC to extend financial assistance to the people in the drought-affected areas. LDMs were also advised to coordinate with all banks for extending more finance to the drought-affected people. As per information received by the SLBC, 22499 borrowers were provided consumption loans amounting to Rs.24.73 Crore and 20876 loan accounts were rescheduled, the amount involved being Rs.81.08 Crore. Further, 145555 potential borrowers were identified by different banks for providing loans for raising crops during Rabi season. Apart from this, 88 credit camps were organized in which 39055 beneficiaries were extended financial assistance to the tune of Rs.228.75 Crore. 283554 borrowers were provided KCC loans of Rs.1319.88 Crore and 92270 persons were provided financial assistance under different Schemes amounting to Rs. 167.28 Crore. Thus, it appears that banks have done a better job this time for the drought-affected masses as compared to the last year. Controlling Heads of all banks and the Lead District Managers of all the districts are once again requested to provide the latest data regarding financial assistance extended to drought-affected people.

[5] ACTION POINT- Targets under SGSY should be finalised at the earliest so that requisite steps may be initiated for achievement of the allocated targets. The respective Government agencies should ensure that adequate no. of applications are sponsored under the Scheme. Applications received at the branches should be duly acknowledged and entered in the Loan Applications Received and Disposed of Register.

(Action: State Government & All Banks)

ACTION TAKEN: - Targets under SGSY have already been finalised and the same have been advised to all concerned. Further, banks have initiated concerted efforts for achieving the targets set under the Scheme. A total of 96570 beneficiaries were provided financial assistance amounting to Rs. 111.03 Crore during the period under review. Further, the State Government is requested to advise the concerned department for sponsoring

adequate no. of loan applications under the Scheme to enable the banks to achieve the targets. Controlling Heads of all banks have been requested to sensitize their operating functionaries for entering all the loan applications in the Loan Applications Received and Disposed of Register. Details are furnished on **Page-16G**.

[6] **ACTION POINT-** About 8000 sanctioned applications under BIGWIS are pending with different banks for disbursement; banks should ensure early disposal of these applications. Further, the targets under the Scheme should be fixed at an early date and advised to all concerned so that they may initiate necessary steps for achieving the same. Also, LDMs/Banks should submit the same set of data to all reporting agencies to avoid inconsistencies.

(Action: All concerned Banks, SLBC, LDMs & State Government)

ACTION TAKEN: The details of no. of applications sanctioned but not disbursed received from the Minor Water Resources Department, Govt. of Bihar, Patna were advised to the concerned banks by the SLBC with a request to disburse all the pending loans applications that have already been sanctioned. Also, banks were requested to dispose of all the applications received under the Scheme on a priority basis. Due to concerted efforts put in by banks, a total of 14949 applications were sanctioned under the Scheme involving Rs. 66.63 Crore and out of these, loans amounting to Rs. 45.97 Crore were disbursed among 12400 beneficiaries.. Further, all the LDMs were advised to allocate the targets to different banks operating in individual districts and provide a copy of the allocated targets to SLBC so that the targets of banks at the State Level may be compiled.

Bank-wise details of no. of loans sanctioned and disbursed are furnished on **Page- 14D**.

[7] **ACTION POINT-** Banks having lead responsibility in the remaining six districts, namely, Saran, Madhubani, Munger, Khagaria, Katihar and Banka (identified in the 1st Phase) should ensure that the goal of 100% Financial Inclusion is accomplished by the end of September 2010.

(Action: Concerned Lead District Managers & their Controlling Heads)

ACTION TAKEN: - The task of 100% financial inclusion in the districts that have been identified in the 1st Phase have been accomplished in Saran , Katihar and Madhubani

districts, thus the task has been completed in 16 out of total 19 identified districts in the 1st phase. The Controlling Heads of banks having lead responsibility in Khagaria, Munger and Banka districts are requested to bestow more focussed attention for completing the task by the end of December 2010.

Details are given on **Page-12A**.

[8] ACTION POINT- The Lead District Managers of the 19 remaining districts identified in the 2nd phase should also initiate requisite steps to achieve the task of 100% Financial Inclusion by December 2010. Progress made in this regard should be advised to SLBC at monthly intervals.

(Action: Concerned Lead District Managers & Banks operating in these districts)

ACTION TAKEN: - The issue of 100% Financial Inclusion in the remaining 19 districts identified in the 2nd phase is also being discussed and reviewed in the Steering Committee meeting on SHG & IT-enabled Financial Inclusion of SLBC. The Lead District Managers of these districts are not reporting the progress made in this regard, despite repeated requests and letters (reminders sent) made by SLBC. Controlling Heads of banks having lead responsibility in these districts are requested to ensure that the progress made is reported to SLBC at monthly intervals, latest by the 10th of the succeeding month.

[9] ACTION POINT- The banks which have not submitted the complete roadmap for providing banking facilities in villages having a population of more than 2000 allotted to them should submit the same to SLBC immediately. Monthly progress report may also be provided to SLBC for onward submission to GoI/RBI and GoB.

(Action: Andhra Bank, UBGB & MBGB and All Banks)

ACTION TAKEN: - The roadmap for extending banking services to villages having population in excess of 2000 has been prepared on the basis of DLCC approved lists submitted by the Lead District Managers and advised to all concerned. All banks are requested to put in concerted efforts for covering all the allotted villages within the time-frame given by them. Progress made in this regard may please be reported to SLBC in the prescribed format so that the same may be advised to GoI/RBI and GoB. As per information received by SLBC, a total of 301 villages have been covered by opening of

banking outlets thereat and remaining 8646 villages will be covered by March 2012.

[10] ACTION POINT- Transfer of land to concerned banks for setting up of R-SETIs should be expedited.

(Action: State Government)

ACTION TAKEN: - We understand that the letter regarding allotment of land by the concerned department of the State Government has already been sent to the concerned banks. But, as reported the transfer of land has not taken place in many districts. Further, it has also come to the notice that the land allotted is not suitable at many places for setting up of R-SETIs. The State Government is once again earnestly requested to look into the matter and transfer the land to concerned banks so that the R-SETIs may be set up in all the districts of the State.

[11] ACTION POINT- Banks should submit their branch-wise performance report for the quarter under review and cumulative for the current year in soft copy only.

(Action: All Banks)

ACTION TAKEN: - All banks operating in the State were requested to bring their branch-wise achievement vis-à-vis targets allotted during the period under review in soft copy. Controlling Heads of all banks are requested to present their branch-wise performance to the House, if the same has been brought by them in soft copy.

[12] ACTION POINT- LDMs should submit a list of top 10 pending Certificate Cases to the District Administration for recovery and report progress to SLBC. Sector-wise position of pending Certificate Cases should be provided from the next SLBC for review.

(Action: Lead District Managers, Dist.administration, All Banks & SLBC)

ACTION TAKEN: - All the Lead District Managers were requested to provide a list of top 10 pending Certificate Cases to the District Administration for recovery. We presume that the said lists have been submitted by the LDMs. Progress made in this regard or difficulties being faced, if any, may please be brought to the notice of the House by the LDMs. As far as the issue of sector-wise position of pending Certificate Cases is

concerned, the same could not be compiled because of non-submission of data by majority

of the banks. Controlling heads of concerned banks are once again requested to provide the SLBC return on the revised format duly filled in so that the requisite data may be compiled.

[13] ACTION POINT- A Nodal Agency should be appointed for implementing the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP).

(Action: State Government)

ACTION TAKEN: - The State Government may please apprise the current status.

[14] ACTION POINT- In view of the imposition of Model Code of Conduct, the State Government will seek clarification from the Election Commission regarding implementation of Govt. Sponsored Schemes and inform banks about the outcome of the same so that banks may act accordingly.

(Action: State Government)

ACTION TAKEN: - The issue has already been dealt with by the State Government with utmost priority.

[15] ACTION POINT- Adequate publicity should be given to the Scheme of Interest-Subvention on Education Loans to weaker sections of the society.

(Action: State Government & All Banks)

ACTION TAKEN: - Some banks have advised that they have prominently displayed the salient features of the Scheme on the Notice Board of their bank-branches. Further, all the District Magistrates have been suitably advised by the Department of Institutional Finance, Govt. of Bihar, Patna to pass on suitable instructions to all concerned to ensure that the income certificates are issued to the guardians of all eligible students so that they may be able to get interest subsidy under the Scheme.

@@

STATE LEVEL BANKERS' COMMITTEE, BIHAR

KEY INDICATORS

(ALL SCHEDULED COMMERCIAL BANKS)

(Amt Rs in Crore)

| Sl. No. | ITEMS | MAR 2010 | September 2009 | September 2010 | Bench-mark |
|---------|--|----------|----------------|----------------|------------|
| 1 | DEPOSITS | 98558.28 | 93244.43 | 101762.67 | |
| 2 | ADVANCES INCLUDING RIDF | 31678.55 | 30412.08 | 33901.78 | |
| 3 | CD RATIO | 32.13 | 32.62 | 33.31 | |
| 4 | PRIORITY SECTOR ADVANCES | 21247.50 | 17297.46 | 22327.88 | |
| 5 | SHARE OF PSA IN TOTAL ADV. (%) | 71.15% | 59.85% | 69.95% | 40 % |
| 6 | AGRICULTURAL ADV. | 11915.98 | 9874.13 | 13279.30 | |
| 7 | SHARE OF AGL. ADV IN PSA (%) | 39.90% | 34.17% | 41.60% | 18 % |
| 8 | MSME ADV. | 3255.20 | 2352.74 | 3588.55 | |
| 9 | SHARE OF MSME ADV. IN PSA (%) | 10.90% | 8.14% | 11.24% | |
| 10 | ADV. TO WEAKER SEC. | 7966.49 | 6643.56 | 9122.67 | |
| 11 | SHARE OF WEAKER SEC. IN PSA (%) | 26.68% | 22.99% | 28.57% | 10 % |
| 16 | DRI ADV. | 31.71 | 16.88 | 39.02 | |
| 17 | SHARE OF DRI ADV IN PSA (%) | 0.11% | 0.06% | 0.12% | 1 % |
| 18 | ADV. TO WOMEN (Disbursement) | 1097.74 | 318.39 | 457.07 | |
| 19 | SHARE OF ADV. TO WOMEN IN total disbursement (%) | 5.17% | 1.84% | 4.23% | 5 % |

BRANCH NETWORK

| | | | | | |
|---|------------|------|-----|------|--|
| A | RURAL | 2554 | 245 | 2574 | |
| B | SEMI-URBAN | 889 | 808 | 914 | |
| C | URBAN | 730 | 636 | 775 | |

| | | | | | |
|---|-------|------|------|------|--|
| D | TOTAL | 4173 | 3899 | 4263 | |
|---|-------|------|------|------|--|

(NOTE- SHARE OF AGL.ADV./ MSME ADV/ WEAKER SECTION ADV. DRI ADVANCES & ADVANCES GRANTED TO WOMEN WORKED OUT IN TOTAL ADVANCES)

AGENDA-III

REVIEW OF ACHIEVEMENT UNDER ANNUAL CREDIT PLAN 2010-11

The performance of all banks under the Annual Credit Plan 2010-11 during the quarter ended September 2010 is as follows:-

(Rs. in Crore)

| Banks | Annual Target | Achievement as upto 30.09.2010 | % Ach. |
|--------------|---------------|-----------------------------------|--------|
| Comm. Banks | 27467.70 | 8909.35 | 32.44 |
| Co-op. Banks | 1841.13 | 277.39 | 15.07 |
| RRBs | 7691.17 | 1624.99 | 21.13 |
| Total | 37000.00 | 10811.73 | 29.22 |

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

| Sector | Annual Target | Achievement as upto 30.09.2010 | % Ach. |
|-------------|---------------|-----------------------------------|--------|
| Agriculture | 15868.11 | 4275.11 | 26.94 |
| MSE | 1947.30 | 1069.88 | 54.94 |
| OPS | 4343.62 | 1383.45 | 31.85 |
| TPS | 22159.03 | 6728.44 | 30.36 |
| NPS | 14840.97 | 4083.30 | 27.51 |

| | | | |
|-------|----------|----------|-------|
| Total | 37000.00 | 10811.73 | 29.22 |
|-------|----------|----------|-------|

Banks up to the end of September 2010 have extended total credit of Rs.10811.73 Crore to various sectors, which is 29.22% of the overall target under the ACP 2010-11.

Bank-wise, district-wise position is furnished on **Page- 11A TO 11F**.

PERFORMANCE UNDER ACP DURING THE FIRST HALF OF 2010

(Rs. in Crore)

| Banks | 2010-11 | | 2009-10 | | 2010-11 | 2009-10 | YOY increase in disbursement (%) |
|-------|---------------|--------------------|---------------|--------------------|---------|---------|----------------------------------|
| | Annual Target | Ach. upto 30.09.10 | Annual Target | Ach. upto 30.09.09 | % Ach | % Ach | |
| Comm. | 27467.70 | 8909.35 | 16373.55 | 6511.74 | 32.44 | 39.78 | 36.82 |
| Co-op | 1841.13 | 277.39 | 1182.33 | 206.72 | 15.07 | 17.48 | 34.19 |
| RRBs | 7691.17 | 1624.99 | 3574.91 | 1070.07 | 21.13 | 29.93 | 51.86 |
| Total | 37000.00 | 10811.73 | 21127.79 | 7788.53 | 29.22 | 36.86 | 38.82 |

(Rs. in Crore)

| Sector | 2010-11 | | 2009-10 | | 2010-11 | 2009-10 | YOY increase in disbursement (%) |
|--------|---------------|--------------------|---------------|--------------------|---------|---------|----------------------------------|
| | Annual Target | Ach. upto 30.09.10 | Annual Target | Ach. upto 30.09.09 | % Ach | % Ach | |
| Agl. | 15868.11 | 4275.11 | 8727.17 | 3117.73 | 26.94 | 35.72 | 37.12 |
| MSE | 1947.30 | 1069.88 | 1321.74 | 577.91 | 54.94 | 43.72 | 85.13 |
| OPS | 4343.62 | 1383.45 | 3871.43 | 1367.60 | 31.85 | 35.33 | 1.16 |
| TPS | 22159.03 | 6728.44 | 13920.34 | 5063.24 | 30.36 | 36.37 | 32.89 |
| NPS | 14840.97 | 4083.30 | 7207.45 | 2725.29 | 27.51 | 37.81 | 49.83 |
| Total | 37000.00 | 10811.73 | 21127.79 | 7788.53 | 29.22 | 36.86 | 38.82 |

Comparative performance shows that the overall achievement as on 30.09.2010 is only 29.22%, as against 36.86% achievement recorded during the corresponding period last

year. This is primarily attributable to the sharp increase in targets under ACP this year. In fact, in absolute terms, banks have disbursed substantially higher quantum of loans during the quarter under review, as compared to the amount disbursed in the corresponding period last year. It will be seen that Cooperative Banks, RRBs and Commercial Banks have recorded impressive growth in their loan disbursements vis-a-vis their performance during the same quarter last year. As to sector-wise growth, it will be observed that advances to MSE segment has increased significantly in the quarter under review, which is partly due to higher credit extension by banks under PMEGP Scheme.

AGENDA-IV

FINANCIAL INCLUSION

As per information gathered from the Lead Banks, the position of overall financial inclusion in the 19 districts identified in the 1st phase stands at 99.71%.

District-wise position is shown below:

| % age achievement as on date | Identified Districts |
|------------------------------|---|
| 100% | 1. Purnea 2. Supaul 3. Saharsa 4. Gopalganj 5. Sheohar 6. Sheikhpura 7. Siwan 8. Buxar 9. Vaishali 10. Gaya 11. Bhojpur 12. Sitamarhi 13. Rohtas 14. Katihar, 15. Madhubani. 16. Saran |
| Above 95% | 1. Khagaria 2. Munger |
| Below 95% | 1. Banka |

Three more districts, namely, Katihar, Madhubani and Saran (Lead Bank: CBI) have accomplished 100% FI since the last review meeting. The issue of 100% FI was also discussed and reviewed in the Steering Committee meeting of SLBC on SHG & IT-Enabled Financial Inclusion held on 28th September 2010. In the said meeting, it was resolved that the concerned lead banks would complete the task of 100% FI in the identified districts before this review meeting of SLBC, Bihar. However, 3 districts are yet to achieve the target. Controlling Heads of all lead banks are once again requested to impress upon the concerned LDMs/ District Coordinators as well their branches to achieve the target by the end of December 2010.

District-wise position is furnished on **Page-12A**.

Further, it was also decided that after ascertaining the present status of FI in the remaining 19 districts that have been identified for the said purpose in the 2nd phase, concerted efforts need to be initiated for covering at least 5% more households by December 2010. For this controlling heads of banks having the lead responsibility in these districts were requested to gear up their machinery so that the target of 100% financial inclusion in all the districts of the State is achieved at an early date. They were also requested to instruct their LDMs to furnish necessary information/ data in this regard to SLBC at monthly intervals.

EDUCATION LOANS

One of the main priorities of banks operating in the State is to provide education loans to all the meritorious and needy students to enable them to meet the expenses of higher studies not only in the State but also out-side the State in India and abroad. During the first half of the current financial year, loans amounting to Rs.421.83 Crore have been sanctioned to 14974 students, as against Rs.362.38 Crore sanctioned to 10563 students during the corresponding period last year. An impressive growth of 41.76% has been witnessed in terms of no. of students provided financial assistance. Further, as regards disbursement under the Scheme banks have extended loans to 16959 students involving Rs. 290.32 Crore during the period under review.

Bank-wise performance is furnished on **Page- 14A**.

Further, as far as the issue of providing interest-relief during the moratorium period to eligible students is concerned, all the District Magistrates have been suitably advised by the Department of Institutional Finance, Govt. of Bihar, Patna vide their letter No.- 24/2010 dated 16.11.2010 (copy placed on **Page-14B**) to pass on suitable instructions to all concerned to ensure that the income certificates are issued to the guardians of all eligible students so that they may be able to get interest subsidy under the Scheme.

PM'S NEW 15-POINT PROGRAMME FOR WELFARE OF MINORITY COMMUNITY

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 proportion 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 identified for the purpose:-

- (i) Kisanganj (ii) Araria (iii) Purnea (iv) Katihar (v) Sitamarhi (vi) Darbhanga, and (vii) West Champaran

The performance of banks as on 30.09.2010 has improved considerably in Sitamarhi and Darbhanga districts and stands at 39.90% and 68.74% respectively (no. of persons belonging to minority communities) vis-a-vis total no. of persons granted advances under priority sector (up from 17.75% & 19.09% respectively as on June 2010). The performance of banks under advances granted to minorities needs to be improved further as the no. of persons belonging to minority community benefited during the period under review is as low as 2.46% of the total; however, in terms of amount of financial assistance extended, the position is better at 15.73%. Further, overall, loans amounting to Rs.720.54 Crore (32.34% of total PSA) were sanctioned to minority communities in these districts out of total priority sector advances of Rs.2228.17 Crore.

District-wise performance regarding loans extended to minority communities in the identified districts is furnished on **Page-14C**.

AGENDA-V

GOVT. SPONSORED SCHEMES/ PROGRAMMES

(A) BIHAR GROUND WATER IRRIGATION SCHEME (BIGWIS)

Bihar Ground Water Irrigation Scheme (BIGWIS) is being implemented by the Department of Minor Water Resources, Government of Bihar in co-ordination with NABARD, Regional Office, Patna with the objective of providing irrigation facility to the needy farmers covering 9.28 lakh hectares of land in the State by helping beneficiaries in installing 4,64,000 tube-wells/ dug-wells with pump-sets, by the end of the 11th Five Year Plan, ending March 2012.

Only 14949 applications for loans amounting to Rs.66.63 Crore were sanctioned by banks and out of these 12400 applications were disbursed, amount involved being Rs.45.97 Crore. SLBC has already provided the list of pending BIGWIS applications to the Controlling Heads of banks with a request to disburse these loans expeditiously. Further, all the Lead District Managers were advised to allocate the targets amongst the banks operating in individual districts and provide a copy of the same to SLBC to enable us to compile bank-wise targets at the State level. Concerted efforts need to be put in by all concerned for achieving the targets under the Scheme.

Bank-wise performance is furnished on **Page-14D**.

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

Against the physical targets of 6258 projects, banks have sanctioned 1456 projects involving Rs. 67.94 Crore during the first half of FY 2010-11, as compared with 125 projects sanctioned during the same period last year. A very impressive growth of over 1064% has been registered Y-o-Y. However, the banks could only achieve 23.27% of the physical target fixed for achievement during FY 2010-11. For timely and quick sanction and disbursement of loans under the Scheme, all concerned should put in more strenuous efforts. The performance under the Scheme should also be reviewed in DLCC meetings and effective measures should be initiated for improving the performance of poorly performing branches. Bank-wise performance is furnished on **Page-16A**.

(C) SWARN JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 30.09.2010 under SGSY during FY 2010-11:

| PARTICULARS | NUMBER | (Rs. in Crore) |
|---|--------|----------------|
| | | AMOUNT |
| Targets for individual swarojgaris (including individuals of groups) | 278264 | 656.25 |
| No. of individual swarojgaris financed | 2013 | |

| | | |
|--|-------|--------|
| No. of Groups financed | 8400 | |
| No. of individuals in groups | 94557 | |
| Total no. of swarojgaries provided loans | 96570 | 111.03 |
| Achievement in % (disb / target) | ----- | 34.70% |

(Number of applications sanctioned includes both individuals and groups)

It is evident from the above table that 96570 beneficiaries were sanctioned loans under the Scheme during the period under review amounting to Rs. 111.03 Crore. Performance of all banks under the Scheme at 34.70% as on 30.09.2010 may be considered satisfactory as last year the achievement was only 18.48%.

Bank-wise targets for FY 2010-11 and performance is furnished on **Page- 16B TO 16F AND 16G.**

BANK-WISE FINANCING OF SELF HELP GROUPS (SGSY) AS ON 30.09.2010

| BANKS | GROUPS FINANCED | | | |
|-----------------------|-----------------|------------|-------------|-------------|
| | Target (No.) | Ach. (No.) | Ach. (Amt.) | %Ach. (No.) |
| State Bank of India | 4336 | 1208 | 1930 | 27.86 |
| Central Bank of India | 2796 | 803 | 1278 | 28.72 |
| Punjab National Bank | 3409 | 895 | 1214 | 26.25 |
| Canara Bank | 554 | 108 | 130 | 19.49 |
| Bank of Baroda | 556 | 172 | 193 | 30.94 |
| Union Bank | 307 | 92 | 236 | 29.97 |
| UCO Bank | 1431 | 261 | 147 | 18.24 |
| Oriental Bank | ---- | 9 | 2 | ---- |
| Bank of India | 1051 | 509 | 366 | 48.43 |

| | | | | |
|----------------------|--------------|-------------|--------------|--------------|
| Allahabad Bank | 1155 | 280 | 1018 | 24.24 |
| Indian Bank | 117 | 150 | 180 | 128.21 |
| Syndicate Bank | 56 | 19 | 46 | 33.93 |
| United Bank of India | 624 | 160 | 187 | 25.64 |
| MBGB | 1639 | 683 | 658 | 41.67 |
| BKGB | 779 | 565 | 444 | 72.53 |
| SKGB | 248 | 161 | 181 | 20.25 |
| UBGB | 4652 | 2325 | 2089 | 41.79 |
| Total | 23710 | 8400 | 10299 | 35.43 |

As on September 2010, banks have extended loans to 8400 SHGs under SGSY, which is 35.43% of the target fixed for the current financial year.

D) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

559 beneficiaries were extended financial assistance involving Rs.208 lakh during the first half of the current fiscal, while during the corresponding period last year, loans amounting to Rs.239 lakh were disbursed to 531 beneficiaries. Thus, a marginal increase of over 5% has been registered Y-o-Y in terms of number of beneficiaries covered.

Bank-wise position is furnished on **Page-17A**.

AGENDA-VI

FINANCE TO SELF HELP GROUPS (SHGs)

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 14465 SHGs as upto 30.09.2010 in the current FY, with total Bank-finance of Rs. 114.75 Crore whereas during the corresponding period last year only 10919 groups were provided credit support of Rs.104.66 Crore. Thus a growth of 32.47% and 9.65% was witnessed in terms of no. of groups credit-linked and amount of credit support extended respectively in same period last year. Year-wise performance under SHG Financing is given hereunder:

(Rs. in Crore)

| Year | Number of new SHGs | Bank finance provided |
|----------------------------------|--------------------|-----------------------|
| 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 2008-09 | 25696 | 211.44 |
| DURING 2009-10 | 30241 | 295.05 |
| DURING 2010-11 (UPTO Sept. 2010) | 14465 | 114.75 |

Year-wise position of SHG bank-linkage as on 30.09.2010 is furnished on **Page-17B TO 17C**.

AGENDA-VII

KISAN CREDIT CARD (KCC)

REVIEW OF PROGRESS AS ON 30.06.2010

A summarised statement of targets vis-à-vis kisan credit cards issued by Commercial Banks, RRBs and Co-operative Banks up to 30/09/2010 is given below:

| Banks | Target (No.) | | Sanctioned (No.) | | % Achievement | |
|--------------|--------------|---------|------------------|---------|---------------|---------|
| | New | Renewal | New | Renewal | New | Renewal |
| Comm. Banks | 861430 | 287144 | 287524 | 93571 | 33.38% | 32.59% |
| RRBs | 478570 | 159523 | 95832 | 74588 | 20.02% | 46.76% |
| Co-op. Banks | 160000 | 53333 | 22780 | 141847 | 14.24% | 265.96% |
| TOTAL | 1500000 | 500000 | 406136 | 310006 | 27.08% | 62.00% |

It is evident from the above Table that since banks operating in the State have sanctioned loans to 716142 beneficiaries under KCC during the first quarter of the financial year while during the corresponding period last year, only 414545 beneficiaries were extended loans under KCCs, a very impressive growth of about 73% has been

witnessed during the quarter under review. However, the performance of banks in issuing new KCC is only 27.08% of the targets fixed for FY 2010-11.

Bank wise/ district-wise performance is furnished on **Page- 19A**.

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

As advised by the Patna Regional Office of Agriculture Insurance Company of India Limited, 553378 farmers have been covered under NAIS while 194901 farmers have been extended the benefit of crop insurance coverage under WBCIS. Thus, a total of 748279 farmers have been provided the crop insurance cover for KHARIF 2010, the sum insured being Rs.1712.96 Crores. It appears that all the crop loans disbursed have not been covered by insurance since there is a considerable gap between the no. of crop loans

disbursed during the period and no. of loanee farmers to whom the benefit of crop insurance has been extended. All banks should review the position and ensure that insurance cover under NAIS is provided to all eligible farmers, which has become even more important in view of the wide-spread drought situation in the State.

The position of insurance under WBCIS and NAIS for Kharif 2010 upto 30th November 2010, as advised by Agriculture Insurance Company of India Ltd, is furnished on **Page-19B**

DAIRY, FISHERY & POULTRY

Banks have extended loans amounting to Rs. 49.06 Crore to 5740 beneficiaries under various Dairy Development schemes (7.43% of the allocated targets), Rs.8.96 Crore to 763 beneficiaries under Fishery schemes (4.73% of the allocated targets) and Rs. 7.78 Crore to 444 beneficiaries under Poultry schemes (3.20% of the allocated targets). Controlling heads of all banks are requested to initiate concerted efforts for achieving the targets set for these schemes as the achievement is far from satisfactory.

Bank-wise performance data is furnished on **Page-19C TO 19E**, for discussion and review by the House.

FARM MECHANISATION

Against the target of 21011 units for the current financial year, banks have sanctioned loans amounting to Rs. 106.89 Crore to 5040 farmers for purchasing farm equipments and out of these loans amounting to Rs.106.29 Crore were disbursed amongst 5021 farmers during the first half of the current financial year. Thus, the achievement of all banks taken together comes to 23.99% of the targets allocated for FY 2010-11. Controlling heads of all banks are requested to advise their branches to initiate requisite measures so that the targets set under Annual Credit Plan are achieved.

Bank-wise performance data is furnished on **Page-19F**, for discussion and review by the House.

LOANS PROVIDED TO SMALL & MARGINAL FARMERS AND OTHER FARMERS

In the 32nd SLBC review meeting held on 17.06.2010, the Hon'ble Deputy Chief Minister and Finance Minister, Bihar had called for segregated information regarding loans provided to small & marginal farmers and other farmers. Keeping this in view, we had requested banks to provide necessary information in this regard. However, only a few banks have furnished the requisite data. Banks have extended loans to 310742 farmers with land holding upto 5 acres of irrigated land (small & marginal farmers) involving Rs. 1657.35 Crore and 88546 farmers having more than 5 acres of irrigated land (other farmers).

Bank-wise details regarding loans provided to Small & Marginal and Other Farmers is furnished on **Page-20A TO 20B**.

SMALL ROAD TRANSPORT OPERATORS (SRTOS)

During the quarter ended September 2010, banks have sanctioned loans for purchase of 2607 vehicles involving Rs. 83.72 Crore and out of these, loans amounting to Rs. 83.67 Crore were disbursed to Small Road Transport Operators (SRTOS) for purchasing 2602 vehicles, against the target of 9428 vehicles. The poor achievement of banks during the period under review at 27.65% needs special attention of Controlling Heads of all banks in

order that targets set under the Scheme for FY 2010-11 may be achieved.

Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page- 20C**.

ADVANCES GRANTED UNDER CGTMSE COVERAGE

A total of 3179 units were sanctioned loans amounting to Rs.116.58 Crore by banks with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) cover, out of these loans amounting to Rs.120.39 Crore were disbursed to 3177 units during the period under review. Banks are requested to extend more finance to units willing to avail loans under CGTMSE cover as per extant guidelines of the Reserve Bank of India.

Bank-wise performance data is furnished on **Page-20D**, for discussion and review by the House.

ADVANCES GRANTED TO UNITS PROVIDING STORAGE FACILITY

In view of the improvement in the production of cereals in the last few years and the need for safe-keeping the agricultural produce, banks were requested to extend financial assistance for enhancing storage facilities. Only some banks have furnished the requisite data in this regard. Loans amounting to Rs.22.05 Crore were sanctioned to 59 units during the first half of the current fiscal and out of these, loans amounting to Rs. 18.80 Crore were disbursed to 42 units. Controlling Heads of all banks are requested to instruct their operating functionaries to intensify efforts for financing such units.

Bank-wise performance is furnished on **Page- 22A**.

AGENDA-VIII

CD RATIO (As on 30.06.2010)

(Rs. in Crore)

| Bank | Deposits | Advances | CD ratio |
|--------------|-----------------|-----------------|-----------------|
| Comm. banks | 87401.54 | 25748.22 | 29.46% |
| Co-op. banks | 1527.56 | 636.92 | 41.70% |

| | | | |
|------------------------------|-----------|----------|--------|
| RRBs | 12833.7 | 5536.71 | 43.14% |
| Total | 101762.67 | 31921.85 | 31.37% |
| RIDF | ----- | 1979.93 | |
| Total (Advances +RIDF) | 101762.67 | 33901.78 | 33.31% |
| Investment | ----- | 4905.73 | |
| Grand Total (Adv.+RIDF+Inv.) | 101762.67 | 38807.51 | 38.13% |

As at the end of September 2010, CD Ratio stood at 33.31% which shows an increase of 69 basis points YoY (32.62% as on September 2009). However, an improvement of 118 basis points only has been witnessed in the CD Ratio as compared to March 2010, even though the incremental CD ratio during this period is over 70%.

Further, improvement in CD Ratio has been witnessed in four districts where CD ratio was below 25% as on June 2010 while in case of Lakhisarai district, it has gone down marginally from 24.90% to 24.26% which is mainly attributable to sharp increase in the level of bank deposits in the district. Comparative position of these districts vis-à-vis last quarter is as under:

| District | June 2010 | | | September 2010 | | |
|------------|-----------|----------|--------|----------------|----------|--------|
| | Deposits | Advances | CDR | Deposits | Advances | CDR |
| Patna | 30814.45 | 7301.51 | 23.70% | 29658.31 | 7576.09 | 25.54% |
| Lakhisarai | 799.62 | 199.12 | 24.90% | 838.44 | 203.38 | 24.26% |
| Munger | 2208.71 | 463.35 | 20.98% | 1962.78 | 420.57 | 21.43% |
| Siwan | 3262.41 | 604.86 | 18.54% | 3349.58 | 694.63 | 20.74% |
| Saran | 3430.93 | 804.45 | 23.45% | 3611.48 | 887.89 | 24.59% |

Lead District Managers and District Coordinators as well as the Controlling Heads of banks have been advised by SLBC to urge the branches to extend more credit in these districts by adopting suitable strategies so as to achieve the targeted CD Ratio well before the year-end.

MEASURES FOR IMPROVING THE CD RATIO IN BIHAR

Efforts need to be made to bring in huge investments for infrastructure development such as power, transport, tourism, civil aviation and industries so that banks may also commit manifold increase in credit flow and improve the C D Ratio in the State. An ambitious ACP target has been fixed for the current year with a view to improving the CD ratio to 35%.

Bank-wise and district-wise details as on September 2010 are furnished on **Page-22B TO 22H.**

INCREMENTAL CD RATIO AS ON 30.09.2010

| Amt. In Crore | March' 2010 | June' 2010 | Sept.' 2010 |
|--------------------------|-------------|------------|-------------|
| Deposits | 98588.28 | 99636.00 | 101762.67 |
| Advances including RIDF | 31678.55 | 32108.78 | 33901.78 |
| CD Ratio | 32.13% | 32.23% | 33.31% |
| Incremental CDR (Mar'10) | ----- | ----- | 70.04% |

RECOVERY

A summary of the recovery data (as on 30.09.2010) is given below.

| (Rs.in Crore) | | | |
|---------------|---------------|------------------|------------|
| Bank | Demand raised | Amount recovered | Recovery % |
| Comm. Banks | 3894.18 | 1540.88 | 39.57 |
| Co-op. Banks | 266.72 | 0 | 0 |
| RRBs | 831.30 | 572.00 | 68.81 |
| Total | 4992.20 | 2112.88 | 42.32 |

Recovery percentage at 42.32% of the total demand raised by banks as on the 30th September 2010 indicates an upsurge in NPAs. The position has worsened with respect to last year as the recovery was 48.66% of the demand raised by banks as on 30.09.2009.

Bank-wise position of recovery as on 30.09.2010 is furnished on **Page- 23A TO 23B.**

NPAs & WRITE-OFF

As on 30.09.2010, overall position of NPA and the amount of loans written off are as

under:

(Rs. in Crore)

| Banks | Total Adv. | Total NPA | % of NPA | Amt. written-off | % of written-off amt. to total advances |
|--------------|------------|-----------|----------|------------------|---|
| Comm. Banks | 25748.22 | 1831.67 | 7.11 | 883.84 | 3.43 |
| Co-op. Banks | 636.92 | 70.12 | 11.01 | ----- | ----- |
| RRBs | 5536.71 | 137.30 | 2.48 | 241.07 | 4.35 |
| Total | 31921.85 | 2039.09 | 6.39 | 1124.91 | 3.52 |

The position of NPA as on 30.09.2010 is far from satisfactory, especially when it is compared with national average. As such, all out efforts need to be made for bringing down the NPA level below 5%. Due to large amount of advances written off every year, CD Ratio has also been adversely affected. Bank-wise details are furnished on **Page- 23C TO 23D**.

The House may review the position.

CERTIFICATE CASES

As on 30.09.2010, overall position of Certificate Cases filed by all banks is furnished below:

(Rs. in Crore)

| Banks | Total Cases (Accounts) | Total Cases (Amount) | Cases disposed of (Accounts) | Cases disposed of (Amount) | Pending Cases (Accounts) | Pending Cases (Amount) |
|-------|------------------------|----------------------|------------------------------|----------------------------|--------------------------|------------------------|
| Comm. | 290910 | 79140 | 4983 | 758 | 285927 | 78382 |
| LDB | 1302 | 869 | 51 | 31 | 1251 | 838 |
| RRBs | 40764 | 3729 | 3599 | 278 | 37165 | 3451 |
| Total | 332976 | 83738 | 8633 | 1067 | 324343 | 82671 |

It is evident from the above Table that only 2.59% cases have been disposed of and still 324343 cases involving Rs. 826.71 Crore are pending at different stages. This is a substantially large amount which, if recovered and recycled, can enhance disbursements under ACP: 2010-11 by more than 20%. The State Government is earnestly requested to instruct all concerned for early disposal of the pending RC cases. All banks were requested

to provide sector-wise details of certificate cases filed, but only a few banks have provided the data on the revised format and it is for this reason that sector-wise details could not be compiled. All banks are earnestly requested to submit the SLBC return duly filled in on the revised format only.

Bank-wise details of certificate cases filed are furnished on **Page-25A**.

The House may review the position.

PRIORITY SECTOR LENDING

As on 30.09.2010, the national benchmark of 40% for the share of priority sector advances in total advances has been achieved by almost all banks. Bank-wise position is furnished on Page-

The House may notice that the ratio of priority sector advances to total advances is as high as 69.95%, which is well above the benchmark of 40%. Bank-wise position is furnished on **Page-25B TO 25E**.

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 41.60% as on 30.09.2010, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page-25B TO 25E**.

DIFFERENTIAL INTEREST RATE (DIR)

As on the 30th September 2010, the aggregate advances level under DRI Scheme stands at Rs. 39.02 Crore, which is 0.13% of the total advances of Rs. 29863.53 Crore as on 31.03.2010. In terms of the national benchmark, the minimum level of DIR Advances should be 1% of the aggregate advances as at the 31st March of the previous year. In view of the present drought situation in the State, banks should provide more loans under the Scheme to the needy and eligible beneficiaries, and ensure maximum coverage of people belonging to SC/ST and women categories, apart from providing Top-up Loans to the beneficiaries of Indira Awas Yojana. The Industries and Rural Development departments of the State Government are requested to sponsor/ help source such proposals. Also, banks should step up financing of the rural artisans like carpenters, blacksmiths, dhobis, cobblers etc. under the Scheme. All banks are also requested to monitor the progress in

this regard so that not only the benchmark is achieved but the drought affected people of the State also get the much needed financial assistance under the Scheme. Further, as per information received by SLBC, banks operating in the State have provided loans to 3218 beneficiaries involving Rs. 6.18 Crore under Differential Rate of Interest Scheme during the quarter ended September 2010 and 187 beneficiaries were extended financial assistance amounting to Rs.0.40 Crore under Indira Awas Yojana to enable them to construct their dwelling units.

Bank-wise outstanding position is furnished on **Page-25B TO 25E** & Bank-wise performance under DRI and DRI-IAY under ACP 2010-11 is given on **Page-25F**

WEAKER SECTIONS

Banks have extended finance amounting to Rs. 9122.67 Crore out of the aggregate advances of Rs.31921.85 Crore to Weaker Sections of society, which stands at 28.57% of the total advances, against the benchmark of 10%. Bank-wise position is furnished on **Page-25B TO 25E**.

AGENDA-IX

EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POPULATION OF MORE THAN 2000 BY MARCH 2012

The 'Roadmap' prepared by banks in accordance with the guidelines issued by the Reserve Bank of India aims at providing banking outlets by way of a branch or through a BC-based model in all villages having a population of more than 2000 by the end of the current Five Year Plan i.e. March 2012. Accordingly, 8947 villages have been identified on the basis of DLCC approved lists submitted by the Lead District Managers for setting up such banking outlets. Out of these, 301 villages have already been covered by opening of banking outlets thereat and the remaining 8646 villages are yet to be covered. Banks have planned to cover 2132 villages by March 2011 and the remaining 6514 villages in the next financial year. Banks need to intensify their efforts manifold for setting up of banking outlets in the identified villages. For this, banks should engage business correspondents at the earliest. A list of BCs engaged by various banks in the State is furnished below:

| SL.No. | Name of the Bank | Name of the BCs engaged by the bank |
|--------|------------------|-------------------------------------|
|--------|------------------|-------------------------------------|

| | | |
|----|-----------------------|--|
| 1. | State Bank of India | SAVE, EKO Aspire, ZMF, Drishti, SRDF |
| 2. | Punjab National Bank | SAMMAN Foundation, Kaushalya Foundation, Sanjeevani Vikas Foundation, Swagram Foundation |
| 3. | Central Bank of India | SMAARFTECH Technology (GLODYNE) |
| 4 | Canara Bank | I-25 |

Further, a revised list has been provided by the Lead District Manger, Siwan on 6th December, 2010 containing details of 375 villages having population of over 2000 for opening of banking outlets thereat. Controlling heads of all banks are requested to furnish their action plan for covering villages allotted in Siwan district as and when the same is received by them from the LDM, Siwan so that the State level roadmap may be suitably amended and all concerned may be advised for information and needful initiating action.

Bank-wise no. of villages covered and other details are furnished on **Page-26A**.

AGENDA-X

INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)

The Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) was launched on 26th December 2008 for financing the housing needs of the urban poor. The Ministry of Housing & Poverty Alleviation (MoHUPA) is implementing the Scheme. The Scheme is meant for ameliorating the living conditions of the Economically Weaker Section (EWS)/ Low Income Group (LIG) population in the urban areas through affordable loans from primary lending institutions like banks and Housing Finance Institutions (HFIs). BPL beneficiaries are covered under EWS/ LIG and, therefore, they are part of the Scheme. This is a Central Sector Scheme where State government is requested to identify a Nodal Agency at the State and district levels. The notified agency will certify eligibility norms based on the income certification of the beneficiaries by the concerned State revenue authorities. This is a demand driven loan scheme aiming at facilitating institutional loans to EWS/ LIG beneficiaries. Interest subsidy of 5% from Government of India, Ministry of

Housing & Poverty Alleviation (MoHUPA) is provided under the Scheme. The subsidy under the Scheme itself improves affordability and mitigates the default risk. Primary security is the dwelling unit which can be mortgaged and the lenders are free to satisfy themselves about the security and other aspects without diluting their lending norms. The Scheme has not yet started in the State. All concerned should, therefore, initiate requisite efforts for successful implementation of the Scheme.

AGENDA-XI

IMPLEMENTATION OF FINANCIAL INCLUSION PLANS IN SECURITY SENSITIVE AREAS

The Central Government has advised banks vide their letter No. - F.No.-20/57/2010-FI dated 22.09.2010 (copy placed on **Page-28A**) to give special attention to implementing financial inclusion plans in security sensitive areas which are affected by Left-Wing extremism. The districts of Arwal, Aurangabad, Gaya, Jamui, Jehanbad and Rohtas have been identified as left-wing extremism affected districts by the Central Government. Banks operating in these districts are implementing financial inclusion plans on a priority basis for extending banking facilities to unbanked areas as we all know that one of the main reasons for extremism is poverty and request all banks to provide necessary financial support to people of these districts on a priority basis. The details of no. of villages having population of over 2000 in these districts and no. of bank-branches operating in these districts are furnished below:

| SL. No. | District | Branches | No. of Villages identified for opening of banking outlets |
|---------|------------|----------|---|
| 1. | Arwal | 27 | 100 |
| 2. | Aurangabad | 98 | 159 |
| 3. | Gaya | 189 | 296 |
| 4. | Jamui | 65 | 152 |
| 5. | Jehanabad | 43 | 110 |
| 6. | Rohtas | 125 | 203 |

Comparative performance of banks in these districts is furnished below, which shows impressive improvement over their performance in the same period last year:

| SL.No. | District | ACP Ach as on 30.09.2009 | ACP Ach as on 30.09.2010 | %Growth |
|--------|------------|--------------------------|--------------------------|---------|
| 1. | Arwal | 3177 | 3573 | 12.46% |
| 2. | Aurangabad | 19478 | 21952 | 12.70% |
| 3. | Gaya | 26928 | 30594 | 13.61% |
| 4. | Jamui | 7002 | 12283 | 75.42% |
| 5. | Jehanabad | 6782 | 4528 | -33.24% |
| 6. | Rohtas | 22524 | 30103 | 33.65% |

It is evident from the above Table that banks have extended higher quantum of credit in all these districts except Jehanabad district. The Lead District Manager of Jehanabad has been advised to coordinate with all banks and ensure that the targets set under ACP 2010-11 are achieved. Further, the State Government is also requested to provide necessary infrastructural support so that banks may be able to expand more in these districts for larger coverage and credit extension.

AGENDA-XII

OPENING OF NO-FRILLS ACCOUNTS AND PROVIDING OD-FACILITY AND GENERAL CREDIT CARDS TO NO-FRILLS ACCOUNT HOLDER

The issue is being discussed and reviewed in almost all the review meetings of SLBC, Bihar and details of No-frills accounts opened, operational No-frills accounts, Overdraft facility

provided and General Credit Card issued to No-frills account holders are required to be placed before the House for more focussed and meaningful interaction. As per information gathered from majority of banks, a total of 2618702 No-frills accounts have been opened as on September 2010 mobilising deposits of Rs.380.70 Crore and out of these, 2369683 accounts are operational. Further, overdraft facility has been extended to 289375 No-frills account holders, the amount involved being Rs. 22.35Crore. Apart from this, 10194 General Credit Cards have been issued to No-frills account holders, with aggregate credit limits of Rs. 14.32 Crore.

Bank-wise details regarding no. of No-frills accounts opened, operational No-frills accounts, Overdraft provided to No-frills account holders and General Credit Card provided to No-frills account holders are furnished on **Page-29A TO 29B**.

AGENDA-XII

EXTENSION OF CREDIT TO MICRO-FINANCE INSTITUTIONS

We all know that Micro-Finance Institutions are playing a vital role in upliftment of weaker sections of the society by providing them necessary and timely financial support but due to the exorbitant lending rates charged by them and the methodology adopted for recovery of loans, the lending institutions are not favorably inclined towards MFIs. However, as they are playing a very important role by providing necessary and timely help to weaker sections of the society, they need to be encouraged by providing need-based financial support by banks. In our State, where a substantial percentage of population is living below poverty line, MFIs will necessarily have to be an active partner of banks and FIs in their collective endeavour to ameliorate the financial hardships of the poor masses,

particularly in the rural and semi-urban areas.
