

STATE LEVEL BANKERS' COMMITTEE, BIHAR
39TH REVIEW MEETING
FOR THE QUARTER ENDED 31ST DECEMBER 2011

VENUE: HOTEL CHANAKYA, PATNA

DATE: 10.02.2012

TIME: 10.30 AM



CONVENOR:
STATE BANK OF INDIA
SLBC DEPARTMENT (5TH FLOOR)
LOCAL HEAD OFFICE, WEST GANDHI MAIDAN
P A T N A- 800 001
PH.NO. 0612-2209076 / FAX- 0612-2209075
Email-slbc.bihar@sbi.co.in
WEBSITE - <http://slbc.bih.nic.in>

AGENDA ITEMS

ITEM NO.	SUBJECT	PAGE NO.
I	CONFIRMATION OF THE MINUTES OF THE 38TH SLBC MEETING HELD ON THE 18TH NOVEMBER 2011	4
II	ACTION TAKEN REPORT ON THE 38TH SLBC MEETING	5-15
	BRANCH NETWORK (BANK-WISE & DISTRICT-WISE) AND ATM	15G-15J
	KEY INDICATORS	16
III	REVIEW OF PERFORMANCE AS ON 31 ST DECEMBER 2011	17-19
IV	FINANCIAL INCLUSION	19
V	EDUCATION LOAN	20
VI	PM'S NEW 15 POINT PROGRAMME FOR THE WELFARE OF THE MINORITIES	20-21
VII	GOVERNMENT SPONSORED SCHEMES/ PROGRAMMES	21-24
	(A) BIHAR GROUND WATER IRRIGATION SCHEME (BIGWIS)	21
	(B) PRIME MINISTER'S EMPLOYMENT GENERATION PROGRAMME (PMEGP)	21-23
	(C) SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)	23-24
	(D) SWARNJAYANTI SHAHARI ROZGAR YOJANA (SJSRY)	24
VIII	FINANCING TO SELF HELP GROUPs	25
IX	KISAN CREDIT CARD (KCC)	26-30
	NATIONAL AGRICULTURE INSURANCE SCHEME (NAIS)	31
	DAIRY, FISHERY AND POULTRY	31-32
	FARM MECHANISATION	32
	ADVANCES GRANTED TO UNITS PROVIDING STORAGE FACILITY	33
	SMALL ROAD TRANSPORT OPERATORs (SRTOS)	33
	ADVANCES GRANTED UNDER CGTMSE COVERAGE	34

X	CD RATIO	35-36
	RECOVERY	37
	NPA & WRITE-OFF AND CERTIFICATE CASES	37-39
	PRIORITY SECTOR LENDING, AGRI CREDIT, DRI SCHEME & WEAKER SECTION	39-40
XI	EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POULATION OF MORE THAN 2000 BY MARCH 2012	41
XII	OPENING OF BRICK AND MORTAR BRANCH IN VILLAGES HAVING POPULATION OF 5000 & ABOVE	41-42
	PREPARATION OF LIST OF VILLAGES HAVING POPULATION OF 1000 TO 2000	42-43
	ALLOCATION OF ENTIRE GRAM PANCHAYAT TO BCs (CSPs) BY BANKS	43
	SERVICE AREA ALLOCATION/ RE-ALLOCATION ON PANCHAYAT BASIS	43-44
	FINANCIAL INCLUSION PLAN PRIORITY OF CENTRAL GOVT. MEETING OF SLBC CONVENORS AT DELHI 03.11.11	44-46
	MEETING OF THE HON'BLE FINANCE MINISTER WITH CHIEF MINISTERS OF EAST ZONE STATES & CEOs OF PUBLIC SECTOR BANKS AT KOLKATA	46
XIII	OPENING OF NO FRILL ACCOUNT AND PROVIDING OD FACILITY AND GENERAL CREDIT CARD TO NO FRILL ACCOUNT HOLDER	47
	EXTENDING MOBILE BANKING AND INTERNET BANKING FACILITY	48
XIV	INTEREST SUBSIDY SCHEME FOR HOUSING THE URBAN POOR (ISHUP)	48-49
XV	IMPLEMENTATION OF FINANCIAL INCLUSION PLANS IN SECURITY SENSITIVE AREAS	50-51
XVI	OPENING BRANCH OF COMMERCIAL BANK AT GHATKUSUMBA AND ISMAILPUR BLOCK	51
XVII	SLOW PROGRESS IN INVESTIGATION OF CYBER FRAUD & COUNTERFEIT NOTES DETECTED BY BANKS	51-52
XVIII	IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER (EBT) AND ITS CONVERGENCE WITH FINANCIAL INCLUSION PLAN (FIP): OPERATIONAL GUIDELINES	52-54

XIX	NEW PENSION SYSTEM	54-55
XX	FUNCTIONING OF RURAL SELF EMPLOYMENT TRAINING INSTITUTES (RSETIs)	55
XXI	SAVINGS BANK ACCOUNT OPENING CAMPAIGN	56
XXII	OFFICE PREMISES FOR THE DEBT RECOVERY TRIBUNAL	57
XXIII	WEAVERS CREDIT CARD	57-58
XXIV	ANNUAL CREDIT PLAN 2012-13; TARGETS UNDER PRIORITY SECTOR ADVANCES UNDER ANNUAL CREDIT PLAN: 2012-13 AS PER STATE FOCUS PAPER PUBLISHED BY NABARD	59
XXV	RE-ALLOCATION OF LEAD BANK RESPONSIBILITY	60
XXVI	BRANCH-WISE MONITORING PERFORMANCE OF TOP 5 AND BOTTOM 5 BRANCHES	61
XXVII	SECURITY RELATED CONCERN OF BANKS	62
XXVIII	ISSUE OF SAMIS & DATA PURITY	63

**STATE LEVEL BANKERS' COMMITTEE
39TH MEETING**

NOTES ON AGENDA ITEMS

AGENDA-I

**CONFIRMATION OF MINUTES OF THE
38TH STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON 18.11.2011**

The House may please confirm the Minutes of the 38th State Level Bankers' Committee meeting held on the 18th November 2011.

AGENDA-II

ACTION TAKEN REPORT ON THE 38TH 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.22450 Crore (51.29% of the annual target) was disbursed during the period under review, registering Y-o-Y growth of 28.66%. During the corresponding period last year, banks could disburse loans amounting to Rs. 17449.51 Crore. Controlling Heads of all banks are requested to bestow their personal attention for improving their performance in the last quarter of the current financial year so that the ACP target is achieved.

[2] ACTION POINT- Banks should ensure that the targets set under Agriculture as well as for issuing new Kisan Credit Cards for FY: 2011-12 are achieved.

(Action: All Banks)

ACTION TAKEN: - Banks have issued 1301765 Kisan Credit Cards amounting to Rs. 7293.42 Crore during the period under review against 1097815 KCCs amounting to Rs. 4417.63 Crore issued during the same period last year. A growth of about 18.58% and 65.10% has been witnessed in terms of no. of KCCs issued and amount of finance extended Y-o-Y. The growth in amount is mainly attributable to revision of Scale of Finance in all the districts of the State. Banks have disbursed loans amounting to Rs. 7185.73 Crore as on 31st December 2011, registering Y-o-Y growth of 67.90%. More strenuous efforts is required to be put in by all concerned for achieving the targets set under Agriculture as well as for issuing new Kisan Credit Cards.

[3] ACTION POINT- All the crop loans disbursed should invariably be covered under crop insurance.

(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 need to 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, 331923 farmers have been covered under NAIS while 480503 farmers have been extended the benefit of crop insurance coverage under WBCIS and 46564 farmers have been covered under MNAIS. Thus, a total of 858990 farmers have been provided the crop insurance cover, the sum insured being Rs. 2097.70 Crores and the area covered being 997931 hectares. Further, in view of the penalty imposed on UCO Bank in Begusarai district for delayed submission of Declaration Form and amount of Premium, there is pertinent need to ensure that all crop loans disbursed are insured in time. For this, submission of premium recovered from farmers on Monthly basis should be ensured.

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

((Action: All Banks)

ACTION TAKEN: - Controlling Head 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 25269 KCC holders have been provided with ATM Cards for operating their KCC accounts.

[5] ACTION POINT- Village-wise list of farmers to be prepared and circulated among bank branches.

(Action: Agri Deptt., GoB, SDCs and LDMs)

ACTION TAKEN: The Agriculture Department, Government of Bihar, Senior Deputy Collector- Banking and all other concerned have been requested to prepare village-wise list of farmers and circulate among bank branches so that all eligible farmers may avail agricultural loan especially KCC facility at an early date.

[6] ACTION POINT- Village-wise list of existing KCC holders as well as list of all defaulters to be prepared.

(Action: All Banks)

ACTION TAKEN: - Controlling Heads of all banks have been requested to instruct their operating functionaries to prepare village-wise list of existing KCC holders as well as list of all defaulters. In this regard, it may be stated here that the first list containing village-wise details of the existing KCC borrowers has been provided to the Agri Department, Government of Bihar as well as to the Senior Deputy Collector- Banking of the respective districts by State Bank of India with a request to arrange for procuring loan applications from remaining eligible farmers. Controlling Head of remaining banks are once again requested to expedite the process of submission of the village-wise list of existing KCC borrowers. In addition to this, all banks should also arrange for early submission of village-wise list of all defaulters to the Agri Department, GoB to enable the latter generate loan applications from remaining eligible farmers.

[7] ACTION POINT- Applications under KCC to be procured from all willing, eligible and non-defaulter farmers of the State.

(Action: Agri Deptt., GoB & All Banks)

ACTION TAKEN: - The Agriculture Department, Government of Bihar, Senior Deputy Collector-Banking and all other concerned have been requested to prepare village-wise list of farmers and circulate among bank branches. For giving a fillip to generation of applications in adequate nos., Mega Credit Camps were organized at all the Block-offices of the State on 9th December 2011 and 9th January 2012. However, as per information received, considering the target of issuing new KCC to 15 lakh farmers, the performance under Mega Camps were not much encouraging

as only 136011 applications were generated during these camps. It needs to be mentioned here regarding initiative taken by the District Magistrate, Begusarai by organizing a week long KCC Registration Camp in each panchayat of the district. The State Government is requested to explore the possibilities of replicating the same in all the districts for a longer period (a fortnight long or if required for a month) so that all eligible farmers may register their name for availing KCC loan and subsequently applications may be procured from them for extending KCC facility to them. For this, the services of Subject Matter Specialist (SMS) and Kisan Salahkar may be utilized by the Agri Department, Govt. of Bihar. At the same time, banks' branches should also continue their endeavors for generating loan applications under KCC and the possibility of utilizing the services of BC Agents may also be explored.

[8] ACTION POINT- Common Application Form and Checklist to be revisited and amended copy to be provided to the Agri Department, GOB.

(Action: SLBC)

ACTION TAKEN: - Common Application Form and Checklist have been modified and amended copies of these have already been provided to the Agri Department, GOB with a request to circulate the same at the district-level to ensure generation of loan applications from all eligible farmers.

[9] Monthly review of KCC to be done by Monitoring Committee at the district level.

(Action: District Magistrates, SDCs-Banking & LDMs)

ACTION TAKEN: - District Magistrates, SDCs-Banking & LDMs have been requested for monthly review of KCC by Monitoring Committee at the district level. As reported, the meeting of the said Committee is being organized in most of the districts of the State. In addition to this, a State-level Monitoring Committee was also organized on 22nd December 2011 under the auspices of SLBC, Bihar and the performance of all banks operating in the State was reviewed. The minutes of the meeting is placed on **Page- 15A to 15D** for information of all concerned.

[10] ACTION POINT- Controlling head of all banks should provide special attention to extend 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	December'11		December '10		% Growth	
	No.	Amt.	No.	Amt.	No.	Amt.
Dairy	14828	20996	9557	9171	55.15	128.94
Fishery	730	952	1044	1006	-30.08	-5.47
Poultry	1185	1503	918	1448	29.08	3.80

It may be noticed that performance of banks has improved in terms of no. of units financed under Dairy and Poultry activities whereas in case of fishery, decline has been observed. Further, a Coordination Committee meeting is being organised on 10th of each month at district-level for effective coordination among all concerned to improve financing under Dairy, Fishery, Poultry etc. This is expected to give a fillip to performance of banks under these activities.

[11] 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 18828 farmers have been provided credit support of Rs. 88.19 Crore under BIGWIS during the period under review. Further, as regards disbursement made under the Scheme, loans amounting to Rs.64.94 Crore were provided to 15387 farmers. All concerned are requested to put in more efforts for improving the performance under the Scheme. Sponsoring of applications in adequate nos. will also help in improving the performance of banks under the

Scheme. The State Government is requested to initiate requisite steps in this regard.

[12] ACTION POINT - Concerted efforts should be put in for improving the performance under credit extension to farmers for purchasing farm-implements.

(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 credit extension to farmers for purchasing farm-implements. Due to impetus provided by banks, the performance has witnessed moderate increase and registered Y-o-Y growth of 27.29% in terms of amount of financial assistance provided and 0.03% in terms of no. of farmers provided credit support, as loans amounting to Rs. 238.46 Crore were provided to 7941 farmers for purchasing farm-implements while during the corresponding period last year loans amounting to Rs. 187.34 Crore were extended to 7939 farmers.

[13] ACTION POINT- State Government will organize Block Level Mega Credit Camps on 9th December, 2011 and 9th January 2012 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 December, 2011 and 9th January, 2012 to procure applications from farmers to provide credit support to them. The detailed district-wise information received from Lead District Managers regarding applications generated, sanctioned and disbursed is furnished on **Page- 15E to 15F** for information and review by the House. The summarized statement is given below:

In Mega Credit Camp organized on 9th December 2011:

(Rs. In Lac)

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	52843	29577	15837	31045	15592
OTHERS	9063	5494	4792	6188	4897
TOTAL	61906	35071	20629	37233	20489

In Mega Credit Camp organized on 9th January,2012:

(Rs. In Lac)

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	64144	42913	22813	38892	19481
OTHERS	9961	6908	8901	5595	7851
TOTAL	74105	49821	31714	44487	27332

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. It has been brought to the notice that in some of the Blocks like Mokameh and Dhanarua in Patna district, LPCs were not being issued. Syndicate Bank has informed that in Khusrupur and Siwan Sadar Blocks the revenue authority did not participate in the Mega Camp organized on 9th January 2012 and the progress was hampered on this count. Non-participation of Block-officials in Mega Camp on 9th December 2011 has also been reported by Syndicate Bank in Suryapura Block. All concerned are requested to ensure that the representation is 100% in such camps for better performance.

[14] ACTION POINT- Possibility of providing credit limit to PACS by RRBs/ Commercial Banks for on-lending to farmers as well as for godowns, gasifiers, rice mills etc. may be explored.

(Action: All Banks)

ACTION TAKEN: - Controlling Head of all banks operating in the State have been requested to explore the possibility of providing credit limit to PACS for on-lending to farmers. They have also been requested to bestow their attention to explore the possibility of extension of credit for godowns, gasifiers, rice mills etc.

[15] ACTION POINT- Banks should accord Top Priority to extend 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: - Banks have accorded top priority to extend banking services to villages having population of over 2000. Banks have covered a total of 5934 un-banked villages out of 9213 un-banked villages in the State. The banks could cover only 64.41% of the un-banked villages allotted to them as on 31st December 2011 and still 3279 un-banked villages are remaining to be covered in the last quarter of the current fiscal. As reported, banks like Andhra Bank, Dena Bank and Oriental Bank of Commerce have still not covered even a single village allotted to them whereas the achievement of some other banks like UCO Bank, BKGB, MBGB, UBGB and SKGB is below 50% of their allotted villages. As the target is to be achieved by March 2012, setting up of banking outlets in the allotted villages within the stipulated time-frame should become the top priority of all concerned in general and for banks having covered less than 50% of the allotted villages in particular.

[16] ACTION POINT- The functioning/ conduct of CSPs of BCs should be monitored and reviewed at periodical intervals.

(Action: All Banks)

ACTION TAKEN: - Controlling Head of all banks operating in the State have been requested to monitor and review the functioning/conduct of CSPs of BCs at

periodical intervals. As per information received, the outlets opened by BCs are being regularly visited by banks and their performance is being monitored at regular intervals. Further, banks have also opened Financial Inclusion Centres (FICs) and these FICs have become the Nodal Point for overseeing the performance of CSPs on regular basis. In addition to this, Senior Officials of Banks are also visiting the CSPs and their performance is also being monitored by top officials of the banks.

[17] 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 to address security related concerns of banks. This needs attention of the Govt. of Bihar in view of the spate of bank robberies occurred in the recent past. Further, the Chairman, Uttar Bihar Gramin Bank has advised that criminal activities have risen in their area of operation and as such staff members have developed sense of insecurity due to violence, kidnapping and murder.

[18] ACTION POINT- SDCs-Banking should be conferred the powers of Certificate Officer.

(Action: State Government)

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

[19] ACTION POINT- Appropriate steps to be initiated by SDCs-Banking to dispose of the Top 10 Certificate Cases of each district.

(Action: SDCs-Banking)

ACTION TAKEN: - The progress made towards disposal of top 10 Certificate Cases by the initiation of SDC-Banking has been very slow in majority of the districts. The Department of Institutional Finance, Finance Department, Government of Bihar, Patna has been requested to issue appropriate instructions for conferring the power of the Certificate Officer upon all the Senior Deputy Collectors (SDCs)-Banking. It will enable the Senior Deputy Collector (Banking) to dispose of the top 10 certificate cases of respective districts on priority basis. However, communication in this regard is yet to be received by SLBC for circulation among all concerned.

[20] ACTION POINT- SDCs-Banking and LDMs should jointly organize JANTA DARBAR every Friday to hear the grievances of the customers.

(Action: SDCs-Banking & LDMs)

ACTION TAKEN: - Lead District Managers of all districts in Bihar and Senior Deputy Collectors-Banking have been requested to organize JANTA DARBAR jointly on every Friday to hear and resolve the grievances related to banking of the general public. As reported, Janta Darbar is being organized in most of the districts of the State. SDC-Banking and LDM of remaining districts, where the Janta Darbar is not being organized regularly are once again earnestly requested to arrange for organizing the same at the earliest, at weekly intervals.

[21] ACTION POINT- Modalities for effective implementation of EBT guidelines in the State to be finalized.

(Action: RBI, State Govt. & Banks)

ACTION TAKEN: - In view of the directives issued by the Ministry of Finance, Government of India the modalities for effecting Electronic Benefit Transfer has to be finalized in meeting of SLBC so that benefits of various Government Sponsored Schemes are credited in the accounts of the beneficiaries electronically. Further, in

accordance with the operational guidelines issued by the Reserve Bank of India vide its letter dated 12th August 2011, the House may designate **one leader bank** in each district considering the larger presence and convenience to all banks, as RBI has suggested to adopt- **one district-many banks-one leader bank model**. The state government has been requested to instruct the concerned Departments to provide the list of beneficiaries of social welfare schemes to the Controlling Head of Banks to enable them to suitably instruct their branches for opening of their accounts so that the fund transfer can be done electronically. Further, the Principal Secretary, Finance, GoB has been requested to convene a meeting of all concerned to finalize the modalities for implementing EBT in the State of Bihar. The Reserve Bank of India, Regional Office, Patna has also been requested to play a coordinating role for early implementation of the EBT Scheme in the State.

@@

@@

STATE LEVEL BANKERS' COMMITTEE, BIHAR
KEY INDICATORS

(ALL BANKS)

(Rs. in Crore)

Sl. No.	ITEMS	Mar'11	Dec'10	Dec'11	Bench-mark
1	DEPOSITS	113909.10	107017.52	127806.04	
2	ADVANCES INCLUDING RIDF	38723.19	36322.71	44940.88	
3	CD RATIO	33.99	33.94	35.16	
4	PRIORITY SECTOR ADVANCES	25230.46	23692.75	28299.05	
5	SHARE OF PSA IN TOTAL ADV. (%)	69.51%	69.41%	66.25%	40 %
6	AGRICULTURAL ADV.	13981.70	14820.15	15868.93	
7	SHARE OF AGL. ADV IN TOTAL ADV (%)	36.11%	43.42%	36.72%	18 %
8	MSE ADV.	5747.49	4852.77	6651.44	
9	SHARE OF MSME ADV. IN PSA (%)	22.78%	14.22%	15.57%	
10	ADV. TO WEAKER SEC.	9049.35	7805.97	9380.68	
11	SHARE OF WEAKER SEC. IN PSA (%)	35.87%	22.87%	33.15%	10 %
16	DRI ADV.	50.98	44.20	68.03	
17	SHARE OF DRI ADV IN TOTAL ADV (%)	0.17%	0.15%	0.19%	1 %
18	ADV. TO WOMEN (DISBURSEMENT)	1312.89	585.03	1193.89	
19	SHARE OF ADV. TO WOMEN IN DISBURSEMENT (%)	5.14%	3.35%	5.32%	5 %

BRANCH NETWORK

A	RURAL	2747	2707	2819	
B	SEMI-URBAN	978	946	1025	
C	URBAN	824	794	879	
D	TOTAL	4549	4447	4723	

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 December 2011 is as under:-

(Rs. in Crore)

Banks	Target	Achievement	% Ach.
Comm. Banks	31591.19	16862.73	53.38
Co-op. Banks	2018.74	309.85	15.35
RRBs	9590.07	5277.47	55.03
Total	43200.00	22450.05	51.97

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

Sector	Target	Achievement	% Ach.
Agriculture	21101.95	10783.16	51.10
MSE	2441.25	2108.52	86.37
OPS	4600.45	2497.33	54.28
TPS	28143.65	15389.01	54.68
NPS	15056.35	7060.94	46.90
Total	43200.00	22450.05	51.97

Bank-wise and district-wise position is furnished on **Page- 19A TO 19E.**

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

(Rs. in Crore)

Banks	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Comm	31591.19	16862.73	53.38	27467.70	14375.44	52.34	17.30
Co-op	2018.74	309.85	15.35	1841.13	345.35	18.76	-10.28
RRBs	9590.07	5277.47	55.03	7691.17	2728.72	35.48	93.40
Total	43200.00	22450.05	51.97	37000.00	17449.51	47.16	28.66

SECTOR-WISE PERFORMANCE:

(Rs. in Crore)

Sector	2011-12			2010-11			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Agl.	21101.95	10783.16	51.10	15868.11	7127.44	44.92	51.29
MSE	2441.25	2108.52	86.37	1947.30	1689.07	86.74	24.83
OPS	4600.45	2497.33	54.28	4343.62	2140.45	49.28	16.67
TPS	28143.65	15389.01	54.68	22159.03	10956.96	49.45	40.45
NPS	15056.35	7060.94	46.90	14840.97	6492.55	43.75	8.75
Total	43200.00	22450.05	51.97	37000.00	17449.51	47.16	28.66

Comparative performance shows that the overall achievement during the period under review is 51.97%, as against 47.16% 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 RRBs

have recorded impressive growth 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 and moderate growth of 17.30% has been registered by Commercial Banks. In case of sector-wise growth, it will be observed that advances to Agri segment have increased significantly during the period under review as growth of more than 51% has been registered under the Segment over last years' disbursement.

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 is 85.95% as on 31st December 2011. The detailed report obtained from the districts is placed on **Page- 19F** for review by the House. Controlling head of the banks having lead responsibility 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 31.12.2011	No. of districts	Identified Districts
100%	3	Madhepura, Kaimur and Lakhisarai
Above 95%	2	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%	4	East Champaran, Nalanda, Bhagalpur and Muzaffarpur
Above 50 and upto 70%	3	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 outside the State in India and abroad.

Loans amounting to Rs.589.43 Crore have been sanctioned to 20408 students and out of these, loans amounting to Rs. 385.75 Crore were disbursed among 19765 students under Education Loan as on 31st December 2011. The achievement of all banks taken together is only 58.31% 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- 20A**.

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 31.12.2011 was Rs. 3260.29 Crore (No. of borrowers: 627523) out of which loans amounting to Rs.1373.02 Crore (42.11% of PSA) were provided to 192873 (30.74% of PSA)

borrowers belonging to minority communities. The amount provided to Minority communities by banks in the above mentioned districts ranges from 28 to 71%. Thus, 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- 21A.**

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 18828 applications for loans amounting to Rs. 88.19 Crore were sanctioned by banks during the period under review. Further, as regards disbursement, a total of 15387 applications were disbursed, amount involved being Rs. 64.94 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-24 A.**

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

Against the physical target of 5298 projects, banks have sanctioned loans to 3297 projects (62.23% of the target) amount involved being Rs. 232.62 Crore and amount of margin money involved being Rs. 70.71 Crore during the period under review. During the corresponding period last year, banks had sanctioned loans to 2297 projects, thus a growth of approximately 44% has been registered Y-o-Y in terms of no. of projects sanctioned loans. As we are already in the last quarter of

the current financial year and the programme will cease to be operational on 31st March 2012, all concerned are requested to pay more focussed attention for timely and quick sanction and disbursement of loans under the scheme. It has been reported on many occasions in the past that lack of coordination among concerned agencies is one of the main reasons for below-par 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- 24B** for information of all concerned.

PHYSICAL VERIFICATION OF ASSETS FINANCED UNDER PMEGP SCHEME

The Director, KVIC, Patna has advised vide their letter No.- PMEGP/ Physical Verification/2011-12 dated 15th November 2011 enclosing therewith circular issued by the Office of the Commissioner, Khadi and Village Industries, Mumbai under the cover of letter No.-PMEGP/PV.Gen.Corr./2011-12 dated 20.09.2011, certain features in connection with implementation of PEMGP Scheme (copy placed on **Page- 24C** to **24G** for information of all concerned). It has been advised that the amount of Margin Money is to be adjusted after three years only after obtaining certificate of physical verification of assets financed under PMEGP Scheme confirming that the units have been found to be actually established and is working. The fact may be appreciated that the physical verification of the units should be carried out soon after disbursement of loans and establishment of the units as Banks have no mechanism to ensure that the units financed would be functional for three years and this clause will, therefore, adversely affect the banks as there may be cases where units would not be functional after sometime. In view of the above, the State Office of KVIC is requested to take up the matter with the appropriate authority to address the issue suitably so that Banks' interest may not be jeopardised on this count.

TRAINING REQUIREMENT FOR AVAILING MARGIN MONEY UNDER PMEGP

It has been advised that the training may be imparted to the beneficiaries of Prime Minister's Employment Generation Programme (PMEGP) within one year of sanction

of loan and the benefits of margin money is to be provided to the beneficiaries only after submission of certificate by him/ her of having undergone training. However, as per information received, beneficiaries are not being extended necessary training in all cases and the platform/ services of Rural Self Employment Training Institutes (RSETIs) is not being utilised properly for providing necessary training to beneficiaries of PMEGP. In this regard, all concerned are requested to ensure that training is imparted to beneficiaries within one year of sanction of loan, without fail. For this, the services of RSETIs may also be utilised so that all beneficiaries get necessary training and avail the benefits of margin money.

C) SWARNA JAYANTI GRAM SWAROZGAR YOJNA (SGSY)

Disposal of loan applications as on 31.12.2011 under SGSY during the year 2011-12:

(Rs. in Crore)

PARTICULARS	NUMBER	AMOUNT
No. of applications sponsored (Individuals)	10082	
No. of individual swarojgaries financed	8756	26.40
%age of disb. to applications sponsored (ind.)	86.85%	
%age achievement (Individual Swarojgaries)	66.97%	
No. of applications sponsored (Groups)	16964	
No. of Groups financed	15472	211.22
%age of disb. to applications sponsored (group)	91.20%	
%age achievement (No. of Groups financed)	64.88%	
No. of individuals in groups	162611	211.22
Total no. of swarojgaries provided loans	171367	237.62
%age achievement amount of loans financed		31.09%

It is evident from the above Table that 171367 beneficiaries were provided loans under the Scheme during the period under review, amounting to Rs. 237.62 Crore, as against 148179 beneficiaries provided credit support of Rs. 206.97 Crore during the corresponding period last year, thereby registering a growth of 14.81% and 15.65% in terms of amount of financial assistance extended and no. of beneficiaries assisted under the scheme, respectively.

It is pertinent to mention here that as advised earlier the Scheme was operational till 31st December 2011 and NRLM was supposed to replace the existing Scheme

from 1st January 2012, however, official communication in this regard is still awaited. As we are already in the second last month of the current financial year, clarification regarding status of SGSY Scheme will enable bankers to proceed accordingly in the matter. Further, a workshop of bankers is also required to make them aware of the broad features of National Rural Livelihood Mission for its implementation.

Bank-wise and district-wise performance is furnished on **Page- 24H to 24I.**

D) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Under the Scheme, loans amounting to Rs. 5.64 Crore were sanctioned to 862 beneficiaries during the period under review while during the corresponding period last year loans amounting to Rs. 3.70 Crore were sanctioned to 825 beneficiaries. Thus, a growth of 52.43% and 4.48% were registered Y-o-Y in terms of amount of financial assistance extended and no. of beneficiaries provided loans under the Scheme, respectively. Further, loans amounting to Rs. 4.55 Crore were disbursed to 832 beneficiaries as on 31.12.2011.

Bank-wise position is furnished on **Page-24J.**

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 play a facilitating role through credit linkages with them. Banks have credit-linked 13158 SHGs upto 31.12.2011 in the current FY, with total Bank-finance of Rs. 105.01 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 December 2011)	15242	109.85

Year-wise position of SHG bank-linkage as on 31.12.2011 is furnished on **Page-25A to 25B.**

AGENDA-IX

KISAN CREDIT CARD (KCC)

REVIEW OF PROGRESS AS ON 31.12.2011

A summarised statement of targets vis-à-vis Kisan Credit Cards issued by Commercial Banks, RRBs and Co-operative Banks up to 31/12/2011 is given below:

Banks	Target (No.)		Sanctioned (No.)		% Achievement	
	New	Renewal	New	Renewal	New	Renewal
Comm. Banks	811208	540804	385621	255759	47.54	47.29
RRBs	467081	311387	175194	323752	37.51	103.97
Co-op. Banks	221711	147809	27114	134325	12.23	90.88
TOTAL	1500000	1000000	587929	713836	39.20	71.36

It is evident from the above Table that banks operating in the State have sanctioned loans to a total of 1301765 beneficiaries (New-587929 & Renewal-713836) under KCC amounting to Rs. 7293.42 Crore upto 31.12.2011 in the current FY while during the corresponding period last year, only 1097815 beneficiaries were extended loans under KCC, the amount involved being Rs.4417.63 Crore. Thus, a growth of about 18.58% and 65.10% has been witnessed in terms of no. of KCCs issued and amount of finance extended Y-o-Y. The growth in amount is mainly attributable to revision of Scale of Finance in all the districts of the State. 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 performance is furnished on **Page- 34A to 34E.**

PROVIDING KCC TO ALL ELIGIBLE AND NON-DEFAULTER FARMERS

In the light of the directives issued by the Ministry of Finance, Government of India, Kisan Credit Card is to be provided to all eligible and non-defaulter farmers. Threadbare discussions were held on the issue during the last quarterly review meeting of SLBC, Bihar held on 18th November 2011. After due deliberations, it was decided to constitute a sub-committee to review the progress made in this regard in all the 38 districts of the State under the chairmanship of the District Magistrate of the respective districts. In addition to this, a sub-committee of SLBC was also constituted at the State-level to monitor and review the progress made by banks towards issuance of KCC to all eligible farmers. The first meeting of the said sub-committee was held on 22nd December 2011 under the aegis of SLBC, Bihar and performance was reviewed and all Banks were requested to bestow their attention to the matter and initiate appropriate steps for issuing KCC to all eligible farmers of their service area villages by the branches on priority basis. A copy of the Minutes is placed on Page- 15A to 15D for information of all concerned.

Common Application Form and Checklist as regards KCC loan have also been duly modified considering the discussions held during the last review meeting of SLBC and the same has been provided to the Agri Department, GoB with a request to circulate the same at the district-level to ensure generation of loan applications from all eligible farmers. Also, detailed advertisement regarding KCC has also been published in Hindi dailies by the State Government as well as by major banks operating in the State.

Further, preparation of village-wise list of farmers is under progress and the Agri Department, GoB has been requested for preparing the same. At the same time, Banks are also preparing village-wise list of existing KCC borrowers and list of all defaulters so that loan applications may be procured from remaining eligible farmers of the State for issuing KCC to them. The first list containing village-wise

details of the existing KCC borrowers of State Bank of India has been provided to the Agri Department, Government of Bihar as well as to the Senior Deputy Collector- Banking of the respective districts by SBI with a request to arrange for procuring loan applications from remaining eligible farmers. Controlling Head of remaining banks are once again requested to expedite the process of submission of the village-wise list of existing KCC borrowers. In addition to this, all banks should arrange for early submission of village-wise list of all defaulters to the Agri Department, GoB to enable them to generate loan applications from remaining eligible farmers.

**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 many banks 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 issue of verification of LPCs by bank officials should be accorded importance in view of the fact that at many places fake LPCs were issued and on the basis of the same loans were obtained from banks. Such cases are incidentally also reported at Pandarak and Daniyawa Blocks of the State. In this backdrop, 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 (wherever required) 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.

MEGA CREDIT CAMP

The Block Level Mega Credit Camps were organized on 9th December 2011 and 9th January 2012 to procure applications from farmers to provide credit support to them to undertake their Agri related activities with focus on issuing KCC. The detailed district-wise information received from Lead District Managers regarding applications generated, sanctioned and disbursed is furnished on **Page- 15F to 15F** for information and review by the House. The summarized statement is given below:

In Mega Credit Camp organized on 9th December 2011:

(Rs. In Lac)

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	52843	29577	15837	31045	15592
OTHERS	9063	5494	4792	6188	4897
TOTAL	61906	35071	20629	37233	20489

In Mega Credit Camp organized on 9th January, 2012:

(Rs. In Lac)

Name of Scheme	Applications Generated	Applications sanctioned		Applications disbursed	
	No.	No.	Amt.	No.	Amt.
KCC	64144	42913	22813	38892	19481
OTHERS	9961	6908	8901	5595	7851
TOTAL	74105	49821	31714	44487	27332

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 instruct their operating functionaries to whole-heartedly participate in such camps to ensure that applications are generated in adequate nos. so that credit-support may be provided

by banks to willing and eligible farmers under KCC as well as under different agricultural activities.

It is pertinent to mention here the initiative taken by the District Magistrate, Begusarai in holding a week long Registration camp for **“Registration of willing farmers for availing KCC”** at all the Panchayats of the district. The application forms were generated alongwith rent receipt, LPC and other relevant documents and subsequently sent to banks for sanction and disbursal of loan, after completion of necessary formalities. The State Government is requested to explore the possibilities of replicating the same by organizing “KCC Registration Camp” at all the Panchayats of the State for a longer duration say 15 days. This will enable willing farmers register their name in the Camp for availing KCC loan and thereafter formalities regarding generation of loan application under KCC from eligible farmers by utilizing the services of Subject Matter Specialist (SMS) and Kisan Salahkar and by banks’ branches also for eventual granting of KCC to them, could be made. This will give a fillip to the drive of providing KCC to all eligible and non--defaulter farmers of the State, at an early date. At the same time, banks’ branches should also continue their endeavours for generating loan applications under KCC and the possibility of utilizing the services of BC Agents should also be explored in accordance with the discussions held during the meeting with all SLBC Convenors at New Delhi on 3rd November 2011 (Action Points emanated during the meeting is placed on **Page-44** for information of all concerned).

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 January 2012 and the performance of banks was reviewed in detail.

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

As advised by the Patna Regional Office of Agriculture Insurance Company of India Limited, 331923 farmers have been covered under NAIS while 480503 farmers have been extended the benefit of crop insurance coverage under WBCIS and 46564 farmers have been covered under MNAIS. Thus, a total of 858990 farmers have been provided the crop insurance cover, the sum insured being Rs. 2097.70 Crores and the area covered being 997931 hectares.

It is worth-mentioning here that UCO Bank has been penalized as the bank is to bear entire liabilities arising from the crop damage for delayed submission of declaration form and amount of premium (delay of around 10 months) received from the KCC borrowers in Begusarai district by the Committee of the Government of India (copy of the letter received from AICL, Patna alongwith its enclosures is placed on Page- for information). In view of the above, there is pertinent need for all banks to bestow their attention and ensure submission of declaration form alongwith amount of premium within the cut-off date. It is pertinent to mention here that if the same is submitted on monthly basis, there would not be any such case, which may adversely affect the interest of the banks.

The position of insurance under NAIS, WBCIS and MNAIS, as advised by Agriculture Insurance Company of India Ltd, is furnished on **Page- 34F**.

DAIRY, FISHERY & POULTRY

Banks have extended loans amounting to Rs.185.80 Crore to 14645 beneficiaries under various Dairy Development schemes, Rs.9.31 Crore to 724 beneficiaries under Fishery schemes and Rs. 14.97 Crore to 1180 beneficiaries under Poultry schemes. The performance has improved considerably in financing under Dairy (50% increase in no. of dairy units financed) and Poultry activity (30% increase in no. of poultry units financed) whereas in fishery (30% decrease in no. of fishery units financed) decline has been observed Y-o-Y.

Bank-wise performance data is furnished on **Page- 34 G to 34I**, 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 as we are already in the last quarter of the financial year.

Further, it appears that the Coordination Committee meeting organized at district-level on 10th of every month is not contributing to its full potential as quantum increase is not being witnessed in any of the activities of dairy, fishery and poultry. Instead, such review, it is suggested, at state level every month. All concerned are requested to put in concerted efforts and initiate appropriate steps for increasing credit support under these activities.

FARM MECHANISATION

Against the disbursement target of Rs.1156.26 Crore for the current financial year, banks have sanctioned loans amounting to Rs. 238.46 Crore to 7941 farmers for purchasing farm equipments during the review period of the current financial year. As regards disbursement, loans amounting to Rs.234.51 Crore were provided for purchasing farm implements to 7808 farmers. Since the achievement of all banks taken together is only 20.28% 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- 34J** , 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.50.26 Crore to 69 units during the period under review and out of these loans amounting to Rs. 40.65 Crore were disbursed to 67 units providing 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- 34K.**

SMALL ROAD TRANSPORT OPERATORS (SRTOS)

Against the target of 11321 units, banks have sanctioned loans amounting to Rs. 222.91 Crore for purchasing 7028 vehicles by SRTOS, out of which loans amounting to Rs.222.17 Crore have already been disbursed for purchasing 6910 vehicles during the period under review while during the corresponding period last year loans amounting to Rs. 148.07 Crore to Small Road Transport Operators (SRTOS) was sanctioned for purchasing 4663 vehicles. Thus, Y-o-Y impressive growth of approximately 51% was registered in terms of both no. of vehicles financed and amount of financial assistance extended.

Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page- 34L.**

ADVANCES GRANTED UNDER CGTMSE SCHEME

A total of 13051 units were financed by banks involving Rs.412.32 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 6041 units could be financed by banks involving Rs. 236.31 Crore with CGTMSE cover. Thus, an impressive growth of 116.04% Y-o-Y registered in terms of no. of units provided collateral free loans while in terms of amount of financial assistance provided, the growth was 74.48%. Further, as regards disbursement, loans amounting to Rs. 412.18 Crore were provided to 12820 units under CGTMSE cover. Controlling Head of all banks operating in the state are requested to instruct their operating functionaries to cover all the eligible units under CGTMSE as per extant guidelines of the Reserve Bank of India.

Bank-wise performance data is furnished on **Page- 34M**, for discussion and review by the House.

AGENDA-X

CD RATIO (As on 31.12.2011)

(Rs. in Crore)

Bank	Deposits	Advances	CD ratio
Comm. banks	111271.37	34648.61	31.14
Co-op. banks	2771.68	1683.37	60.73
RRBs	13762.99	6383.15	46.38
Total	127806.04	42715.13	33.42
RIDF	-----	2225.75	-----
Total (Advances +RIDF)	127806.04	44940.88	35.16
Investment	-----	5423.49	-----
Grand Total (Adv.+RIDF+Inv.)	127806.04	50364.37	39.41

As at the end of December 2011, CD Ratio stood at 35.16% which shows an increase of 122 basis points Y-o-Y. Also, an improvement of 117 basis points has been witnessed in the CD Ratio, as compared to March 2011 even though the incremental CD ratio for the period under review is 44.74%. Due to large amount of advances written off every year, CD Ratio has also been adversely affected. If the amount of Rs.1581.89 Crore had not been written-off this year, the CD ratio would have been 36.40%. Apart from it, the CD ratio of the State may improve further, if the State Government utilise the total amount of Rs. 5430.69 crore (As on 31.12.11) sanctioned under RIDF. As on 31st December 2011 only 41% of the amount sanctioned has been utilised by the Government of Bihar.

However, there are three districts, namely, Bhojpur (23.99%), Saran (22.79%) and Siwan (20.50%), 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 district and intensify efforts to adopt suitable strategies for improving CD ratio in these districts. The CD ratio of Lakhisarai district has improved considerably as a growth of 264 basis

points has been registered during the quarter and the CD ratio of the district stood at 25.62% as on 31st December 2011.

Bank-wise and district-wise details are furnished on **Page-36A to 36I.**

INCREMENTAL CD RATIO AS ON 31.12.2011

Amt. In Crore	March'11	December'11
Deposits	113909.10	127806.04
Advances including RIDF	38723.19	44940.88
Incremental CDR	-----	44.74%

It is pertinent to mention here that an amount of Rs.1887.65 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 31.12.2011) is given below.

(Rs.in Crore)

Bank	Demand raised	Amount recovered	Recovery %
Comm. Banks	7138.88	3727.42	52.21
Co-op. Banks	1256.46	350.46	27.89
RRBs	1083.88	697.01	64.31
Total	9479.22	4774.89	50.37

Recovery percentage at 50.37% of the total demand raised by banks as on the 31st December 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. A better recovery culture will act as an incentive for bank to lend more.

Bank-wise position of recovery as on 31.12.2011 is furnished on **Page- 40A to 40B.**

NPAs & WRITE-OFF

As on 31.12.2011, 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	34648.61	2542.65	7.34	1363.33	3.93
Co-op. Banks	1683.37	70.75	4.20	0	0.00
RRBs	6383.15	264.40	4.14	218.56	3.42
Total	42715.13	2877.80	6.74	1581.89	3.70

The position of NPAs as on 31.12.2011 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- 40C to 40D** for discussion and review by the House.

CERTIFICATE CASES

As on 31.12.2011, 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.	311407	1203.12	1548	9.61	309859	1193.51
Co-op	29229	60.10	644	4.31	28585	55.79
RRBs	36529	34.78	212	0.15	36317	34.63
Total	377165	1298.00	2404	14.07	374761	1283.93

It is evident from the above Table that only 0.64% cases have been disposed of, and still 374761 cases involving Rs. 1283.93 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 on 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 provided to the SDC-Banking of the respective district for effecting recovery in these cases. The State Government is requested to instruct the district-administration of all districts of the State to organise block-level recovery camps on the lines of credit camp, which will help Banks in improving their asset quality besides conveying a message of **TIMELY REPAYMENT** to the borrowers.

Bank-wise no. of certificate cases pending with amount is furnished on **Page- 40E**.

DISPOSAL OF TOP 10 CERTIFICATE CASES OF EACH DISTRICT

One of the major demands/ expectations of the bankers from the State Government during the last few SLBC meetings have been prompt disposal of pending Certificate Cases. The list containing details of top ten defaulters, against whom certificate case has been filed by banks, of each district has been handed over to the respective Sr. Deputy Collector, Banking for effecting recovery from these defaulters. The State Government is requested to confer upon the SDC-Banking the powers of Certificate Officer in all the districts of the State. The bankers look forward to the posting of SDCs-Banking as providing impetus to improving the recovery climate in the state by effective execution of the Cases and making the initiatives of the state Government a success. Further, a list containing details of top ten certificate cases of each district has been placed on **Page 40M to 40S** 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 ten certificate cases of the respective district.

PRIORITY SECTOR LENDING

As on 31.12.2011, the National Benchmark of 40% for the share of priority sector advances in total advances has been achieved by majority of the banks. The House may notice that the ratio of priority sector advances to total advances is as high as 66.25% in the State, which is well above the Benchmark of 40%. Bank-wise position is furnished on **Page- 40F to 40I**.

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 36.72% as on 31.12.2011, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page- 40J to 40K**.

DIFFERENTIAL RATE OF INTEREST (DRI)

As on the 31st December 2011, the aggregate advances level under DRI Scheme stands at Rs. 68.03 Crore, which is 0.19% 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 4217 beneficiaries were provided loans amounting to Rs. 7.23 Crore under Differential Rate of Interest Scheme during the period under review. In addition to this, 2117 beneficiaries were provided credit support of Rs. 17.94 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- 40L.**

WEAKER SECTIONS

Banks extended financial assistance amounting to Rs. 9380.68 Crore out of the aggregate advances of Rs.42715.13 Crore to Weaker Sections of society, during the period under review, which stood at 21.96% of the total advances, against the benchmark of 10%. Further, as percentage of Priority Sector Advances, the achievement was much better at 33.15% against the Benchmark of 25%.

Bank-wise position is furnished on **Page- 40H to 40I.**

AGENDA-XI

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

Till December 2011, banks have covered a total of 5934 un-banked villages out of 9213 un-banked villages in the State. Thus, the banks could cover 64.41% of the un-banked villages allotted to them and still 3279 un-banked villages are left to be covered in the last quarter of the current fiscal. As reported, banks like Andhra Bank, Dena Bank and Oriental Bank of Commerce have still not covered even a single village allotted to them whereas the achievement of some other banks like UCO Bank, BKGB, MBGB, UBGB and SKGB is below 50% of their allotted villages. As the target is to be achieved by March 2012, setting up of banking outlets in the allotted villages within the stipulated time-frame should become the top priority of all concerned in general and for banks having covered less than 50% of the allotted villages in particular and all concerned should gear themselves forward accomplishing the cherished goal of opening banking outlets in villages having population of over 2000, within the time-line.

Bank-wise details of villages covered vis-a-vis villages allocated to them are furnished on **Page- 41A**.

AGENDA-XII

OPENING OF A BRICK AND MORTAR BRANCH IN VILLAGES HAVING POPULATION OF 5000 & ABOVE

In accordance with the guidelines issued by the Ministry of Finance, Government of India vide letter No.-8/32/2011-FI dated 9th January 2012, (copy placed on Page 46 A to 46B) Controlling Head of all Banks operating in Bihar have been requested by

SLBC to initiate requisite steps to open a brick and mortar branch in their service area villages having population of 5000 & above. In addition to this, the Lead District Manager of all districts have also been requested to provide a list containing details of un-banked villages having population of 5000 & above and take up the issue in DLCC meeting and prepare a detailed Action Plan for covering all the un-banked villages with 5000 & above population by opening a brick and mortar branch thereat. As per the instructions of Ministry of Finance, Government of India, Brick and Mortar branches should be opened in all un-banked villages having population of 5000 & above in under-banked districts (except Patna) and in Patna all villages having population of 10000 & above should be covered by opening a brick and mortar branch by 30th September 2012. All concerned are requested to see to it that the directives of the Ministry of Finance, Government of India is complied within the scheduled time-frame.

PREPARATION OF LIST OF VILLAGES HAVING POPULATION OF 1000 TO 2000

We all are aware that efforts are being made for extending banking services to villages having population of over 2000 and such villages are to be covered by opening of banking outlets thereat by 31st March 2012. In the next phase, the Ministry of Finance, Government of India has desired that the un-banked villages having population of 1000 to 2000 should be provided with banking facilities. For this, the Lead District Managers of all districts of the State have been requested to initiate requisite steps for preparation of the list containing details of un-banked villages having population of 1000 to 2000. Such villages should be allocated to Service Area Banks for extending banking services thereat. The said list has been submitted by some of the districts. However, the same was not approved by DLCC. LDMs of all districts have been requested to submit the list, duly approved by DLCC, so that the same may be compiled at the State-level and all banks may be requested to extend banking services to villages allotted to them as per the stipulated time-frame. Controlling Head of all banks are requested to instruct their LDMs suitably in the matter for early submission of the said list as the issue is being vigorously followed up by the Ministry of Finance, Government of India as well as

by the Reserve Bank of India. Meanwhile, in the context of instructions/ directives issued by the Ministry of Finance, Government of India vide letter dated 21st October 2011, B.C. Agents should be allocated entire Gram Panchayats to ensure their viability. In this context, it appears that villages having population of 1000 to 2000 may be treated as covered if a CSP is functioning in the same Panchayat, in case the Panchayat has also a village with population of 2000 & above. The Reserve Bank of India is requested to please clarify the position that such villages having population of 1000 to 2000 may be treated as covered or it is desired on the part of Banks to open more than one CSP in individual Panchayat.

ALLOCATION OF ENTIRE GRAM PANCHAYAT TO BCs (CSPs) BY BANKS

The directives issued by the Ministry of Finance, Government of India under **"Strategy and Guidelines on Financial Inclusion"** vide its letter dated 21st October 2011 (copy placed on Page- 46C to 46I) also state that entire Gram Panchayat should be allocated to BCs (CSPs) by banks to ensure viability of CSPs. In this regard, Controlling Head of all banks operating in Bihar have been requested by SLBC to allocate the entire Gram Panchayat to the Business Correspondents appointed/ engaged by them for opening banking outlets in their allotted villages to comply with the instructions of the Ministry of Finance.

SERVICE AREA ALLOCATION/ RE-ALLOCATION ON PANCHAYAT BASIS

In accordance with the directives received from the Department of Financial Services, Ministry of Finance, Government of India, Service Area of Banks should be allocated on Panchayat basis. The detailed instructions received titled as **"Strategy and Guidelines on Financial Inclusion"** under the cover of letter dated 21st October 2011 from the Ministry of Finance, Govt. of India is placed on **Page- 46C to 46I** for information of all concerned. Lead District Managers of all districts in the

State of Bihar have been requested by SLBC to advise the BLBC Convenor Banks in their respective lead districts to convene urgent meeting and allocate/ re-allocate the Service Area of Banks in terms of Gram Panchayats, on urgent basis. Further, all banks have also been requested to instruct their operating functionaries to do the needful in this regard. The Principal Secretary, Finance, Government of Bihar has also been requested to advise the District Magistrate and SDC-Banking of all districts in the State suitably to arrange for allocation/re-allocation of Service Area among bank-branches operating in their respective districts on the basis of Gram Panchayats. The House is requested to discuss the issue and a deadline may be fixed for completion of the task, at the earliest.

**FINANCIAL INCLUSION PLAN PRIORITY OF CENTRAL GOVT. MEETING OF
SLBC CONVENORS AT DELHI 03.11.11**

As we all know, implementation of Financial Inclusion Plans is one of the top priorities of the Central as well as the State Government. A meeting of all SLBC Convenors was convened by the Ministry of Finance on 3rd November 2011 to review the progress made in this regard under the Chairmanship of the Secretary, Financial Services, Ministry of Finance, Government of India. The Major Action Points emanated during the discussions in the meeting are listed below:

- All migrant labourers and those citizens in the under privileged classes which do not have bank accounts need to get bank accounts. SLBC Convenors should take up the matter with the lead District Managers on a regular basis.
- Inoperative accounts are a liability to the banks. Therefore steps should be taken to revive these by giving them GCC/KCC. There are about 12 crore farmer families of which 5.5 crore have been covered under the crop loans. SLBC Convenors must send details of KCCs which have been used for crop loan. The BCA should collect the KCC application and it should be ensured that each eligible farmer gets a KCC. SLBC will review the KCC accounts and come back on the valid KCC cards and the active KCC cards.

- The best practices of opening account of migrant labourers in Raipur and Ludhiana can be shared with SLBC Convenors.
- The banks need to become PoP (Point of Presence) for the Swavalamban scheme of the Government and this should be synergized with the account opening of the poor so that the cash flow from the bank account to the pension contribution can be smooth. One person in the respective Zonal Office of the bank should be made responsible for this.
- District Service Area Plan and the Branch Extension Plans need to be put on the website of the concerned districts.
- One officer from the bank branch must visit the BCs in villages of population of 2000 and above, for follow up and monitoring. It should be ensured that the BC Agent is seen to be an extension of the bank. All activities of banking facilitators must be assigned to the BCs so that they not only become an effective agent of bank but their viability also improves.
- Branch Manager of the Service Area Branch must also spend few days in a village and take the BC agents along with them to ensure that the customers get the confidence in BC agents.
- The RRBs will have to join the NEFT network of their sponsor banks. Only one review meeting of RRB should be held in a quarter by their sponsored bank. The representatives from NABARD and RBI should attend this and no separate meetings be held. RRBs were asked to submit Board approved plans for branch expansion by 14.10.2011 as detailed in the Financial Inclusion guidelines circulated by this Department on 21.10.2011.
- One person in the Zonal Office should be made responsible for driving the e-payments in the banks.
- The concept of one district many banks, one leader bank which can open the account under the Service Area approach of the beneficiaries should be

strictly followed. Wherever this is not being done, SLBCs should correct the anomaly.

- SLBCs will be asked to share the GIS data on the same line as the Bullandshahar GIS which was presented in the meeting.
- SLBC will send a monthly statement on financial inclusion progress as per format by the 5th of every succeeding month from this month onwards for the information of Hon'ble FM.
- All SLBC Convenors assured that the targets will be made before the scheduled date.
- It needs to be emphasized that the priority under financial inclusion is to saturate the geography by banks by having an account of at least one member of the family.

The House is requested to discuss the issues emanated from the meeting as detailed above so that an appropriate decision may be taken for implementation of the same by all concerned.

MEETING OF THE HON'BLE FINANCE MINISTER WITH CHIEF MINISTERS OF EAST ZONE STATES & CEOs OF PUBLIC SECTOR BANKS AT KOLKATA

A meeting of the Hon'ble Finance Minister with Chief Ministers of East Zone States & CEOs of selected Public Sector Banks was held on 10th December, 2011 at Kolkata. Minutes of the meeting received under the cover of Govt. of India letter No. 2/12/2011-P&C dated 19.12.2011 is placed on **Page- 46J to 46P** for information of all concerned.

AGENDA-XIII

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 placed before the House for more focussed and meaningful interaction. As per information gathered from majority of banks, a total of 4103111 No-Frills accounts were opened during the review period of FY 2011-12. Thus, a total of 8752025 No-frills accounts have been opened till 31st December, 2011 mobilising deposits of Rs.3151.51 Crore. Out of these, 6816370 accounts are operational. Further, overdraft facility has been extended to 206915 No-frills account holders; the amount involved being Rs. 53.23 Crore. Apart from this, 57496 General Credit Cards have been issued to No-frills account holders, with aggregate credit limits of Rs.121.11 Crore.

Bank-wise details are furnished on **Page- 48A to 48B** .

Further, it is pertinent to mention here that in accordance with the directives issued by the Ministry of Finance, Government of India credit support is to be provided to families which do not have any land and live in the rural areas by way of Savings-cum-OD with OD limit of upto Rs. 10000/- (Rs. Ten thousand only) against the personal guarantee of the villagers. Controlling Head 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.

EXTENDING MOBILE BANKING AND INTERNET BANKING FACILITY

The extension of banking services through alternate channels of delivery has gained significant importance in the present scenario and for serving large no. Of customers banks are required to extend mobile banking and internet banking facility to customers as these are customer friendly and also at the same time the cost involved in extending banking services through these channels is very less. As per information received by SLBC, all banks taken together have provided Mobile Banking facility to 234169 customers whereas the facility of Internet Banking was provided to 314608 customers. Controlling Head 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- 48C**.

AGENDA-XIV**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. Bihar State Housing Board is the Nodal Agency for the state of Bihar.

INTEREST SUBVENTION ON HOUSING LOAN

We all are aware that the Scheme of 1% Interest Subvention on Housing Loan upto Rs. 15 lakh and with cost of the house not exceeding Rs. 25 lakh is in operation for the current financial year, as announced in the Union Budget: 2011-12. The Scheme provides interest subsidy on housing loans to eligible borrowers and is being implemented throughout the country by Scheduled Commercial Banks (SCBs) and Housing Finance Companies (HFCs) registered with National Housing Bank (NHB). A copy of letter dated 3rd January 2012 received from the National Housing Bank (NHB) is placed on **Page- 49A to 49B** for information. The NHB is the common Nodal Agency for both Banks and HFCs. The Interest Subsidy of 1% is applicable for first 12 months of eligible loans sanctioned and disbursed during the currency of the Scheme. After sanctioning and disbursing the eligible loans, the Implementing Agencies can claim Interest Subsidy from NHB on monthly basis. It needs to be mentioned here that in a large number of eligible cases subsidy is not being claimed by Commercial Banks. Controlling Head of all banks operating in the State are requested to ensure that the benefit of Interest Subsidy is made available to eligible borrowers. The requisite information containing details of loans sanctioned and amount of Interest Subsidy provided to borrowers may please be furnished from the next SLBC meeting for information of all concerned. The data in respect of Housing Loans sanctioned upto Rs 25 Lakhs received from some of the Banks is placed at **page-49C** for the information of the House.

AGENDA-XV

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. Performance of financing by banks in these districts is furnished below, which shows improvement in all the districts over the performance in the same period last year:

SL.No.	District	Disbursement under ACP as on 31.12.2011	Disbursement under ACP as on 31.12.2010	%Growth
1.	Arwal	9952	6352	56.68
2.	Aurangabad	48673	35005	39.05
3.	Gaya	76762	50810	51.08
4.	Jamui	23583	21331	10.56
5.	Jehanabad	21747	10084	115.66
6.	Rohtas	75106	49021	53.21

It is evident from the above that banks have extended higher quantum of credit as compared to last year in all the security sensitive districts. The credit extension in Arwal, Gaya, Jehanabad and Rohtas districts have improved considerably as growth

of more than 50% have been witnessed Y-o-Y, while other districts have also recorded growth over their last year disbursement. Further, the State Government is also requested to provide necessary infrastructural support to facilitate larger credit extension by banks in these areas.

AGENDA-XVI

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 Head 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-XVII

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 Head of all banks operating in the State are requested to bring to the notice of the State Government and others concerned 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-XVIII

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 Government 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 RBI detailed guidelines issued vide letter No.-RPCD.CO.BC.FID.16/12.01.019/2011-12 dated 12th August

2011 is placed on **Page- 62A to 62 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.

Further, in view of the directives issued by the Ministry of Finance, Government of India, the Roadmap for effecting Electronic Benefit Transfer has to be prepared in

the meeting of SLBC so that benefits of various Government Sponsored Schemes are credited in the accounts of the beneficiaries electronically. The state government to instruct the concerned Departments to provide the list of beneficiaries of social welfare schemes to the Controlling Head of Banks to enable them to suitably instruct their Branches for opening their accounts so that the fund transfer can be done electronically. For early implementation of EBT in the State, RBI has been requested to play a coordinating role. The House is requested to discuss the issue in detail to evolve strategies to be followed for implementation of EBT. Further, in accordance with the operational guidelines issued by the Reserve Bank of India vide its letter dated 12th August 2011, the House may designate **one leader bank** in each district considering the larger presence and convenience to all banks, as RBI has suggested to adopt- **one district-many banks-one leader bank model**. All concerned are requested for discontinuation of any other structure of EBT prevalent in Bihar which is inconsistent with the guidelines issued by the Reserve Bank of India vide its letter dated 12th August 2011.

AGENDA-XIX

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.
- (iii) 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 amount.

AGENDA-XX

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 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-62K** for information. As reported, there are 33 RSETIs functioning in different districts of the State out of total 38 districts. Controlling Head of banks having lead responsibilities in the remaining 5 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.

AGENDA-XXI**SAVINGS BANK ACCOUNT OPENING CAMPAIGN**

A campaign for opening of Savings Bank Accounts has been launched by the Public Sector Banks in accordance with the guidelines received from the Indian Banks' Association (IBA). The Lead Bank of the district is the Nodal Point for the entire activity and the Lead District Managers (LDMs) would be responsible for the entire campaign. A copy of letter received from the Indian Banks' Association containing detailed instructions/ guidelines for launching the campaign for opening of Savings Bank Accounts is placed on **Page-** 62L to 62O for information.

The Publicity materials received from the Indian Banks' Association (IBA) has also been sent to the LDMs on DVD with a request to customize the same to suit local environment, and to utilize the materials for preparing handbills to be distributed along with the local newspapers, hoardings, posters, danglers, wall paintings or any such other forms for popularizing the campaign.

We have advised all concerned to initiate requisite steps to drive the campaign in the state in order to open maximum number of Savings Bank accounts by the banks' branches. The LDMs have also been advised to place the progress report of the campaign in the DLCC/ DLRC meetings of the district.

AGENDA-XXII

OFFICE PREMISES FOR THE DEBT RECOVERY TRIBUNAL

The Department of Financial Services, Ministry of Finance, Government of India, has advised that suitable accommodation for office premises of space measuring 5000 square feet or more is required in the centrally located area with all the facilities including adequate power and parking space for Debt Recovery Tribunal. The feasibility of providing space by the State Government or by banks may be explored. A copy of letter received from the Ministry of Finance and from the Registrar, Debts Recovery Tribunal, Patna is placed on Page- 62 P to 62Q for information of the House. Controlling Head of all Banks as well as the State Government have been requested by the SLBC to explore the feasibility of providing space on rent basis to DRT/ DRAT.

AGENDA-XXIII

WEAVERS CREDIT CARD

As we all know, the Government of India has implemented a number of Schemes for the development of handloom sector in the past. Based on the past experience in this regard, the Government of India has formulated a new Scheme called Weavers Credit Card (WCC), which aims at providing adequate and timely assistance from the Banking institutions to the Weavers to meet their credit requirements i.e. the investment needs as well as the working capital needs of weavers in a flexible and cost effective manner. The Scheme is to be implemented both in rural and urban areas. A copy of letter No.- SB/CIR/WCC/4221 dated 5th

October 2011 received from the Indian Banks' Association, Mumbai containing salient features of the Scheme and enclosing therewith a letter received from the Ministry of Finance, Government of India providing detailed guidelines of the same is placed on **Page- 62R to 62X** for information. Controlling Head of all banks and LDMs of all districts of the State have already been advised by the SLBC to initiate requisite steps for implementation of the Scheme in the State of Bihar.

A meeting of SLBC Convenor of all the States and others concerned was held on 4th January 2012 at New Delhi under the Chairmanship of Development Commissioner (Handlooms), Ministry of Textiles, Government of India. During the meeting, threadbare discussion was held regarding implementation of the Scheme in right earnest in all the States.

It is also worth mentioning here that Awareness Camps are being organized on Pan-India basis to generate awareness about the Scheme and to provide first hand information to the operating functionaries of banks and other concerned institutions as well as to general public and registration of weavers for availing Weavers Credit Cards. A meeting of all stake holders including major banks and Lead District Managers of districts having huge potential for issuance of Weaver Credit Card was also organized under the Chairmanship of the Principal Secretary, Industries, GoB, Patna for finalising the modalities for implementing the Scheme in the State in true spirit. Controlling Head of all banks are requested to bestow their attention and instruct the operating functionaries to initiate appropriate steps for issuing maximum No. of Cards to weavers and ensure implementation of the Scheme in right earnest in the State.

AGENDA-XXIV

ANNUAL CREDIT PLAN 2012-13

TARGETS UNDER PRIORITY SECTOR ADVANCES UNDER ANNUAL CREDIT PLAN: 2012-13 AS PER STATE FOCUS PAPER PUBLISHED BY NABARD

As per Potential Linked Credit Plan prepared by NABARD, the targets allocated under Priority Sector Lending are as under:

(Rs. in Crore)

YEAR	AGL	SME	OPS	TPS
2011-12	21101.95	2441.25	4600.45	28143.65
2012-13	23630.44	2954.56	5492.22	32077.22
% Growth (Y-o-Y)	11.98%	21.03%	19.38%	13.98%

While the Potential Linked Plan (PLP) of Rs.32077.22 Crore has been fully adopted as total outlay under Priority Sector Advances, the House is requested to finalise the target under Non-Priority Sector (NPS) to arrive at total outlay under Annual Credit Plan: 2012-13. A sub-committee may also be formed to distribute the district-wise target set under Priority and Non-Priority Sector so that Lead District Managers of all districts of the State may be asked to distribute/ disseminate the target allotted to the district among banks operating in the respective district and submit a copy of the same to SLBC by 28th February to compile the state-level targets of Banks and circulate the same among all concerned with a request to initiate requisite steps for achieving the targets so allocated.

AGENDA-XXV

RE-ALLOCATION OF LEAD BANK RESPONSIBILITY

In accordance with the decision taken in the sub-committee meeting of SLBC, Bihar held on 6th August 2011 and subsequent discussions held during the 37th review meeting of SLBC, Bihar held on 11th August 2011 for re-allocation of lead bank responsibility in Samastipur, Saharsa and Sitamarhi districts, the Rural Planning and Credit Department, Reserve Bank of India, Regional Office, Patna was requested to initiate requisite steps for re-allocation of lead responsibility in these 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- 62 Y, 62Z & 62AA** 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. They have further suggested that for effecting the above changes/ modification in lead responsibility, 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. The Principal Secretary, Finance, GoB, Patna has been requested to convene a meeting of all stake holders to discuss the issue and arrive at consensus to proceed further in this regard. The House is requested to discuss the issue and take an appropriate decision in this regard.

AGENDA-XXVI**BRANCH-WISE MONITORING**
PERFORMANCE OF TOP 5 AND BOTTOM 5 BRANCHES

During the discussions and review in the last review meeting of SLBC, Bihar held on 18th November 2011, the Principal Secretary, Finance, Government of Bihar suggested that the major banks operating in the State should identify 5 to 10 branches which are performing poorly and their case alongwith the reasons for poor performance of these branches may be presented in the SLBC meeting for information of all concerned. He had also suggested that top 5 branches performing exceedingly well might also be invited to the meeting and Branch Manager of these branches should be recognized/ rewarded for performing well. Keeping the above in view, the issue was discussed in the sub-committee meeting of SLBC, Bihar on KCC monitoring held on 22nd December 2011 at Patna. After due deliberations, the House proposed that the top 5 and bottom 5 branches may be selected on the basis of achievement under ACP (Agl. Segment).

Accordingly, it is proposed that the branches allocated target of Rs. 2 Crore and above under Agri Segment should be taken into account for recording the performance of top 5 and bottom 5 branches and their performance should be reviewed in the year-end. The House is requested to discuss the issue for finalizing the modalities for recording the performance of top 5 and bottom 5 branches. Constitution of a sub-committee comprising major banks operating in the State may also be explored for selecting top five and bottom five branches among all banks.

AGENDA-XXVII**SECURITY RELATED CONCERN OF BANKS**

The Chairman, Uttar Bihar Gramin Bank has advised vide their letter No. - HO/PRS/04/11-12/2095 dated 11th January 2012 and letters No. HO/PRS/04/2011-12 /2048 & 2049 dated 09.01.2012 regarding security related concern (copies placed on Page- 62 AB to 62 AE for information). They have advised that criminal activities have risen in their area of operation and as such staff members have developed sense of insecurity due to violence, kidnapping and murder. It is also worth-mentioning that of late, the law and order issue for the bankers has become a matter of concern. There has been a spate of bank robberies in the last few months, the most recent being the robbery at Hajipur Branch (Jehanabad district) of State Bank of India. In the above backdrop, the State Government is requested to please expedite the process of raising a special battalion of police personnel for security of banks so that the bankers are able to provide unhindered banking services to the people in a more secure environment, especially in remote areas. In addition to this, all district administration may please be instructed by the State Government for holding and for ensuring participation of senior police officials of the respective district in quarterly meeting of District Level Security Committee (DLSC).

AGENDA-XXVIII**ISSUE OF SAMIS AND DATA PURITY**

The issue of non-stabilization of SAMIS in the State was discussed in a meeting on 6th August, 2011 to design a format in synchronization with SAMIS so that banks' branches may be asked to submit data on the same to their controlling heads for compilation and onward submission to LDMs and SLBC to enable them to prepare agenda papers of DLCC meetings and quarterly SLBC review meetings respectively, which will avoid the possible mismatch of data submitted by banks to LDMs and SLBC. A subsequent meeting of sub-committee of SLBC, Bihar was held on 12th October 2011 on the above issue. The meeting was attended by representatives of Government of Bihar, RBI, NABARD and Controlling Head of Major Commercial Banks operating in the State. The House constituted a sub-committee under the chairmanship of Shri Pradeep Kumar, Deputy General Manager-NABARD and one representative each from State Bank of India, Punjab National Bank and Central Bank of India as its members. The Committee was advised to devise an appropriate format within a week and thereafter a meeting of the sub-committee would be held to take an appropriate decision regarding the format so prepared. NABARD is requested to apprise the House of the latest status in the matter.