

STATE LEVEL BANKERS' COMMITTEE, BIHAR

37TH REVIEW MEETING

FOR THE QUARTER ENDED 30TH JUNE 2011

VENUE: HOTEL CHANAKYA, PATNA

DATE: 11.08.2011

TIME: 10.30 AM



CONVENOR:

STATE BANK OF INDIA

SLBC DEPARTMENT (5TH FLOOR)

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STATE LEVEL BANKERS' COMMITTEE
37TH MEETING

NOTES ON AGENDA ITEMS

AGENDA-I

CONFIRMATION OF MINUTES OF THE
36TH STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON 18.05.2011

The House may please confirm the Minutes of the 36th State Level Bankers' Committee meeting held on the 18th May 2011.

AGENDA-II

ACTION TAKEN REPORT ON THE 36TH SLBC MEETING

[1] ACTION POINT- All banks to put in concerted efforts for achieving their targets under Annual Credit Plan: 2011-12. Private Banks to provide requisite impetus for achieving their ACP targets.

(Action- All Banks)

ACTION TAKEN: - Due to focussed attention provided by all banks operating in the State an amount of Rs. 5270 Crore was disbursed during the period under review, registering Y-o-Y growth of 27%. During the corresponding period last year, banks could disburse loans amounting to Rs. 4161 Crore. The performance of Private-sector banks is not at the desired level as they have disbursed loans amounting to Rs.101 Crore only against their last year disbursement of Rs.227 Crore, thereby registering a decline of 56%. Controlling Heads of these banks are requested to bestow their personal attention for improving their performance in the coming quarters of the current financial year.

[2] ACTION POINT- Focussed attention to be provided by banks and LDMs for improving the performance under ACP, particularly in the districts which have achieved less than 50% of ACP targets in FY 2010-11

(Action: Concerned LDMs)

ACTION TAKEN: - Four districts, namely, Araria (46.60%), Kishanganj (41.10%), Madhepura (46.16%) and Sheohar (47.90%) had achieved less than 50% of their ACP targets during the last financial year i.e.2010-11. Due to concerted efforts put in by all concerned, particularly by LDMs the credit disbursement has improved considerably Y-o-Y in all the four districts, detailed as under:

District	Disbursement upto June'11	Disbursement upto June'10	% Growth
Araria	7798	3820	104.14
Kishanganj	5257	3824	37.47
Madhepura	4217	1802	134.02
Sheohar	1413	693	103.90

It is evident that the credit extension has increased in all the four districts much more than the state average growth of 27%.

[3] ACTION POINT- Agriculture Department, GoB to organise Credit Camps from 19th May to 10th June 2011. Loan applications forwarded to banks for disposal should be complete in all respect alongwith the required enclosures so that they may be processed in time. Banks should whole-heartedly participate in the camps.

(Action: Agriculture Department, GoB & All Banks)

ACTION TAKEN: - Information regarding holding of Credit Camps have been received from some of the districts only. Further, few LDMs have reported that no such camp was held in their districts. We request Agriculture Department, Government of Bihar, to provide the desired information in this regard.

[4] ACTION POINT Financing of the Dairy, Fishery and Poultry activities to be stepped up.

(Action: All Banks)

ACTION TAKEN: - Comparative performance of loans sanctioned during the period is furnished as under:

(Amt. in Lakh)

Activity	June'11		June'10		% Growth	
	No.	Amt.	No.	Amt.	No.	Amt.
Dairy	3168	4250	1625	1264	94.95	236.23
Fishery	199	260	302	272	-34.11	-4.41
Poultry	309	522	112	181	175.89	188.40

It may be noticed that performance of banks has improved considerably in financing under Dairy and Poultry activity whereas in case of fishery, decline has been observed. It appears from the data furnished under Dairy that banks are not furnishing information regarding credit support

extended by them for undertaking dairy activity (like credit provided under SGSY, SJSRY, SHGs and other schemes) as a whole, they are furnishing amount sanctioned under only dairy specific scheme. Controlling heads of all banks are requested to see to it that the report furnished to SLBC should contain total no. and amount provided by them under dairy activity so that actual data may be provided before the House from the next SLBC meeting.

[5] ACTION POINT- Banks to make all out efforts for achieving targets for BIGWIS.

(Action: All Banks)

ACTION TAKEN: - Banks are putting more efforts for improving their performance under BIGWIS. Loans amounting to Rs. 44.42 Crore were sanctioned to 9463 farmers during the period under review under the Scheme while during the same period last year banks had sanctioned loans to 6959 farmers involving Rs. 33.43 Crore. Y-o-Y growth of 36% and 33% has been witnessed in terms of no. of farmers and amount of finance extended under the Scheme. Further, as regards disbursement made under the Scheme, loans amounting to Rs. 20.66 Crore were provided to 5233 farmers. All concerned are requested to put in more efforts for improving the performance under the Scheme. Generation of applications in adequate nos. will also help in improving the performance of banks under the Scheme.

[6] ACTION POINT- Top priority should be given to extension of banking services to un-banked villages having population of over 2000, in order to achieve the target.

(Action: Concerned banks)

ACTION TAKEN: A total of 2449 un-banked villages have been covered by banks by opening a banking outlet for extending basic banking services as on 30th June 2011 against the total target of 9213 villages. Thus, 6764 more villages are to be covered by banks in the remaining nine months of the current financial year. As reported, banks like Andhra Bank, Dena Bank, Oriental Bank of Commerce, United Bank of India, Bihar Kshetirya Gramin Bank and Samastipur Kshetriya Gramin Bank have not covered even a single village allotted to them whereas some banks have not opened banking outlets even in 10% of their allotted villages. All concerned are requested to bestow their attention and initiate more efforts for covering all the villages allotted to them by 31st March 2012.

[7] ACTION POINT- The Nodal Agency appointed by the State Government to work out the modalities for implementing the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP).

(Action: State Government)

ACTION TAKEN: - The Notified Agency is requested to appraise the House regarding progress made in this regard.

[8] ACTION POINT- All loan applications received to be disposed of within the stipulated time-frame. Applications Received and Disposal Register to be maintained properly by all bank branches.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of all banks have been requested to reiterate the extant instructions regarding maintenance of Application Received and Disposal Register, to their operating functionaries and ensure compliance.

[9] ACTION POINT- The proceeds of crop insurance claims to be credited in the account of beneficiary-farmers within 15 days. Banks to monitor both the nodal branches and beneficiary branches. The account details of all beneficiaries to be maintained at both ends.

(Action: All banks)

ACTION TAKEN: - All the banks have been advised to credit the proceeds of crop insurance claims in the account of beneficiary-farmers within 15 days. The position has improved appreciably. However, this required constant monitoring by all the Banks. Direct credit through internet to the Nodal branches will facilitate the process further.

[10] ACTION POINT- Appropriate steps to be initiated to address security related concerns of banks.

(Action: State Government)

ACTION TAKEN: - The State Government is requested to initiate requisite steps in this regard.

[11] ACTION POINT- Efforts to be initiated for achieving the PMEGP targets.

(Action: All Banks)

ACTION TAKEN: - All concerned are requested to put in more efforts for achieving the targets set under PMEGP as the performance reported by banks is far from satisfactory. Banks have sanctioned loans to 216 beneficiaries involving margin money of Rs. 4.50 Crore during the period under review to set up their projects under the Scheme. Further, As regards projects disbursed during the period under review, loans were disbursed to 76 projects the amount of margin money involved being Rs. 1.84 Crore against the yearly target of Rs. 74.17 Crore.

[12] ACTION POINT- Banks to provide Collateral Free Loans upto Rs. 1 Crore to units which are eligible for coverage under CGTMSE.

(Action: All Banks)

ACTION TAKEN: - Controlling heads of all banks operating in the State have been requested to cover all the eligible loan applications under CGTMSE coverage. Further, due to concerted efforts put in by banks a total of 3587 units were financed by banks involving Rs.100.96 Crore with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) cover during the period under review while during the corresponding period last year, only 1754 units could be financed by banks involving Rs. 62.76 Crore with CGTMSE cover. Thus, an impressive growth of 187.50% was registered Y-o-Y in terms of no. of units but in terms of amount of financial assistance, the growth was 61%.

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STATE LEVEL BANKERS' COMMITTEE, BIHAR

KEY INDICATORS

(ALL BANKS)

(Rs. in Crore)

Sl. No.	ITEMS	MAR 2011	JUNE 2010	JUNE 2011	Bench-mark
1	DEPOSITS	113909.10	99636.00	115327.90	
2	ADVANCES INCLUDING RIDF	38723.19	30217.37	42110.59	
3	CD RATIO	33.99	32.23	36.51	
4	PRIORITY SECTOR ADVANCES	25230.46	21175.44	25112.57	
5	SHARE OF PSA IN TOTAL ADV. (%)	69.51%	70.08%	63.30%	40 %
6	AGRICULTURAL ADV.	13981.70	12784.93	14259.79	
7	SHARE OF AGL. ADV IN TOTAL ADV (%)	36.11%	42.31%	35.95%	18 %
8	MSE ADV.	5747.49	3235.41	5781.62	
9	SHARE OF MSME ADV. IN PSA (%)	22.78%	10.71%	14.57%	
10	ADV. TO WEAKER SEC.	9049.35	7848.61	8992.05	
11	SHARE OF WEAKER SEC. IN PSA (%)	35.87%	25.97%	22.67%	10 %
16	DRI ADV.	50.98	34.74	53.61	
17	SHARE OF DRI ADV IN TOTAL ADV (%)	0.17%	0.12%	0.14%	1 %
18	ADV. TO WOMEN (DISBURSEMENT)	1312.89	212.54	436.75	
19	SHARE OF ADV. TO WOMEN IN DISBURSEMENT (%)	5.14%	2.71	8.29%	5 %

BRANCH NETWORK

A	RURAL	2747	2554	2756	
B	SEMI-URBAN	978	889	993	
C	URBAN	824	730	841	
D	TOTAL	4549	4173	4590	

AGENDA-III

REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN: 2011-12

The performance of all banks under the Annual Credit Plan 2011-12 during the quarter ended June 2011 is as follows:-

(Rs. in Crore)

Banks	Target	Achievement	% Ach.
Comm. Banks	31591.19	4427.85	14.02
Co-op. Banks	2018.74	38.23	1.89
RRBs	9590.07	804.06	8.38
Total	43200.00	5270.14	12.20

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

Sector	Target	Achievement	% Ach.
Agriculture	21101.95	2184.99	10.35
MSE	2441.25	476.51	19.52
OPS	4600.45	605.69	13.17
TPS	28143.65	3267.19	11.61
NPS	15056.35	2002.95	13.30
Total	43200.00	5270.14	12.20

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

COMPARATIVE PERFORMANCE UNDER ACP
AS ON JUNE 2011 vis-a-vis JUNE 2010

(Rs. in Crore)

Banks	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Comm	31590.68	4427.85	14.02	27467.70	3822.65	13.92	15.83
Co-op	2019.23	38.23	1.89	1841.13	32.70	1.78	16.91
RRBs	9590.09	804.06	8.38	7691.17	305.58	3.97	163.13
Total	43200.00	5270.14	12.20	37000.00	4160.93	11.25	26.66

SECTOR-WISE PERFORMANCE:

(Rs. in Crore)

Sector	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Agl.	21101.95	2184.99	10.35	15868.11	1326.02	8.36	64.78
MSE	2441.25	476.51	19.52	1947.30	473.58	24.32	0.62
OPS	4600.45	605.69	13.17	4343.62	707.41	16.29	-14.38
TPS	28143.65	3267.19	11.61	22159.03	2507.01	11.31	30.32
NPS	15056.35	2002.95	13.30	14840.97	1653.92	11.14	21.10
Total	43200.00	5270.14	12.20	37000.00	4160.93	11.25	26.66

Comparative performance shows that the overall achievement during the period under review is 12.20%, as against 11.25% recorded during the corresponding period last year. Further, in absolute terms, banks have disbursed substantially higher quantum of loans during the period 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 all recorded impressive

growth, particularly RRBs, in their loan disbursements vis-a-vis their performance over the same quarter last year. In case of sector-wise growth, it will be observed that advances to Agri & NPS segment have increased significantly in the quarter under review.

AGENDA-IV

FINANCIAL INCLUSION

In the 2nd phase, remaining 19 districts were identified for opening bank account(s) of at least one person from each household of these districts. The overall achievement in these districts was 82.92% as on 30th June 2011 (08 districts have not reported any progress since last quarterly review meeting of SLBC held on 18th May 2011). The detailed report obtained from the districts is placed on **Page- 11 G** for review by the House. Controlling heads of the concerned lead banks are once again requested to instruct their LDMs suitably to put in concerted efforts for early completion of the task of 100% FI in their respective districts. Further, controlling heads of banks having lead responsibilities in the districts, which have not reported any progress since last quarterly review meeting of SLBC are requested to instruct their LDMs to report the progress made in this regard at monthly intervals to SLBC so that the same may be discussed and reviewed in quarterly review meetings of SLBC and Steering Committee of SLBC on SHG & IT-enabled Financial Inclusion.

District-wise position is shown below under different groups:

% Achievements as on 30.06.2011	No. of districts	Identified Districts
Above 95%	5	Lakhisarai, Kaimur, Patna, Kishanganj and Madhepura
Above 90% and upto 95%	3	Araria, Begusarai and Jamui
Above 80% and upto 90%	3	West Champaran, Samastipur and Darbhanga
Above 70% to 80%	3	Jehanabad, Nalanda, Bhagalpur
Above 50 and upto 70%	5	East Champaran, Muzaffarpur, Aurangabad and Arwal and Nawada

EDUCATION LOAN

Providing 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 is one of the main priorities of banks operating in the State.

During the first quarter of the current financial year, loans amounting to Rs.137.84 Crore have been sanctioned to 4340 students. As regards disbursement, loans amounting to Rs. 83.87 Crore were disbursed among 4356 students. Further, as the period from June to August is supposed to be the peak time for admission of students in different academic institutions, financing under education loan scheme is expected to increase in the coming quarter. Bank-wise performance is furnished on **Page-13 A**

Also, for the first time targets have been fixed under the Scheme, and it has been targeted to provide education loans to 35000 students during the current financial year to enable them to pursue higher education. A copy of the bank-wise targets allocated is placed on **Page- 13 B** for perusal and ratification by the House.

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, 15% of PSA should be provided to Minority Communities in accordance with the guidelines issued by the Government of India in this regard.

With this objective in view, 121 minority concentrated districts in 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) Kishanganj (ii) Araria (iii) Purnea (iv) Katihar (v) Sitamarhi (vi) Darbhanga, and (vii) West Champaran

In these identified districts, total priority sector loans outstanding as on 30.06.2011 were Rs. 5948.39 Crore (No. of borrowers: 548204) out of which loans amounting to Rs.1299.37 Crore (21.84% of PSA) were provided to 181284 (33.07% of PSA) borrowers belonging to minority communities. All the districts have achieved the target of providing more than 15% of their priority sector loans to the persons belonging to minority communities.

District-wise performance regarding loans extended to minority communities in the identified districts is furnished on **Page-13 C**.

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 the end of the 11th Five Year Plan, ending March 2012.

A total of 9463 applications for loans amounting to Rs.44.42 Crore were sanctioned by banks during the period under review whereas only 6659 applications were sanctioned involving Rs. 33.43 Crore during the corresponding period last year under the Scheme, thereby registering Y-o-Y growth of 42.11% and 32.87% in terms of no. of loans sanctioned and amount of financial assistance extended respectively. Further, as regards disbursement, a total of 5233 applications were disbursed, amount involved being Rs.20.66 Crore. SLBC has already provided the list of pending BIGWIS applications to the LDMs and the list containing gap between sanction and disbursement of applications under BIGWIS to Controlling Heads of banks vide our letter No.-RBU/I/SLBC/519 dated 8th July 2011 and RBU/I/SLBC/518 dated 8th July 2011 respectively with a request to dispose all these applications expeditiously. Concerted efforts should be put in by all concerned for achieving the targets under the Scheme during the current financial year.

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

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

The targets for the current year have already been fixed and circulated amongst all concerned. A copy of the allocated targets is placed on **Page-14 B & 14 C** for ratification by the House. Against the physical target of 5298 projects, banks have sanctioned only 216 projects involving margin money of Rs. 4.50 Crore during the first quarter of FY 2011-12. As regards projects disbursed during the period under review, loans were disbursed to 76 projects the amount of margin money involved being Rs. 1.84 Crore against the yearly target of Rs. 74.17 Crore. For timely and quick sanction and disbursement of loans under the Scheme, all concerned are requested to pay more focussed attention. 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/ district-wise performance data received from DIC is furnished on **Page- 14 D TO 14 H** for information of all concerned.

C) SWARN JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 30.06.2011 under SGSY during the year 2011-12:

(Rs. in Crore)

PARTICULARS	NUMBER	AMOUNT
No. of applications sponsored (Individuals)	2960	
No. of individual swarojgaries financed	2658	7.81
%age of disb. to applications sponsored (ind.)	89.80%	
No. of applications sponsored (Groups)	2967	
No. of Groups financed	2817	98.66
%age of disb. to applications sponsored (group)	94.94%	
No. of individuals in groups	30450	98.66
Total no. of swarojgaries provided loans	33107	106.49

It is evident from the above Table that 33107 beneficiaries were provided loans under the Scheme during the period under review, amounting to Rs. 106.49 Crore, as against 36229 beneficiaries provided credit support of Rs. 38.58 Crore during the corresponding period last year, thereby registering an impressive growth of over 176% in terms of amount of financial assistance extended while a decline of 8.62% was witnessed in no. of beneficiaries assisted under the Scheme.

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

D) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Under the Scheme, loans amounting to Rs. 1.42 Crore were sanctioned to 245 beneficiaries during the first quarter of current financial year and out of these loans worth Rs. 1.13 Crore were disbursed among 237 beneficiaries as on 30.06.2011. Bank-wise position is furnished on **Page- 14 J**.

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 5687 SHGs during the first quarter of FY: 2011-12, with total Bank-finance of Rs. 29.00 Crore. Year-wise performance under SHG Financing is given hereunder:

(Rs. in Crore)

Year	Number of new SHGs	Amt. of 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 2008-09	25696	211.44
DURING 2009-10	30241	295.05
DURING 2010-11	26055	198.13
DURING 2011-12 (UPTO JUNE 2011)	5687	29.00

Year-wise position of SHG bank-linkage as on 30.06.2011 is furnished on **Page-15 A TO 15 B**.

Further, targets for formation of Self Help Groups (SHGs), Joint Liability Groups (JLGs) and Farmers Clubs (FCs) has been fixed by NABARD during the current financial year. A copy of the bank-wise/ district-wise target has been allocated and is placed on **Page- 15 C TO 15 E** for perusal and ratification by the House.

AGENDA-VII

KISAN CREDIT CARD (KCC) REVIEW OF PROGRESS AS ON 30.06.2011

A summarised statement of targets vis-à-vis Kisan Credit Cards issued by Commercial Banks, RRBs and Co-operative Banks up to 30/06/2011 is given below:

Banks	Target (No.)		Sanctioned (No.)		% Achievement	
	New	Renewal	New	Renewal	New	Renewal
Comm. Banks	811208	540804	90970	59489	11.21	11.00
RRBs	467081	311387	62569	51410	13.40	16.51
Co-op. Banks	221711	147809	2466	16489	1.11	11.16
TOTAL	1500000	1000000	156005	127388	10.40	12.73

It is evident from the above Table that banks operating in the State have sanctioned loans to a total of 283393 beneficiaries (New-156005 & Renewal-127388) beneficiaries under KCC during the first quarter of the financial year while during the corresponding period last year, only 180954 beneficiaries were extended loans under KCC. Thus, a very impressive growth of approximately 57% has been witnessed during the period under review. Nevertheless, a large number of farmers have still little or no access to bank credit. All banks need to make more focussed efforts to reach this 'excluded' segment of our rural population. Further, it has been targeted to provide loans to issue 25 lacs (New-15 lacs & Renewal-10 lacs) KCCs during the current financial year. The bank-wise/ district-wise target has since been allocated and advised to all concerned. A copy of the allocated target is placed on **Page- 19 A TO 19 C** for perusal and ratification by the House.

Bank wise/ district-wise performance is furnished on **Page- 19 D & 19 E**.

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS) & ICICI LOMBARD

As advised by the Patna Regional Office of Agriculture Insurance Company of India Limited, only 7926 farmers having 6046 hectares of cultivated land have been covered under the benefit of crop insurance upto 31st July 2011, the amount of sum insured being Rs.8.47 Crore. The position of insurance as furnished by AICL, Patna is furnished on **Page-19 F**. It appears that only a few farmers have been provided the benefit of crop insurance. Controlling heads of all banks are requested to bestow their attention and instruct the operating functionaries to submit the statement containing details of crops to be covered at monthly intervals and ensure that all the crop loans disbursed are insured.

DAIRY, FISHERY & POULTRY

Banks have extended loans amounting to Rs. 42.50 Crore to 3168 beneficiaries under various Dairy Development schemes, Rs.2.60 Crore to 199 beneficiaries under Fishery schemes and Rs. 5.22 Crore to 309 beneficiaries under Poultry schemes. The performance has improved considerably in financing under Dairy and Poultry activity whereas in fishery decline has been observed Y-o-Y.

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

It appears from the data furnished under Dairy that banks are not furnishing complete information regarding credit support extended by them for undertaking dairy activity (like credit provided under SGSY, SJSRY, SHGs and other schemes), rather they are furnishing amount sanctioned only under dairy specific scheme. Controlling heads of all banks are requested to see to it that the report furnished to SLBC contains total no. and amount provided by them under dairy activity so that actual data may be placed before the House from the next SLBC meeting. Considering the vast potential, as assessed in the State Focus Paper prepared by NABARD, banks need to further intensify their efforts for extending more loans under these activities during FY 2011-12. Further, on the basis of PLP of NABARD bank-wise/ district-wise targets for the current fiscal has been allocated under Dairy, Fishery and Poultry and the same has already been circulated to all concerned. A copy of the allocated targets is placed on **Page- 19 J TO 19 L** for perusal and ratification by the House.

FARM MECHANISATION

Against the disbursement target of Rs.1156.26 Crore for the current financial year, banks have sanctioned loans amounting to Rs. 55.03 Crore to 2176 farmers for purchasing farm equipments during the first quarter of the current financial year while during the same period last year banks could sanction loans amounting to Rs 42.28 Crore to 1688 farmers, registering Y-o-Y growth of 30.16% and 28.44% in terms of amount sanctioned and no. of farmers financed respectively. As regards, disbursement loans amounting to Rs.54.75 Crore were provided for purchasing farm implements to 2168 farmers.

Bank-wise/ district-wise targets under Farm-Mechanisation for current financial year have been fixed and circulated among all concerned. A copy of the allocated targets is placed on **Page- 19 M** for ratification by the House. 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- 19 N**, 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 a few banks have furnished the requisite data in this regard. Loans amounting to Rs.2.86 Crore were sanctioned to 9 units during the period under review and out of these, loans amounting to Rs. 2.33 Crore were disbursed among 9 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- 19 O**.

SMALL ROAD TRANSPORT OPERATORS (SRTOS)

Against the target of 11321 units, banks have sanctioned loans amounting to Rs. 75.69 Crore for purchasing 1638 vehicles by SRTOS, out of which loans amounting to Rs.74.56 Crore have already been disbursed for purchasing 1633 vehicles during the period under review while during the corresponding period last year loans amounting to Rs. 33.55 Crore to Small Road Transport Operators (SRTOS) was sanctioned for purchasing 1044 vehicles. Thus, Y-o-Y impressive growth of approximately 57% was registered in terms of no. of vehicles financed, the performance was even better in terms of amount of financial assistance extended at 126%.

Bank-wise targets under SRTTO for current financial year have been fixed and circulated among all concerned. A copy of the allocated targets is placed on **Page- 19 P** for ratification by the House. Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page- 19 Q**.

ADVANCES GRANTED UNDER CGTMSE SCHEME

A total of 3587 units were financed by banks involving Rs.100.96 Crore with Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) cover during the period under review while during the corresponding period last year, only 1754 units could be financed by banks involving Rs. 62.76 Crore with CGTMSE cover. Thus, an impressive growth of 187.50% Y-o-Y registered in terms of no. of units provided collateral free loans but in terms of amount of financial assistance provided, the growth was 61%. Banks are requested to cover all the eligible 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- 19 R**, for discussion and review by the House.

AGENDA-VIII

CD RATIO (As on 30.06.2011)

(Rs. in Crore)

Bank	Deposits	Advances	CD ratio
Comm. banks	99198.41	29669.28	29.91
Co-op. banks	3093.25	1694.72	54.79
RRBs	13036.24	5935.00	45.53
Total	115327.90	39670.00	34.40
RIDF	-----	2440.59	-----
Total (Advances +RIDF)	115327.90	42110.59	36.51
Investment	-----	4818.45	-----
Grand Total (Adv.+RIDF+Inv.)	115327.90	46929.04	40.69

As at the end of June 2011, CD Ratio stood at 36.51 % which shows an increase of 428 basis points Y-o-Y. However, an improvement of 252 basis points only has been witnessed in the CD Ratio, as compared to last quarter even though the incremental CD ratio for the quarter under review is 71.64%. Due to large amount of advances written off every year, CD Ratio has also been adversely affected. If the amount of Rs.1265.98 Crore had not been written-off this year, the CD ratio would have been 37.61%. Apart from it, the CD ratio in the State may improve further, if the State Government utilise the total amount sanctioned under RIDF as only Rs. 2440.59 Crore out of total sanctioned amount of Rs. 4906.85 Crore has been utilised.

However, there are four districts, namely, Siwan (21.91%), Bhojpur (22.94%), Lakhisarai (23.82%) and Saran (24.51%), where CD Ratio is still less than 25%. Controlling head of banks having lead responsibilities in these districts are requested to instruct their concerned LDMs to coordinate with all banks operating in their districts and intensify efforts to adopt suitable strategies for improving CD ratio in these districts.

Bank-wise and district-wise details are furnished on **Page-21 A to 21 G.**

INCREMENTAL CD RATIO AS ON 30.06.2011

Amt. In Crore	March'11	June'11
Deposits	113909.10	115327.90
Advances including RIDF (excluding Rs.2371 of advances of SBI taken into the account for the first time)	38723.19	39739.59
Incremental CDR	-----	71.64%

It is pertinent to mention here that an amount of Rs.2371.00 Crore was provided to IOC & NTPC units functioning in Bihar by SBI by its branches operating outside the State and the amount has been taken into account for calculating the CD ratio as per guidelines issued by the Reserve Bank of India vide its circular No.-RPCD.LBS.BC.No.47/02.13.03/2005-06 dated 9th November 2005, which reads as under:

Institution/ Level	Indicator
Individual banks at Head Office	Cu+RIDF
State Level (SLBC)	Cu+RIDF
District Level	Cs

Note:

Cu= Credit as per place of Utilisation

Cs= Credit as per place of Sanction

RIDF= Total Resource support provided to States under RIDF

RECOVERY

A summary of the recovery data (as on 30.06.2011) is given below.

(Rs.in Crore)

Bank	Demand raised	Amount recovered	Recovery %
Comm. Banks	5910.44	2924.46	49.48
Co-op. Banks	829.78	472.30	56.92
RRBs	1392.05	1015.84	72.97
Total	8132.27	4412.60	54.26

Recovery percentage at 54.26% of the total demand raised by banks as on the 30th June 2011 indicates a significant increase in NPAs. The positions need to be improved and the State government is requested to help the banks in this drive.

Bank-wise position of recovery as on 30.06.2011 is furnished on **Page- 24 A & 24 B**.

NPAs & WRITE-OFF

As on 30.06.2011, overall position of NPAs and the amount of loans written off is as under:

(Rs. in Crore)

Banks	Total Adv.	Total NPA	% of NPA	Amt. written-off	% of written- off amt. to total advances
Comm. Banks	32040.28	1761.81	5.50	1042.19	3.25
Co-op. Banks	1694.72	69.55	4.10	0	0
RRBs	5935.00	272.92	4.60	223.79	3.77
Total	39670.00	2104.28	5.30	1265.98	3.19

The position of NPAs as on 30.06.2011 was far from satisfactory, especially when it is compared with national average. Therefore, all out efforts need to be made for bringing down the NPA level well below 5%.

Bank-wise details are furnished on **Page- 24C TO 24D** for discussion and review by the House.

CERTIFICATE CASES

As on 30.06.2011, 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.	284578	104941	1878	974	282700	103967
Co-op	0	0	0	0	0	0
RRBs	36499	3462	121	4	36478	3458
Total	321077	108403	1999	978	319078	107425

It is evident from the above Table that only 0.62% cases have been disposed of, and still 319078 cases involving Rs. 1074.25 Crore are pending at different stages. This is a substantially large amount which, if recovered and recycled, can further enhance disbursements under ACP: 2011-12. The State Government is earnestly requested to instruct the newly nominated Senior Deputy Collector (Banking) at the district level to bestow their personal attention for early disposal of these cases. Details are furnished on **Page-24 E**.

The House may review the position.

PRIORITY SECTOR LENDING

As on 30.06.2011, the National Benchmark of 40% for the share of priority sector advances in total advances has been achieved by almost all banks. The House may notice that the ratio of priority sector advances to total advances is as high as 63.30% in the State, which is well above the Benchmark of 40%. Bank-wise position is furnished on **Page-24 F TO 24 I**.

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 35.95% as on 30.06.2011, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page-24 F TO 24 K**.

DIFFERENTIAL INTEREST RATE (DIR)

As on the 30th June 2011, the aggregate advances level under DRI Scheme stands at Rs. 53.61 Crore, which is 0.15% of the total advances of Rs. 36298.77 Crore as on 31.03.2011. 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. Further, a total of 1304 beneficiaries were provided loans amounting to Rs.1.97 Crore under Differential Rate of Interest Scheme during the period under review. In addition to this, 47 beneficiaries were provided credit support of Rs. 0.10 Crore to complete their dwelling units under Indira Awas Yojana. 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.

Bank-wise position is furnished on **Page-24 F, 24 G & 24 L.**

WEAKER SECTIONS

Banks extended financial assistance amounting to Rs. 8992.05 Crore out of the aggregate advances of Rs.39670.00 Crore to Weaker Sections of society, during the period under review, which stood at 22.67% of the total advances, against the benchmark of 10%. Further, as percentage of Priority Sector Advances, the achievement was much better at 35.81% against the Benchmark of 25%.

Bank-wise position is furnished on **Page-24 F to 24 G.**

AGENDA-IX

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

Banks have covered a total of 2449 un-banked villages out of 9213 un-banked villages in the State. Thus, remaining 6764 villages are to be covered by banks in the remaining quarters of the current financial year. As reported, banks like Andhra Bank, Dena Bank, Oriental Bank of Commerce, United Bank of India, Bihar Kshetirya Gramin Bank and Samastipur Kshetirya Gramin Bank have not covered even a single village allotted to them whereas some banks have not opened banking outlets even in 10% of their allotted villages. All concerned are requested to bestow their attention and intensify their efforts manifold for setting up of banking outlets in the villages allotted to them within the stipulated time-frame.

Bank-wise details of villages covered vis-a-vis village allocated to them are furnished on **Page-25A**.

AGENDA-X

UNIQUE IDENTIFICATION "AADHAR"

Unique Identification "AADHAR" is the prestigious and visionary planning of Government of India. The UID renamed as 'AADHAR' has got a new logo. The Project Unique Identification Authority of India (UIDAI) will have the world's largest biometric database. The UID System is envisioned as a means for residents to easily establish their identity, anywhere in the country. It will be an important step towards ensuring that residents in India can access the resources and benefits they are entitled to. It aims to give 1.2 billion residents of the country a 12-digit unique identity number. The Authority plans to enroll residents into its database with proper verification of their demographic and biometric information. This will ensure that the data collected is clean from the start of the programme. Some banks have been engaged by the UID for enrollment of the general public to the UID system. A brief presentation is to be made by the UID in this meeting of SLBC.

AGENDA-XI

“SWABHIMAAN”: THE FINANCIAL INCLUSION CAMPAIGN

The Government and IBA, on behalf of member banks, successfully launched ‘Swabhimaan’- the financial inclusion campaign on 10th February, 2011 at Vigyan Bhawan, New Delhi. During the function, a short film highlighting the campaign theme and common signage (logo) for Business Correspondents was released. In this context, the Secretary, Department of Financial Services has requested banks to ensure usage of the ‘Swabhimaan’ logo by Business Correspondents. Further, for better identification and creating awareness of the campaign and to spread financial literacy, etc., the BCs are required to display the ‘Swabhimaan’ logo on the sign board at their outlets and wear a T-Shirt/cap bearing the ‘Swabhimaan’ logo. Controlling heads of all banks operating in the State were advised vide our letter No.-RBU/I/SLBC/422 dated 17th June 2011 copy placed on **Page- 26 A** with a request to instruct their operating functionaries implementing the project of Financial Inclusion to arrange accordingly.

AGENDA-XII

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

The issue is of immense importance as far as 100% Financial Inclusion is concerned and as such, it has been discussed and reviewed in almost all the review meetings of SLBC. 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 471665 No-Frills accounts were opened during the first quarter of FY 2011-12. Thus, a total of 6621997 No-frills accounts have been opened till 30th June 2011 mobilising deposits of Rs.475.90 Crore. Out of these, 5162399 accounts are operational. Further, overdraft facility has been extended to 118187 No-frills account holders; the amount involved being Rs. 38.18 Crore. Apart from this, 21258 General Credit Cards have been issued to No-frills account holders, with aggregate credit limits of Rs. 48.10 Crore.

Bank-wise details are furnished on **Page-26 B TO 26 C**.

AGENDA-XIII

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 Scheme is meant for ameliorating the living conditions of the Economically Weaker Sections (EWS)/ Low Income Group (LIG) population in the urban areas through affordable loans from primary lending institutions like banks and Housing Finance Institutions (HFIs). The notified agency will certify eligibility norms based on the income certification of the beneficiaries by the concerned State revenue authorities. Interest subsidy of 5% from Government of India, Ministry of Housing & Poverty Alleviation (MoHUPA) is provided under the Scheme. The nodal agency identified for implementing the Scheme in the State of Bihar is requested to initiate requisite steps so that the modalities may be framed and the Scheme may be implemented in the State by all concerned.

AGENDA-XIV

PROVIDING LEAD BANK RESPONSIBILITY TO A FEW OTHER BANKS IN THE STATE OF BIHAR

The issue of providing lead responsibility to major banks like Bank of India and Allahabad Bank which have sizeable presence in the State, but not having lead responsibility in any of the districts, was included in the Agenda of the last quarterly review meeting of SLBC, Bihar held on 18th May 2011, but the same could not be discussed because of paucity of time. A special meeting of SLBC has been called on 6th August 2011 inviting all major commercial banks operating in the State, the Reserve Bank of India and Principal Secretary-Finance, GoB to discuss the issue at length and take an appropriate decision after considering the various factors and discussion with the concerned banks.

AGENDA-XV

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 to give special attention on implementing financial inclusion plans in security sensitive areas which are affected by Left-Wing extremism. The districts of Arwal, Aurangabad, Gaya, Jamui, Jehanabad 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 one of the reasons for extremism is lack of support for developmental activities, all banks are requested to provide necessary financial support to people of these districts to carry out income generating activities, on a priority basis. Comparative performance of banks in these districts is furnished below, which shows improvement in almost all the districts over their performance in the same period last year:

SL.No.	District	Disbursement under ACP as on 30.06.2011	Disbursement under ACP as on 30.06.2010	%Growth
1.	Arwal	1913	1586	20.62
2.	Aurangabad	9517	7985	19.19
3.	Gaya	15374	13192	16.54
4.	Jamui	4490	5893	-23.81
5.	Jehanabad	3941	2597	51.75
6.	Rohtas	16819	10787	55.92

It is evident from the above Table that banks have extended higher quantum of credit as compared to last year in all the security sensitive districts except Jamui. The credit extension in Jehanabad and Rohtas districts has improved considerably. The Lead District Manager of Jamui district is advised to coordinate with all banks operating in the district and initiate requisite steps for improving the performance. Further, the State Government is also requested to provide necessary infrastructural support so that banks may provide larger coverage which in turn will also facilitate larger credit extension in these areas.

AGENDA-XVI

ANNUAL CREDIT PLAN 2011-12 (REVISED)

A meeting of Sub-committee of SLBC, Bihar was held on 06th July 2011 under the Chairmanship of Principal Secretary-Finance, Government of Bihar at Old Secretariat, Patna to review / revise the targets set under SME under the Annual Credit Plan 2011-12 for the State of Bihar as it was pointed out during the last review meeting of SLBC held on 18th May 2011 that the targets set under SME during 2011-12 was lesser than the disbursement made by banks under the Sector during 2010-11.

Accordingly, the targets were revised as under:

REVISED TARGETS UNDER ACP 2011-12

(Rs. in Crore)

YEAR	AGL	SME	OPS	TPS	NPS	ACP
2011-12 (Earlier)	21101.95	1951.86	5089.84	28143.65	15056.35	43200.00
2011-12 (Revised)	21101.95	2441.25	4600.45	28143.65	15056.35	43200.00

A statement of the allocated targets is furnished on **Page-32 A TO 32F** for perusal and ratification by the House.

AGENDA-XVII

PROCURING DATA FOR QUARTERLY REVIEW MEETING OF SLBC

On the issue of discrepancy in data furnished by banks regarding disbursement made under Annual Credit Plan and Scheme-wise sanction/ disbursement data, in the last SLBC review meeting held on 18th May 2011, Executive Director, Canara Bank suggested that in Kerala State, where they have SLBC-Convenorship, this type of discrepancy do not occur. SLBC-Bihar has taken up the matter with SLBC-Kerala and they informed that the data are being obtained from various agencies. Accordingly, we propose to procure the detailed information as under, if the House ratifies it:

Data	To be obtained from
Deposits and Advances level and other information regarding total advances	Bank
NPA, Write-off, Recovery, Certificate Case	Bank
Extension of Banking Services to villages having population of over 2000	Bank
No-frills account opened and GCC & OD sanctioned/ disbursed	Bank
Disbursement under Annual Credit Plan	Lead District Manager
100% Financial Inclusion	Lead District Manager
Credit Extension to Minorities	Lead District Manager
Sanction/ disbursement Scheme-wise (other than BIGWIS, SGSY & PMEGP)	Lead District Manager
Sanction/ disbursement under BIGWIS	Minor Irrigation Department
Sanction/ disbursement under SGSY	Rural Development Department
Sanction/ disbursement under PMEGP	DIC/ KVIC
Crop Insurance data	Agriculture Insurance Company

AGENDA-XVIII

OPENING BRANCH OF COMMERCIAL BANK AT GHATKUSUMBA AND ISMAILPUR BLOCK

There are only two Blocks, namely, Ghatkusumba in Sheikhpura district (Lead responsibility- Canara Bank) and Ismailpur in Bhagalpur district (Lead responsibility- UCO Bank), which do not have a brick-and-mortar branch. In her recent visit to Patna, Smt. Shayamala Gopinath, the then Deputy Governor, Reserve Bank of India desired that efforts should be made for opening bank-branches in these Blocks by the concerned lead banks, at an early date so that the full bouquet of banking services may be available to the people. Basic banking facilities are available to the people of these blocks as Canara Bank is providing Mobile-van banking facility and has engaged a business correspondent to provide basic banking services to the residents of Ghatkusumba block whereas a Satellite branch of Bihar Kshetriya Gramin Bank is operational at Ismailpur block. However, the Finance Ministry has been insisting that there should be no unbanked Block headquarters in any State. Controlling heads of banks having lead responsibility in these districts are requested to appraise the House regarding progress made in this regard.

AGENDA-XIX

BRINGING GREEN REVOLUTION TO EASTERN INDIA (BRGEI)

The Government of India has identified some States of Eastern Part of the Country to bring 2nd Green Revolution in the Country and Bihar is one of such States. In his visit to the State, Shri P.K.Basu, Secretary, Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India, observed that one of the reasons for low farm productivity is inadequate availability of credit support to farmers especially small and marginal farmers, tenant farmers, share croppers and oral lessees. A copy of the letter addressed to the Government of Bihar by Ministry of Agriculture, GoI is placed on **Page- 32 G TO 32 I** for information of all concerned. Controlling heads of all banks are requested to instruct their operating functionaries to provide more credit to farmers especially who belong to lower strata of the society so that it helps the state to play a lead role in ushering in the second Green Revolution in the Country.

AGENDA-XX**GRANTING PERSONAL LOANS TO CONTRACT TEACHERS**

With regard to granting Personal Loans to teachers employed by the State Government on contract basis, some banks have raised queries regarding the nature of employment of these teachers. In this connection, the State Government is requested to clarify the nature of employment of these teachers so that banks may take appropriate decision for providing credit facility to them as per extant instructions.
