

STATE LEVEL BANKERS' COMMITTEE, BIHAR

43RD REVIEW MEETING
FOR THE QUARTER ENDED 31ST DECEMBER, 2012

VENUE : HOTEL CHANAKYA, PATNA

DATE : 16.02.2013

TIME: 10.30 AM



Convenor:

STATE BANK OF INDIA

SLBC Department, 5th Floor,

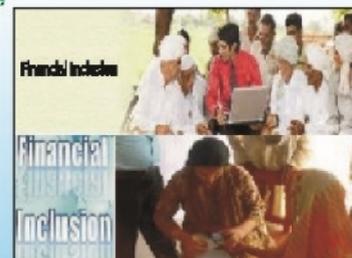
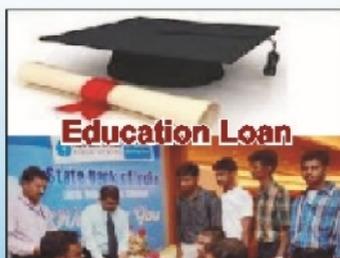
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**STATE LEVEL BANKERS' COMMITTEE
43RD MEETING**

NOTES ON AGENDA ITEMS

AGENDA-I

**CONFIRMATION OF MINUTES OF THE
42ND STATE LEVEL BANKERS' COMMITTEE MEETING
HELD ON 10.11.2012**

The House may please confirm the Minutes of the 42nd State Level Bankers' Committee meeting held on the 10th November, 2012.

AGENDA-II

ACTION TAKEN REPORT ON THE 42ND SLBC MEETING

[1] ACTION POINT- Banks should put in concerted efforts to ensure achievement of target set under ACP for FY: 2012-13.

(Action: All Banks)

ACTION TAKEN: - Due to focussed attention provided by all banks operating in the State an amount of Rs. 31173.45 Crore was disbursed during the period under review, registering Y-o-Y growth of 38.86%. During the corresponding period last year, banks could disburse loans amounting to Rs. 22450.05 Crore. Controlling Head 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- LDMs of 10 districts whose ACP disbursement is poor to co-ordinate with bank branches in improving the performance.

(Action: LDMs of Buxar, Gaya, Bhojpur, Lakhisarai, Nalanda, Nawada, Kishanganj, Madhepura, Saharsa and Katihar districts)

ACTION TAKEN: - Due to the concerted efforts taken by all concerned, there has been 91% increase over Sept. 2012 in ACP disbursement in these 10 districts, as is evident from the data placed below:

Comparison of ACP Disbursement of Dec 2012 over Sept 2012 of underperformed 10 Districts

SL	DISTRICT NAME	TARGET	Upto Dec 2012		Upto Sep 2012		% increase over Sep 2012
			ACHIEV.	% ACHIEV.	ACHIEV.	% ACHIEV.	
1	Bhojpur	168894	95831	56.74	53504	31.68	79.11
2	Buxar	154439	96188	62.28	47377	30.68	103.03
3	Gaya	202886	97315	47.97	58335	28.75	66.82
4	Katihar	143220	68779	48.02	39343	27.47	74.82
5	Kishanganj	99143	49809	50.24	27274	27.51	82.62
6	Lakhisarai	45905	26054	56.76	12828	27.94	103.10
7	Madhepura	70833	42171	59.54	18163	25.64	132.18
8	Nalanda	124158	66200	53.32	34998	28.19	89.15
9	Nawada	64912	36096	55.61	14069	21.67	156.56
10	Saharsa	73056	42607	58.32	19877	27.21	114.35
Total		1147446	621050	54.12	325768	28.39	90.64

Lead District Managers of these districts have been requested to further co-ordinate with all bank branches and monitor the low-performing bank branches in the coming quarter also so that target under ACP is achieved.

[3] ACTION POINT- Secretary, Finance (Expenditure), GoB to organise a meeting of major banks for reducing the target of Co-operative Bank.

(Action: Secretary, Finance -Expenditure, GoB)

ACTION TAKEN: - Meetings were organised by SLBC in this regard. In the meeting organised on 21st December, 2012, it was felt that the target of Cooperative Bank should be reduced to Rs. 800 Crore and correspondingly target of Commercial Banks & RRBs should be increased. However, considering that only one quarter was left in the current F.Y., the target of Cooperative Bank should be kept at Rs. 800 Crore for F.Y. 2013-14.

[4] ACTION POINT- **KCC should be provided to all eligible farmers of the State. 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: - Controlling Head of all banks have been requested to arrange to provide Kisan Credit Card to all eligible and non-defaulter farmers. Modified Common Application Form, format of affidavit (for loan upto Rs. 50,000) and Checklist for KCC loan have 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. The same is also uploaded on the website of SLBC. Banks have been advised to provide KCC upto Rs. 50,000 to eligible farmers on the strength of Affidavit (instead of LPC) and Current Rent Receipt. Banks' branches should continue their endeavors for generating loan applications under KCC and the possibility of utilizing the services of BC Agents may also be explored.

[5] ACTION POINT- **Complete KCC applications with proper LPC should be generated and banks should dispose the KCC applications in time bound manner and should not keep them unattended.**

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

ACTION TAKEN: Apart from generation of applications by branches, the Agriculture Department, GoB has been requested to generate complete KCC applications through their SMSs & Krishi Salahkar with proper LPC. Banks have also been requested to dispose the KCC applications in time bound manner and should not keep them unattended. All Banks are further requested to ensure that acknowledgement of KCC applications are provided to the applicants by the branches.

[6] ACTION POINT- **Agri Department, GoB and NABARD should hold regular meeting with Banks and review all issues related to KCC, like applications generated, sanctioned, interest subvention on prompt repayment, crop insurance, issuance of ATM cards etc.**

(Action: Agri Deptt., GoB & NABARD)

ACTION TAKEN: - NABARD organised a meeting to review Ground Level Credit in Bihar on 11th January, 2013 and reviewed all issues related to KCC, crop insurance etc. The minutes of the above said meeting is placed at Page No. 7D to 7F.

[7] ACTION POINT- All concerned Banks should put in concerted efforts for covering all the 3052 unbanked villages having population of 1600 to 2000 by providing banking facility by March, 2013.

(Action: All Concerned Banks)

ACTION TAKEN: Controlling Head of all banks operating in the State have been requested to put in concerted efforts for covering all the 3052 unbanked villages having population of 1600 to 2000 by providing banking facility by March, 2013. Till December, 2012 only 145 unbanked villages have been provided with banking facility. Bank-wise details is placed at **Page 17A** for information of all concerned.

[8] ACTION POINT- All concerned Banks should put in concerted efforts for setting up Brick and Mortar branches/USBs in all the identified villages with population above 5000 at an early date. Identified Officers should visit the CSPs and closely monitor their performance.

(Action: All Concerned Banks)

ACTION TAKEN: Controlling Head of all banks operating in the State have been requested to put in concerted efforts for setting up Brick and Mortar branches/ USBs in all the identified villages with population above 5000/10000 at an early date. Till December, 2012, 1438 such villages out of allotted 1695 villages have been covered. Out of 1438 covered villages, 79 villages have been covered by Brick & Mortar Branches and 1359 villages have been covered by USBs. However, USB data is based on weekly visit by the Bank Officials in lieu of managing full time by at least one bank officer with laptop having VPN connectivity on all working days in a week by a bank officer as per instructions of GoI vide their letter No. F.No.21/13/2009-FI-(Pt.) dated 1st August,2012 (placed at **Page-17X TO 17Z** for information of all concerned).

[9] ACTION POINT- Banks/LDMs to ensure opening account of at least one member of each household in the district and verify the completion of the task from the voter's list.

(Action: All Banks & LDMs)

ACTION TAKEN: Banks/LDMs have been requested to ensure opening account of at least one member of each household in the district and verify the completion of the task from the voter's list. Voter's list had been provided by the State Government and it has been sent to all LDMs for distribution as per Service Area villages/wards to all bank branches. Branch-wise report in this regard on format placed on Page 17G & 17H has to be obtained by Banks & LDMs on monthly basis from the branches.

[10] ACTION POINT- Banks/LDMs to ensure opening account of migrant labourers and street vendors/hawkers in urban areas.

(Action: All Banks & LDMs)

ACTION TAKEN: - All banks have been requested to arrange to open bank accounts of all migrant labourers and street vendors/hawkers, who are working within 500 metres of

the branches in urban and metro areas, through branch or CSPs so that financial inclusion and remittance in urban area could be facilitated. Lead District Managers of all districts have also been requested for initiating requisite steps and sensitizing the branches in their district so that account of all migrant labourers and street vendors/hawkers could be opened.

[11] ACTION POINT- The performance of the CSPs of BCs/USBs should be closely monitored and reviewed at periodical intervals.

(Action: All Banks)

ACTION TAKEN: - As per GoI guidelines, Banks have been requested to identify an officer for visiting the CSPs on a fixed day and time, for minimum one day (in case of villages with population above 2000) and on all 6 days (in case of villages with population above 5000) in a week with a Laptop with VPN connectivity in order to carry out non-cash transaction while BCAs are to do cash transaction.

As per information received from banks, the outlets opened by BCs are being visited by bank officials and their performance is being monitored at regular intervals. Some banks have also opened Financial Inclusion Centres (FICs) and these FICs have become the Nodal Point for monitoring the performance of CSPs on regular basis. Senior Officials of Banks are also visiting the CSPs.

[12] ACTION POINT - LDMs of concerned 9 LWE districts (Arwal, Aurangabad, Gaya, Jamui, Jehanabad, Kaimur, Munger, Nawada & Rohtas) to approach the District Magistrate for funding of capital cost for the establishment of USBs in the identified villages having population of above 2000 under the guidelines for Integrated Action Plan (IAP) for selected 9 tribal & backward districts under the state component of Backward Regions Grant Fund (BRGF).

(Action: LDMs of concerned districts)

ACTION TAKEN: - Lead District Managers of concerned 9 LWE districts have been requested to approach the District Magistrate for funding of capital cost for the establishment of USBs in the identified villages having population of above 2000 under the guidelines for Integrated Action Plan (IAP) under the state component of Backward Regions Grant Fund (BRGF). The State Govt has also been requested to instruct their District Magistrate to reimburse the Capital Cost for establishment of USBs in these Districts.

[13] ACTION POINT- The State Government to take necessary corrective steps to enable the bankers provide unhindered Banking services to the people in a more secure environment, especially in the remote corners of the State.

(Action: State Government)

ACTION TAKEN: - In view of the spate of bank robberies, murder of bank officials in the recent past as provided on **page no. 32**, the State Government is requested to take necessary corrective steps to

address security related concerns of banks in order to enable the bankers provide unhindered Banking services to the people in a more secure environment, especially in the remote corners of the State.

[14] ACTION POINT- SDC (Banking) to pay adequate attention towards disposal of pending Certificate Cases of each district and co-ordinate with the banks in their recovery efforts.

(Action: SDC-Banking, All Banks)

ACTION TAKEN: At 8%, NPA of banks in the State is very large. In order to strengthen the efforts of banks, SDCs-Banking of respective districts are requested to pay adequate attention towards disposal of the pending Certificate Cases, especially top 10 Certificate Cases of districts, on priority basis and co-ordinate with the banks in their recovery efforts.

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

(Action: RBI, State Govt. & Banks)

ACTION TAKEN: - A meeting of Bankers and State Government officials was convened at Chief Secretary's office on 21st August, 2012 wherein a decision was taken to start the E payment on a pilot basis by 7 Banks having lead responsibilities in the State in one district each. "Old Age Pension" scheme had been chosen as the only scheme for e-payment and format for providing the data by Government of Bihar to the Banks have been provided by SLBC. The process of e-payment will start on receipt of particulars from Government of Bihar.

In order to implement EBT effectively in the State, Government of India has decided to provide for Direct Cash Transfer facility in all the districts of the State in a phased manner. In this connection, the Department of Financial Services, Government of India (GoI) has issued several guidelines for preparing comprehensive plan for coverage of the entire State through banking services to enable Direct Cash Transfer and these guidelines have been conveyed to all Banks & LDMs for implementation of Direct Cash Transfer facility in all the districts of the State. The various guidelines of GoI in this regard are placed at **Page No.17I to 17W**.

[16] ACTION POINT- NABARD to revisit the provision of verification of physical assets by 3 members committee in case of BIGWIS scheme.

(Action: NABARD)

ACTION TAKEN: - Earlier, NABARD was requested to revisit the provision of verification of physical assets by 3 members committee in case of BIGWIS scheme but NABARD has advised that the power to amend the guidelines in this regard lies with the Minor Water Resources Department (MWRD), Government of Bihar. Accordingly, SLBC Bihar has requested the Minor Water Resources Department (MWRD), Government of Bihar to do the needful in the matter for better implementation of the BIGWIS scheme in the State.

STATE LEVEL BANKERS' COMMITTEE, BIHAR

KEY INDICATORS
(ALL BANKS)

(Rs. in Crore)

Sl. No	ITEMS	MAR'12	DEC'11	DEC'12	Bench-mark
1	DEPOSITS	138163.08	127806.04	147747.93	
2	ADVANCES	45356.81	40827.48	49604.00	
3	ADVANCES INCLUDING ADVANCES GRANTED TO UNITS IN BIHAR BY BRANCHES OPERATING OUTSIDE BIHAR	48212.88	42715.13	55456.76	
4	ADVANCES INCLUDING RIDF	50703.87	44940.88	58235.65	
5	CD RATIO	36.70	35.16	39.42	
6	PRIORITY SECTOR ADVANCES	32247.11	28299.05	36513.41	
7	SHARE OF PSA IN TOTAL ADV(SL.NO.2)(%)	71.10%	69.31%	73.61	40 %
8	AGRICULTURAL ADV.	18290.07	15868.93	21799.56	
9	SHARE OF AGL. ADV IN TOTAL ADV (SL.NO.2) (%)	40.32%	38.87%	43.95	18 %
10	MSME ADV.	6823.10	6651.44	8977.92	
11	SHARE OF MSME ADV. IN PSA (%)	21.16%	15.57%	24.59%	
12	ADV. TO WEAKER SEC.	13023.27	9380.68	12396.07	
13	SHARE OF WEAKER SEC. IN PSA (%)	40.39%	33.15%	33.95%	25 %
14	DRI ADV.	91.92	68.03	71.60	
15	SHARE OF DRI ADV IN TOTAL ADV (sl.no.2) of mar'12 (%)	0.25%	0.19%	0.16%	1 %
16	ADV. TO WOMEN (DISBURSEMENT)	1840.76	1193.89	2038.04	
17	SHARE OF ADV. TO WOMEN IN DISBURSEMENT (%)	5.68%	5.32%	6.54%	5 %
18	TOTAL NUMBER OF BRANCHES	4860	4723	5031	
A	RURAL	2898	2819	2825	
B	SEMI-URBAN	1070	1025	1264	
C	URBAN	892	879	942	

AGENDA-III

REVIEW OF PERFORMANCE UNDER ANNUAL CREDIT PLAN: 2012-13

The performance of all banks under the Annual Credit Plan 2012-13 during the quarter ended December 2012 is as follows:-

(Rs. in Crore)

Banks	Target	Achievement	% Ach.
Comm. Banks	38028.05	24252.84	63.78
Co-op. Banks	2322.12	264.59	11.39
RRBs	11050.22	6656.02	60.23
Total	51400.39	31173.45	60.65

Sector-wise break-up of targets and achievement:

(Rs. in Crore)

Sector	Target	Achievement	% Ach.
Agriculture	25400.52	14649.74	57.67
SME	3400.03	3172.31	93.30
OPS	4600.56	2649.80	57.60
TPS	33401.11	20471.85	61.29
NPS	17999.28	10701.60	59.46
Total	51400.39	31173.45	60.65

Bank-wise and district-wise position is furnished on **Page- 11 A to 11 E.**

COMPARATIVE PERFORMANCE UNDER ACP As on December, 2012 vis-a-vis December, 2011

(Rs. in Crore)

Banks	2012-13			2011-12			YOY increase in disb. (%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Comm	38028.05	24252.84	63.78	31591.19	16862.73	53.38	43.83
Co-op	2322.12	264.59	11.39	2018.74	309.85	15.35	-14.61
RRBs	11050.22	6656.02	60.23	9590.07	5277.47	55.03	26.12
Total	51400.39	31173.45	60.65	43200.00	22450.05	51.97	38.86

SECTOR-WISE PERFORMANCE:

(Rs. in Crore)

Sector	2012-13			2011-12			YOY increase in disb.(%)
	Target	Ach.	% Ach	Target	Ach.	% Ach	
Agl.	25400.52	14649.74	57.67	21101.95	10783.16	51.10	35.86
MSE	3400.03	3172.31	93.30	2441.25	2108.52	86.37	50.45
OPS	4600.56	2649.80	57.60	4600.45	2497.33	54.28	6.11
TPS	33401.11	20471.85	61.29	28143.65	15389.01	54.68	33.03
NPS	17999.28	10701.60	59.46	15056.35	7060.94	46.90	51.56
Total	51400.39	31173.45	60.65	43200.00	22450.05	51.97	38.86

Comparative performance shows that the overall achievement during the period under review is 60.65%, as against 51.97% 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 and Commercial Banks have recorded impressive growth, particularly Commercial Banks, in their loan disbursements vis-a-vis their performance over the same period last year. In case of sector-wise growth, it will be observed that advances to Agri, MSE & NPS sectors have increased significantly in the quarter under review.

AGENDA-IV

EDUCATION LOAN

One of the main priorities of banks operating in the State is to provide education loan to all the meritorious and needy students to enable them meet the expenses of higher studies not only in the State but also outside the State in India and abroad.

Loan amounting to Rs 647.07 Crore were sanctioned to 20892 students and loan amounting to Rs. 541.17 Crore were disbursed among 22478 students under Education Loan during the review period of the current financial year. Bank-wise performance is furnished on **Page-11F** .

The achievement of all banks taken together is 52.23% of the targets allocated i.e. 40000 (in number) for F.Y.2012-13. The Sub-Committee of SLBC has finalised the common eligibility criteria, checklist, application form etc. and has been advised to all banks, LDMs of all districts and State Government. Controlling Head of all banks are requested to provide further impetus to financing under Education Loan so that the target set under the Scheme is achieved.

HOUSING LOAN

Loan amounting to Rs. 1022.94 Crore was sanctioned to 8495 beneficiaries by Banks during the review period of F.Y. 2012-13. Out of these, Housing Loan upto Rs. 15 Lac with project cost upto Rs. 25 Lac was provided to 2865 beneficiaries. The bank-wise performance during the review period is placed at **Page No. 11G.**

AGENDA-V

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

In accordance with the guidelines issued by the Government of India in this regard, Banks have to ensure that within the overall target for Priority Sector lending, 15% of PSA is provided to Minority Communities.

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 31.12.2012 was Rs.5335.03 Crore (No. of borrowers: 777139) out of which loans amounting to Rs.2271.39 Crore (42.58% of PSA) were provided to 265657 (34.18% of PSA) borrowers belonging to minority communities. The amount provided to Minority communities by banks in the above mentioned districts ranges from 29 to 76%. 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-11I.**

AGENDA-VI

FINANCIAL INCLUSION

The Government of India has issued "Strategy and Guidelines on Financial Inclusion" from time to time. The various issues covered under the strategy are as under:

1. PERIODICAL UPDATION OF SERVICE AREA PLAN ON DISTRICT WEBSITE:

The name and contact No. of BCAs, name and designation of Bank Officials identified for weekly/daily visits is required to be added in the Service Area Plan of the district. Further, Service Area Plan needs to be periodically updated to account for appointment of new BCAs, change of BCAs, change of identified Bank Officials for visit etc. All Lead District Managers are again requested to ensure that the Service Area Plan with requisite details is prepared and uploaded on the district website and also updated regularly on a monthly basis whenever any change takes place.

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

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 the State 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.

3. PREPARATION OF STATE/DISTRICT FINANCIAL SERVICES PLAN:

The Comprehensive Annual Financial Service Plan is to be prepared at both the State & District level to ensure coverage through banking, rural development, insurance etc. in the State.

At the State level, in this connection, several meetings with the Nodal Officer of Life and Non-Life Insurance Companies, NABARD officials and major Banks of the State have been held. The Life and Non-Life Insurance Companies are again requested to bring out their approach paper with a plan to saturate the State with micro insurance products.

LDMs are also again requested to convene a meeting of Insurance Companies, NABARD officials and banks in their districts and prepare a Comprehensive Financial Service Area Plan of their districts with regard to banking and insurance related coverage of the districts.

4. EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POPULATION OF 1600 to 2000 BY MARCH 2013:

3052 unbanked villages with population of 1600 to 2000 have been identified and advised to concerned LDMs and banks, which are to be covered by providing banking facility by March, 2013.

Banks have covered only 145 of these unbanked villages by providing banking facility thereat. All Banks are requested to cover the allotted villages by providing banking facility by March, 2013. Bank-wise allotted list & progress report is placed at **Page No. 17A** for information of the House.

5. EXTENSION OF BANKING SERVICES TO ALL THE REMAINING UNBANKED VILLAGES IRRESPECTIVE OF POPULATION CRITERIA BY MARCH, 2016:

Reserve Bank of India has instructed for providing banking facilities in all the remaining unbanked villages irrespective of population criteria i.e. all villages with population less than 2000 by March, 2016. All banks have submitted their Roadmap for providing banking services in villages with population below 2000.

The list of all villages with population below 2000 has been sent to LDMs for identifying unbanked villages and checking their particulars. All LDMs have been requested to send the corrected list at an early date for circulation among all banks.

All Banks have been requested to provide progress report on quarterly basis of coverage of villages below 2000 population to SLBC by 12th of the succeeding month of the close of each quarter on the prescribed format.

6. EXTENSION OF BANKING SERVICES TO VILLAGES HAVING POPULATION OF MORE THAN 2000:

Banks have covered all 9206 un-banked villages with population above 2000 in the State.

As per the guidelines of Department of Financial Services, Government of India, One Bank officer has to visit the CSP in the FI village on a predetermined day and time at-least once a week. The frequency of visit may be raised depending upon the business potential. It should be ensured that the same person visits the outlets regularly in order to build the confidence of local people on these outlets. The transport facility should be provided to the bank officials for visiting the villages.

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

Controlling Head of all banks operating in the State have been requested to put in concerted efforts for setting up Brick and Mortar branches/ USBs in all the identified

villages with population above 5000/10000 at an early date. Till December, 2012, 1438 such villages out of allotted 1695 villages have been covered. Out of 1438 covered villages, 79 villages have been covered by Brick & Mortar Branches and 1359 villages have been covered by USBs. However, USB data is based on weekly visit by the Bank Officials in lieu of visit on all working days with laptop having VPN connectivity as per instructions of GoI as contained in letter No. F.No.21/13/2009-FI-(Pt.) dated 1st August,2012.

Bank-wise details of villages covered vis-a-vis villages allocated to them are furnished on **Page No.17B**.

It has been observed that many villages with population above 2000/5000 had not been included in the DLCC approved list of unbanked villages allotted to banks for coverage. All LDMs are advised to check the allotted villages with the census data of villages and reallocate the remaining unbanked villages among all banks as per Service Area, for coverage among Banks. The list should be approved by DLCC and sent to SLBC at the earliest for distribution among all banks in the State.

8. ESTABLISHMENT OF ULTRA SMALL BRANCHES IN LWE AFFECTED DISTRICTS UNDER THE GUIDELINES FOR INTEGRATED ACTION PLAN (IAP) FOR SELECTED TRIBAL & BACKWARD DISTRICTS UNDER THE STATE COMPONENT OF BACKWARD REGIONS GRANT FUND (BRGF):

Under Financial Inclusion various measures have been initiated by the Government of India regarding establishment of Ultra Small Branches (USBs) in all FI villages (above 2000 population) including Left Wing Extremism (LWE) affected areas. Ministry of Home Affairs has identified 15 districts in Bihar as Left Wing Extremism (LWE) affected. The Planning Commission has also formulated guidelines for Integrated Action Plan (IAP) in some selected tribal and backward districts under the State component of Backward Regions Grant Fund (BRGF). 9 LWE districts (Arwal, Aurangabad, Gaya, Jamui, Jehanabad, Kaimur, Munger, Nawada & Rohtas) in Bihar also figure in the Planning Commission list for IAP. As per IAP guidelines, a committee headed by District Collector/District Magistrate and consisting of the Superintendent of Police of the District and District Forest Officer is responsible for implementation of the Scheme.

Funding of Capital Cost for establishing the USBs, amounting to Rs. 1.40 lacs per USB has been included by the Planning Commission as permissible project under IAP. LDMs of concerned 9 districts have been requested to approach the District Magistrate for funding of capital cost for the establishment of USBs in the identified villages having population over 2000. Controlling Head of all Banks in Bihar have been requested to instruct their operating functionaries to coordinate with respective LDMs for funding of USBs in the identified villages having population above 2000 in their respective districts under the guidelines for IAP.

We have also requested the Principal Secretary, Department of Finance, Government of Bihar to advise the District Magistrates of these concerned 9 districts to arrange for

funding of capital cost for establishment of USBs in the identified villages having population over 2000.

A copy of letter No. F.No. 20/57/2010-FI dated 28th August, 2012 with all its enclosures received from Department of Financial Services, Government of India is placed at **Page No. 17C to 17F** for information of all concerned.

9. PLAN FOR COVERAGE OF HILLY, TRIBAL AND DESERT AREA IN THE DISTRICT:

In terms of instructions of GOI, LDMs have been requested to identify hilly and tribal areas, if any, in their district and prepare a plan for coverage of all such villages by BCs of the respective Banks as per service area. The plan, duly approved by DLCC must be forwarded to SLBC for ratification.

10. OPENING ACCOUNT OF EACH HOUSEHOLD IN THE DISTRICT:

Under Financial Inclusion, various measures have been initiated by Government of India and Reserve Bank of India for implementation by all Banks in the State in order to open account of at least one member of each family. In order to achieve 100% FI in the districts, branches need to match the existing account holders with the voters' list and in case of any family not having any account, the same need to be opened at an early date. LDMs have also been advised to coordinate the efforts of the banks branches in this regard and ensure that each family has at least one bank account. The soft copy of voters list of all districts has been received from the State Government and the same has been forwarded to all LDMs to enable them send the voters list to the respective service area branch/BCAs and ensure that account of at least one member of each household is opened by banks. As per Government of India instructions, the Urban area should also be assigned to different banks on the basis of wards and banks assigned the responsibility in the specific ward of the Urban area would be responsible for ensuring that every household has at least one bank account. LDMs have been requested to assign the responsibility of specific ward of Urban area to different Banks as per their presence thereat and provide the ward-wise voters list to the branch having responsibility of specific ward. The branch should furnish a certificate of having opened the account of each household in their service area villages, to the LDMs so that coverage of all households through account opening could be ascertained.

Department of Financial Services, Government of India has desired that all families must have one account in a bank on Core Banking Solution and having NEFT facility. Controlling Head of all Banks have been requested to suitably instruct their Branches to complete the exercise of opening one account of each household and issue a certificate to their respective LDMs on completion of exercise. A format for reporting the monthly progress by the LDMs and Banks has also been devised by SLBC and advised for monthly reporting by the LDMs and Banks. Format for monthly reporting of data by LDMs & Banks placed at **Page No. 17G & 17H**. All LDMs are again requested to

provide the voters list of the service area villages/wards to the concerned branches/BCAs so that coverage of the villages/wards could be completed.

11. OPENING ACCOUNT OF MIGRANT LABOURERS & STREET VENDORS/HAWKERS IN URBAN AREAS:

All banks have also been requested to arrange to open bank accounts of all eligible persons including migrant labourers and street vendors/hawkers, who are working within 500 metres of the branches in urban and metro areas, through branch or CSPs so that financial inclusion and remittance in urban area could be facilitated. In this regard, the Lead District Managers of all districts have also been requested for initiating necessary steps and sensitizing the branches in their district so that account of all migrant labourers and street vendors/hawkers could be opened.

12. EXTENSION OF BANKING FACILITIES TO ALL VILLAGES FOR DIRECT CASH TRANSFER-MAPPING OF GRAM PANCHAYATS FOR COVERAGE THROUGH BRANCH/BCA/CSC-SUB SERVICE AREA APPROACH

Government of India has decided to provide for Direct Cash Transfer facility in all the districts of the State in a phased manner. In this connection, the Department of Financial Services (DFS), Government of India (GoI) has issued several guidelines for preparing comprehensive plan for coverage of the entire State through banking services to enable Direct Cash Transfer.

The GoI has advised that as Banks have already entered the details of branches and BCA available in the district in the Geographical Information System (GIS) software made available to LDMs, it should be possible for Banks to use this software to determine the shadow area, that is villages which do not have a BCA within 2 km radius and a branch within 5 km radius in their service area. Banks have to provide a BCA and open a branch in all such shadow areas so that all villages in districts have a BCA within 2 km radius and Branch within 5 km radius. LDMs have been assigned the responsibility of coordinating among banks for early completion of this activity. The GoI has also advised that Banks should nominate an officer for each of these districts for close supervision and monitoring. In this connection, a copy of letter No. F.No. 6/36/2012-FI dated 5th December, 2012 received from DFS, GoI regarding extension of Banking facilities to all villages in 51 districts for Direct Cash Transfer through Branches and Business Correspondent Agents is placed at **Page No. 17I to 17J** of the Agenda Book for ready reference of all concerned.

The Department of Financial Services, GoI had instructed to complete the mapping of Gram Panchayat(s) and BCA/CSC (Common Service Centre) in their service area, and assignment of sub-service area to one BCA/branch and LDMs in these districts had to consolidate the information for the district by 20th January, 2013, while the SLBC convenors had to consolidate the information for the State by 25th January, 2013 for onward submission of the consolidated information by 31st January, 2013 to the

Department of Financial Services, GoI. However, as GoI's deadline has already elapsed on 15th January, 2013, all Banks are requested to complete the task without further loss of time.

In this connection, a copy of letter No. F.No. 6/36/2012-FI dated 20th December, 2012 of the DFS, GoI regarding guidelines for Sub Service Area approach for mapping of Gram Panchayats for coverage through BCA/CSC is placed at **Page No.17K to 17O** for ready reference.

A copy of letter No. F.No. 6/36/2012-FI dated 21st December, 2012 of the DFS, GoI containing a format for collecting the information for the district from the Branch Managers by LDMs and sending the consolidated information for the district to SLBC for onward submission to Department of Financial Services, GoI is placed is placed at **Page No.17P to 17R** of the Agenda Book for ready reference.

Also a copy of letter No. F.No. 6/36/2012-FI dated 26th December, 2012 of the DFS, GoI regarding detailed guidelines on operationalising the Common Service Centres (CSCs) as Business Correspondent Agent is placed at **Page No.17S to 17U** for ready reference.

While these communications have already been advised to all Banks & LDMs, all concerned are once again requested to go through the above guidelines issued by GoI and arrange for early compliance so that Direct Cash Transfer could be implemented in the State.

In the recent guidelines, DFS, GoI vide their letter No. F.No.1/4/2013-FI dated 7th February, 2013 (a copy of the letter is placed at **Page No.17V to 17W** for perusal & necessary action of all concerned) has requested Lead District Managers to obtain the scheme wise list of beneficiaries along with their bank account details, preferably in digitized form, from the respective District Collectors and supply this information to the banks in the districts. Each Bank branch then will identify the beneficiaries within its service area who do not have a bank account and contact such beneficiaries and ensure that that their bank accounts are opened before 21st March, 2013. However, it will be the beneficiary's choice to decide the bank where he/she wishes to open the account. In case there is no such choice or no other bank is available, the service area bank will be required to open the bank account.

13. ELECTRONIC BENEFIT TRANSFER:

The issue of Electronic Benefit Transfer has been discussed with the State Government at various levels. The state government has been requested to instruct the concerned Departments to provide the list of beneficiaries of the 35 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.

A meeting of Bankers and State Government officials was convened at Chief Secretary's office on 21st August, 2012 wherein a decision was taken to start the E payment on a pilot basis by 7 Banks having lead responsibilities in the State in one district each. "Old Age Pension" scheme has been chosen as the only scheme for e-payment and format for providing the data by Government of Bihar to the Banks have been provided by SLBC. The process of e-payment will start on receipt of particulars from Government of Bihar.

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. Against the target of 66000, total of 14539 applications for loans amounting to Rs. 71.32 Crore were sanctioned by banks during the period under review. Further, as regards disbursement, a total of 13477 applications were disbursed, amount involved being Rs. 64.51 Crore. Bank-wise performance during the review period of current FY. 2012-13 is furnished on **Page-18A**.

All Banks are requested to submit the information on monthly basis to NABARD so that up-to-date position of the State could be arrived at.

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

Against the physical target of 6290 projects, banks have sanctioned only 1275 projects and amount of margin money involved being Rs. 21.05 Cr upto 16.01.2013 in the current financial year, as per information provided by KVIC & DIC Patna. Considering the yearly target of utilisation of Margin Money at Rs. 144.69 Cr, the performance of banks need accelerated improvement in the remaining months of the current financial year. All concerned viz. Sponsoring agencies and banks are requested to pay more focussed attention towards financing under the Scheme. The performance under the Scheme should also be reviewed in DLCC meetings and effective measures should be initiated for improving the performance of poorly performing branches. The concerned agencies are requested to sponsor more PMEGP applications so that financing under the scheme improves. The information received from KVIC & DIC, Patna on loan sanctioned & disbursed by banks is provided at **Page No.18B**.

(C) SWARNJAYANTI SHAHARI ROJGAR YOJANA (SJSRY)

Under the Scheme, loans amounting to Rs.3.93 Crore were sanctioned to 888 beneficiaries during the period under review while during the corresponding period of last financial year loans amounting to Rs. 5.64 Crore were sanctioned to 862 beneficiaries. Thus, decline of 30.32% and growth of 3.02% 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. 3.87 Crore were disbursed to 879 beneficiaries during the review period of current financial year.

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

AGENDA-VIII

FINANCE TO SELF HELP GROUPS (SHGs)

SHGs play a very crucial and effective role in providing timely and adequate credit and other financial services to the vulnerable and weaker sections of the society at an affordable cost for the overall economic development of the society and banks play a facilitating role through credit linkages with them. Banks have credit-linked 20684 SHGs during the period under review of current FY 2012-13, with total Bank-finance of Rs. 144.16 Crore. Year-wise performance under SHG Financing is given hereunder:

(Rs. in Crore)

Year	Number of SHGs Credit Linked	Amt. of Finance
DURING 2008-09	25696	211.44
DURING 2009-10	30241	295.05
DURING 2010-11	26055	198.13
DURING 2011-12	22714	179.64
DURING 2012-13 (UPTO DEC. 2012)	20684	144.16

Bank-wise SHG credit-linkage during the review period of current F.Y. 2012-13 is furnished on **Page- 19A**.

Two important agencies involved in SHG formation in the State- JEEVIKA & Women Development Corporation (WDC) have together got 15924 groups credit linked by the Banks during F.Y. 2012-13 till December, 2012. The information is placed at **Page No.19B to 19D** for information of the House. The remaining credit linked 4760 SHGs have been sponsored by other NGOs or directly by branches.

In the 15th meeting of Steering Committee on SHG & IT-enabled Financial Inclusion held on 21st September, 2012, it was decided that those SHGs who have finally repaid the first loan/dose would be eligible for 2nd dose of financing. It was also resolved that 2nd dose of financing would be equivalent to 10 times of the savings of the group or Rs.1,50,000/- whichever was higher.

The ministry of Rural Development, Government of India has launched a new programme known as the National Rural Livelihoods Mission (NRLM), which replaces the SGSY scheme and has the underlying principle of promoting self-employment through the organization of the poor in Self Help Groups. With the advent of NRLM scheme in the State, the pace of credit-linkage of SHGs will get a boost.

JOINT LIABILITY GROUP

Against the yearly target of 50,000 units, all Banks could sanction 10037 numbers of JLGs amounting to Rs. 88.14 Crores during the review period of F.Y. 2012-13.

The Bank-wise performance under JLG is placed at **Page No.19E** for information of the House. As SHG & JLG are important tools to reach the so far financially excluded rural people, all Banks are requested to enhance financing under these schemes during the current F.Y. 2012-13.

KISAN CREDIT CARD (KCC)**REVIEW OF PROGRESS AS ON 31.12.2012**

A summarised statement of Kisan Credit Cards issued by Commercial Banks, RRBs and Co-operative Banks during April-December, 2012, vis-a-vis target for the year 2012-13 is given below:

Banks	Target (No.)		Sanctioned (No.)		% Achievement	
	New	Renewal	New	Renewal	New	Renewal
Comm. Banks	811207	648965	436444	363802	53.80	56.06
RRBs	467081	373665	187876	404781	40.22	108.33
Co-op. Banks	221712	177370	13518	106906	6.10	60.27
TOTAL	1500000	1200000	637838	874030	42.52	72.84

It is evident from the above Table that banks operating in the State have sanctioned loans to a total of 1511868 beneficiaries (New-637838 & Renewal-874030) under KCC amounting to Rs.10021.13 Crore upto 31.12.2012 in the FY 2012-13 while during the corresponding period last year, only 1301765 beneficiaries were extended loans under KCC, the amount involved being Rs. 7293.42 Crore.

Thus, Y-o-Y growth of 16.14% and 37.40% have been witnessed in terms of no. of KCCs issued and amount of finance extended, respectively. Bank-wise performance is furnished on **Page- 23A to 23F**.

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. Modified Common Application Form, format of affidavit (for loan upto Rs. 50,000) and Checklist for KCC loan 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. The same is also uploaded on the website of SLBC. Banks should finance KCC upto Rs. 50,000/-, without insisting for LPC, and instead of LPC, Affidavit and current rent receipt should be demanded by banks. In the review meeting held at Patna on 26th July, 2012, it was decided that Government will provide the complete application of KCC and Banks will expeditiously issue KCC. The branches of banks need to continue their endeavours for generating KCC loan applications from all eligible farmers and the services of BC Agents may also be utilized for the purpose.

The banks have sent the list of existing KCC holders and defaulters to the State Government. The Agriculture Department, GoB has sent these lists of existing KCC

holders and list of all defaulters, received from banks, to District Agriculture Officers of all districts for utilization of these lists during generation of KCC applications. In this connection, the Agriculture Department, GoB has been requested to provide village-wise list of eligible farmers to banks, to enable them to extend credit facility.

As per the revised KCC scheme circulated by RBI, KCC has to be issued as Smart Cards. NABARD has advised a format for reporting of data, placed at **Page No. 23G to 23H**. All banks are requested to advise monthly data to NABARD & SLBC on the prescribed format.

CROP INSURANCE SCHEME

As per information received from Patna Regional Office, Agriculture Insurance Company of India Ltd, 323845 farmers have been covered under MNAIS Kharif 2012, 196320 farmers have been extended the benefit of crop insurance coverage under WBCIS Kharif 2012 & 1374 farmers have been covered under WBCIS Rabi 2012-13. Thus, a total of 521539 farmers have been provided the crop insurance cover, the sum insured being Rs. 1305.22 Crores and the area covered being 651923.93 hectares by Agriculture Insurance Company of India Ltd. The information on crop insurance received from various insurance companies are as under:

NAME OF THE INSURANCE COMPANY	NO. OF FARMERS WHOSE CROPS INSURED	AREA (IN HA.)	SUM INSURED (IN CR)
Agriculture Insurance Company Of India Ltd	521539	651923.93	1305.22
HDFC ERGO	387979	535654.66	950.68
IFFCO-TOKIO	228982	229237.00	515.78
ICICI LOMBARD	450884	447641.10	1003.97
TOTAL	1589384	1864456.69	3775.65

Thus, as per information received from the above said 4 insurance companies, a total of 1589384 farmers have been provided crop insurance cover, the sum insured being Rs. 3775.65 Crores and the area covered being 1864456.69 hectares.

Controlling Head of all banks operating in the State have been requested to instruct their operating functionaries to ensure to cover all the crop loans under crop insurance and the claims of agriculture crop insurance should be credited into the beneficiary's account within 15 days of receipt of claim and no interest should be charged in the loan account of borrowers on the claim amount, for the period beyond 15 days till the date of credit. In case of interest being applied on the claim amount credited with delay beyond 15 days, by the Branch, it should be refunded to the beneficiaries. Controlling Head of all banks operating in the State have also been requested to instruct their operating functionaries to ensure submission of statement of crop insurance at monthly intervals

to the Insurance Companies. It should also be ensured that the statement so submitted is complete in all respects.

The position of insurance as advised by Agriculture Insurance Company of India Ltd, HDFC Ergo, Iffco-Tokio & ICICI-Lombard is furnished on **Page- 23I to 23O.**

DAIRY, FISHERY & POULTRY

Banks have sanctioned loans amounting to Rs 241.71 Crore to 14698 beneficiaries under Dairy, Rs.27.09 Crore to 798 beneficiaries under Fishery and Rs. 37.71 Crore to 1806 beneficiaries under Poultry during the review period of current financial year. During the same period of last F.Y., Banks had extended loans amounting to Rs. 185.80 Crore to 14645 beneficiaries under Dairy, Rs.9.31 Crore to 724 beneficiaries under Fishery and Rs. 14.97 Crore to 1180 beneficiaries under Poultry. Thus a marginal increase in no. and 30% increase in amount of dairy units financed, 10% increase in no. and 191% increase in amount of fishery units financed and 53% increase in no. and 152% increase in amount of Poultry units financed has been observed Y-o-Y.

Bank-wise performance data is furnished on **Page- 23P to 23R.**

All concerned are requested to put in concerted efforts and initiate appropriate steps to scale up financing under these activities.

FARM MECHANISATION

Against the disbursement target of Rs.1503.02 Crore for the current financial year, banks have sanctioned loans amounting to Rs. 301.71Crore to 9643 farmers for purchasing farm equipments during the review period of the current financial year while during the same period last year banks could sanction loans amounting to Rs 238.46 Crore to 7941 farmers, registering Y-o-Y growth of 26.52% and 21.43% in terms of amount sanctioned and no. of farmers financed respectively. As regards disbursement, loans amounting to Rs.299.89 Crore were provided for purchasing farm implements to 9830 farmers.

Controlling head of all banks are requested to advise their branches to initiate requisite measures so that the targets set under the scheme are achieved.

Bank-wise performance data is furnished on **Page-23S.**

Regarding providing Cash Subsidy to farmers who purchased Tractors through Bank Loan, Punjab National Bank, Circle Office, Patna has raised (**PAGE-23U**) the issue that it is not possible for generation of proposal, documentation, mortgage and disbursement, all in one camp. Hence the State Government is requested to facilitate the farmers to select tractor for purchase at one camp and then payment of the tractor through bank finance made at subsequent camp organised by the State Government.

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 are requested to finance for enhancing storage facilities in the State. Banks have sanctioned loans amounting to Rs. 78.56 Crore to 110 farmers for storage facility during the review period of the current financial year while during the same period last year banks could sanction loans amounting to Rs 50.26 Crore to 69 farmers, registering Y-o-Y growth of 56.31% and 59.42 % in terms of amount sanctioned and no. of farmers financed respectively. Controlling Head of all banks are requested to instruct their operating functionaries to intensify efforts for financing such units.

Bank- wise performance is furnished on **Page- 23T.**

AGENDA-X

CD RATIO (As on 31.12.2012)

(Rs. in Crore)

Bank	Deposits	Advances	CD ratio
Comm. banks	129532.38	45146.76	34.85
Co-op. banks	3072.69	3071.92	99.97
RRBs	15142.86	7238.08	47.80
Total	147747.93	55456.76	37.53
RIDF	-----	2778.89	-----
Total (Advances +RIDF)	147747.93	58235.65	39.42
Investment	-----	5218.42	-----
Grand Total (Adv.+RIDF+Inv.)	147747.93	63454.07	42.95

As at the end of December, 2012, CD Ratio stood at 39.42% which shows an increase of 4.26 basis points as compared to December, 2011. The incremental CD ratio for the period under review is 78.58%. Due to large amount of advances written off every year, CD Ratio has also been adversely affected. The CD ratio of the State may improve further, if the State Government utilise the total amount of Rs.4013 Crore (As on 31.12.2012) sanctioned under RIDF. As on 31st December, 2012 only 69 % of the amount sanctioned had been utilised by the Government of Bihar.

However, there are four districts, namely, Siwan (21.11%), Saran (23.02%), Bhojpur (23.33%) and Munger (24.57%) 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 these districts and intensify efforts to adopt suitable strategies for improving CD ratio in these districts.

Bank-wise and district-wise details are furnished on **Page-27A to 27E**.

It is pertinent to mention here that an amount of Rs.5852.76 Crore was provided to units functioning in Bihar by SBI, PNB, Canara Bank, Union Bank of India, Allahabad Bank, Andhra Bank, Corporation Bank, Indian Bank, Indian Overseas Bank, State Bank of Bikaner & Jaipur, ICICI Bank, Federal Bank and Axis Bank 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

INCREMENTAL CD RATIO AS ON 31.12.2012

Amt. In Crore	March'12	December'12
Deposits	138163.08	147747.93
Advances including RIDF	50703.87	58235.65
Incremental CDR	-----	78.58%

RECOVERY

A summary of the recovery data (as on 31.12.2012) is given below.

(Rs.in Crore)

Bank	Demand raised	Amount recovered	Recovery %
Comm. Banks	7909.33	4579.08	57.89
Co-op. Banks	983.52	349.49	35.53
RRBs	2115.81	1516.72	71.69
Total	11008.66	6445.29	58.55

Recovery percentage is at 58.55% of the total demand raised by banks as on 31st December, 2012. The recovery position needs improvement to drive the financing by banks in the State. While the banks are following up with the borrowers for recovery of the dues, the State government is requested to help the banks in their efforts for recovery of Bad Loan. A better recovery culture will act as an incentive for banks to lend more.

Bank-wise position of recovery as on 31.12.2012 is furnished on **Page- 27F to 27G.**

With regard to disposal of top ten certificate cases of the districts, the progress has not been very encouraging. The State Government is requested to sensitize the functionaries at district level to give adequate attention towards disposal of certificate cases, execution of Possession Notice under SARFAESI Act and action against big defaulters of the district so that banks may recover their dues from the defaulters.

NPAs & WRITE-OFF

As on 31.12.2012, 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
Comm. Banks	39294.00	3332.45	8.48	66.64
Co-op. Banks	3071.92	239.41	7.79	0.53
RRBs	7238.08	379.05	5.24	202.94
Total	49604.00	3950.91	7.96	270.11

NPA of Banks at 7.96% is a matter of great concern. Therefore, all efforts need to be made for bringing down the NPA level below 5%.

Bank-wise details are furnished on **Page- 27H to 27J** for discussion and review by the House.

CERTIFICATE CASES & DISPOSAL OF TOP 10 CASES

As on 31.12.2012, overall position of Certificate Cases filed by all banks is furnished below:

(Rs. in Crore)

Banks	Total Cases (Accounts) As on 30.09.2012	Total Cases (Amount) As on 30.09.12	Cases filed (Accounts) (During the quarter)	Cases filed (Amount) (During the quarter)	Cases disposed of (Account) (During the quarter)	Cases disposed of (Amount) (During the quarter)	Pending Cases (Accounts) As on 31.12.12	Pending Cases (Amount) As on 31.12.12
Comm.	319181	1390.25	2094	18.21	918	7.37	320357	1401.09
Co-op	32950	44.63	166	12.80	38	0.09	33078	57.34
RRBs	36334	35.87	5531	2.21	2233	1.67	39632	36.42
Total	388465	1470.76	7791	33.22	3189	9.13	393067	1494.85

It is evident from the above Table that during the quarter ended December 2012, 7791 cases were filed and 3189 cases were disposed off and 393067 cases involving Rs. 1494.85 Crore are pending at different stages. This large amount of bad loans, if recovered and recycled, can further enhance disbursements under ACP: 2012-13. The 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. However, very meagre recovery has been made in these accounts despite the regular highlighting of the lists at the district level. The State Government is requested to instruct the district-administration of all districts of the State to initiate requisite steps at their end for early disposal of the top 10 Certificate Cases of the respective district. At the same time, Block-level recovery camps on the lines of credit camp, need to be

organised which will help Banks in improving their asset quality besides conveying a message to the borrowers, for timely repayment of loans.

Bank-wise no. of certificate cases pending with amount is furnished on **Page-27K**.

PRIORITY SECTOR LENDING

As on 31.12.2012, the Benchmark of 40% for priority sector 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 73.61% in the State, which is well above the Benchmark.

Bank-wise position is furnished on **Page- 27L to 27O**.

AGRI CREDIT

At the State level, the ratio of Agri Credit to Total Advances stands at 43.95% as on 31.12.2012, against the national benchmark of 18%. However, a few banks have failed to achieve the benchmark. Bank-wise position is furnished on **Page- 27L to 27O**.

DIFFERENTIAL RATE OF INTEREST (DRI)

As on 31st December, 2012 the aggregate advances level under DRI Scheme stands at Rs. 71.60 Crore, which is 0.16 % of the total advances of Rs. 45356.81 Crore as on 31.03.2012. 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 3624 beneficiaries were provided loans amounting to Rs. 5.48 Crore under DRI Scheme during the period under review. In addition to this, 207 beneficiaries were provided credit support of Rs. 4.40 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. 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- 27M & 27P**.

WEAKER SECTION

Banks extended financial assistance amounting to Rs. 12396.07 Crore out of the aggregate advances of Rs.49604.00 Crore to Weaker Sections of society, during the period under review, which stood at 24.99% of the total advances, against the benchmark of 10%. Further, as percentage of Priority Sector Advances, the achievement was better at 33.95% against the Benchmark of 25%.

Bank-wise position is furnished on **Page-27M**.

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

As per information gathered from majority of banks, a total of 2298746 No-Frills accounts were opened during the review period of FY 2012-13. Thus, a total of 11798639 No-frills accounts have been opened till 31st December, 2012. Out of these, 9149347 accounts are operational. Further, overdraft facility has been extended to 436468 No-frills account holders; the amount involved being Rs. 9.91 Crore. Apart from this, 43065 General Credit Cards have been issued to No-frills account holders, with aggregate credit limits of Rs.92.75 Crore.

Bank-wise & District-wise details are furnished on **Page- 28A to 28B.**

The Bankwise and Districtwise details of BCAs engaged & transactions done by them is placed at **Page no.28C & 28D.**

EXTENDING MOBILE BANKING AND INTERNET BANKING FACILITY

All Banks should extend mobile banking and internet banking facility to customers as these are customer friendly and at the same time the cost involved is less than the normal Banking channel. As per information received by SLBC, all banks taken together have provided Mobile Banking facility to 472650 customers whereas the facility of Internet Banking has been provided to 662179 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 improvement in service delivery of banks.

Bank-wise information regarding Mobile Banking and Internet Banking facility provided is furnished on **Page- 28E.**

AGENDA-XII

IMPLEMENTATION OF FINANCIAL INCLUSION PLANS IN LWE AFFECTED DISTRICTS

The Government of India is regularly reviewing the progress made in implementing Financial Inclusion in Left Wing Extremist (LWE) affected districts in the State of Bihar with a focus on development of Infrastructure, Credit availability, Advocacy, Livelihood development etc. There are 15 LWE affected districts in Bihar as under:

1. Arwal, 2. Aurangabad, 3. Bhojpur, 4. East Champaran, 5. Gaya 6. Jamui,
7. Jehanabad, 8. Kaimur, 9. Munger, 10. Nalanda, 11. Nawada, 12. Patna,
13. Rohtas, 14. Sitamarhi & 15. West Champaran.

Banks operating in these districts are implementing financial inclusion plans on a priority basis for extending banking facilities to these LWE affected areas. The performance of banks towards ACP achievement during the first half of the F.Y. 2012-13 has been as under:

SL. No.	District	Disbursement under ACP during the review period of 2012-13 (Rs. in Lakh)	Disbursement under ACP during the review period of 2011-12 (Rs. in Lakh)	%Growth
1	Arwal	14783	9952	48.54
2	Aurangabad	68068	48673	39.85
3	Bhojpur	95831	72005	33.09
4	East Champaran	99208	75883	30.74
5	Gaya	97315	76762	26.77
6	Jamui	33304	23583	41.22
7	Jehanabad	28876	21747	32.78
8	Kaimur	68202	47638	43.17
9	Munger	53793	34733	54.88
10	Nalanda	66200	56923	16.30
11	Nawada	36096	26701	35.19
12	Patna	634666	424170	49.63
13	Rohtas	94007	75106	25.17
14	Sitamarhi	56868	42920	32.50
15	West Champaran	105677	71543	47.71
	TOTAL	1552894	1108339	40.11

It is evident from the above that banks have extended higher quantum of credit as compared to last year in all the LWE affected districts. The credit extension in Arwal, Jamui, Kaimur, Munger, Patna and West Champaran districts have improved considerably as growth of more than 40% have been witnessed Y-o-Y, while other districts have also recorded growth over their last year's disbursement. Further, the State Government is also requested to provide necessary infrastructural support to facilitate larger credit extension by banks in these areas.

The District-wise information on Branch Network, ATM Network, ATM Card issued to accounts and Point of Sale Terminals pertaining to LWE affected districts is placed at **Page No.29A**.

AGENDA-XIII

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 with the Banking Network. Concern was expressed in the meeting 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 occurrences of cyber fraud and detection of counterfeit notes so that appropriate steps may be initiated by the Government in this regard.

AGENDA-XIV

FUNCTIONING OF RURAL SELF EMPLOYMENT TRAINING INSTITUTES (RSETIs)

RSETIs are functional in all the districts in the State. 1360 training programmes for various vocations have been organized by RSETIs and 39881 participants have been imparted training. 18404 trainees have set up their self-employment ventures. The information pertaining to RSETIs in the State of Bihar is placed on **Page- 30A** for information.

AGENDA-XV

FUNCTIONING OF FINANCIAL LITERACY CENTRES (FLCs)

FLCs are functional in all the districts except Khagaria in the State. 19791 persons participated in 626 outdoor activities undertaken by the FLCs during the quarter ended December, 2012. Further, 20396 persons availed indoor services undertaken by the FLCs during the quarter ended December, 2012. The information pertaining to FLCs in the State of Bihar is placed on **Page -30B** for information.

INFORMATION ON MEDIUM & SMALL ENTERPRISES

As suggested by the Reserve Bank of India, the additional information with regard to disbursement made to MSE sector is placed on **Page No. 31A**.

Banks are requested to consider financing to clusters indentified by MSME Development Institute, Patna (under Ministry of MSME, GOI) for increasing the pace of MSME finance in the State.

SMALL ROAD TRANSPORT OPERATORS (SRTOs)

Against the target of 12500 units, banks have sanctioned loan amounting to Rs. 291.11 Crore for purchasing 9298 vehicles by SRTOs till December, 2012. Out of it Rs. 289.36 Crores has already been disbursed for purchasing 9121 vehicles during this period. During the corresponding period last year loans amounting to Rs. 222.91 Crore was sanctioned for purchasing 7028 vehicles registering Y-o-Y growth of 30.60% and 32.30% in terms of amount sanctioned and no. of units financed respectively. Bank-wise performance vis-a-vis targets allotted to them is furnished on **Page- 31B**.

ADVANCES GRANTED UNDER CGTMSE COVERAGE

A total of 29390 units were financed by banks involving Rs.1007 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 13051 units could be financed by banks involving Rs. 412 Crore with CGTMSE cover. Thus, an impressive Y-o-Y growth of 125% has been registered in terms of no. of units, while the growth is 144% in terms of amount of financial assistance provided. Further, as regards disbursement, loans amounting to Rs. 1068 Crore were provided to 29395 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- 31C**, for discussion and review by the House.

AGENDA-XVII

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WEAVERS CREDIT CARED

Weavers Credit Card (WCC) scheme 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 valid for both rural and urban areas. Controlling Head of all banks and LDMs of all districts of the State are further advised by the SLBC to initiate requisite steps for proper implementation of the Scheme in the State of Bihar.

Against the target of 10000, total of only 1745 applications for loans amounting to Rs. 6.46 Crore were sanctioned by banks during the period under review. The Bank-wise Target and Achievement & District-wise achievement as on 31.12.2012 is furnished on **Page No. 34A&34AA.**

AGENDA-XVIII

SECURITY RELATED CONCERN OF BANKS

Few instances of Murder, Theft and other security related incidents during review period of current financial year, have been reported by banks as under:

Incidents of Daicoty/Loot etc.						
Sl. No	Name of the Bank	Branch Name	District	Date of Incidence	Loss of property (Amount in Lac)	Life affected/Injury/death (nature of Loss)
1.	PNB	Veer Janipur	Patna	20.04.2012	4	Theft
2.	PNB		Patna	23.11.2012	-	Both legs & hands broken by criminals.
3.	UBI	Rangaon	Munger	08.05.2012	3	Dacoity
4.	UCO Bank	Bounsi	Banka	15.05.2012	22	Dacoity
5.	UCO Bank	Gulnikushaha	Banka	31.10.2012	15	Dacoity
6.	UBGB	Bheja	Madhubani	22.05.2012	30	Dacoity
7.	UBGB	Parwaha	Araria	23.11.2012	1	Dacoity
8.	SBI	Patliputra	Patna	14.06.2012	-	Murder of employee

From the above, it is observed that criminal activities have increased in the area of operation of banks in general and as such staff members have developed a sense of insecurity.

United Bank of India, Regional Office, Patna has advised that while visiting the residence of defaulter borrower for recovery of bank's dues, Senior Manager of their P.P.Colony Branch, Patna, was kept captive, physically assaulted and abused by the relative of defaulter borrower. In this connection, a copy of letter No. RO/PAT/6032/2012 dated 30th November, 2012 received from United Bank of India, Regional Office, Patna is placed at **Page No. 34B to 34D** for perusal of all concerned.

The State Government is therefore requested to 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.

AGENDA-XIX

MISCELLANEOUS ISSUES

REGISTRATION OF SECURITY INTEREST WITH CENTRAL ELECTRONIC REGISTRY (CERSAI) MEMBERSHIP FOR CERSAI IN SLBC MEETINGS

The status of filing of transaction by the banks on CERSAI portal needs to be discussed in the SLBC meeting as decided in the meeting dated 11th September, 2012 of the Core Committee of Banks/FIs with CERSAI officials. Accordingly, the CERSAI officials are being invited in the SLBC meetings for discussions on the issues concerning CERSAI.

REVIEW OF CREDIT LINKED CAPITAL SUBSIDY SCHEME (CLCSS)

The Reserve Bank of India vide its letter No. RPCD.PAT.No. 766/04.01.02 (SME)/2012-13 dated 5th October, 2012 had suggested that progress in implementation of CLCSS scheme needs to be included as one of the Agenda items in the SLBC meeting. All Banks are requested to come out with problems concerning credit flow to SSI units and implementation of CLCSS by them so that the benefits accrue to the desired units.

RESPONSIBILITY OF LDMs FOR E-PAYMENT, FLCs & ACCOUNT OPENING

The Department of Financial Services, Government of India (GOI) has decided that LDMs shall be the focal point for co-ordination and monitoring of various activities in respect of all banks functioning in the district. These activities include:

- i. Setting up, functioning and monitoring of Financial Literacy Centre
- ii. Opening of one bank account per family
- iii. Roll-out of ATMs
- iv. Roll-out of BCAs
- v. Promotion of E-payment

All Lead District Managers are requested to follow the instructions/guidelines/circulars issued by the Department of Financial Services, GOI from time to time and ensure their proper implementation in the district.

A copy of letter No. F.No. 2/6/2011-FI dated 5th September, 2012 of Department of Financial Services (DFS), GoI received through e-mail is placed at **Page No. 34E to 34F** for information of all concerned.

The Department of Financial Services (DFS), GoI has advised that all LDM should ensure that guidelines circulars issued by DFS, GoI are placed in DLCC meetings for discussions by the House. A copy of DFS letter no. F.No.6/36/2012-FI dated 11th January 2013 is placed at **Page no.34J** for information.

EMPOWERMENT OF LDMs

The Government of India (GoI) has initiated various measures under Financial Inclusion which are to be either implemented or monitored by the LDMs of the respective districts. This has enhanced the responsibility of LDMs and the GoI is keenly monitoring their performance by way of periodical returns and even by direct contact. To perform under the circumstances the LDMs need to be empowered and the GoI has also directed to necessarily provide them the under mentioned enablers.

- i. Support staff
- ii. IT facility
- iii. Separate office
- iv. A vehicle

The GoI has also directed that each LDM should visit every Block in the district once in every two months. The day for these visits may be fixed in advance and should be adhered to. During these visits, the LDM must, besides field visits, verify the effectiveness of various financial inclusion initiatives and must call all rural Branch Managers and the BCAs at one rural branch or one Ultra Small Branch and discuss with them all the issues and strategies for promoting financial inclusion. LDM should cover all banks of the district and not only the Lead Bank.

All Lead District Managers are requested to ensure early implementation of the GoI directive, in coordination with their Zonal/Regional Office. Controlling Head of the Banks having Lead Bank responsibilities are requested to arrange for empowerment of the LDMs as per the directive of GoI.

In this connection, a copy of E-mail dated 20th September, 2012 of the Secretary, Department of Financial Services, GoI is placed at **Page No. 34G to 34H** for perusal of the House.
