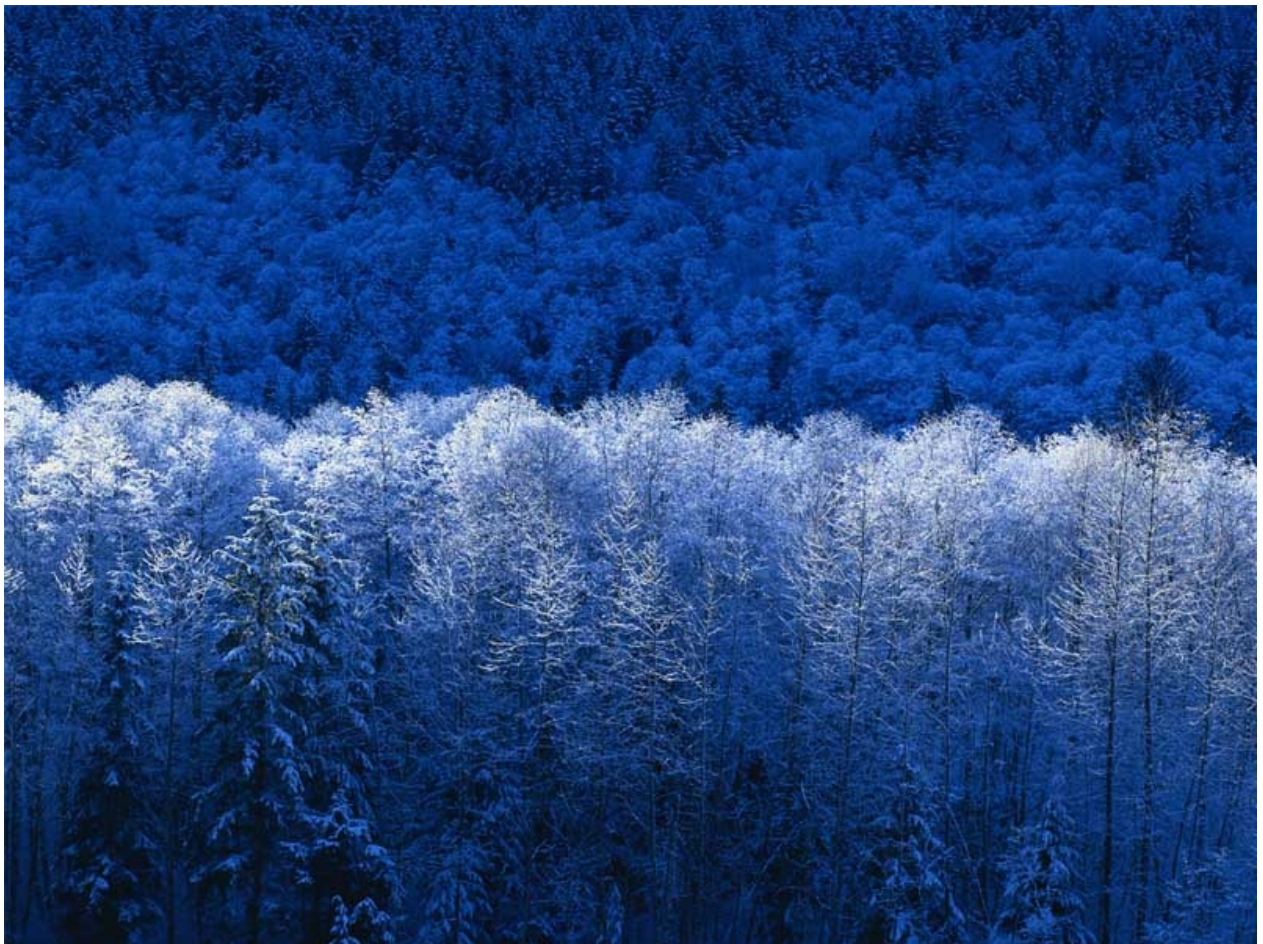


STATE LEVEL BANKERS' COMMITTEE, BIHAR
38TH REVIEW MEETING
FOR THE QUARTER ENDED 30TH SEPTEMBER 2011

VENUE: HOTEL CHANAKYA, PATNA

DATE: 18.11.2011

TIME: 10.30 AM



CONVENOR:
STATE BANK OF INDIA
SLBC DEPARTMENT (5TH FLOOR)
LOCAL HEAD OFFICE, WEST GANDHI MAIDAN
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**STATE LEVEL BANKERS' COMMITTEE
38TH MEETING**

NOTES ON AGENDA ITEMS

AGENDA-I

**CONFIRMATION OF MINUTES OF THE
37TH STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON 11.08.2011**

The House may please confirm the Minutes of the 37th State Level Bankers' Committee meeting held on the 11th August 2011.

AGENDA-II

ACTION TAKEN REPORT ON THE 37TH SLBC MEETING

[1] ACTION POINT- Banks should put in concerted efforts for achieving the targets under Annual Credit Plan 2011-12.

(Action- All Banks)

ACTION TAKEN: - Due to focussed attention provided by all banks operating in the State an amount of Rs. 13765.33 Crore was disbursed during the period under review, registering Y-o-Y growth of 27.32%. During the corresponding period last year, banks could disburse loans amounting to Rs. 10811.73 Crore. However, the performance of Private-sector banks, except South Indian Bank and HDFC Bank, is not at the desired level as the amount disbursed by them is below 5% of the targets allocated. 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 so that the overall achievement at the State-level may get further boost.

[2] ACTION POINT- Banks should ensure that the targets for issuing Kisan Credit Cards are achieved.

(Action: All Banks)

ACTION TAKEN: - Banks have issued 803038 Kisan Credit Cards amounting to Rs. 4103.21 Crore during the first half of the current financial year against 716142 KCCs amounting to Rs. 2901.38 Crore issued during the same period last year. A growth of about 12.13% and 41.42% has been witnessed in terms of no. of KCCs issued and amount of finance extended Y-o-Y.

[3] ACTION POINT- All the crop loans disbursed should invariably be covered under crop insurance. The Statement of Crop Insurance, duly filled in, should be submitted at monthly intervals.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of all banks operating in the State have been requested to instruct their operating functionaries to ensure submission of statement of crop insurance at monthly intervals. Operating functionaries should be sensitized regarding extending crop

insurance cover to all crop loans disbursed. It should also be ensured that the statement so submitted is complete in all respects. As per information received by SLBC, 124387 farmers have been covered under NAIS while 454271 farmers have been extended the benefit of crop insurance coverage under WBCIS and 40078 farmers have been covered under MNAIS. Thus, a total of 618736 farmers have been provided the crop insurance cover for KHARIF 2011, the sum insured being Rs.1458.47 Crores and the area covered being 761724 hectares.

[4] ACTION POINT Data regarding no. of KCCs due for renewal and no. of KCCs actually renewed should be furnished by all banks in the next SLBC meeting.

(Action: All Banks)

ACTION TAKEN: - Banks were requested to submit the information regarding no. of KCCs due for renewal and out of this no. of KCCs actually renewed. The requisite information has been received by some of the banks is as under:

No. of KCCs due for renewal as on 30.09.2011	No. of KCCs actually renewed as on 30.09.2011	%age of KCCs renewed (out of total KCCs due for renewal) as on 30.09.11
504759	407869	80.80%

Detailed statement is placed on **Page- 19 E** for information.

[5] ACTION POINT- All out efforts should be made to achieve the targets set under BIGWIS. Adequate no. of applications should be sponsored by the Government agencies.

(Action: All Banks & State Government)

ACTION TAKEN: - A total of 13167 farmers have been provided credit support of Rs. 62.77 Crore under BIGWIS during the period under review. Further, as regards disbursement made under the Scheme, loans amounting to Rs. 34.91 Crore were provided to 8693 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- Adequate publicity should be given to the State Government's Scheme of Interest and the benefits available in case of prompt repayment of KCC loans.

(Action: State Government, All Banks)

ACTION TAKEN: As per the information received by SLBC, some of the major banks operating in the state have published detailed advertisement regarding benefits available to KCC borrowers on prompt repayment of KCC loans. Further, advertisement has also been published on behalf of the State Government. Further, some banks have advised that they have prominently displayed the salient features of the Scheme on the Notice Board of their bank-branches.

[7] ACTION POINT- Banks should make all out efforts for improving their performance under PMEGP.

(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. Against the physical target of 5298 projects, banks have sanctioned loans amounting to Rs. 70.95 Crore to 1294 beneficiaries during the first half of FY 2011-12. As regards, disbursement loans amounting to Rs. 58.14 Crore were provided to 1321 units during the period under review. The performance of all banks taken together is only 24.93% of the annual target of no. of projects to be financed.

[8] ACTION POINT- LDMs and SDCs should organise a JANTA DARBAR jointly once in a week to hear the grievances of the customers

(Action: LDMs & SDCs-Banking)

ACTION TAKEN: - Lead District Managers of all districts in Bihar have been requested to organize JANTA DARBAR at weekly intervals to hear and resolve the grievances related to banking of the general public. Some of the Lead District Managers have reported that they are organizing a grievance redressal forum once in a week and customer grievances are dealt with promptness by banks.

[9] ACTION POINT- Banks should accord Top Priority to extension of banking services to villages having population of over 2000 and all banks should put in concerted efforts for covering all the identified villages by March 2012.

(Action: All Banks)

ACTION TAKEN: - Extension of banking services to villages having population of over 2000 is one of the top priorities for banks. Banks have covered a total of 3856 un-banked villages out of 9213 un-banked villages in the State. Thereby, the achievement of all banks taken together is still below 50% and it stands at 41.85% as on 30th September 2011. Thus, remaining 5357 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 and Samastipur Kshetriya Gramin Bank have not covered even a single village allotted to them whereas the achievement of UCO Bank (4.72%), MBGB (20.60%) and UBGB (23.12%) is below 25% 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.

[10] ACTION POINT- State Government should organise Block Level Mega Credit Camps on 9th and 23rd September 2011 and Block/ Circle authorities as well as the representatives of all banks should participate whole-heartedly in these camps.

(Action: State Government, All Banks and LDMs)

ACTION TAKEN: - The Block Level Mega Credit Camps were organized on 9th and 23rd September 2011 to procure applications from farmers to provide credit support to them to undertake their Agri related activities. The detailed district-wise information received from Lead District Managers regarding applications generated, sanctioned and disbursed is furnished on **Page- 11 A to 11 B** for information and review by the House. The summarized statement is given below:

In Mega Credit Camp organized on 9th September 2011:

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	70701	14131	7688	11726	5782
OTHERS	7451	1766	2208	1214	1667
TOTAL	78152	15897	9896	12940	7449

In Mega Credit Camp organized on 23rd September 2011:

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	42835	46272	20960	40706	16858
OTHERS	4261	5204	7418	3874	7370
TOTAL	47096	51476	28378	44580	24228

Further, it has also been reported by some of the districts, that the camp was not organized at some of the block offices or was not duly attended by block officials and representatives of banks. All concerned are requested to ensure that the representation is 100% in such camps for better performance.

[11] ACTION POINT- Controlling heads of all banks should provide special attention to extending more finance under Dairy, Fishery and Poultry activities.

(Action: All banks)

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

(Amt. in Lakh)

Activity	September'11		September'10		% Growth	
	No.	Amt.	No.	Amt.	No.	Amt.
Dairy	8326	10683	5740	4906	45.05	117.75
Fishery	412	549	763	896	-46.00	-38.73
Poultry	1518	752	444	778	241.89	-3.34

It may be noticed that performance of banks has improved considerably in terms of no. of units financed under Dairy and Poultry activities whereas in case of fishery, decline has been observed. 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 under different schemes viz. dairy specific schemes, SGSY, SJSRY, SHGs and other schemes. In this regard, SLBC has made several requests and the SLBC return format has also been duly amended. Still it appears that banks are furnishing information under only dairy specific scheme. Controlling heads of all banks are requested to see to it that the report furnished to SLBC contains information of total no. and amount provided by them under various schemes for dairy activity so that actual data may be provided before the House from

the next SLBC meeting. Further, during the discussions and review in the special meeting held under the chairmanship of Shri Giriraj Singh, Hon'ble Minister-Animal and Fisheries Resources, Government of Bihar on 13th, 20th and 21st October 2011 at Commissioners Headquarters to review the performance of banks in extending credit under Dairy, Fishery, Poultry and other related Schemes, it was observed that the performance of banks under various schemes related to Animal & Fisheries department was far from satisfactory. Keeping this in view, it was decided that to provide further impetus to performance under the abovementioned activities a Coordination Committee meeting be organised on 10th of each month for effective coordination among all concerned to improve financing under Dairy, Fishery, Poultry etc. LDMs of all districts have already been advised to organise the said coordination committee meeting on 10th of each month so that the performance of banks may get further boost.

[12] ACTION POINT- Appropriate steps may 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 to address security related concerns of banks appropriately.

[13] ACTION POINT - Small amount of loans as OD/ GCC should be provided to all the No-frills account holders.

(Action: All banks)

ACTION TAKEN: - Controlling Heads of all banks operating in the State have been requested to issue appropriate instructions to their operating functionaries to provide small amount of credit support to all the No-frills account holders by extending credit through Overdraft or General Credit Card facility. As reported, banks have extended credit support to No-frills account holders as under:

Total No-frills account	Operational No-frills account	Overdraft facility provided to No-frills account holders		General Credit Card provided to No-frills account holders	
No.	No.	No.	Amt.	No.	Amt.
7564639	5676832	195201	5057	41675	7810

[14] ACTION POINT- The draft Agreement to be entered into between R-SETIs and DRDAs in every district for sponsoring the trainees should be finalized at the earliest.

(Action: State Government)

ACTION TAKEN: - The Rural Development Department, Government of Bihar is requested to apprise the House regarding the progress made towards executing an agreement between RSETIs and DRDAs for sponsoring trainees.

[15] ACTION POINT- Newly appointed Senior Deputy Collectors (SDCs)- Banking should be conferred upon with the power of the Certificate Officer so that the certificate cases pending at different levels may be disposed at an early date.

(Action: State Government)

ACTION TAKEN: - The Department of Institutional Finance, Finance Department, Government of Bihar, Patna have been requested to issue appropriate instructions for conferring upon the power of the Certificate Officer to the Senior Deputy Collectors (SDCs)-Banking to enable the latter to dispose of the pending certificate cases of banks. However, communication in this regard is yet to be received by SLBC for circulation among all concerned.

[16] ACTION POINT Scale of Finance (SoF) should be revised in the remaining ten districts, namely, Arwal, Aurangabad, Buxar, Gaya, Gopalganj, Jamui, Kaimur, Lakhisarai, Katihar and Sheohar.

(Action: NABARD, Concerned LDMs and SDCs-Banking)

ACTION TAKEN: - The Deputy General Manager, NABARD has advised that the Scale of Finance (SoF) have been revised in the above mentioned districts. Now, the SoF has been revised in all districts of the State and it is expected that it will prove handy in increasing the credit flow to agriculture.

[17] ACTION POINT- All Banks should provide information regarding the amount of finance extended by their branches/ offices operating outside the State to units functioning in Bihar so that actual CD ratio of the State may be worked out.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of all banks operating in the State have been requested to provide the requisite information regarding credit extended by their banks' branches operating outside the state to units functional in Bihar. As per information received by some of the banks, a total of Rs. 1868.25 Crore have been granted by all banks taken together to units functional in the State by the banks' branches operating outside Bihar. The detailed information is as under:

(Rs. In Crore)

Name of the Bank	Amount outstanding as on 30.09.2011
State Bank of India	1592.69
Punjab National Bank	125.79
Indian Bank	119.77
State Bank of Bikaner & Jaipur	30.00
Total	1868.25

[18] ACTION POINT- Special Camps should be organised by banks to extend credit support to Indira Awas Yojana beneficiaries under DRI Scheme to enable them to complete their dwelling units and achieve the target of 1% of outstanding advances under DRI.

(Action: All Banks)

ACTION TAKEN: - Banks have been requested to provide focussed attention for improving their performance under Differential Rate of Interest Scheme (DRI). Due to impetus given by banks, the performance has improved and the outstanding advances under DRI has increased from Rs. 39.02 Crore as on 30th September 2010 to Rs.57.38 Crore as on 30th September 2011, registering Y-o-Y growth of 47.05%. Further, a total of 3014 beneficiaries were provided loans amounting to Rs.4.73 Crore under Differential Rate of Interest Scheme during the period under review. In addition to this, 85 beneficiaries were provided credit support of Rs. 0.42 Crore to complete their dwelling units under Indira Awas Yojana.

[19] ACTION POINT- ATM Cards should be issued to all the eligible KCC holders.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of all banks have been requested to instruct their operating functionaries to issue ATM Cards to all the eligible farmers under Kisan Credit Card. However, the requisite information in this regard has been made available only by a few banks. As per information received from them, a total of 30679 KCC holders have been provided with ATM Cards for operating their KCC accounts.

Bank-wise information regarding KCC holder issued ATM Card is furnished on **Page- 11 C** for information.

ACTION TAKEN: - SLBC, Bihar had requested the Rural Planning and Credit Department, Reserve Bank of India, Regional Office, Patna by providing requisite details/ information for reallocation of lead bank responsibility in Samastipur, Saharsa and Sitamarhi districts. However, the RPCD, Reserve Bank of India, Patna has suggested vide their letter No.- RPCD (Pat) No.472/02.01.101/2011-12 dated 21st October 2011 that reallocation of lead bank responsibility in the above mentioned districts should be re-examined by all stake holders (copy placed on **Page- 11 D to 11 F** for information of all concerned). They have suggested that after considering the branch network, business levels and priority sector advances level of banks lead bank additional responsibility should be provided to Bank of India, Allahabad Bank, Canara Bank and State Bank of India in one district each. For this, Central Bank of India and UCO Bank may shed lead responsibility in one district each while Punjab National Bank may shed lead responsibility in two districts.

(Action: LDMs and All Banks)

ACTION TAKEN: - Controlling Heads of all banks operating in the State have been requested to provide the same set of data to SLBC as well as to LDMs to avoid mismatch of data. Further, a meeting of the Sub-committee of SLBC for devising a suitable format was held on 12th October 2011. After due deliberations, the meeting resolved that the format should contain detailed information considering the need of data by the State Government. It was further decided that the next meeting of the sub-committee would be held under the Chairmanship of Shri Pradeep Kumar, Deputy General Manager, NABARD to design an appropriate format after receiving the requisite information from the State Government. The NABARD is requested to apprise the House regarding the progress made in this regard.

(.....)

STATE LEVEL BANKERS' COMMITTEE, BIHAR
KEY INDICATORS

(ALL BANKS)

(Rs. in Crore)

Sl. No.	ITEMS	Mar'11	Sep'10	Sep'11	Bench- mark
1	DEPOSITS	113909.10	101762.67	122934.42	
2	ADVANCES INCLUDING RIDF	38723.19	33901.78	43002.57	
3	CD RATIO	33.99	33.31	34.98	
4	PRIORITY SECTOR ADVANCES	25230.46	22327.88	27506.96	
5	SHARE OF PSA IN TOTAL ADV. (%)	69.51%	69.95%	67.27%	40 %
6	AGRICULTURAL ADV.	13981.70	13279.30	16270.91	
7	SHARE OF AGL. ADV IN TOTAL ADV (%)	36.11%	41.60%	39.79%	18 %
8	MSE ADV.	5747.49	3588.55	6250.89	
9	SHARE OF MSME ADV. IN PSA (%)	22.78%	11.24%	15.29%	
10	ADV. TO WEAKER SEC.	9049.35	9122.67	9732.29	
11	SHARE OF WEAKER SEC. IN PSA (%)	35.87%	28.57%	35.38%	10 %
16	DRI ADV.	50.98	39.02	57.38	
17	SHARE OF DRI ADV IN TOTAL ADV (%)	0.17%	0.12%	0.16%	1 %
18	ADV. TO WOMEN (DISBURSEMENT)	1312.89	457.07	690.66	
19	SHARE OF ADV. TO WOMEN IN DISBURSEMENT (%)	5.14%	4.23%	5.02%	5 %

BRANCH NETWORK

A	RURAL	2747	2574	2784	
B	SEMI-URBAN	978	914	1004	
C	URBAN	824	775	862	
D	TOTAL	4549	4263	4650	

AGENDA-III

REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN: 2011-12

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

(Rs. in Crore)

Banks	Target	Achievement	% Ach.
Comm. Banks	31591.19	10765.94	34.08
Co-op. Banks	2018.74	205.60	10.18
RRBs	9590.07	2793.79	29.13
Total	43200.00	13765.33	31.86

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

Sector	Target	Achievement	% Ach.
Agriculture	21101.95	6039.35	28.62
MSE	2441.25	1301.33	53.31
OPS	4600.45	1485.00	32.28
TPS	28143.65	8825.68	31.36
NPS	15056.35	4939.65	32.81
Total	43200.00	13765.33	31.86

Bank-wise and district-wise position is furnished on **Page- 14 A TO 14 F.**

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

(Rs. in Crore)

Banks	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Comm	31591.19	10765.94	34.08	27467.70	8909.35	32.44	20.84
Co-op	2018.74	205.60	10.18	1841.13	277.39	15.07	-25.88
RRBs	9590.07	2793.79	29.13	7691.17	1624.99	21.13	71.93
Total	43200.00	13765.33	31.86	37000.00	10811.73	29.22	27.32

SECTOR-WISE PERFORMANCE:

(Rs. in Crore)

Sector	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Agl.	21101.95	6039.35	28.62	15868.11	4275.11	26.94	41.27
MSE	2441.25	1301.33	53.30	1947.30	1069.88	54.94	21.63
OPS	4600.45	1485.00	32.28	4343.62	1383.45	31.85	7.34
TPS	28143.65	8825.68	31.36	22159.03	6728.44	30.36	31.17
NPS	15056.35	4939.65	32.81	14840.97	4083.30	27.51	20.97
Total	43200.00	13765.33	31.86	37000.00	10811.73	29.22	27.32

Comparative performance shows that the overall achievement during the period under review is 31.86%, as against 29.22% 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 Commercial Banks and RRBs have recorded impressive growth, particularly RRBs, in their loan disbursements vis-a-vis their performance over the same period last year while Cooperative Banks recorded negative growth over their last year performance. In case of sector-wise growth, it will be observed that advances to Agri segment have increased significantly during the period 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 84.56% as on 30th September 2011. The detailed report obtained from the districts is placed on **Page- 15 A** 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.

District-wise position is shown below under different groups:

% Achievements as on 30.09.2011	No. of districts	Identified Districts
100%	2	Madhepura and Kaimur
Above 95%	3	Lakhisarai, Patna and Kishanganj
Above 90% and upto 95%	4	Araria, Begusarai Jamui and West Champaran
Above 80% and upto 90%	3	Jehanabad, Samastipur and Darbhanga
Above 70% to 80%	3	East Champaran, Nalanda, Bhagalpur and Muzaffarpur
Above 50 and upto 70%	5	Arwal, Aurangabad and Nawada

AGENDA-V

EDUCATION LOAN

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.396.01 Crore have been sanctioned to 14290 students and out of these, loans amounting to Rs. 266.70 Crore were disbursed among 14199 students. The achievement of all banks taken together is only 40.83% of the targets allocated. Controlling Heads of all banks are requested to provide further impetus so that the targets set under the Scheme are achieved. Bank-wise performance is furnished on **Page-15 B**.

AGENDA-VI

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 30.09.2011 was Rs. 3811.18 Crore (No. of borrowers: 613176) out of which loans amounting to Rs.1757.33 Crore (46.11% of PSA) were provided to 213351 (34.79% of PSA) borrowers belonging to minority communities. The amount provided to Minority communities by banks in the above mentioned districts ranges from 26 to 75%. Thus, all these 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-18 A**.

AGENDA-VII

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 13167 applications for loans amounting to Rs. 62.77 Crore were sanctioned by banks during the period under review whereas 14949 applications were sanctioned involving Rs. 66.63 Crore during the corresponding period last year under the Scheme. Further, as regards disbursement, a total of 8693 applications were disbursed, amount involved being Rs. 34.91 Crore. Concerted efforts should be put in by all concerned for achieving the targets set under the Scheme for the current financial year.

Bank-wise performance is furnished on **Page-18 B to 18 C**.

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

Against the physical target of 5298 projects, banks have sanctioned loans amounting to Rs. 70.95 Crore to 1294 beneficiaries during the first half of FY 2011-12. As regards disbursement, loans amounting to Rs. 58.14 Crore were provided to 1321 units during the period under review. The performance of all banks taken together is only 24.93% of the annual target of no. of projects to be financed. For timely and quick sanction and disbursement of loans under the scheme, all concerned are requested to pay more focussed attention. It has been reported on many occasions in the past that lack of coordination among concerned agencies is one of the main reasons for poor performance of banks under the Scheme. It is therefore suggested that the performance under the Scheme should also be reviewed in DLCC meetings and other such meetings held at district-level at periodical intervals 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- 18 D to 18 E** for information of all concerned.

C) SWARNA JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 30.09.2011 under SGSY during the year 2011-12:

(Rs. in Crore)

PARTICULARS	NUMBER	AMOUNT
No. of applications sponsored (Individuals)	6843	
No. of individual swarojgaries financed	5860	22.58
%age of disb. to applications sponsored (ind.)	85.63%	
No. of applications sponsored (Groups)	13066	
No. of Groups financed	8798	107.47
%age of disb. to applications sponsored (group)	67.34%	
No. of individuals in groups	85741	98.66
Total no. of swarojgaries provided loans	91601	130.05

It is evident from the above Table that 91601 beneficiaries were provided loans under the Scheme during the period under review, amounting to Rs. 130.05 Crore, as against 96570 beneficiaries provided credit support of Rs. 111.03 Crore during the corresponding period last year, thereby registering a growth of 17.13% in terms of amount of financial assistance extended while a decline of 5.16% was witnessed in no. of beneficiaries assisted under the scheme. Further, the targets under the scheme has already been finalised and circulated to all concerned. A copy of the allocated targets for Financial Year: 2011-12 is placed on **Page-18 F to 18 H** for ratification by the House.

It is pertinent to mention here that the targets set under the Scheme is to be achieved by 31st December 2011, as the Scheme of NRLM will replace the existing scheme from 1st January 2012. Therefore, the Controlling Heads of all banks operating in the State are requested to bestow their attention and instruct their operating functionaries to initiate appropriate actions for achieving the targets set under the Scheme within the timeline.

Bank-wise performance is furnished on **Page- 18 I to 18 J.**

D) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Under the Scheme, loans amounting to Rs. 2.24 Crore were sanctioned to 429 beneficiaries during the first half of the current financial year. Further, loans amounting to Rs. 2.03 Crore were disbursed to 403 beneficiaries as on 30.09.2011.

Bank-wise position is furnished on **Page-18 K.**

AGENDA-VIII

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 10686 SHGs during the first half of FY: 2011-12, with total Bank-finance of Rs. 67.62 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 September 2011)	10686	67.62

Year-wise position of SHG bank-linkage as on 30.09.2011 is furnished on **Page-18 L to 18 M.**

AGENDA-IX

KISAN CREDIT CARD (KCC) **REVIEW OF PROGRESS AS ON 30.09.2011**

A summarised statement of targets vis-à-vis Kisan Credit Cards issued by Commercial Banks, RRBs and Co-operative Banks up to 30/09/2011 is given below:

Banks	Target (No.)		Sanctioned (No.)		% Achievement	
	New	Renewal	New	Renewal	New	Renewal
Comm. Banks	811208	540804	249540	146692	30.76	27.12
RRBs	467081	311387	128073	169340	27.42	54.38
Co-op. Banks	221711	147809	17556	91837	7.92	62.13
TOTAL	1500000	1000000	395169	407869	26.34	40.79

It is evident from the above Table that banks operating in the State have sanctioned loans to a total of 803038 beneficiaries (New-395169 & Renewal-407869) beneficiaries under KCC amounting to Rs. 4103.21 Crore during the first half of the current financial year while during the corresponding period last year, only 716142 beneficiaries were extended loans under KCC, the amount involved being Rs.2901.38 Crore . Thus, a growth of about 12.13% and 41.42% has been witnessed in terms of no. of KCCs issued and amount of finance extended Y-o-Y. 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.

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

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

As advised by the Patna Regional Office of Agriculture Insurance Company of India Limited, 124387 farmers have been covered under NAIS while 454271 farmers have been extended the benefit of crop insurance coverage under WBCIS and 40078 farmers have been covered under MNAIS. Thus, a total of 618736 farmers have been provided the crop insurance cover for KHARIF 2011, the sum insured being Rs.1458.47 Crores and the area covered being 761724 hectares. However, it appears that only a few farmers have been provided the benefit of crop insurance. Controlling heads of all banks have already been requested to bestow their attention and instruct the operating functionaries to submit the statement, duly filled in, containing details of crops to be covered at monthly intervals and ensure that all the crop loans disbursed are insured.

The position of insurance under NAIS, WBCIS and MNAIS for Kharif 2010 as on 27th October 2011, as advised by Agriculture Insurance Company of India Ltd, is furnished on **Page-22 A to 22 B**.

DAIRY, FISHERY & POULTRY

Banks have extended loans amounting to Rs.106.83 Crore to 8326 beneficiaries under various Dairy Development schemes, Rs.5.49 Crore to 412 beneficiaries under Fishery schemes and Rs. 7.52 Crore to 1518 beneficiaries under Poultry schemes. The performance has improved considerably in financing under Dairy (45% increase in no. of dairy units financed) and Poultry activity (242% increase in no. of poultry units financed) whereas in fishery (46% decrease in no. of fishery units financed) decline has been observed Y-o-Y.

Bank-wise performance data is furnished on **Page- 22 C to 22 E**, 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 that the report submitted to SLBC contains total no. and amount provided by them under various schemes for 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, as regards Fishery activity, the State Government has executed a MoU with Oriental Insurance Company of India Ltd. for Fishery Insurance Scheme. This is the first time in the country when Insurance of Fishery has been launched in the State of Bihar. The salient features of the Scheme received under the cover of letter No.-1489 dated 15th September 2011 from the Secretary, Animal & Fisheries Resources, GoB, Patna is placed on **Page- 22 F to 22 G** for information of the House. Controlling Heads of all banks are requested to instruct their operating functionaries to extend the benefit of Insurance coverage to all farmers who have availed loan for fishery activity. It is expected that this initiative of the State Government will further boost the credit flow to fishery activity.

FARM MECHANISATION

Against the disbursement target of Rs.1156.26 Crore for the current financial year, banks have sanctioned loans amounting to Rs. 133.27 Crore to 4849 farmers for purchasing farm equipments during the first half of the current financial year. As regards disbursement, loans amounting to Rs.130.02 Crore were provided for purchasing farm implements to 4733 farmers. Since the achievement of all banks taken together is only 11.24% of the target, the Controlling heads of all banks are requested to advise their branches to initiate requisite measures so that the targets set under the activity are achieved.

Bank-wise performance data is furnished on **Page- 22 H**, 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. As per information received, all banks taken together have sanctioned loans amounting to Rs.29.85 Crore to 48 units during the period under review while during the corresponding period last year, loans amounting to Rs.22.05 Crore were sanctioned to 59 units, thereby registering Y-o-Y growth of 35.37% and negative growth of 18.64% respectively in terms of amount sanctioned and no. Of units provided loans for storage facility. 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- 22 I**.

SMALL ROAD TRANSPORT OPERATORS (SRTOs)

Against the target of 11321 units, banks have sanctioned loans amounting to Rs. 137.24 Crore for purchasing 3624 vehicles by SRTOs, out of which loans amounting to Rs.136.26 Crore have already been disbursed for purchasing 3508 vehicles during the period under review while during the corresponding period last year loans amounting to Rs. 83.72 Crore to Small Road Transport Operators (SRTOs) was sanctioned for purchasing 2607 vehicles. Thus, Y-o-Y impressive growth of approximately 39% was registered in terms of no. of vehicles financed, the performance was even better in terms of amount of financial assistance extended at 64%.

Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page- 22 J**.

ADVANCES GRANTED UNDER CGTMSE SCHEME

A total of 10072 units were financed by banks involving Rs.247.37 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 3179 units could be financed by banks involving Rs. 116.58 Crore with CGTMSE cover. Thus, an impressive growth of 216.83% 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 112.19%. Further, as regards disbursement, loans amounting to Rs. 245.55 Crore were provided to 10057 units under CGTMSE cover. Controlling Heads of all banks operating in the State are requested to instruct their operating functionaries 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- 22 K**, for discussion and review by the House.

AGENDA-X

CD RATIO (As on 30.09.2011)

(Rs. in Crore)

Bank	Deposits	Advances	CD ratio
Comm. banks	106876.99	33035.09	30.91
Co-op. banks	2658.21	1663.35	62.57
RRBs	13399.22	6190.89	46.20
Total	122934.42	40889.33	33.26
RIDF	-----	2113.24	-----
Total (Advances +RIDF)	122934.42	43002.57	34.98
Investment	-----	4976.95	-----
Grand Total (Adv.+RIDF+Inv.)	122934.42	47979.52	39.03

As at the end of September 2011, CD Ratio stood at 34.98% which shows an increase of 167 basis points Y-o-Y. Also, an improvement of 99 basis points only has been witnessed in the CD Ratio, as compared to March 2011 even though the incremental CD ratio for the half year under review is 47.42%. Due to large amount of advances written off every year, CD Ratio has also been adversely affected. If the amount of Rs.1292.29 Crore had not been written-off this year, the CD ratio would have been 36.03%. Apart from it, the CD ratio of the State may improve further, if the State Government utilise the total amount sanctioned under RIDF. As on 30th September 2011 less than 50% of the amount sanctioned has been utilised by the Government of Bihar.

However, there are four districts, namely, Siwan (21.18%), Lakhisarai (22.98%), Bhojpur (23.12%) and Saran (23.12%) 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-24 A to 24 G.**

INCREMENTAL CD RATIO AS ON 30.09.2011

Amt. In Crore	March'11	September'11
Deposits	113909.10	122934.42
Advances including RIDF	38723.19	43002.57
Incremental CDR	-----	47.42%

It is pertinent to mention here that an amount of Rs.1868.25 Crore was provided to units functioning in Bihar by SBI, PNB, Indian Bank and State Bank of Bikaner & Jaipur by their 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 30.09.2011) is given below.

(Rs.in Crore)

Bank	Demand raised	Amount recovered	Recovery %
Comm. Banks	6467.87	3315.08	51.25
Co-op. Banks	1195.60	313.10	26.19
RRBs	981.70	622.83	63.44
Total	8645.17	4251.01	49.17

Recovery percentage at 49.17% of the total demand raised by banks as on the 30th September 2011 indicates a significant increase in NPAs. The position needs to be improved and the State government is requested to help the banks in this drive.

Bank-wise position of recovery as on 30.09.2011 is furnished on **Page- 24 H to 24 I.**

NPA's & WRITE-OFF

As on 30.09.2011, 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	33035.09	2195.52	6.65	1078.96	3.27
Co-op. Banks	1663.35	68.85	4.14	0	0.00
RRBs	6190.89	266.26	4.30	213.33	3.45
Total	40889.33	2530.63	6.19	1292.29	3.16

The position of NPAs as on 30.09.2011 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- 25 A to 25 B** for discussion and review by the House.

CERTIFICATE CASES

As on 30.09.2011, 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.	299144	111148	481	1014	298753	110134
Co-op	4707	2749	564	245	4143	2504
RRBs	36887	3684	268	206	36529	3478
Total	340738	117581	1313	1465	339425	116116

It is evident from the above Table that only 0.39% cases have been disposed of, and still 339425 cases involving Rs. 1161.16 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 confer the powers of Certificate Officer to the newly nominated Senior Deputy Collector (Banking) at the district level and instruct them to bestow their attention for early disposal of these cases. Further, a list containing details of top 10 Certificate Cases of each district has been placed on **Page- 25 E to 25 N** for information and perusal of the House. The State Government is requested to instruct the SDCs (Banking) to initiate requisite steps at their end for early disposal of the top 10 Certificate Cases of the respective district.

Bank-wise no. of certificate cases pending with amount is furnished on **Page-25 C to 25 D**.

PRIORITY SECTOR LENDING

As on 30.09.2011, 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 67.27% in the State, which is well above the Benchmark of 40%. Bank-wise position is furnished on **Page-26 A to 26 D.**

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 3979% as on 30.09.2011, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page-26 A to 26 F.**

DIFFERENTIAL RATE OF INTEREST (DRI)

As on the 30th September 2011, the aggregate advances level under DRI Scheme stands at Rs. 57.38 Crore, which is 0.16% of the total advances of Rs. 36298.77 Crore as on 31.03.2011. In terms of the national benchmark, the minimum level of DRI Advances should be 1% of the aggregate advances as at the 31st March of the previous year. Further, a total of 3014 beneficiaries were provided loans amounting to Rs.4.73 Crore under Differential Rate of Interest Scheme during the period under review. In addition to this, 85 beneficiaries were provided credit support of Rs. 0.42 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, washermen, cobblers etc. under the Scheme.

Bank-wise position is furnished on **Page-26 C to 26 D & 26 G.**

WEAKER SECTIONS

Banks extended financial assistance amounting to Rs. 9732.29 Crore out of the aggregate advances of Rs.41730.56 Crore to Weaker Sections of society, during the period under review, which stood at 23.80% of the total advances, against the benchmark of 10%. Further, as percentage of Priority Sector Advances, the achievement was much better at 35.38% against the Benchmark of 25%.

Bank-wise position is furnished on **Page-26 A to 26 D.**

AGENDA-XI

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

Banks have covered a total of 3856 un-banked villages out of 9213 un-banked villages in the State. Thereby the achievement of all banks taken together is still below 50% and it stands at 41.85% as on 30th September 2011. Thus, remaining 5357 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 and Samastipur Kshetriya Gramin Bank have not covered even a single village allotted to them whereas the achievement of UCO Bank (4.72%), MBGB (20.60%) and UBGB (23.12%) is below 25% 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-27A.**

AGENDA-XII

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. Further, as per information received from some of the banks a total of 348016 persons have been enrolled under UID and 11732 Bank accounts have been opened on the basis of AADHAR no. furnished by the customers.

Bank-wise information compiled regarding enrollment and account opened is furnished on **Page -27 B.**

AGENDA-XIII

PROVIDING KCC TO ALL ELIGIBLE AND NON-DEFAULTER FARMERS

The Secretary, Department of Financial Services, Ministry of Finance, Government of India had advised the Chairmen of all Banks that each non-defaulter farmer be provided a KCC by 15th October 2011 (copy placed on **Page- 28 A** for information). Keeping this in view, a Special meeting was held on 19th October 2011 under the Chairmanship of Shri Sushil Kumar Modi, Hon'ble Deputy Chief Minister & Finance Minister, Bihar, to discuss the issue and formulate a suitable action plan for providing KCC to all eligible, willing and non-defaulter farmers of the State at the earliest. The Minutes of the meeting is furnished on **Page- 28 B to 28 E** for information and perusal of the House. It was resolved during the discussions that village-wise list of farmers would be prepared by the Agri Department, Govt. of Bihar. Similarly village-wise lists of farmers who have been provided loans under KCC as well as village-wise list of all defaulters would be prepared by all banks and a copy furnished to the Director, Agriculture, GoB, so that applications may be generated by them from the remaining farmers and also who have not defaulted in repayment of loans taken by them. It was also resolved that banks might cover all landholding farmers during Rabi Season and the remaining farmers viz. tenant farmers, oral lessees, landless labourers etc. by 31st March 2012.

AGENDA-XIV

EXTENDING CREDIT SUPPORT BY WAY OF SAVINGS-CUM-OD ACCOUNT TO FAMILIES WHICH DO NOT HAVE ANY LAND AND LIVE IN THE RURAL AREAS

It has been desired by the Secretary, Department of Financial Services, Ministry of Finance, Government of India through his letter addressed to the Chairmen of Banks that credit support should be provided to families which do not have any land and live in the rural areas by way of Savings-cum-OD account (copy placed on **Page- 28 F** for information of all concerned). He has further suggested that this account should have an OD limit of upto Rs. 10000/- (Rs. Ten thousand only) against the personal guarantee of the villagers. Controlling Heads of all banks operating in the State are requested to issue suitable instructions to their operating functionaries to provide loans to such landless persons who are residing in the rural area.

AGENDA-XV

EXTENDING MOBILE BANKING AND INTERNET BANKING FACILITY

During the discussions in the last SLBC review meeting held on 11th August 2011, Shri Sushil Kumar Modi, Hon'ble Deputy Chief Minister and Finance Minister, Bihar, desired that information regarding extension of Mobile Banking and Internet Banking facility should be placed before the House from the next SLBC review meeting. Accordingly, Controlling Heads of all banks operating in the State were requested to provide the desired information in this regard. As per information received by SLBC, all banks taken together have provided Mobile Banking facility to 165737 customers whereas the facility of Internet Banking was provided to 271565 customers. Controlling Heads of all banks operating in the State are requested to bestow their attention and initiate requisite steps for extending these facilities to large no. of customers as it would facilitate in serving the customers in a better way.

Bank-wise information regarding Mobile Banking and Internet Banking facility provided is furnished on **Page- 29 A to 29 B.**

AGENDA-XVI

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 2733020 No-Frills accounts were opened during the first half of FY 2011-12. Thus, a total of 7564639 No-frills accounts have been opened till 30th September 2011 mobilising deposits of Rs.3172.63 Crore. Out of these, 5676832 accounts are operational. Further, overdraft facility has been extended to 195201 No-frills account holders; the amount involved being Rs. 50.57 Crore. Apart from this, 41675 General Credit Cards have been issued to No-frills account holders, with aggregate credit limits of Rs. 78.10 Crore.

Bank-wise details are furnished on **Page-29 C to 29 D.**

AGENDA-XVII

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 & Urban Poverty Alleviation (MoHUPA) is provided under the Scheme.

Further, it has been reported by the General Manager, Uttar Bihar Gramin Bank vide their letter No.- Credit/04/2011-12/589 dated 24th August 2011 (copy placed on **Page- 30 A** for information) that no applications have been received at their branches under ISHUP Scheme and the Nodal Agency i.e. Bihar State Housing Board has expressed their ignorance about the detailed guidelines of the Scheme and no application has been sponsored by them as such the progress in this regard is still NIL in the State of Bihar. Therefore, the nodal agency identified for implementing the Scheme in the State of Bihar is once again earnestly 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-XVIII

CREDIT FLOW TO AGRICULTURE: MONTHLY REVIEW MEETING ORGANISED UNDER THE CHAIRMANSHIP OF AGRICULTURE PRODUCTION COMMISSIONER

A monthly meeting is being organized under the Chairmanship of Agriculture Production Commissioner, Government of Bihar, to review the performance of banks under credit flow to Agri Sector. The meeting is being organized on 25th of each month to discuss and review the performance of banks under credit flow to agriculture. The last such meeting was held on 25th October 2011 and the performance of banks was reviewed in detail. The Minutes of the meeting is placed on **Page-30 B to 30 C** for information of all concerned.

AGENDA-XIX

IMPLEMENTATION OF FINANCIAL INCLUSION PLANS IN SECURITY SENSITIVE AREAS

The Central Government has advised banks 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 30.09.2011	Disbursement under ACP as on 30.09.2010	%Growth
1.	Arwal	6325	3573	77.02
2.	Aurangabad	26852	21952	22.32
3.	Gaya	42852	30594	40.07
4.	Jamui	13372	12283	8.87
5.	Jehanabad	11705	4528	158.50
6.	Rohtas	56349	30103	87.19

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. The credit extension in Arwal, Jehanabad and Rohtas districts have improved considerably while other districts have also recorded growth over their last year disbursement. 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-XX

TIMELY ISSUANCE OF LAND POSSESSION CERTIFICATES AND VERIFICATION OF LAND REVENUE RECORDS BY BANK OFFICIALS

During the discussions and review in the meetings held in the last few months, the issue of submission of fake Land Possession Certificates (LPCs) by farmers for availing KCC loans as well as other Agri advances has been brought to the notice on many occasions. Further, issuance of discrepant/ incomplete LPCs by Circle Officers has also been observed. It has also been reported by the Circle Head, Punjab National Bank vide their letter No.-COP/PD/SLBC dated 13th October 2011 (copy placed on **Page-32 A**) that revenue officials are not providing revenue record (Register-II) for verification of LPC submitted by farmers for availing Agri loans. Therefore, the genuineness of LPCs cannot be verified and on this count, the disposal of Agri loan applications is getting delayed. The State Government is requested to kindly intervene in the matter and issue appropriate instructions to the revenue officials to make available land records to bank officials for verification. The operating functionaries may please also be instructed by the State Government for timely issuance of LPCs with all particulars including family-tree and boundary of the land as well as respond in a time bound manner to the request of the Banks for verifying the genuineness of the LPC.

AGENDA-XXI

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. 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. Controlling heads of banks having lead responsibility in these districts are requested to apprise the House regarding progress made towards opening of a brick and mortar branch in the above mentioned Blocks.

AGENDA-XXII

SLOW PROGRESS IN INVESTIGATION OF CYBER FRAUD & COUNTERFEIT NOTES DETECTED BY BANKS

A meeting of Public Sector Banks was held on 17th August 2011 at Department of Financial Services, New Delhi regarding Status of Technology Adoption and Integration on the Banking Network. In the meeting concern was expressed on the slow progress in investigation of Cyber fraud and counterfeit notes being detected by Banks. It was suggested that the issue should be taken up in the SLBC meeting and State Government may be requested to expedite the process of investigation of cyber fraud and other related issues by providing infrastructural support. Further, Controlling Heads of all banks operating in the State are requested to bring to the notice of the State Government and others concerned regarding occurrences of cyber fraud and detection of counterfeit notes so that appropriate steps may be initiated by the Government of Bihar in this regard.

AGENDA-XXIII

IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER (EBT) AND ITS CONVERGENCE WITH FINANCIAL INCLUSION PLAN (FIP): OPERATIONAL GUIDELINES

Electronic Benefit Transfer (EBT) has been implemented in some of the States of the Country on pilot basis in select districts under the "One District – One Bank" Model and Bihar is one of them. The model is being implemented for servicing low value accounts and extending banking infrastructure to underserved low income areas. It has been reported by stakeholders that difficulties are being faced in scaling the model. Further, the experience gained so far suggests that the "One District – One Bank" Model has not been able to achieve the objective of financial inclusion. Allocation of villages amongst banks under the Financial Inclusion Plan (FIP), i.e. Roadmap for providing banking services to villages with population above 2000, has been generally on the basis of the Service Area Approach. This has led to a situation wherein the designated bank for EBT and FIP in the same village differs. This issue has been raised in various fora by the State Governments and banks. For clearer conceptual understanding and based on detailed consultative meetings and interface with stake holders, "Operational guidelines on implementation of Electronic Benefit Transfer and its convergence with Financial Inclusion Plan" has been formulated by the Reserve Bank of India. A copy of the detailed guidelines is placed on **Page- 34 A to 34 J** for information of all concerned. These guidelines are expected to give a fillip to financial inclusion efforts and lead to a scalable and sustainable financial inclusion model.

The salient features of the guidelines issued by the Reserve Bank of India in this regard, are as under:

- **One district – many banks – one leader bank model** may be adopted henceforth for EBT implementation. In this model, all the banks present in the district participate in EBT, though for administrative convenience the State Government deals only with one leader bank. State Government shall designate the leader bank, in consultation with the Regional Office of RBI and the SLBC, who will obtain the funds from the State Government and in turn will arrange to transfer funds through interbank transfer to other banks for credit to the accounts of ultimate beneficiaries' account on a commission basis.
- However, there is no prohibition on adoption of one district – one bank model approach where the model exists and is already working provided one bank is in a position to provide whole range of minimum banking services under this dispensation.
- As EBT Scheme is a part of the overall FIP, the EBT accounts is required to be provided with whole range of permissible banking services viz. deposit scheme, preferably a variable recurring deposit with in-built Overdraft (OD), remittance and entrepreneurial credit products in the form of GCC/KCC.
- State Government shall designate a nodal department for administration of each of the social benefit schemes.
- Once banking services are extended to all villages under the FIP, convergence between the EBT Scheme and FIP would be automatically realized. Once FIP is fully implemented covering all the unbanked villages and a UID number is issued to all the villagers, a 'model' will emerge where the customer will have the option to transact with the bank of their choice in any village by using UID enabled Micro ATMs.

AGENDA-XXIV

NEW PENSION SYSTEM

New Pension System is a voluntary Pension System of Provident Fund Regulatory & Development Authority (PFRDA) open to all citizens of the country in the age group of 18-55 years. The scheme is operative since 01.05.2009. The Objective of the Scheme is to provide old age income; reasonable market based returns over long term and extend old age security coverage. A subscriber can open the account with a minimum subscription amount of Rs 500/-. There is no restriction on the maximum amount of subscription. A subscriber has to

deposit a minimum amount of Rs6000/- in a year. The minimum number of deposits of subscription has been pegged at 4 in a year. There is no restriction on the larger frequency of the deposit of subscription in a year. The subscriber can exit the scheme after attaining 60 years. They have to compulsorily annuitize 40% of their accumulated pension wealth. Option to annuitize 100% is also available. A subscriber has 3 options for his/her money to be invested in the following manner:

- (i) High Risk High Return: Investments in predominantly, Equity Market Instruments.
- (ii) Medium Risk Medium Return: Investments in predominantly Fixed Income Instruments.
- (ii) Low Risk Low Return: Investments in Purely Fixed Income Instruments.

PFRDA have identified financial institutions like Banks as Points of Presence (POP). Each POP has designated a few of their branches as Service Providers (SPs) for Registration and Remittance work under NPS. These are called Point of Presence- Service Provider (POP-SP). POP-SP gets the subscriber Registered and arranges for Remittance of his/her Subscription amounts.

AGENDA-XXV

FUNCTIONING OF RURAL SELF EMPLOYMENT TRAINING INSTITUTES (RSETIs)

Shri Sushil Kumar Modi, Hon'ble Deputy Chief Minister and Finance Minister, Bihar during the discussions and review in the last SLBC review meeting held on 11th August 2011 expressed the view that detailed information regarding functioning of Rural Self Employment Training Institutes (RSETIs) be put up before the House for discussions and review from the next quarterly review meeting of SLBC. Accordingly, the requisite information have been gathered by SLBC on the functioning of RSETIs in the State of Bihar and placed on **Page- 35 A** for information. As reported, there are 30 RSETIs functioning in different districts of the State out of total 38 districts. Controlling Heads of banks having lead responsibilities in the remaining 8 districts are requested to initiate appropriate steps for setting up of RSETIs in their respective lead districts so that training may be provided to rural unemployed youth of these districts to enable them set up their self-employment ventures.
