

STATE LEVEL BANKERS' COMMITTEE, BIHAR,
CONVENOR - STATE BANK OF INDIA

BIRD'S EYE VIEW

PERFORMANCE OF ALL BANKS UP TO MARCH 2008
UNDER THE ANNUAL CREDIT PLAN 2007-08

SECTOR / SCHEME	BANKS WITH LEAD BANK RESPONSIBILITIES							RRBs	OTHER	AGT
	SBI	PNB	CBI	CAN	UCO	BOB	UNION			
NOS OF LEAD DISTRICTS	7	12	10	1	4	2	2	**	**	38
ACP ACHIEVEMENT – (%)	96.23	67.62	87.52	110.46	76.56	71.17	102.65	72.73	67.37	80.21
SHARE IN TARGETS- (%)	25.37	11.98	9.84	3.60	3.25	2.66	1.68	16.59	25.03	100
CONTRIBUTION-(%)	30.43	10.10	10.74	4.95	3.10	2.36	2.15	15.03	21.00	100
PMRY- 2007-08 (%)	73.35	49.94	56.51	62.69	57.25	52.07	66.30	**	12.89	58.63
SGSY-ACHIEVEMENT (%)	33.40	35.93	36.77	28.65	55.25	25.56	94.75	52.73	21.62	40.14
KCC- ACHIEVEMENT (%)	79.30	60.80	85.30	101.42	73.92	69.45	82.49	73.92	52.83	67.81

PERFORMANCE OF ALL BANKS UP TO MARCH 2007
UNDER THE ANNUAL CREDIT PLAN 2006-07

SECTOR / SCHEME	BANKS WITH LEAD BANK RESPONSIBILITIES							RRBs	OTHER	AGT
	SBI	PNB	CBI	CAN	UCO	BOB	UNION			
NOS OF LEAD DISTRICTS	7	12	10	1	4	2	2	**	**	38
ACP ACHIEVEMENT – (%)	105.42	94.00	96.30	103.24	45.62	85.53	100.84	78.68	69.82	87.37
SHARE IN TARGETS- (%)	25.29	12.05	10.41	3.62	3.76	2.88	1.88	17.35	22.74	100
CONTRIBUTION-(%)	30.51	12.98	11.48	4.28	1.96	2.82	2.17	15.62	26.03	100
PMRY- 2006-07 (%)	86.87	69.01	88.39	78.99	73.04	51.07	104.00	***	58.46	76.06
SGSY-ACHIEVEMENT (%)	53.37	51.52	54.95	43.63	59.81	64.17	118.16	93.36	39.81	65.46
KCC- ACHIEVEMENT (%)	102.85	83.53	77.68	100.76	41.77	73.82	63.98	73.72	16.21	66.56

ANNUAL CREDIT PLAN

TARGETS UNDER ANNUAL CREDIT PLAN ALLOCATED BY SLBC, BIHAR FOR DIFFERENT SECTORS

(AMT IN CR.)

SECTORS	2005-06	2006-07	2007-08
AGRICULTURE	2697.48	3722.37	4879.67
SSI	545.21	665.08	913.06
OPS	1500.40	2150.61	2687.64
TPS	4743.09	6538.06	8480.37
NPS	2590.51	3462.84	4619.63
GT	7333.60	10000.90	13100.00

(OPS- Other Priority Sectors, TPS- Total Priority Sectors, NPS- Non-priority Sectors)

TARGETS UNDER ANNUAL CREDIT PLAN BANK-WISE

(AMT IN CR)

Targets	2005-06			2006-07			2007-08		
Sectors	Comm. Banks	RRBs	Co-op Banks	Comm. Banks	RRBs	Co-op Banks	Comm. Banks	RRBs	Co-op Banks
AGL	1645.57	644.26	407.65	2274.36	938.67	509.34	3003.58	1256.34	619.75
SSI	466.46	73.13	5.62	566.79	89.52	8.77	793.88	107.96	11.22
OPS	1242.44	235.05	22.91	1763.53	354.44	32.64	2238.01	401.97	47.66
TPS	3354.47	952.44	436.18	4604.68	1382.63	550.75	6035.47	1766.27	678.63
NPS	2368.17	212.20	10.14	3092.56	352.71	17.57	4204.24	406.54	8.85
GT	5722.64	1164.64	446.32	7697.24	1735.34	568.32	10239.71	2172.81	647.48
	Year Total- 7333.60			Year Total- 10000.90			Year Total- 13100.00		

The outlay under the Annual Credit Plan has been increased by about 30 % every ear. In deference to the Hon'ble Deputy Chief Minister, Bihar, the outlay under the Annual Credit Plan was fixed at five digit figures during the year 2006-07 and which has since been maintained by the SLBC, Bihar.

**PERFORMANCE UDER ANNUAL CREDIT PLAN
SECTOR-WISE**

(AMT IN CR)

SECTORS	2005-06		2006-07		2007-08	
	ACH	% ACH	ACH	% ACH	ACH	% ACH
AGR.	2174.03	80.59	2985.40	80.20	3755.25	76.96
SSI	272.15	49.92	376.11	56.55	572.69	62.72
OPS	1308.11	87.18	2139.29	99.47	2384.43	88.72
TPS	3754.29	79.15	5000.80	84.14	6712.37	79.15
NPS	2301.13	88.83	3237.33	93.49	4055.54	87.79
GT	6055.42	82.57	8738.13	87.37	10767.91	82.16

**PERFORMANCE UDER ANNUAL CREDIT PLAN
BANK-WISE**

Targets	2005-06			2006-07			2007-08		
Sectors	Comm. Banks	RRBs	Co-op Banks	Comm. Banks	RRBs	Co-op Banks	Comm. Banks	RRBs	Co-op Banks
AGL	1489.33 (90.51%)	450.09 (69.86%)	234.61 (57.55%)	1915.93 (84.24%)	797.07 (84.91%)	272.40 (53.48%)	2447.04 (81.47%)	952.36 (75.80%)	355.85 (57.42%)
SSI	229.34 (49.17%)	42.81 (54.54%)	0 (0%)	325.65 (57.46%)	50.46 (56.37%)	0 (0%)	496.02 (62.48%)	76.67 (71.02%)	0 (0%)
OPS	1189.12 (95.71%)	118.71 (50.52%)	0.25 (1.09%)	1859.76 (105.46%)	279.20 (78.77%)	0.33 (1.01%)	2080.68 (92.97%)	303.51 (75.51%)	0.24 (0.50%)
TPS	2907.79 (86.68%)	611.64 (64.22%)	234.86 (53.84%)	4101.34 (89.07%)	1126.73 (81.49%)	272.73 (49.52%)	5023.74 (83.24%)	1332.54 (75.44%)	356.09 (52.47%)
NPS	2168.27 (91.56%)	132.86 (62.61%)	0 (0%)	2998.62 (96.96%)	238.71 (67.68%)	0 (0%)	3807.81 (90.57%)	247.73 (60.94%)	0 (0%)
GT	5076.06 (88.70%)	744.50 (63.93%)	234.86 (52.62%)	7099.96 (92.24%)	1365.44 (78.68)	272.73 (47.99)	8831.55 (86.20%)	1580.27 (72.73)	356.09 (51.80)
	Total Achievement- 6055.42 (82.57%)			Total Achievement- 8738.13 (87.37%)			Total Achievement-10767.91 (82.16%)		

Commercial Banks in Bihar have been the major contributors in credit extension in different sectors under the Annual Credit Plan. Particularly under Agriculture Sectors, Commercial Banks have been extending loans as high as about 90 % of the target fixed under the ACP.

The recent rehabilitation package by the Government to RRBs in Bihar, and implementation of Vaidyanathan Committee's Recommendation will certainly help particularly DCCBs to step up lending so as to enhance their shares in overall achievement under the Annual Credit Plan.

KISAN CREDIR CARDS (KCC)

Kisan Credit Card (KCC) is the flagship scheme under agricultural financing not only in Bihar but also all over the Country. This scheme takes care of the production credit requirements of the farmers including credit requirements for the ancillary activities like maintenance of agricultural machineries/ equipments, electricity charges etc. Under the scheme, credit is also extended to farmers for allied agricultural activities such as fisheries, poultry, piggery, sheep/ goat rearing etc. What is the unique feature of the scheme is the provision of meeting the contingent needs of the farmers to a certain extent, relating to medical expenses, expenses on education of children, expenses relating to marriage ceremonies, births and certain religious ceremonies. This scheme is truly a scheme for farmers.

In Bihar, Kisan Credit Cards are helping most of the farmers of the State to meet their credit requirement in a greater way than any other schemes.

In view of the unique features of the scheme, financing under the scheme is placed at the highest level of priorities in the State, and Banks have been extending loans to farmers under the scheme with the same letter and spirit.

In SLBC Meetings, performance of Banks under KCC is a permanent agenda item for discussion and review

PEERFORMANCE UNDER KCC

BANKS	2005-06			2006-07			2007-08		
	TARGET (NOs)	ACH.	% ACH	TARGET (NOs)	ACH.	% ACH	TARGET (NOs)	ACH.	% ACH
COMM. BANKS	1,43,866	1,31,618	91.49	2,50,000	2,03,935	81.57	3,00,000	222478	74.16
RRBs	1,29,719	66,332	51.14	1,90,000	1,40,071	73.72	2,28,000	168529	73.92
CO-OP BANKS	2,93,166	12,653	41.16	1,60,000	55,374	34.61	1,60,000	75533	47.21
TOTAL	5,66,751	3,18,603	56.22	6,00,000	3,99,380	66.56	6,88,000	4,66,540	67.81

The percentage overall achievement of Commercial Banks against the allocated targets under the Annual credit Plan kept on decreasing; however in absolute terms, the financing under KCC kept on increasing year after year.

SPECIAL CAMPAIGN FOR FINANCING UNDER KCCs IN BIHAR

As suggested by the Chairman, kishan Ayog Bihar, a discussion was held on launching a special campaign for 100 % coverage under KCC in some selected districts of Bihar in line of the same in Jhabua and Ratlam districts in Madhya Pradesh. All the suggestions in this regard made by the Chairman, Kishan Ayog, Bihar, which were placed by the SLBC in its 22nd meeting on 19.11.2007, were accepted by the House for implementation in the State with effect from 1st April 2008.

For launching the campaign in eight districts namely **Madhubani, Samastipur, W.Champaran, Gaya, Rohtas, Khagaria, Purnea and Bhagalpur** in Bihar, the High Level Meeting on “KCCs” with the Development Commissioner, Government of Bihar on the 24th April 2008 made a detailed discussion on the matter. The following decisions were taken in the meeting

A Task Force on “the Special Campaign” under the Chairmanship of the Development Commissioner, Govt. of Bihar has been constituted and notified by the Department of Institutional Finance, Government of Bihar.

The Taskforce under the Chairmanship of the Development Commissioner, Govt. of Bihar will meet every month in the third week to review the progress under the campaign.

Similarly, in all the selected districts Taskforces have been constituted vide DIF, Government of Bihar Notification dated 17.03.2008.

The District Taskforce under the Chairmanship of the District Magistrate will meet every month in the second week to review the progress under the campaign. In this connection, the district Coordinators of different Banks in the selected Districts will provide performance data in respect of their bank-branches to the Lead District Managers.

The Block Development Officers of all the Blocks falling under the selected eight districts have to arrange for issuing LPCs (Land Possession Certificates) in favour of farmers Panchayat-wise during the next three months in a continuous way.

Panchayat-wise lists of farmers with details of "Rakwa" (of their lands), position of their irrigated and no-irrigated lands have to be provided to the concerned bank branches in whose service areas the Panchayats / villages are falling.

In preparation of Panchayat-wise list of farmers, inclusion of the names of all farmers of the Panchayat must be ensured, apart from indicating thereon against the names, if any, the KCC facilities already availed in the past by the farmers.

For facilitating financing under KCC to farmers, Land Possession Certificates should be issued to farmers at Block levels. In this connection, the Department of Revenue and Land Reforms is requested to arrange for issuing LPCs to 100 farmers each in the months of May & June 2008 and provide the list to the major Banks and RRBs operating in the area. Further in the months of September and October 2008, the similar exercises will be carried out by the Department. All the District Magistrates are also requested to make the LPCs available to farmers by organising camps at Block / Circle levels.

The National Agricultural Insurance Scheme should be implemented effectively through the Financial Institutions in the State. The Agricultural Insurance Corporation should also take initiatives at their own level in this regard. Sensitization programmes on the scheme should be organised for farmers as well as Branch Managers of Banks. The Lead District Managers should ensure the effective implementation of the scheme in their lead districts.

During the year 2007-08, 19 districts of the State have been selected for 100 % financial inclusion. Banks are to take special initiatives to complete the task by June 2008.

In the second meeting of the State Task Force under the Chairmanship of the Development Commissioner, Govt. of Bihar with Banks on the 20th June 2008, four more new districts namely [Saran](#), [Saharsa](#), [Nalanda](#) and [Munger](#) have been identified under the Special Campaign under KCC, apart from the existing eight districts.

KCC TARGET FOR 2008-09

For the year 2008-09, an ambitious target of 10, 00,000 new KCC was fixed and placed before the House for approval in the 24th SLBC Meeting held on 13.05.2008. However, the target fixed under KCC for 2008-09 has again been increased to 15, 00,000 new KCC following the decision taken in the State Task Force under the Chairmanship of the Development Commissioner held on the 20th June 2008.

BANK-WISE TARGETS UNDER KCC FOR 2008-09

SL No	BANKS	KCC TARGET (NO) 2008-09 EXISTING	KCC TARGET (NO) 2008-09 REVISED
	A	B	C
1	State Bank of India	143023	228156
2	Central Bank of India	86769	138417
3	Punjab National Bank	115057	183543
4	Canara Bank	15574	24844
5	UCO Bank	44178	70474
6	Bank of Baroda	21613	34478
7	Union Bank of India	11124	17745
8	Bank of India	39729	63377
9	Allahabad Bank	37504	59828
10	Andhra Bank	0	0
11	Bank of Maharashtra	0	0
12	Corporation Bank	0	0
13	Dena Bank	318	507
14	Indian Bank	4132	6592
15	Indian Overseas Bank	635	1013
16	Oriental Bank of Commerce	318	507

17	Punjab & Sind Bank	0	0
18	Syndicate Bank	3815	6086
19	United Bank of India	15891	25350
20	Vijaya Bank	0	0
21	State Bank Of Bikaner & Jaipur	0	0
22	State Bank of Patiala	0	0
23	ICICI Bank	0	0
24	Banaras State Bank	0	0
25	Federal Bank	0	0
26	Jammu & Kashmir Bank	320	512
27	South Indian Bank	0	0
28	Vasya Bank Ltd.	0	0
29	IDBI	0	0
30	UTI	0	0
COMM- TOTAL		540000	861429
31	State Co-operative Bank+LDB	160000	160000
32	Bombay M, Co-op. Bank	0.0000	0.0000
33	TUCB	0.0000	0.0000
CO-OP TOTAL		160000	160000
1	Bihar Kshetriya GraminBank	30485	48630
2	Samastipur	14738	23511
3	Kosi	33311	53139
4	Madhya Bihar Kshetriya Bank	82167	131076
5	Uttar Bihar Kshetriya Gramin Bank	139299	222215
TOTAL(RRBs)		300000	478571
TOTAL BANKS		10,00,000	15,00,000

PERFORMANCE UNDER GOVERNMENT SPONSORED SCHEMES

(A) PRIME MINISTER'S ROJGAR YOJNA (PMRY):-

The Prime Minister Rojgar Yojana (PMRY) is meant for providing employment to educated unemployed youth by setting up of micro enterprises by the educated unemployed poor. It relates to the setting up of the self employment ventures for industries, services and business.

In Bihar, numerous unemployed educated youths have been provided employments under the scheme. The performance of Banks under the scheme is as under:-

PROGRAMME YEAR	TARGET (NOs)	NUMBER OF APPLICATIONS RECEIVED	NUMBER OF APPLICATIONS SANCTIONED	NUMBER OF APPLICATIONS DISBURSED	% ACH (SANCTIONED / TARGET)	% ACH (DISBURSEMENT / TARGET)
2005-06	25,000	20014	14191	11501	56.76	46.00
2006-07	11400	10431	8671	6963	76.06	61.12
2007-08	15000	12099	8794	7618	58.63	50.78

For the year 2006-07, the Ministry of Agro & Rural Industries, Government of India reduced the target under the scheme to 11,400 as compared to previous target in view of the poor recovery performance under the scheme

Recently, the Government of India, Ministry of Rural & Agro Industries has decided to launch a new scheme by merging PMRY with REGP, which will be known as “**Prime Minister's Employment Generation Programme (PRMEGP)**”. The proposal in this regard is at the advanced stage of consideration and meeting the approval of the Government of India.

In view of the above position, the Ministry has advised that PMRY in the present form is not to be implemented anymore during the year 2008-09.

(B) MILLION SHALLOW TUBE WELL PROGRAMME (MSTP):-

This scheme had been approved by the Planning Commission of India exclusively for the State of Bihar with a target of 6,97,111 diesel tube wells with pump sets up to the end of the 10th Plan, i.e, March'07, beginning from 2001-02. The programme is supported with a mix of credit from Banks, subsidy and margin contribution by the eligible farmers in the ratio of 50 : 30 : 20 of the total project cost. In fact, the programme was implemented in all the 38 districts of Bihar, and it triggered a revolution in the entire State.

YEAR-WISE PROGRESS UNDER MSTP IN BIHAR

YEAR	TARGET (NUMBER)	CUMULATIVE ACHIEVEMENT (NUMBER)	% ACHIEVEMENT(CUMULATIVE) (NUMBER)
2001-02	33,798	4,265	12.62
2002-03	23,313	47,710	83.53
2003-04	1,60,000	1,55,068	71.42
2004-05	1,60,000	3,27,689	86.90
2005-06	1,60,000	3,34,090	60.20
2006-07	1,60,000	4,05,259	58.53
TOTAL	6,97,111	4,05,259	58.53

Against the cumulative target of 6, 97,111 units, the total no of tube wells commissioned is 4, 05,259, with a achievement of 58.53 %.

(C) SWARN JAYANTI GRAM SWAROJGAR YOJNA (SGSY):-

For the effective alleviation of poverty through providing self employment to the poor of the country, the Government decided to restructure the self employment programmes being implemented in the country. Consequently in the 1999, a new programme named "Swarn Jayanti Gram Swarojgar Yojna" (SGSY) was launched. This is such a comprehensive programme as includes all the aspects of self employment such as organizing the poor in form of Self Help Groups, training, loans, technology, basic infrastructure and marketing.

The prime objective of the scheme is to ensure uplifting of beneficiaries above the poverty line through persistent growth in their income for a longer period of time.

In Bihar, SGSY is the biggest poverty alleviation programme, and Banks in coordination with the Rural Development Department, Government of Bihar have been participating in the scheme in a big way.

PERFORMANCE OF BANKS UNDER SGSY

Particulars	2005-06		2006-07		2007-08	
	NO	AMT	NO	AMT	NO	AMT
Target	Nil	671.20	1,37,805	354.41	1,88,000	469.99
Proposals received	1,17,416	-----	1,19,927	-----	85,460	
Proposal Sanctioned	1,03,724	298.58	1,04,893	281.95	79951	212.10
Proposal Disbursed	86,093	248.86	1,01,965	231.98	76720	187.87
Achievement in % (Sanction to target)	44.48	-----	79.55	-----	45.32	
Achievement in % (Disbursement to target)	37.07	-----	65.46	-----	40.14	
Proposal returned / rejected	11130	-----	13897	-----	5509	
Proposal pending for disbursement	17631	-----	1137	-----	3231	

GROUP FINANCING UNDER SGSY:-

The Ministry of Finance, Government of India has introduced a mechanism to evaluate the development outcome of all the major programmes by way of converting financial outlays into measurable and monitorable outcome. In case of SGSY scheme, one item that is measurable and of immense significance is the total number of Swafojgari assisted (both the SHGs and the individuals). For the first time, apart from the financial targets, physical targets both for individuals and SHGs were allocated to Banks. During the year 2006-07 a target of 9726 SHGs and 45648 individuals were allocated to Banks. During the year 2007-08, 15040 SHGs & 37600 individuals were fixed as target under SGSY.

PERFORMANCE UNDER GROUP FINANCING UNDER SGSY VIS-A VIS PHYSICAL TARGET

2006-07			2007-08		
TARGET	ACHIEVEMENT	% ACH	TARGET	ACHIEVEMENT	% ACH
9726	12230	126	15040	18499	123

In the 11th Meeting of the Central Level Committee (CLCC) under SGSY held on the 8th February 20087 at New Delhi, Dr.Raghubansh Prasad, Hon'ble Minister, Rural Development, Government of India emphasized the impotence of regular meetings of SGSY to review and monitor the programme. The Hon'ble Minister expressed the following in the meeting having immense bearing on implementation of the scheme in the Country:-

- ☞ To think about "Antim Admi" who is illiterate and belongs to BPL Family.
- ☞ To bring all the BPL Families into the fold of economic activities by covering them under SGSY.
- ☞ To federate the SHGs to give them greater empowerment.
- ☞ Bank's roles are very important on account of their responsibilities for sanction, credit mobilization and disbursal under the scheme.
- ☞ Concerted efforts by all concerned for removing poverty by 2015.
- ☞ Banks to replicate RUDSETI experiments successfully carried out in Karnataka. Establishment of RUDSETIs in each district for training the poor in income generating activities.
- ☞ Adequate marketing support for rural product.
- ☞ Banks to initiate steps to increase their outreach by expansion of their number of branches especially in unbanked Blocks.
- ☞ Banks to formulate uniform rate of interest to be charged on loans under SGSY.

In the 24th SLBC Meeting, all the above views of the Hon'ble Union Minister, Rural Development were placed before the House. Banks as well the State Government resolved to initiate action accordingly in the State.

D) SELF EMPLOYMENT SCHEME FOR THE REHABILITATION OF MANUAL SCAVENGERS

The Government of India, Ministry of Social Justice and Empowerment, has decided to implement the captioned scheme as national priority. The objective of the scheme is to rehabilitate, in a time bound manner, all those remaining scavengers who are yet to be assisted.

The Ministry of Social Justice and Empowerment, Govt. of India and also the Finance Department (Banking Division), Govt. of India have issued directives to all CMDs of Banks and Reserve Bank of India for extending full cooperation in implementation of the scheme.

Under the scheme, the identified scavengers and their dependents are to be financially assisted through bank loans / subsidies. The target under the scheme as advised by the Government has been allocated district-wise by the SLBC and advised to all concerned Lead Bank Managers for allocation of the same amongst bank branches operating in their districts.

In this connection, the State Level Bankers' Committee, Bihar has requested Bihar State Scheduled Caste Co-operative Development Corporation Ltd. to identify the implementing agencies; this will include Government Agencies and reputed Non-government Organizations. The prime responsibility in implementation of the scheme lies with the implanting agencies, which will identify the prospective eligible beneficiaries and arrange training as per need, and also help them in formulation of project proposals and processing of loan applications.

Further SLBC, Bihar has requested Bihar State Scheduled Caste Co-operative Development Corporation Ltd to instruct their District Level Functionaries to extend required support to implementing bank branches in implementation of the scheme

E) FINANCE TO SELF HELP GROUPS (SHGs)

The access to timely and adequate credit and other financial services by the vulnerable and weaker sections of the society at the affordable cost is essential for the overall economic development of the society. With the objective in view, SHGs play a very crucial and effective role, and Banks spearhead their efficacies through credit linkages with them.

The region-wise analysis of SHG- Bank linkage indicates that the initiative met huge success in the Southern Region. The main reasons attributable to the success in the Southern Region are as under

- ✱ Attitude of rural people- the strong inclination of the poor to form SHGs for collective welfare, besides their better education level.
- ✱ Availability of good quality Micro Finance Institutions- MFIs are engaged in numerous developmental works and are running on professional lines. Besides, there are many RRBs, small size MFIs-NGOs and mutual benefit trusts which are engaged in Micro Credit works
- ✱ Conducive regulatory framework and Government support.
- ✱ Government –run promotional programmes.
- ✱ Emphasis on channelising Government assistance through SHGs.
- ✱ Proactive role of corporate.

In order to bring about comparable success in micro financing in our State, we should explore how to establish all the above attributes into our own framework.

For the year (2007-08) under review, a very ambitious target of 46000 SHGs is fixed for bank-linkage. Banks have credit-linked 49738 SHGs as on 31.03.2008 with Bank-finance of 240.99 crores.

Review of the Bank-wise progress made under the scheme is shown as under:

SHG Financing (Under NABARD regular scheme)

(Amt. in Crore)

Year	Linkage of new groups	Bank 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

F) RURAL EMPLOYMENT GENERATION PROGRAMME

KVIC MARGIN MONEY SCHEME:

Margin Money Scheme was launched by KVIC to give a fillip to industrialisation in rural as well as in specified Municipal Areas.

The overall target (No-1876 & Rs.2144.00 as margin money) for 2007-08 under REGP for the current year allocated and advised to Banks by the SLBC in the month of March'07, it was further revised at 718 in terms of numbers and Rs.820.33 crore in terms of margin money. The revised targets were circulated amongst Banks through the Agenda Papers of the 22nd SLBC meeting held on the 19th November 2007.

Besides, the following quarterly achievement targets under the overall targets were fixed for Banks for the year 2007-08

Quarter	Nos (Tgt)	Ach	% Ach	Amt (Tgt)	Ach	% Ach
1 st Quarter (8.8 %)	63	22	34.92	72.19	29.60	41.00
2 nd Quarter (27.71 %)	199	193	96.98	227.31	183.41	80.71
3 rd Quarter (33.49 %)	240	133	55.42	274.73	175.08	63.72
Total up to third quarter	502	348	69.32	574.23	388.09	67.60
4 th Quarter (30 %)Up to Feb'08	216	99	45.83	246.10	163.48	66.42
Total up to February 2008	718	447	62.25	820.33	551.57	67.24
4 th Quarter up to March'08 271 Projects to be financed		451 Expected	Rs.268.76 to be utilised		449.42 Expected	
Total (100 %)	718	898	125	820.33	1000.99	122.02

Based on the above figures advised by the KVIC, the overall performance up to Feb'08 stands at 62.25 % & 67.24 % respectively against the physical and the financial targets under the REGP Scheme.

Further, the progress report for the month of March'08, as advised by the KVIC, Patna, is likely to be finalised by June'2008 since all pending margin money claims under the scheme in respect of loans sanctioned and first instalment disbursed therein up to March 2008 are to be settled by Nodal Banks within 31.05.2008.

However, the expected number of proposals and the margin money which are expected to be disposed off are advised by the KVIC (Figures shown above). The result thereby worked out shows an achievement of 125 % and 122.02 % against the physical & the financial targets.

As advised by the KVIC, the Ministry of MSME (Micro, Small and Medium Enterprises), Government of India has decided to introduce a new scheme called "PMEGP" amalgamating REGP & PMRY. The Cabinet approval for the scheme is at the advance stage of consideration.

OTHER SCHEME / ACTIVITIES- PAERFORMANCE OF BANKS

Financing under education loans is the most focussed area for the Banks. Banks are committed to extend loans to all eligible students for pursuing their studies not only in the State but also out side of the State and abroad. Banks are fully geared up for the loans for the current year.

During the year 2007-08, loans amounting to Rs.280.93 cr. have been extended to 10181 students.

LOANS SANCTIONED BY BANKS UNDER EDUCATION LOAN

2006-07		2007-08	
SANCTIONED		SANCTIONED	
NO	AMT (amt in cr.)	NO	AMT (amt in cr.)
6426	178.14	10181	280.93

RELIEF MEASURES BY BANKS FOR THE FLOOD AFFECTED DISTRICTS

Shri Sushil Kumar Modi, the Hon'able Deputy Chief Minister, Bihar held a special meeting of the State Level Bankers' Committee, Bihar on the 9th August 2007 and discussed the grim situation brought about by the floods in the entire region of North Bihar, and the active roles of Commercial Banks in revival of the economic activities in the flood affected areas where massive devastation was caused to human lives, property and economic pursuits of the human beings.

As decided in the meeting, Banks took relief measures in all the 22 affected districts as declared flood affected by the Government. Banks extended loans to affected people for their consumption purposes, issued KCCs & GCCs, rescheduled / restructured loan accounts, extended loans under DIR & Rural Housing Scheme and other loans for helping the affected people to salvage their economic pursuits.

As on March 2008, all Banks together have extended loans adding up to Rs.425.97 crores, covering 2, 39,244 people in the entire 22 flood affected districts of the State. Out of the total loans of Rs.425.97 cr., Consumption loan of Rs.26.25 cr. was given to 41820 existing borrowers, 24.29 cr. to 29281 new borrowers, and Rs.5.71cr. to Job Card Holders. Under Rural Housing Loan Schemes; Rs.4.98 cr. was given to 1207 people, Rs.360.60 cr. to 144054 people under KCC and Rs.4.24 cr. to 8968 people under DRI Scheme.

In addition to the above, Banks donated funds generously to help the flood affected people of the State. State Bank of India being the Convenor of the SLBC, Bihar took a lead and donated Rs.1.00 Cr. to Chief Minister's Relief Fund for the help of the flood affected people, and Rs.14.00 lacs to the Red Cross Society of Bihar for distribution of medicines and providing medical aids.

FINANCIAL INCLUSION

Financial Inclusion is delivery of banking services at an affordable cost to the vast section of disadvantaged and low-income groups. Unrestrained access to public goods is the essence of an open and efficient society. As Banking services are in a nature of public goods, it is essential that availability of Banking and payment services to the entire population without discrimination is the prime objective of the public policy, and financial inclusion is one of the endeavours to meet the objective.

In pursuance of the suggestion made by Shri Pawan Kumar Bansal, the Hon'ble Minister of State for Finance in the Special SLBC Meeting held on the 18th June 2007, 19 Districts of the State have been selected for 100 % Financial Inclusion and the task was to be completed by March'08.

A Sub-committee under the aegis of SLBC, Bihar on financial Inclusion formed following a decision taken in the meeting with the Controlling Heads of Banks convened by Reserve Bank of India on the 9th January 2008, is reviewing the progress in this regard. The first meeting of the Committee was held on the 16th January 2008.. As the 100 % financial inclusion has not been completed by 31st March 2008, it has been decided in the High Level Meeting with the Development Commissioner, Government of Bihar held on the 24th April 2008 that the task of 100 % financial Inclusion should be completed in all the 19 districts by 30 June 2008

In the selected districts, the Lead Bank Managers, having identified number of households in different villages and allocated the same village-wise to different Banks operating in the districts, have been pursuing completion of the financial inclusion.

PERFORMANCE OF BANKS UNDER 100 % FINANCIAL INCLUSION AS ON 31.03.2008

SL. NO	Name of Districts	Number of villages Allotted for 100 % F. Inclusion	Number of villages Where 100 % F. Inclusion completed	Number of Households Allotted for 100 % F. Inclusion	Number of Households Completed For 100 % F. Inclusion	Status of F. Inclusion (%)
1	Purnea	1281	NIL	335800	241811	72.01
2	Saharsa	474	NIL	218134	165319	75.79
3	Supaul	565	126	308453	197410	64.00
4	Buxar	1112	4	280479	228073	81.32
5	Rohtas	26	20	16980	4551	26.80
6	Bhojpur	119	2	273760	1060	0.39
7	Gaya	165	29	410110	6124	1.19
8	Katihar	424	421	115064	110159	95.74
9	Siwan	1110	504	357000	26061	7.30
10	Gopalganj	1302	555	403761	270520	67.00
11	Madhubani	767	301	600000	468000	78.00
12	Vaishali	1335	237	385923	47016	12.18
13	Saran	226	160	112000	10220	9.13
14	Sitamarhi	386	60	184462	163464	88.62
15	Sheohar	95	24	47214	34343	72.74
16	Khagaria	218	148	255335	22585	8.85
17	Sheikhpura	133	115	54860	26844	48.93
18	Munger	91	57	110839	7382	6.66
19	Banka	128	55	320000	4240	1.33
Total		9957	2818	4790174	2035182	42.49

CREDIT DEPOSIT RATIO IN THE STATE

The C D Ratio in the State as on 31.03.2008 is as under:

(Rs. in Crore)

BANK	DEPOSIT	CREDIT	C D RATIO
Comm. Banks	58573.71	17201.65	29.37
Co-op. Banks	850.84	697.97	82.03
RRBs	8819.16	3677.61	41.70
Total	68243.71	21577.23	31.62
RIDF	-----	500.00	
GT	68243.71	22077.23	32.35

The overall C D Ratio in the State is 33.48. The C D Ratio of the State has been increasing consistently since March'02, which is shown as under: -

Mar 2002	Mar 2003	Mar 2004	Mar 2005	Mar 2006	Mar 2007	Mar 2008
22.79	24.59	26.81	29.86	32.10	34.38	32.35

As on March'08 it stands at 32.35.

Efforts to bring in huge investments for infrastructure development such as urban development, transport, tourism, civil aviation and industries need to be made, so that Banks may also commit themselves in the process whereby credit flow would automatically increase manifold and which would also help increase C D Ratio in the desired way in the State. State Government should also utilise more and more money from the RIDF.

There is no district in the State where the C D ratio is below 20% as on March'08.

BANK-WISE DEPOSIT ADVANCES & CD RATIO

IN RURAL SEMI-URBAN AND URBAN AREAS IN BIHAR AS ON 31.03.2008

(Amt in cr.)

Banks	RURAL			SEMI-URBAN			URBAN/METRO			TOTAL		
	Deposit	Adv	CDR	Deposit	Adv	CDR	Deposit	Adv	CDR	Deposit	Adv	CDR
Comm. Banks	13103.29	4755.08	36.29	15797.78	4511.02	28.55	29672.64	7935.55	26.74	58573.71	17201.65	29.37
RRBs	6328.70	2844.65	44.95	1729.94	574.18	33.19	760.52	2558.78	34.03	8819.16	3677.61	41.70
Co-op Banks	0	0	0	0	0	0	850.84	697.97	82.03	850.84	697.97	82.03
Total	19431.99	7599.73	39.11	17527.72	5085.20	29.01	31284.00	8892.30	28.42	68243.71	21577.21	31.62

In Bihar, Credit Deposit Ratio in rural areas is the highest followed by semi urban and then urban areas.

RECOVERY PERORMANCE OF BANKS-

BANKS	2005-06			2006-07			2007-08		
	Demand	Recovery	% Recovery	Demand	Recovery	% Recovery	Demand	Recovery	% Recovery
Comm. Banks	1981.00	922.00	46.53	2483.29	1165.38	46.93	3137.99	1406.48	44.82
RRBs	482.00	335.00	69.40	614.45	350.38	69.01	568.73	620.86	109.17
Co-op Bank	736.00	254.00	34.60	507.75	161.80	26.33	401.69	170.03	42.33
Total	3199.00	1511.00	47.24	3605.49	1677.56	46.53	4108.41	2197.37	53.48

The recovery performance in Bihar during the above mentioned years clearly indicates that NPAs are on the rise

CERTIFICATE CASES

As per information received by SLBC from banks, a total of **342267** certificate cases are pending for disposal as on 31.03.2008 which involve a total amount of **Rs.648.09** crores. In this regard, Banks may instruct their branch functionaries to shortlist at least 10 high value certificate cases for effective and focused follow-up. The Government of Bihar is geared up to provide all sort of assistance in this regard.

POSITION OF PENDING CERTIFICATE CASES IN THE STATE-

(Amt in cr.)

BANKS	2005-06		2006-07		2007-08	
	NO	AMT	NO	AMT	NO	AMT
COMM.BANKS	2,22,284	519.21	2,53,110	716.15	3,02,369	914.37
RRBs	46,338	112.63	40,654	31.82	39,886	32.87
CO-OP BANKS	19,545	50.36	12	0.85	12	0.85
TOTAL	2,88,167	682.20	2,93,776	748.82	3,42,267	948.09

PRIORITY SECTOR LENDING VIS-À-VIS NATIONAL BENCHMARK

As on 31.03.2008, the national benchmark of 40% in respect of the share of priority sector advances in over all advances has been achieved by Banks in the State. The ratio of priority sector advances to total advances is as high as **65.11 %**, which is well above the stipulated benchmark of **40%**.

(Amt in cr.)

2005-06			2006-07			2007-08		
Total Adv	Total Priority Sec. Adv.	% P. Sec. Adv To total Adv	Total Adv	Total Priority Sec. Adv.	% P. Sec. Adv To total Adv	Total Adv	Total Priority Sec. Adv.	% P. Sec. Adv To total Adv
14873.32	9258.39	62.25	19048.42	11225.51	58.93	21577.23	14048.67	65.11

AGRI CREDIT:

At the State level, the ratio of Agri Credit is at **35.77 %** against the national benchmark of **18%**.

(Amt in cr.)

2005-06			2006-07			2007-08		
Total Adv	Total Agl Sec. Adv.	% Agl. Sec. Adv To Adv	Total Adv	Total Agl Sec. Adv.	% Agl. Sec. Adv To Adv	Total Adv	Total Agl Sec. Adv.	% Agl. Sec. Adv To Adv
14873.32	5080.45	34.16	19048.42	6223.27	32.67	21577.23	7717.74	35.77

DIFFERENTIAL INTEREST RATE (DIR):

The ratio of DIR advances to the total credit is only **0.15 %** against the benchmark of **1%**. As per the Union Finance Minister's directives, all Banks have been requested to finance at least 10 beneficiaries per branch under the scheme. SLBC, Bihar has requested member Banks to monitor the progress in this regard so that the benchmark stipulated will be achieved. Financing under the scheme was not picking up due to non-availability of viable proposals under the existing ceiling of Rs.6500/-. Now the existing ceiling has been increased to Rs.15000/- & Rs.20000/- in case of housing. Banks will increase financing under the scheme. The ceiling of family income has also been increased to Rs.18, 000 per annum from the existing ceiling of Rs.6500 under the scheme. Further, financing under the scheme will also facilitate financial inclusion of the under privileged people of the society.

WEAKER SECTION:

Against the benchmark of **10%** under weaker sections, performance of all Banks as on 31.03.2008 is **24.57 %**.

2005-06			2006-07			2007-08		
Total Adv	Total Adv. To Weaker Sec.	% Weaker Sec. Adv To Adv	Total Adv	Total Adv. To Weaker Sec.	% Weaker Sec. Adv To Adv	Total Adv	Total Adv. To Weaker Sec.	% Weaker Sec. Adv To Adv
14873.32	3846.78	25.86	19048.42	3684.29	19.34	21577.23	5301.27	24.57

CREDIT FLOW TO SSI

The total credit outstanding in respect of Small Scale Industries is Rs. 1669.76 cr. as at the end of March'08 and the total credit disbursed during the financial year stands at Rs. 566.62 cr. against the disbursement of 376.11 cr. during the corresponding period of the previous year.

As per Finance Minister Directive, the SSI Sector advances should grow at the rate of 20 % every year, the growth recorded as on March '08 over the level of 2007 stands at 65.49 % (Level as on March'08- Rs.1669.76 cr.; level as on March'07- Rs.1008.95 cr.; growth- Rs.660.81cr.)