

**Minutes of 37<sup>th</sup> meeting of SLBC Jharkhand held on 09<sup>th</sup> February, 2012**  
**At Hotel capitol Hill, Ranchi**

The 37<sup>th</sup> meeting of SLBC was held on 09<sup>th</sup> February, 2012, at Hotel Capitol Hill, Ranchi, under the chairmanship of Sri M.R.Nayak, Executive Director of Allahabad Bank and was co-chaired by Smt. Vandana Dadel, Secretary, IF&PI, GOJ.

Sri A. Bhattacharya,(JS), Dept. of Financial services, MOF, GOI, who has been designated as the nodal officer for SLBC Jharkhand attended for the very first time. The meeting was also attended by the Sri Nitin Madan Kulkarni, Secretary, Urban Development, GOJ, Sri Santosh Kumar, Commissioner, MANREGA, GOJ, Sri H.N.Panda, GM(OIC), Reserve Bank of India, Ranchi, Dr. S. Sarvanavel, CGM, NABARD, Ranchi, other senior functionaries of State Government, Controlling Heads of various Banks/Financial Institutions and other agencies. 23 LDMs out of 24 districts also attended the meeting. The list of participants is given in Annexure – 1.

Sri U. S. Dwivedi, Dy. General Manager, Allahabad Bank, Ranchi, welcomed the dignitaries and participants. Sri Dwivedi mentioned that various important directions received from MOF, GOI, regarding enhancement of pace of agriculture lending, Financial Inclusion and e-payment will assume highly pace for compliance through deliberation and discussion during the 37<sup>th</sup> SLBC meeting.

**Sri M.R.Nayak, Executive Director, Allahabad Bank and chairperson of SLBC,** welcomed Sri A. Bhattacharya, (JS), Dept. of Financial Services, MOF, GOI, Smt.Vandana Dadel, Secretary, IF & PI, GOJ, Sri Nitin Madan Kulkarni, Secretary, Urban Development, GOJ, Sri Santosh Kumar, Commissioner, MANREGA, GoJ, Sri H.N.Panda GM, RBI, Ranchi and other senior State Govt. officials, Controlling Heads of Banks/Financial Institutions and other invitees in the 37<sup>th</sup> SLBC meeting of SLBC Jharkhand. Sri Nayak focused on significance in planning the various strategies with regard to various vital issues like extending Agriculture loan/KCC to all eligible farmers, green initiative e-payment, uploading of service area plan on each district website, Financial Inclusion, providing Banking outlets in unbanked areas etc. and urged all the stake holders to join hands in hands to take the “Banking Rath” to the doors of the people.

Sri Nayak in his key note address highlighted the overall performance as well as challenges ahead of banking sector in the State

C: D ratio of the state has increased from **43.99 % as of Dec’10 to 58.84 % as on Dec’ 2011** which is above the projected CD ratio for Dec’11. Although Overall C:D ratio of the state continues to be lower than the National Benchmark of 60%, still there is good improvement in CD ratio in last three quarters.

Sri Nayak emphasized the imperative need to create enabling situation to improve CDR of the State for which co-operation of State Govt. required on certain areas like, Updation of land record and amendments in tenancy act to enable the loan takers to offer their land as collateral security, Waiver of stamp duty on agricultural loans up to 5.00 lacs, Publication for creation of awareness among the farmers to avail KCC/Agriculture loan, support for mobilization of KCC proposals, Revamping of Cooperative credit institutions, development of irrigation potential and Large scale rural electrification.

Priority sector Advance increased to Rs. 21438.11 crore as on Dec'2011 from Rs. 16715.80 crore as of Dec'2010, registering a growth of 28.25 % on YOY basis. Share of priority sector credit stands at 52.31 % of Gross credit which is well above the benchmark of 40%. Agriculture credit in the state also increased to Rs 4450.87 crores as on Dec'2011 from Rs. 3878.91 crore as of Dec'2010, registering a growth of 14.75 % on YoY basis.

As agriculture is the mainstay of the majority of population of the state, Sri Nayak stressed the needs to be accord topmost priority by Banks to that very sector and described KCC as very strong means of extending timely credit to the farmers.

Sri Nayak appreciated the impressive growth in MSE Sector advance, which grew from Rs. 7216.83 crore as of Dec'10 to Rs. 11533.12 crore as on Dec'11, registering a YoY growth of around 59.81 %. Banks may take benefit of CGTMSE Scheme in extending collateral / Guarantee free loans up to Rs 1.00 crore.

Disbursement under annual credit plan is Rs. 9773.89 crore as on Dec'11 against the annual target of Rs.15000.00 crore which is 65.16 % of annual target. In Agriculture Sector, Banks have made disbursement to the tune of Rs 1225.11 crore up to Dec'11 against the annual target of 2403.00 crore achieving 50.98 %. This Sector needs focused attention of all Stakeholders as this sector is mainstay of majority of population of the state.

However, Sri Nayak expressed concern that most of the Pvt. Sector Banks for their Zero/Negligible achievement under ACP 2011-12 and desired the matter need be specially taken up with such banks.

The achievement under Govt. sponsored programme i.e. SGSY (30.36 %) & PMEGP (50.45 %) is not satisfactory as the Govt. sponsored programme basically aim to provide livelihood to under privileged people of the society to ensure poverty alleviation, more focused attention and well directed efforts is needed by all stake holders. All out efforts should be made to achieve 100% target under various programme like SGSY, PMEGP etc and there should not be any zero lending Branches under Government Sponsored programme.

Coming on the issue of Financial Inclusion, Sri Nayak described it as the main tool for inclusive growth of the Nation. Financial Inclusion is basically bringing the entire population into the Banking fold particularly the unprivileged & vulnerable section of society by providing them basic banking services such as opening of no frill accounts, providing micro credit, insurance, and fund transfer facilities etc.

In the state of Jharkhand, out of 1541 identified village over 2000 population till Dec'11 total 1060 villages were covered by all the banks operating in the Jharkhand and still 481 villages are left to be covered by different banks up to Mar'12. He was critical of the progress of RRBs in Financial Inclusion, as entire villages have to cover by the end of March' 12.

The issue of unbanked blocks has now reached to logical end. There is no unbanked Block in the state as Bank of India has opened a branch in Gudri Block in West Singhbhum District. Total 97 new banks branches are opened during the first three quarter of financial year 2011-12. Sri Nayak called upon all out efforts for opening of targeted branches within March' 12.

Sri Nayak also mentioned that mere appointing the BCs or satellite branch or Mobile Van will not serve the purpose of Financial Inclusion, but transfer of Micro Credit, micro pension, and micro insurance needs to be undertaken. Co- ordination between the State Govt. and Banks need by strengthened to find out ways and means to make BCs viable.

As regards recovery position under priority sector & Govt. sponsored programme which stands at 61.23 % & 43.66 % respectively as on Dec'11, which is showing a decreasing trend, Sri Nayak expressed serious concern and requested State Govt. to extend support of recovery in certificate filed cases. Since recycling of funds is of utmost importance for credit expansion vis-à-vis important in C:D Ratio, it needs to be prioritizing at all levels.

Sri Nayak mentioned that setting up of RSETIs in all 24 districts are a good achievement, but still there is scope of improvement in the functioning of RSETIs in the area of training imparted and construction of building. The concerned Banks are required to bring desired improvement in functioning of RSETIs. He also requested State Govt. to expedite the allotment as well as transfer of land to all the RSETI at the earliest.

At the end of his deliberation Sri Nayak extended thanks to the state Government and various development agencies for excellent support & Co-operation rendered to banking sector in all the spheres of banking activities. He also congratulated all financial institution, including Banks for their support to SLBC leader in implementing the scheme of Govt.

**Sri A Bhattacharya (Joint Secretary) Dept. of financial Services, MOF, GOI**, expressed that Jharkhand is an emerging State with the perennial problem of historically determined poverty. He emphasized that Banks are basically provider of Financial Services and they are business people, so we should create an environment, where business can flourish and economy takes an even and this is the essence of SLBC mechanism to short out the issue that comes before it and that is Social responsibility through business is the main 'Mantra'.

Sri Bhattacharya in his deliberation highlighted some of the vital issues. On the issue of Financial Inclusion he described it as the means of inclusive growth of the Nation and desired adopting a particular village for total cashless transaction by empowering with all technical capabilities. He advised that branch Manager has to visit FIP villages once in a week to patronize BCs. The purpose of Financial Inclusion right now is only confined to access not accessibility, because poor people is yet to come to us for free banking. We have to go to them and this culture has to initiate and this will be a new beginning. Jharkhand being historically deprived State, needs Financial Inclusion in a big way. Sri Bhattacharya emphasized the role of District Industrial Centre, which can process application up to 01 crore covered under CGTMSE and put it in the Bank, because State Govt. officials have to play a role of catalyst and Bankers are in the role of facilitator only.

Further, Sri Bhattacharya expressed his view over the problems banks are facing in terms of the Hon'ble High Court order under tenancy Act. He urged State Govt. to come out with an interim plan because due to that decision the whole collateral system of banking industry is on the way to be collapsed. Solution should come from State Govt. side, an interim arrangement is needed. He also requested NABARD from banking side to come out with the road map of, how to deal with this tenancy Act problem in the State.

Coming on to e- governance he described it as the future way. It is a technically enabled device but it has resistance from 'no Changers' which must be overcome immediately.

Finally, Sri Bhattacharya urged for commitment from all the stakeholders for untiring and united efforts towards all round banking development in the State of Jharkhand.

**Smt. Vandana Dadel, Secretary, IF&PI, GOJ**, in her address flagged out some of the important issues which was addressed by Hon'ble Chief Minister in last meeting and which continued to remain the main area of concern of the state Govt. CD ratio of the state is continuously increasing and she hoped that with the determined and combined effort, the State will not only achieve the National benchmark of 60% of CD ratio by the

end of this financial year, but also exceed the 60% benchmark. Regarding correctness of the data of CD Ratio she expressed her satisfaction over the clarification rendered by the SLBC convenor Bank. Regarding Hon'ble Chief Minister's stress up on women entrepreneur, credit to women has been increased but it is still below the National benchmark. Advance to weaker section especially to SC/ST has been decreased. As advised by Sri A. Bhattacharya (JS) MOF, GOI, some interim arrangement need be made for accelerating the credit flow. Smt Dadel pointed out that agriculture advance improved marginally from 10.50% to 10.86% but it is still below the national benchmark. However, she expressed her happiness over achievement under ACP which is 65.16% comparing with the same point of time in last FY which was 57.34%. She urged Banks to make all out effort to achieve 100% target of ACP 2011-12. Regarding, Govt. sponsored scheme like PMEGP and SGSY, achievement is satisfactory, but she showed her concern about the training of beneficiaries under PMEGP. Financial inclusion is another important area for Jharkhand along with the challenges to cover all the farmers under KCC.

At the end, Smt. Dadel assured the house that Dept. of Institutional Finance & Programme Implementation has the coordinating role between Govt. and Bankers and the Dept. is doing out duties diligently to achieve all the goals.

**Sri H.N.Panda, GM(OIC),RBI, Ranchi**, welcomed Govt. of India move for participation of senior Govt. of India functionary in the SLBC which would further strengthen SLBC functioning and would also help the Bankers and state Govt. in achieving their goal.

Further, Sri Panda flagged of some of the vital issues. On ACP achievement, he recalled the house that a commitment has been made to this house and also to the Governor, RBI to achieve 100% target under ACP and in line to that commitment he hoped that this FY we will achieve 100% of ACP targets. However, Sri Panda expressed concern over some banks that have nil achievement under ACP and nil achievement under KCC. He also pointed at dubious distinction of three districts namely Latehar, Gumla and Simdega of remaining below 30% in CD Ratio. He desired to discuss the constraints and plan for covering of nearly 500 villages in next 2 months by the 5 Banks under FIP.

**Dr. S. Sarvanavel, CGM, NABARD, Ranchi**, in his deliberation pointed out that NABARD also contributing 1.9 % towards CD Ratio by way of RIDF. However, CD Ratio is not only the things which should look into as ACP and recovery also determine the CD Ratio. Merely issuance of Crop Loan and KCC will not help to improve the CD Ratio, but advance made towards investment credit certainly have impact on CD Ratio. He expressed his concern about how to improve CD Ratio, how ACP target can be achieved, how the position of poor farmers can be improved. Dr. Sarvanavel discussed in length about at least 13 credit linked scheme for which NABARD is administering the subsidy. He especially discussed 'Jawaharlal Solar energy Mission'. He

also discussed briefly 'Concessional Refinance Support Scheme for Financing Agriculture investment in Eastern Region' and 'Seed Development scheme'. As all these schemes are credit linked and back ended subsidy, therefore, Banks role is very vital. Dr. Sarvanavel appraised the house that from the formation of Jharkhand state 60236 SHGs have been bank linked out of which 54730 SHGs have been credit linked and this achievement is very slow. He requested the senior officials of the banks for extending their support in Bank linkage and credit linkage of 1 lakh SHGs proposed to be open by the end of next year. Financing of these SHGs will help in achieving 18% of agriculture advance and 60% of CD Ratio.

Thereafter, agenda wise discussion was initiated by Sri S.K.Singh, Asstt. General Manager, SLBC Cell, Allahabad Bank.

**AGENDA NO. 1 – CONFIRMATION OF THE MINUTES OF 36<sup>TH</sup> SLBC MEETING HELD ON 09<sup>TH</sup> NOVEMBER'2011.**

Minutes of 36<sup>th</sup> Meeting of State Level Bankers' Committee Jharkhand, held on 09<sup>th</sup> November, 2011 circularized to all concerned vide letter no. SLBC/AB/02/987 dated 28.11.2011, may please be confirmed by the house, as no communication requesting amendment has been received.

**AGENDA NO. 2 – FOLLOW UP ACTION ON ACTION ON COMPLIANCE OF HE DECISION TAKEN IN PREVIOUS SLBC MEETING**

**2.1. Issues pertaining to State Government-**

**2.1.1. Updating of land records and Amendment in Tenancy Act (S.P.Tenancy act & C.N.T.Act.) (Pending Since 22.03.2002)** – Smt. Paramjit Kaur, joint Secretary, Revenue & Land reform Dept, GOJ informed the house that updating of Land record is going on in only 4 district and for rest of 20 district the work has yet to start. Sri Bhattacharya joining the discussion informed that this is a National Plan where State Govt. has been asked to up date the land record. Agriculture loan and other loan beyond a certain limit, where collaterals are an issue become difficult to extend without land record. He asked from State Govt. to come out with a road map and meantime an interim arrangement should be made for uninterrupted flow of credit. Banks have no dearth of funds, but without land records it is very difficult for bankers to lend above certain limit which adversely affect the credit growth of the State. Smt. Kaur informed the house that instructions have been issued to all the DC for issue of PLC (Land possession Certificate) as interim arrangement till updation of Land record.

Over CNT act bankers put forward their problems that due to the latest decision over CNT Act by Hon'ble High Court it's become very difficult for the Banks to lend further. Banks are facing problem in mortgage and selling the property which is already mortgage to bank for various loan purpose due to new decision.

However, from state Govt. side it has been informed that Govt. is very serious over the issue and it is looking for a solution.

### **2.1.2- Waiver of stamp duty up to Rs. 5.00 Lacs for Agriculture Advances &**

**2.1.3- Amendment in PDR ACT-**State Govt. in line with MP & UP recovery acts, which are model PDR act, shall make necessary amendment on the issue of paying fees upfront and incentives to Recovery Officer

On the above two issues officials from Revenue Dept. informed the house that the proposal has been sent to Finance Dept. and after approval of the Finance Dept. the matter will be put before Cabinet for final approval.

Sri D. Chakraborty, GM, SLBC Convener Bank apprised that in case of PDR Act on filing of certificate case entire fee has to be paid upfront, which is a burden on the banks. He proposed that in line of UP and MP recovery Act fee should be linked with recovery.

### **2.1.4-Amendment to the Bihar Money Lenders Act 1974 and Rules as prevalent in Jharkhand.**

Smt. Paramjit Kaur, Joint Secretary, Land & Revenue Dept. informed that the proposed amendments send by SLBC and IF & PI, GOJ, has some different view and to consider the amendment, a meeting has been convened on 20<sup>th</sup> February. The matter will be discussed and decided in the meeting.

### **2.1.5- Formation of State Co-operative Bank in Jharkhand State should be expedited**

State Govt. has constituted the Board of Jharkhand SCB and it has its regular meetings also. But Bihar Govt. is not responding to the request to transfer of 05 branches of Bihar SCB to Jharkhand SCB. Since, Jharkhand SCB has applied to upgrade 09 branches, comprising of 03 DCCBs, for license for banking operation through NABARD to RBI on 2.12.2011. RBI is scrutinizing the proposal.

Sri Ganesh Prasad, MD, JSCB apprised the house that Bihar State Co-operative Bank is not willing to hand over the 5 of its branches to Jharkhand state Co-operative bank. Therefore, JSCB has applied for license by upgrading of 09 branches of 03 DCCB, for banking operation.

Responding the issue Dr. Sarvanavel, CGM, NABARD, complained that only Jharkhand State has not having a State Co-operative Bank and NABARD has forwarded the application for license for Banking operation send by JSCB directly to RBI Head office.

After in depth discussion it was decided that Cooperative Dept. will write a letter to BSCB for transfer of the Branch to JSCB with copy to RBI and RBI will take up the matter in appropriate forum.

### **2.1.6- Recovery of Bank's dues**

Members were very much concerned about the recovery position as in some districts certificate officer has been posted but the end result is not encouraging. Sri D.Chakraborty, GM, SLBC Convener Bank informed that in some districts dedicated certificate officer has been posted and cost of dedicated certificate officer is being born the banks, but certificate officer is claiming huge allowances including office

expenses which is not in the scheme, In spite of that recovery is very poor. Therefore, expenditure of certificate officer should clearly define. Sri Nayak advised that as the cost of certificate officer is being born by Banks, there must be a time frame for the disposal of the cases. He requested State Govt. to provide sufficient certificate Officers to speed up the recovery process and filing of certificate cases.

#### **2.1.7- Security arrangement for safety & security of Banks Treasure in Jharkhand**

In the meeting of SLBC Sub-committee on State level security committee for Jharkhand held on 28.12.2011, in the office of the Principal Secretary (Home), the PS (Home) informed that 02 battalion of State Industrial Security Force for industries including Banks have already been raised and will be available to Banks within couple of months time.

#### **2.1.8- Allotment of land to R-SETIs**

As per GOJ only in 2 districts Deoghar and Palamu land is not transferred to RSETIs. Sri Nayak appreciated State Govt. for transfer of land in 22 districts and asked for rest of 2 districts as only after transfer of land to RSETI, proposal for release of 1 crore rupees to RSETI can be made to NIRD for construction of building.

#### **2.2.10. Printing of Common Application form for KCC**

In four District namely Dumka , Gumla, Dhanbad and Pakur common application form is available in few numbers and in rest of the Districts banks are using their own application form till the availability of common application form.

Sri F. R. Bukhari, OSD, GOJ informed that IF & PI Dept. has been instructed all the DCs for printing of common application form and to provide it to District and Block Agriculture officer. The chairperson requested the State Govt. to ensure availability of Common Application Form in all the 24 districts at the earliest.

#### **2.1.11. e-payment to the benefit under central/State Govt. Scheme w.e.f. 01<sup>st</sup> October, 2011.**

On the issue Sri F. R. Bukhari informed the house that State Govt. is working on the implementation of 23 Central Govt. identified scheme and Jharkhand Tribal Development Commission has also entered in a MOU with Allahabad Bank for distribution of scholarship to tribal students in the State.

Sri Bhattacharya shares his view that the percolation of subsidy is not reaching to the desired extent. There may be some resistance but our job is to push it through. E- Payment is a well come step and we want a road map from State Govt. to implement the scheme.

#### **2.1.12. Uploading of Service Area Plan on the respective district websites maintained by NIC (Dept. of Financial Services, MOF, GOI, letter F.No.11/4/2011-FI dated 24<sup>th</sup> October, 2011**



The matter has been discussed at District and State level. As per the feedback received from LDMs, in Godda , Bokaro, Dumka, Giridih, Palamu and Saraikela district, the Service area Plan has been uploaded.

Sri Bhattachary said that service Area plan is a thing which gives power to the people that which bank they have to go for getting financial services.

### **Issues Pending with Banks**

#### **2.2.1. Branch expansion in Rural Areas**

Total 136 new Bank branches have been opened, out of which 48 in rural & 51 in Semi Urban, against target of 216 new branches up to Mar'11. During current FY 2011-12 total 97 bank branches were opened (Rural-45, Semi Urban-32 & Urban-20). Total No of branches as on Dec'11- 2180. Jharkhand Gramin Bank and Vananchal Gramin Bank who are lagging behind in branch expansion informed their plan for branch expansion. However, Sri Nayak told that in case RRBs are unable to open the branches their parent Banks as per Ministry Guideline has to open that branches.

### **AGENDA NO. 3- KEY INDICATOR OF ALL SCHEDULED COMMERCIAL BANKS**

**3.1.** Deposit of the state grew by Rs.11632.14 crore registering a growth of 14.56 % on YOY basis. Advance of the state grew by Rs 10954.70 crore showing a growth of 36.47 % on YOY basis. Priority sector Credit constitutes 52.31% of Gross Credit (Norm: 40%) Share of advance to Weaker Section being 11.44% (Norm: 10%) CD ratio of the state has reached 58.84% as on December'11. Agriculture credit being 10.86 % of Gross credit, it is below the national benchmark of 18 % but showing a increasing trend.

**3.2.** In terms of guidelines of the Govt. of India and RBI that CD ratio of the banks should monitored at the SLBC level as per place of Utilization plus RIDF. Accordingly the CD ratio of the State of Jharkhand Stands as under:

Rs. in crore

Particulars	Dec.'2010	Dec.'2011
Deposit	68264.70	79896.84
Advance(As per Place of Utilization + RIDF)	30029.94	47011.57
CD Ratio	43.99 %	58.84 %

If we take in consideration the credit as per place of sanction the CD ratio stands as under.

Rs. in crore

Particulars	Dec.'2010	Dec.'2011
Deposit	68264.70	79896.84
Credit + RIDF	30029.94	42514.85
CD Ratio	43.99 %	53.21 %

Accordingly Projected CD ratio of the state as per projection (**47.72 %**) has been fully achieved.

#### **AGENDA NO. 4 Branch Expansion**

A target was decided for opening 216 Bank Branches in Jharkhand during FY 2010-11. 136 Branches opened during FY 2010-11 were opened .The backlog of 80 Branches was decided to be opened during 2011-12. 97 Branches opened during the half year ended December' 2011. 69 Branches rest to open as per target of opening of new Bank Branches(Few Banks opened Branches more than their target for opening of Bank Branches).The total No of Bank Branches in the State of Jharkhand as on 31-12-2011 stood at 2180.

#### **AGENDA NO. 5 Review of Achievement under ACP 2011-12**

5.1. Over all achievement under ACP at the end of December Quarter for FY-2011-12 stands at 69.39% of the yearly target. Achievement under Agriculture sector is 50.98% of annual target, whereas achievement under MSE is 66.60%. Districts like E. Singhbhum 106.30%, Sahibganj 78.68%, Ranchi 77.35%, Dhanbad 66.96%, Palamu 66.57% and Bokaro 65.25% have performed very good. The Districts which have performed extremely poor are Khunti 30.06%, Gumla 31.51%, Jamtara 31.49%, Lohardaga 33.02%,Pakur 34.80%, Simdega 36.46% , Koderma 39.36%, W. Sighbhoom 39.10%. Hazaribagh 39.90%, Latehar 36.89% Dumka 28.44%, Godda 29.54%. The Banks which have Zero Percent achievement under ACP during 2011-12 are-Punjab & Sindh Bank, State Bank of Patial, Indus Ind Bank, Yes Bank, Kotak Mahindra Bank and Laxmi Vilas Bank.

As the LDMs are present in the meeting Sri Nayak reviewed the performance of poor performing districts. He asked the SLBC to instruct at least Zonal Head level officer to attend the meeting of DCC of districts having less then 30% achievement under ACP. Sri Bhattachary emphasized the need of having a system for generation of applications.

Sri Nayak criticized the Banks having nil performance under ACP and asked the SLBC to write letter to their controller.

Sri Bhattacharya expressed his serious concern over 'non participation' of Banks in SLBC meetings and asked SLBC to write letter to the defaulting Banks depicting concern of Govt. of India.

#### **5.2. Proposed ACP for FY2012-13-**

Based on the potential available along with enabling factors for banking finance and keeping in mind the need for coverage of all eligible non-defaulter farmers by providing KCC, the indicative ACP for FY 2012-13 prepared on the basis of discussion with Major Banks, LDMs at Distt. level as well as State level is as under:

**AGRICULTURE - 3372.00 Crore, MSE – 3927.50 crore, OPS -3523.50 crore, TPS -10823.00 crore, NPS – 6715.00 crore, Total Target – 17538.00 crore, representing 16.92% growth over ACP 2011-12.**

Sri Nayak pointed out that growth over last year ACP in Agriculture sector is 40.32% and this is on very higher side. Sri Bhattacharya also expressed the same view over the issue.

Many LDMs pointed out that this year PLP has not been prepared in consultation with LDMs and even not properly discussed and place in DLCC. As such any arbitrary PLP can't be base for ACP 2012-13. However, LDMs are advised to prepare ACP in a realistic yet challenging manner in consultation with all concern in the district and thoroughly discuss in DLCC observing all regulatory guidelines for preparation of ACP.

### 5.2.1. Target of KCC for FY 2012-13

As per the MoF, GoI instruction, all eligible non-defaulter farmers is to provide with KCC, but for the monitoring purpose, we propose the KCC target of Kharif for FY 2012-13 will be 300000 (Number)

## AGENDA NO. 6 REVIEW OF LENDING UNDER

### 6.1 Agriculture and Kisan Credit Card-

**6.1.1 Total Agriculture Credit of State** – Rs.4450.87 Crore, % of Agriculture Credit to Gross Credit - 10.86%, % of Agriculture Credit is lower then the National Bench mark of 18% of Gross Credit.

Sl.No.	Particulars	Commercial Banks	Regional Rural Banks/ co-operative Bank	Total
1				
1.a.	Agriculture (Amount)	1091.26	133.85	1225.11
1.b.	Target	2148.00	255.00	2403.00
1.c.	Achievement %	<b>50.80</b>	<b>52.49</b>	<b>50.98</b>
2	KCC issued – No.	344343	89486	433829
2.a.	Target	332100	118000	450100
2.b.	Achievement %	<b>103.69</b>	<b>75.84</b>	<b>96.39</b>

Nationalized Banks achieved 103.30% of the Annual target of issuance of KCC for the FY2011-12(No.343091). Pvt. Sector Banks achieved 26.08% of the Annual target of issuance of KCC for the FY 2011-12(No.1252).RRBs achieved 70.34% and Co-Operative Bank achieved 412.25%of Annual target. Co-operative Bank, Bank of India, SBI, Union Bank of India, Canara Bank, Allahabad Bank and United Bank of India have done excellent job in respect of KCC.UCO Bank, Indian Overseas Bank, Bank of Baroda and ICICI Bankhave perform very poor in issuance of KCC. Except ICICI Bank and HDFC Bank no other Pvt. Sector Bank have issued KCC. Good performer district in KCC - Dhanbad, East Singhbhum, Hazaribagh, Palamu and Ranchi.

In sub committee meeting of SLBC on Agri & allied Activity it was decided by Secretary (Agri) that a model programme for providing KCC to all left over farmers will be prepared by NABARD/SLBC/Deptt. of IF&PL & SBI. The model programme is provided in 37<sup>th</sup> SLBC agenda booklet.

#### **6.1.2.A. KCC/Agriculture Lending (Special Scheme for application mobilization/sponsorship)**

As per the discussion held and decision taken in Sub-committee meeting of SLBC on Agriculture and Allied Activities convened by NABARD in the chamber of Secretary (Agriculture), GOJ, on 01.02.2012, NABARD prepared a model program consisting of Printing of common Application form, mobilizing of KCC proposals by Kisan Mitras and reward Programme for best performer with cut-off date finalized

#### **6.1.2.B. Agriculture finance with CNT Act compliance**

Hon'ble Minister, Revenue, Govt. of Jharkhand, convened a meeting in his chamber on 30.01.2012. In the said meeting, discussion was held on preparing a Plan for the State of Jharkhand to improve the position of Investment Credit in Agriculture Sector and Hon'ble Minister instructed that, NABARD being the developmental institution may please take the lead in formation of various Investment Credit Loan to overcome the effect of CNT Act, where various regulations restrict form long term mortgage of land. Accordingly, it is proposed that NABARD Ranchi, may frame a detailed scheme/modalities for financing under medium/long term agriculture credit requiring more than five years period for viability (like Pump set/Power Tiller / Tractor/ Water Shed etc) duly protecting the interest of specified categories under CNT Act. and simultaneously following viability and regulatory guidelines for such financing.

### **6.2. Finance to Micro & Small Enterprises (MSE) AND Medium Enterprises**

#### **6.2.1. Financing to Micro & Small Enterprises (MSE) Priority Sector-**

Outstanding position of Micro Enterprises sector as on Dec.'2011 is 3714.92 crore, out of which Rs.1337.81 crore is under Manufacturing Sector and Rs.2377.11 crore in service sector. In Small Enterprises Manufacturing Sector outstanding is Rs.5957.29 crore and in service sector the outstanding is 1860.92 crore. Thus, total advance under MSE is Rs.11533.13 crore. Share of credit to Micro Enterprises in total credit to MSE sector is 31.05%. Controller of all Banks are advised to increase the share the share of Micro Enterprises in overall credit to MSE sector in order to achieve the stipulated target of 55% by March'2012 and 60% by March'2013. Credit flow to Medium Enterprises at the end of Dec.'2011, is Rs 1834.06 crore.

### **6.3. Education loan**

Performance of banks in Jharkhand under education Loan sector is praiseworthy as during the Current FY in 8092 accounts Rs. 416.12 crore has been disbursed. Outstanding under education Loan is Rs1349.91 crore.

### **6.4. Housing loan**

Housing loan outstanding as on 31<sup>st</sup> dec.'2011, is Rs.3261.59 crore in 49943 accounts. Disbursement under ACP 2011-12 is Rs. 848.01 crore in 5353 accounts.

#### **6.5. ACC & SCC**

Against the target for issuance of 3000 ACC, up to 31<sup>st</sup> December'2011, 2581 ACC has been issued which constitute 86.03% of target. Overall progress may be considered satisfactory, however participation of Private Sector Banks, RRBs and some other Public sector banks needs improvement.

##### **6.5.2. Swarojgar Credit Card (SCC)**

Against the target for issuance of 5003 SCC during the FY 2011-12, 3798 SCC has been issued which constitute 75.91% of target. Participation of VGB, Pvt. Sector Bank and some of Public Sector bank is very poor.

#### **6.6. Credit Flow to Special category of Borrowers**

##### **6.6.1. Credit Flow to Minority Communities**

The amount of credit flow to minority community has increased by Rs. 368.56 crore at the end of December quarter, 2011. The % share of Minority to priority sector credit has reached to 8.39% which needs substantial improvement to achieve the benchmark of 15% of Priority Sector Credit.

##### **6.6.2. Credit Flow to Woman**

At the end of December quarter,2011, credit to woman has increased over Rs.426.45 crore. It has also increased in percentage term from 5.33% to 5.35% , achieving the Benchmark of 5% lending to women is appreciable.

##### **6.6.3. Credit Flow to DRI**

During the FY 2011-12, DRI lending has increased from Rs.137.47 Crore to Rs. 317.07 crore 'but still below the benchmark of 1%. Banks are required to accelerate DRI lending to achieve 1% of aggregate advance of the preceding year.

##### **6.6.4. Credit flow to SC/STs**

The over all credit to SC/STs has decreased by `304.30 crore (from `2891.55 cr to ` 2587.25cr) after quarter ended on Dec'11 over last FY and the share of credit has also decreased from 8.71 % to 6.31 %.This indication is very unsatisfactory and all banks in the state should pay special attention to this category of borrowers.

### **AGENDA NO. – 7 REVIEW Of progress under Govt. Sponsored Programmes**

#### **7.1.Swarn Jayanti Gram Swarojgar Yojna(SGSY)**

30.36% of the target under SGSY has been achieved till 31<sup>st</sup> December'2011, which is quite unsatisfactory.The number of application pending for sanction and sanction proposal pending for disbursement is quite high and controller of the concerned bank should take up this matter on priority basis.

#### **7.2. Prime Minister's Employment Generation programme (PMEGP)**

Under PMEGP scheme out of 1378 application sponsored ,1166 applications are disbursed at different bank branches.(84.61 %).The Current financial year 2011-12 is the

terminal year for PMEGP Scheme and the margin money balance available with Nodal Bank will be withdrawn on 1<sup>st</sup> April, 2012 by the KVIC, Central Office, Mumbai.

## **AGENDA NO. 8 - FINANCIAL INCLUSION**

### **8.1. Banking Coverage (outlet) to identified 1541 villages with population over 2000 by March 2012**

The Bankwise/Districtwise/Quarterwise outlet model wise matrix finalized for providing Banking outlet to **1541** identified villages with population over 2000 by 31<sup>st</sup> March 2012, it was planned to cover **704** villages, till 30<sup>th</sup> March, 2011 and **837** villages, up to March, 2012. Till December, 2011, total 1060 no. of village have been covered. Allahabad Bank, Bank of India, SBI and Union Bank of India have covered all allotted FIP village. Poor performance in FIP implementation by the Banks are- Central Bank(51) 45.10%, Jharkhand Gramin Bank(165) 32.73%, united Bank(43) 25.58%, Vananchal Gramin Bank(258)6.59%. Punjab National Bank, Syndicate Bank, OBC, Dena Bank, Vijaya Bank Andhra Bank and Bank of Maharashtra have yet to start the FIP programme.

However, Sri Bhattacharya take serious note of that some banks are lagging behind in Financial Inclusion Plan. He reviewed the performance of Jharkhand Gramin Bank, Vananchal Gramin Bank, Syndicate Bank, Andhra Bank and Dena Bank and emphasized that this work has to be completed as per the schedule.

Sri D. Chakraborty, GM, SLBC Convener Bank ruled out any change in the village allotted to Banks at this point of time and he proposed that if any bank is not in the position to appoint the BCs in any village, Satellite Branch or ultra Small branch should be open to cover the villages under FIP.

## **AGENDA NO 10 R-SETIs**

### **10.A. Regarding functioning of the above R-SETIs the position stands as under:**

Independent Directors has been posted at 15 R-SETIs. In remaining 9 R-SETIs, the concerned LDMS are in additional charge as Directors of R-SETIs. Regular training programme are being conducted at 19 R-SETIs. In respect of remaining 5 R-SETIs commencement of regular training programme should be taken up by the concerned Banks.

**10.B.** In Ranchi district RUDSETI of Canara Bank is functioning at State level on model basis and RSETI by State Bank of India is functioning as a district level institution. Both the institutions can co-exist and impart training in their respective purview.

## **AGENDA NO. 11 REVIEW OF NPA/RECOVERY MATTERS**

Gross NPA of the state is ALARMINGLY HIGH at 1593.38 crore which constitutes 3.88% of Gross Credit. Recovery under PSC as on 31<sup>st</sup> Dec.'11 is 61.23% of Total Demand of `3633.30 crore. Recovery under Govt. Sponsored Schemes as on 31<sup>st</sup> Dec.'11 is 43.66%. 102468 Certificate cases involving an amount of 283.84 crore is pending for disposal. Total No. of DRT cases pending for disposal is 2723 constituting 273.03 crore.

Improvement in recovery scenario is pre requisite for recycling of Bank loan and increased credit flow under priority sector credit.

### **AGENDA NO 13 MISCELLANEOUS**

#### **13. A. . Scheme for Revival of Handloom Weavers by Waiver of Working Capital & Term Loan of Individual, SHG, JLG and Master Weavers**

The Ministry of Textiles, Govt. of India conveyed the details of guidelines to Secretary/ Commissioner/Director-in Charge of Handloom of all States, NABARD, CGTMSE and CEOs of all scheduled Commercial Banks, salient feature of the scheme is enclosed in Agenda Notes on page no 151. For discussing the various aspects of the scheme and its implementation, meeting on 04<sup>th</sup> and 26<sup>th</sup> December was held by National Implementation Monitoring & Review Committee (NIMRC).

#### **13.2. Convergence of various meetings organized by the SLBC/Govt. Deptt./Other organization**

In order to ensure effective participation and meaningful discussion and participation of all the controllers of major banks in the systematic manner it is proposed to organize all deptt. wise meeting once / twice on a single day in a month, instead of holding the meeting separately on various dates.

### **AGENDA NO. 14. ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR**

#### **14.1. Meeting of Secretary, Financial Services, MoF, GoI, with Convener Banks of SLBCs on 02.02.2012**

**E-Payments:** E-payment for transfer of social benefit schemes to be implemented immediately.

**Banks to popularize RTGS/NEFT and reduce cheque payment system by 25 %.**

**FLCC:** FLCC in all 12 financially excluded districts should be made functional by the respective lead Banks. (Districts: Chatra, Dhanbad, Garhwa, Giridih, Hazaribagh, Gumla, Lohardaga, Ranchi, Palamu, Pakur, Sahebganj and Koderma)

**Strengthening of LDM Offices:** Posting of appropriate level of officers and strengthening of LDM offices should be done by concerned Banks.

**GIS data uploading:** Banks to furnish data

#### **14.2- Uniformity of Banking Hour.(Refer By Canara Bank)**

The matter has been referred to RBI for taking appropriate decision.

The meeting was ended with vote of thanks by Sri Tarlochan Singh, Dy. General Manager, Bank of India.