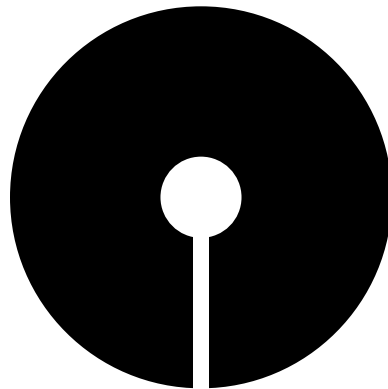


**MINUTES
OF
25th SLBC MEETING, BIHAR
HELD ON 21st AUGUST, 2008
AT HOTEL CHANAKYA, PATNA**



**CONVENOR:
STATE BANK OF INDIA
LOCAL HEAD OFFICE, PATNA**

Minutes of the 25th State Level Bankers' Committee, Bihar held on the 21st
August 2008 at Patna

The 25th Meeting of the State Level Bankers' Committee, Bihar was held on the 21st August 2008 under the Chairmanship of Sri A. Krishna Kumar, Chairman, SLBC, Bihar and Chief General Manager, State Bank of India, Patna Circle. The meeting, inter-alia, discussed and reviewed the performance of all Banks under the Annual Credit Plan 2008-09 as on 30th June 2008.

Sri Sushil Kumar Modi, the Hon'ble Dy. Chief Minister & Finance Minister, Bihar attended the meeting as special invitee.

Amongst other members of the SLBC, Bihar, the dignitaries who attended the meeting were as follows:-

- ❖ Sri R.J.M.Pillai, Chief Secretary, Government of Bihar.
- ❖ Sri S. Vijay Raghwan, Development Commissioner, Government of Bihar.
- ❖ Sri Navin Kumar, Principal Secretary, Finance, Government of Bihar.
- ❖ Sri K.K.Vohra, Regional Director, Reserve Bank of India, Local Office, Patna.
- ❖ Dr. S.Ghosh, Chief General Manager, NABARD.
- ❖ Sri Samir Saran, General Manager, State Bank of India, Local Head Office, Patna.
- ❖ Sri Amrik Singh, Under Secretary, Ministry of Finance, Government of India, New Delhi

After welcome of all the dignitaries and the members by Sri Arvind Priya, Assistant General Manager, State Bank of India, the keynote address was delivered by Sri A. Krishna Kumar, Chairman, SLBC, Bihar.

Summing up the performance of Banks during the first quarter of the current financial year, Sri Krishna Kumar said that the credit flow has not been reasonable during the quarter mainly because all the banks were busy in implementing the Agricultural Debt Waiver & Debt Relief Scheme 2008.

Banks were advised to make sincere efforts to achieve the target of Annual Credit Plan of Rs.17491.56 Crores in current fiscal.

Regarding completion of financial inclusion of the 19 identified districts, Sri Krishna Kumar was very sorry to quote that only one of the 19 identified districts has been able to complete 100% financial inclusion. Sri Kumar urged all the banks to take necessary steps to ensure that the aim of 100% financial inclusion of remaining 18 selected districts is completed at an early date.

Sri Krishna Kumar opined that Agricultural Debt Waiver & Debt Relief Scheme'2008 has opened up huge scope for lending under agriculture segment. He urged the Banks to utilize the opportunity for increasing credit dispensation under agriculture. Sri Kumar emphasized that all the farmers who have been benefited by the Agricultural Debt Waiver/Relief and are otherwise eligible for fresh loans should be provided the same in a hassle free manner.

Sri Kumar stated that the Agricultural Debt Waiver & Debt Relief Scheme'2008 has also helped the Banks in a big way in bringing down the NPA level of the Banks.

Sri Krishna Kumar urged all the Banks to come forward to help the aggrieved masses of the flood affected areas.

Regarding Credit Deposit Ratio, Sri Krishna Kumar said that there was a decline in CD ratio as on 30th June'08 when compared to that of with 31st March'08. This marginal decrease in C D Ratio was mainly due to the implementation of Agriculture Debt waiver & debt relief scheme 2008. Sri Kumar urged all the Banks to make all out efforts for increasing the C D ratio of the State.

As regards Education loans Sri Krishna Kumar informed the House that during the current financial year, due to the pro active approach of the Banks under the aegis of SLBC Bihar, we have extended loan facilities to 3420 students (amounting to Rs. 127.47 crores). A substantial decrease in number of complaints has also been witnessed.

Sri Kumar emphasized that special attention is required by the Banks in financing of SHGs both under SGSY as well as NABARD scheme..

For achieving the target of 15 lacs new Kisan Credit Cards, Sri Kumar suggested, that Banks should initiate special campaigns. He also requested the State Government to carry on the good work done by them (regarding issuance of LPCs at Gram Shivirs).

Sri Kumar also expressed his concern towards the plight of the small and marginal farmers of the state who are heavily indebted to non institutional money lenders and have to pay exorbitant interest (3 to 15% per month). He urged the bankers to implement the Debt Swap Scheme launched by the Government of India in its true spirit to free the farmers from the clutches of the local money lenders.

Sri Kumar also expressed concern about rising inflation. RBI has taken several measures to contain the same (viz. increasing of CRR, Bank Rate, etc.). Although this has resulted in tightening of interest rates, he wished that the lower strata of our society who need credit facilities at cheaper interest rates are not affected.

Sri Kumar urged the Government of Bihar and Sri Modi, who eventually happens to be the Finance Minister also, to expedite the process of amendment of PDR Act as it will go a long way in expediting the recovery of sticky loans of the Banks in Bihar.

Concluding the address, Sri Kumar applauded the State Government for providing the conducive business environment as it provides opportunities for faster growth and requested Sri Sushil Kumar Modi, Hon'ble Deputy Chief Minister, Bihar to inaugurate the website of SLBC,Bihar.

Sri Modi inaugurated the website and applauded the Convenor of SLBC, Bihar for launching such an informative website.

Sri K.K.Vohra, the Regional Director, Reserve Bank of India, Patna in his address to the House expressed that the rising inflation or price rise was the biggest challenge before the Central Bank (RBI).

The following views and suggestions put forth in the House by Sri Vohra are hereunder:-

- ❖ The target of Rs.17491.56 Crores provided in the Annual Credit Plan 2008-09 should be achieved through the concerted efforts by all concerned.
- ❖ Preparation of common form for education loan ensuring essential information to Banks without much inconvenience to the applicants.
- ❖ Education Loan Scheme should be popularized through advertisements, information counters in colleges / Railway Stations.
- ❖ Rejection of education loan applications should normally be done at one level higher than the sanctioning authority.
- ❖ There should be an exchange of information on eligible institutions and placement division thereof. It may also be provided on the SLBC website.
- ❖ Banks should take pro active measures in preparing appropriate strategies for credit extension especially consumption loans to the flood affected people.
- ❖ Bank should display at a notice board about payment of interest in case of delayed collection of cheques.
- ❖ Banks should open one RUDSETI like organization in each district headquarters.
- ❖ A sub committee of member Banks should be formed for reviewing the progress of Financial Inclusion at regular intervals.
- ❖ A seminar is proposed to be conducted in the month of Oct-Nov'08 which may be attended by the Dy. Governor of RBI.
- ❖ Sri Vohra emphasized about inter-institutional coordination.
- ❖ Banks should take proactive measures to complete Financial Inclusion with the utilization of BC/BC model & technology wherever required.
- ❖ SLBC website to be updated regularly. Suggestions & complaints should be incorporated on the website.

In his speech, Dr. S. Ghosh, Chief General Manager, NABARD suggested that Banks should ensure 100% achievement of ACP in the current fiscal.

Dr. Ghosh emphasized the need of creating more Farmers' Clubs in the State for which NABARD also provides financial assistance.

As regards system of reporting is concerned, Dr. Ghosh was of the view that SAMIS (Service Area Monitoring & Information System) should be strengthened for Lead Bank Return.

Dr. Ghosh opined that there is a need to create more RUDSETI like organizations in the district headquarters for which NABARD is providing 50% fund for infrastructural inputs.

Sri Sushil Kumar Modi, the Hon'ble Deputy Chief Minister, Bihar addressed the House and applauded the Convenor of SLBC for launching a very informative website. He emphasized the need of updation of the website as it will provide information to the all concerned. The long awaited amendment in PDR Act as demanded by Banks, Sri Modi informed the House, the process is in last stage and it would be settled by the next SLBC meeting scheduled to be held in October'08.

The salient views and suggestions expressed by the Hon'ble Deputy Chief Minister are as follows:-

- SLBC website to be updated regularly. Suggestion & complaint column should be incorporated on the website.
- Annual Credit Plan to increase in current fiscal and 100% achievement of ACP should be ensured.
- By the end of 11th Five Year Plan i.e. March'2012, every household should have one Bank account. Only then 100% financial inclusion will be completed in the State.
- Banks should ensure to complete 100% financial inclusion of the 19 identified districts in the current financial year. For other districts, all branches should adopt 5 villages of their area for 100% financial inclusion.
- Technology & BC/BF model should be utilized for 100% financial inclusion.
- PACS may be utilized as BC/BF to facilitate 100% financial inclusion.
- Business Facilitator / Business Correspondent models should be implemented by Banks in a big way.
- The decisions taken at SLBC level are not percolating down at branch level. The minutes of SLBC should be communicated to all LDMs, all controlling heads of the bank as well as District Magistrates.
- LDMs to be properly communicated regarding the goals set up in SLBC and their performance should be monitored by the controlling heads of the Bank.

- No districts of the State should have less than 30% CD ratio by the end of current fiscal.
- Date compilation to be stream lined. Banks are not submitting correct data to SLBC. SLBC to ensure that there is no data mismatch.
- Fresh loans to be provided to the Debt Waiver/Relief beneficiaries.
- Quarterly meeting of the SLBC to be held within 2 to 3 weeks from the date of last quarter.
- Banks should cooperate in opening the bank account and facilitate in implementation of certain schemes of the Government of Bihar like NREGA, Indira Aawas Yojna, Balika Cycle Yojana etc.
- SLBC should form a sub committee for preparing uniform guidelines for opening of account of SHGs. The Savings Bank accounts of SHGs should be opened in a hassle free manner.
- Each branch must form a new Farmers' Club.
- RUDSETI like organization should be opened in all district headquarter centres.
- The progress made in respect of KCC financing has been poor in the current quarter. The Banks were urged upon to ensure that KCCs are sanctioned and disbursed in a smooth manner without causing much inconvenience to farmers. The Banks should also furnish the figures of New KCC & those renewed separately to the SLBC.
- 100% achievement in 12 identified districts for coverage under KCC should be ensured.
- Some branches of the Banks are harassing the education loan applicants. Banks should ensure that there is no cause of complaint in respect of education loan.
- Education loan application form should be simplified.
- System for reviewing the performance of Banks should be improved and effective.
- District Level Bankers' Committees (DLCCs) and Block Level Bankers' Committees (BLBCs) meetings should be attended by the Senior Bank functionaries from Controlling Offices.

Concluding his address, Sri Sushil Kumar Modi said that Banks should initiate proactive measures to achieve 100% financial inclusion of the State by March'2012. He also requested the Banks to ensure that there is no complaint regarding education loan or opening of Bank accounts of school children/SHGs etc. He urged the banks to achieve 100% of ACP during the current fiscal.

Sri Samir Saran, General Manager, State Bank of India, Local Head Office, Patna assured on behalf of the State Level Bankers' Committee, Bihar, of addressing all the points and issues raised by the Hon'ble Deputy Chief Minister in the House. Sri Saran also assured that 100% of the Annual Credit Plan 2008-09 would be achieved by all the Banks.

After the address by the dignitaries, the House took up Agenda Items for discussion as under:-

The House confirmed the minutes of the 24th SLBC meeting held on the 13th May 2008 (Agenda No-I).

Sri Modi advised all Banks to ensure that the decision taken at SLBC meeting should be communicated to LDMs and decision taken at DLCC and BLBC should be communicated to the branches.

During the discussion on education loan under Agenda No-IV, Sri Modi suggested banks to launch a simplified application form and a branch should be identified in the district headquarter from where the applicant may get application form and the application form will be submitted at the identified branch for disposal of the application.

Regarding 100% Financial Inclusion in the 19 identified districts of the State, the task should be completed by all Lead Banks and other Banks by 31st March'2009 as decided by the House. Hon'ble Deputy Chief Minister has set a target for 100% financial inclusion of the State by 31st March'2012.

During the discussion on fisheries and dairies, Sri Samir Saran, General Manager, State Bank of India suggested that the Fishery Department, Government of Bihar may provide the list of applications to Banks, and Banks would in turn inform the department the disposal of these applications within a reasonable time.

Sri Samir Saran, General Manager, State Bank of India suggested that No Dues Certificate of the beneficiaries of the Agricultural Debt Waiver & Debt Relief Scheme'2008 may be distributed at the Gram Shivirs being organized in the panchayats by the block.

For the development of dairies and fisheries in the State, Sri Saran advised that all the Dairy/Fishery development Officers at district level should attend DLCC / BLBC meetings with details of applications pending with Bank branches and put the same in the meeting for discussions.

While discussion on KCC under the Agenda No-VII, Mr B.L.Mishra, General Manager, NABARD pointed out that in case of KCC, insurance under National Agricultural Insurance Scheme in all eligible cases is not being done. It should be ensured by the Banks to have crop insurance for all the eligible loan accounts.

Sri Navin Kumar, Principal Secretary, Finance, Government of Bihar suggested Banks to report the position of KCC in the following manner:-

- 1) i) Existing number of KCCs ii) number of KCCs renewed during the year iii) number of new KCCs issued iv) total number of KCCs covered under National Agricultural Insurance Scheme.
- 2) He also drew attention to wrong reporting of data on households covered under financial inclusion.

The meeting ended with the vote of thanks by Sri V.K.Khanna, General Manager, Punjab National Bank, Patna.

ACTION POINTS OF THE 25TH SLBC MEETING

1. All Banks should ensure 100% achievement under the Annual Credit Plan 2008-09.

(Action: All Banks)

2. 100% financial inclusion of the remaining 18 of 19 identified districts of the State should be completed by the end of current fiscal i.e. 31st March'2009. 100% financial inclusion of the State should be completed by the end of 11th Five Year Plan i.e. by 31st March'2012.

(Action: All concerned Lead Banks & the Taskforce & SLBC)

3. Every branch of a bank should undertake 5 villages of the area for 100% financial inclusion.

(Action: All Banks)

4. Education loans should be popularized. Rejection of application under the scheme should be done at one level higher than the sanctioning authority level and there should be an exchange of information on all eligible institutions and it should be provided on the SLBC website also.

(Action: All Banks & SLBC)

5. Education loan scheme application form should be simplified and a branch should be identified in the district headquarter where the applicants may submit/drop applications for disposal of the same. Banks should ensure that there should be least complaint about education loan

(Action: All Banks)

4. All the eligible beneficiary farmers of the Agricultural Debt Waiver & Debt Relief Scheme'2008 should be provided fresh loans.

(Action: All Banks)

5. Banks should take appropriate relief measures in the flood affected areas and in the areas likely to be hit by floods.

(Action: All Banks)

6. District Level Coordination Committees (DLCCs) & Block Level Bankers' Committees (BLBCs) meetings should be attended by the senior functionaries of the Banks viz. AGM, RM, ZM etc.)

(Action: Controlling Heads of All the Banks)

7. It should be ensured by Banks that there is least complaint regarding non-opening of Bank account in various schemes of the Government viz. NREGA, Indira Awas Yojana and the accounts of school children under various schemes of the Government.

(Action: All Banks)

8. Banks should pay special attention in opening of the accounts of SHGs.

(Action: All Banks)

9. Inter-institutional mechanism should be strengthened at State level as well as at district level to address the challenges for the development of the State.

(Action: All Banks)

10. It should be ensured that no district of the State should have less than 30% CD ratio by the end of current fiscal.

(Action: All Concerned Lead Banks)

11. Meetings of the branch managers with the controlling offices functionaries should be done in more effective manner so that the progress in respect of KCC, SGSY etc can be monitored.

(Action: All Banks)

12. Every branch should form at least one new Farmers' Club in the current fiscal.

(Action: All Banks)

13. Bank should implement Business Facilitator / Business Correspondent models on large scale. The use of technology should also be stepped up.

(Action: All Banks)

14. All the borrowers of KCC should invariably be covered under National Agricultural Insurance Scheme. The District Coordinators of the Banks should ensure that the branches of their Banks are implementing the same.

(Action: DLCC & Banks)

17. All the Lead District Managers should ensure to achieve 100% coverage under KCC in all the identified 12 districts of the State.

(Action: All concerned Lead Banks)

15. Updation of SLBC website should be ensured and suggestion & complaints should find a place on the website.

(Action: Convenor of SLBC)

16. SGSY financing need special attention of the Banks to achieve the target set for the current financial year and it should be ensured that all the applications should be disposed within a reasonable time frame.

(Action: All Banks)

17. PDR Act should be amended suitably.

(Action: Government of Bihar)

18. A seminar on Financial Inclusion should be organized in Oct-Nov'08 in Patna by SLBC. Deputy Governor of RBI should be requested to attend the same.

(Action: SLBC and all member Banks)

19. All Banks should submit error free data of MSTP to NABARD at the earliest.

(Action: All Banks)

20. Pending applications of Fisheries, Dairy, Poultry etc with various Banks should be disposed at an early date.

(Action: All Banks)

25. Government should facilitate the issuance of Land Possession Certificates (LPCs).

(Action: Government of Bihar)

21. Gram Shivirs may be utilized as a platform to prepare Land Possession Certificates (LPCs) & sponsoring of loan applications and also for distributing No Dues Certificate to the beneficiaries of Agricultural Debt Waiver & Debt Relief Scheme' 2008.

(Action: All Banks)

22. Banks should ensure that the Gram Shivirs is being attended by the branch functionaries of that area.

(Action: All Banks)

26. Purity of data should be ensured.

(Action: SLBC & All Lead Banks & Controlling Offices of the Banks)

27. Decisions taken at SLBC are not being communicated to district level / branch level functionaries of various Banks.

(Action: SLBC, Lead Banks & Controlling Heads of the Banks)

**STATE LEVEL BANKERS' COMMITTEE, BIHAR
25th SLBC MEETING HELD ON THE 21st AUGUST 2008**

CHIEF GUEST

SRI SUSHIL KUMAR MODI, HON'BLE DEPUTY CHIEF MINISTER, BIHAR

MEEETING CHAIRED BY

SHRI A.KRISHNA KUMAR

CHIEF GENERAL MANAGER, STATE BANK OF INDIA, PATNA CIRCLE

LIST OF PARTICIPANTS

PARTICIPANTS	DESIGNATION
1 Shri R.J.M.Pillai	Principal Secretary & Dev. Commissioner, Govt. of Bihar
2 Shri S.Vijay Raghwan	Development Commissioner, Govt. of Bihar
3 Shri Navin Kumar	Principal Secretary, Finance, Govt. of Bihar
4 Shri Amrik Singh	Under Secretary, Min. of Finance, Govt. of India
5 Shri B.K. Thakur	Director (Extension)-cum-Dy. Secretary, DIF, GoB
6 Sri Jitendra Srivastave	Joint Secretary, Finance, Govt. of Bihar
7 Sri Prem Singh Meena	Director Industries, Govt. of Bihar
8 Shri Atish Chandra	M.D.COMP FED
9 Sri Ravikant	Secretary, Department of Cooperative
10 Sri Sudhir Kumar	Secretary, Minor Water Resources
11 Dr. D. Rajak	Deputy Director, National Commission for SCs, Patna
12 Sri Indrajit Mukherjee	Asstt. Director, SC&ST Welfare Department, GoB
13 Sri A.K.Singh	Welfare Officer, SC&ST Welfare Department, GoB
14 Sri A.K.Choudhary	Bihar State S/C Development Corporation
15 Sri S.D.Mehta	Managing Director, Land Development Bank
16 Sri M.Sitavamachandra	Consultant, World Bank
17 Sri K.K.Vohra	Regional Director, RBI, Patna
18 Sri M.S.Soy	G.M.(RPCD), RBI, Patna
19 Sri Manoranjan	AGM, RBI, Patna
20 Sri Pintun Sutar	AGM, RBI, Patna
21 Sri Suramya Mohan	Manager, RBI, Patna
22 Dr.S.Ghosh	Chief General Manager, NABARD, Patna
23 Sri R.N.Choudhary	Director of Fisheries, Ani
24 Dr. J.N.Jha	General Manager, NABARD, Patna
25 Sri Samir Saran	General Manager, SBI, Patna Circle
26 Sri Arvind Priya	AGM, SBI (SLBC), LHO, Patna
27 Sri S.K.Sinha	CM, SLBC, SBI, LHO, Patna
28. Sri Mukesh Kr Singh	Manager, RBU-I, SBI, LHO, Patna

PARTICIPANTS	DESIGNATION
29 Sri Pankaj Kumar Jha	Manager, RBU-I, SBI, LHO, Patna
30 Sri Surya Pratap Singh	Manager, RBU-I, SBI, LHO, Patna
31 Sri Narendra Kumar	Deputy Manager, RBU-I, SBI, LHO, Patna
32 Sri Sandeep Kumar	Deputy Manager, RBU-I, SBI, LHO, Patna
33 Sri Jagmohan Samad	AGM, IDBI, Patna
34 Sri Nikhil Mohan	Manager, Bank of Baroda
35 Sri D.K.Rao	Sr. Manager, Corporation Bank
36 Sri Anil Kumar	Manager, Punjab & Sind Bank
37 Shri Binay Kumar	Manager, Canara Bank
38 Sri V.K.Khanna	GM, PNB
39 Shri K.P.Malhotra	AGM, Central Bank of India
40 Sri J.S.Chawla	AGM, Central Bank of India, ZO, Muzaffarpur
41 Shri N.Srinivasan	DGM, Canara Bank
42 Shri E.Narasimha	DGM, Bank of India
43 Sri R.B.Sahay	C.O., UCO Bank, ZO, Patna
44 Md. Nasimuddin	Deputy R.M., Bank of Baroda, Regional Office, Patna
45 Shri S.K.Bhargava	DGM, Union Bank of India
46 Sri U.S.Dwivedi	DGM, Allahabad Bank
47 Sri M.K.Jha	S.M., Dena Bank
48 Sri A.K.Guha	AGM, Indian Bank
49 Sri E.Toppo	CM, Indian Overseas Bank
50 Sri B.S.P.Patra	CM, Oriental Bank of Commerce
51 Sri B.K.Rath	Chairman, SKGB
52 Dr. D.C.Singh	Chairman, Bihar Kshetriya Gramin Bank
53 Sri K.K.Singh	GM, Uttar Bihar Gramin Bank
54 Sri S.K.Bansal	Chairman, Madhya Bihar Gramin Bank
55 Shri B.P. Singh	Assistant Director, K.V.I.C.
56 Sri C.N.Jha	Manager, HDFC Bank
57 Shri M.C.Sharma	State Project Manager, JEEVIKA
58 Sri Niraj Jha	BM, ICICI Bank
59 Sri D.Kumar	BM, South Indian Bank
60 Sri A.Karunagram	AGM, SIDBI
61 Sri A .K.Thakur	Dy., Director, DIF, Govt. of Bihar
62 Sri P.N.Tiwari	Manager, Central Bank of India, Muzaffarpur Zone
63 Sri V.Prasad	Sr.Manager, Bank of India, Patna
64 Shri K.K.Mohapatra	R.M. Agriculture Ins. Co. of India Ltd., Patna
65 Sri R.Ranjan	CM, Punjab National Bank
66 Sri Amit Anand	Asstt.Manager, IDBI Bank Ltd.
67 Sri Varun Priyadarshi	Asstt.Manager, IDBI Bank Ltd.
68 Sri Rajesh Kumar	Manager, United Bank of India
69 Sri Raghav Kumar	Dy. Chief Officer, UCO Bank

