

SPECIAL SLBC MEETING : ARUNACHAL PRADESH **COVERAGE OF 34 UNBANKED BLOCKS**

Agenda – 1 :

Coverage of 34 unbanked blocks :

There are 34 identified / declared unbanked blocks by Govt of Arunachal Pradesh , out of which 10 blocks were identified for opening of new bank branches as per recommendation of the Special SLBC Meeting of Arunachal Pradesh held on 9th June'2010 at SBI, Regional Office , Itanagar , the details of which are as under :

SI No.	Districts	Unbanked blocks
1	Upper Siang	Mariyang
2	West Siang	Gensi
3	-- do --	Rumgong
4	East Siang	Riga
5	Upper Subansiri	Taliha
6	East Kameng	Pakke-Kessang
7	-- do --	Chiyangtazo
8	Tirap	Pongchao
9	-- do --	Wakka
10	Changlang	Khimiyang

Accordingly , Reserve Bank of India invited bids from public sector banks and A.P. Rural Bank for opening of general banking branches. Bids received for five unbanked blocks and these have been allotted to Arunachal Pradesh Rural Bank , which are as under :

SI No	Centre	Type of branch	Allotted to
1	Mariyang	General Banking Branch	A.P.Rural Bank
2	Gensi	-- do --	-- do --
3	Riga	-- do --	-- do --
4	Taliha	-- do --	-- do --
5	Rumgong	-- do -	-- do -

For discussion for coverage of unbanked blocks of Arunachal Pradesh for providing banking facilities by opening bank branches / Banking Correspondent / Mobile Van Banking models etc , a meeting was held on 20.06.2011 at the Conference hall of Hotel Donyi Polo Ashok , Itanagar , which was presided over by Special Secretary (Finance), Govt of Arunachal Pradesh, Itanagar in presence of representatives from Convener Bank (SBI) , NABARD , BSNL , Finance Department of Govt of Arunachal Pradesh and others.

SBI , the Convener Bank, has prepared a ground level survey of 34 unbanked blocks and also to be covered under banks existing /opening of new bank branches / covering 2/3 blocks by one branch and also under BC Model . The same was shown to the members present in the meeting dated 20.06.2011 through power point presentation which was explained by Dr J.N.Misra , General Manager (RB-Outreach) , SBI, Corporate Centre, Mumbai. And proposed 9 (Nine) new bank branches in different blocks , out of which 5 (Five) has already been allotted to A.P.Rural Bank by RBI . From the existing / new branches 21 blocks will be covered and remaining 13 blocks are proposed to be covered under BC Model.

The Special Secretary (Finance) , Govt of A.P. was requested to study and analyse the action plan presented by Convener Bank and place it in the Special SLBC Meeting of Arunachal Pradesh scheduled to be held on 29.06.2011 and get it allotted to different member banks to be duly approved in the said meeting.

Plan of coverage of unbanked blocks is placed in page No. 78 to 87

Agenda – 2 :

Miscellaneous , if any

**STATE LEVEL BANKERS COMMITTEE MEETING : QUARTER ENDED MARCH'
2011 : ARUNACHAL PRADESH**

**(ARUNACHAL PRADESH)STATE : ACHIEVEMENT VERSUS NATIONAL
NORMS
AS ON 31.03.2011**

PARAMETERS	National norms (%)	State Position (%) 31.03.2011
C D RATIO	60	33.71
CREDIT + INV. : DEPOSIT RATIO	60	35.47
PRI. SECTOR ADV. TO TOTAL ADV.	40	51.34
AGL. ADV. TO TOTAL ADV.	18	21.79
Lending to Weaker Section	10	68.94

Agenda – 1

Adoption of minutes :

The minutes of State Level Bankers' Committee meetings held on 17.03.2011 was circulated to all members.

Since no request for amendment has been received , the house may adopt the said minutes.

Agenda – 2

Follow up action on the decisions of the SLBC meeting dated 17.03.2011 (last meeting)

No.	Action to be taken	Action by	Action taken
1.	All banks with low CD Ratio must improve their performances.	Banks	Details given seperately page No. 20

2.	SLBC Meeting to be participated by decision making authorities/ Representatives should be conferred with adequate decision making power by the Controllers.	All members.	Minutes sent to all the members for action to be taken .
3.	Govt of A.P. to discourage keeping their funds to those banks which do not participate in priority sector lending .	Concerned Department, GoAP .	
4.	Implementation of crop insurance scheme.	Deptt of Agricultural/ Department of Finance, GoAP.	A notification dated 18.05.2011 has been received from Secretary (Agriculture), GoAP for constitution of State Level Co ordination Committee for the purpose of implementation of crop insurance scheme. Finalisation of modalities will be discussed in the next meeting.
5.	Regarding alienation of negative clause in the Mortgage certificate, GoAP to start cadastral survey, offering property rights to the people, to mitigate the problems.	Concerned deptt, GoAP.	GoAP has already formulated a new mortgage certificate which is acceptable to bank.
6.	PMEGP loan proposals not to be returned without valid reason.	Banks/ KVIC/KVIB/DIC.	Banks and sponsoring agencies to speak.
7.	Telecom connectivity to be provided especially to unbanked blocks & villages identified with population above 2000.	RBI, BSNL and State Government.	To be discussed .
8.	Reimbursement of cost of training incurred by SBI-RSETI, Doimukh for training to BPL Candidates by DRDA , Yupia to SBI.	Concerned department, Govt of A.P./ DRDA, Yupia.	Not yet reimbursed . Bills submitted to the P.D. Yupia and to the Director, Rural Development, GoAP, Itanagar.

9.	State Govt to take initiative for infrastructure development of unbanked areas to enable the banks to open branches.	Concerned deptt of GoAP.	To be discussed.
10.	Private sector banks should seek guidance from NABARD to increase credit flow in the state.	All private sector banks/ NABARD.	To be discussed.
11.	KVIB to set up their branches in remote areas of A.P.	KVIB	Improvement, if any , not received. To be discussed.
12.	Allocation of districts of A.P. to the banks for setting up of RSETI.	Sub Committee	Already allotted and details sent to all the members along with the minutes of the meeting dated 17.03.2011.
13.	Clear cut policy on land use for tea cultivation in A.P.	PCCF & Deptt of Environment.	No report received by the Convener. To be discussed.
14.	Central Govt Scheme for interest subsidy on educational loan to weaker section – Name of competent Authority to issue the income certificate	Concerned Department, GoAP.	State Govt to appraise.
15.	Submission of information / data to the Convener, SLBC well in time .	All Banks & others	Position is regularized except in case of a few.
16.	Security matters	All Banks	No report

Agenda - 3

Development in Banking operation in the state :

Deposit : There is increase in aggregate deposits by Rs. 982.47 crores during the quarter ending March'11 over the December '10 level which works out to 22.59% increase.

Advances : There is increase in aggregate advances by Rs. 41.99 crores during the quarter ending March'11 over the December'10 level which works out to 2.40 % increase .

C D Ratio: CD Ratio has decreased from 40.36 % as on December '10 to 33.71 % as on March'11.

The following banks have registered a marginal improvement in CD Ratio during the quarter :

Syndicate (10.95% - 26.64%) ,	BOM (8.65% - 9.67%)
AXIS (12.66 % - 16.69%) ,	Union (21.09 %- 21.79 %) ,
PNB (5.81 % - 9.92%) ,	HDFC (6.26 % - 38.74 %) .

In case of all other banks CD Ratio during the quarter March'11 has decreased over last quarter (December'11) .

The following banks with less than 20 % CD Ratio, must implement their strategies urgently.

1. Vijaya Bank- 3.67% ,	2. CBI – 15.88 % ,	3. BOB - 17.84 % ,
4. ICICI Bank (0.23 %) ,	5. Allahabad Bank (0.46 %) .	6. Axis – 16.69 % ,
7. PNB – 9.92 %	8. Other newly opened banks.	

(a) Total No. of Banks operating in the state	: 21
(b) No. of Banks with CD Ratio less than 20%	: 12
© No. of Banks with CD Ratio less than 30% but 20% and above	: 3
(d) No. of Banks with CD Ratio less than 40% but 30% and above	: 3
(e) No. of banks with more than 40 %	: 3

Bank wise position of deposits , advances and CD Ratio are given in page No. **20**

The district wise position of comparative CD Ratio as on 31.12.2010 and 31.03.2011 are given here under:

Sl No.	Name of district	No . of bank	Business figures as on 31.03.2011		CD Ratio		Rs in crores	
			Deposits	Advances	As on 31.03.11	As on 31.12.10	Position of formation of SSC	Last date of meeting of SSC
1	Tirap	6	158.58	35.77	22.56	28.63		
2	Changlang	7	213.57	40.90	19.15	22.49		
3	W/Kameng	8	302.59	72.45	23.95	23.22		
4	Tawang	5	447.031	30.41	6.80	9.44		
5	D/Valley	2	18.16	4.34	23.91	27.32		
6	L/D/Valley	4	116.72	23.60	20.21	26.79		
7	E/Kameng	3	59.19	38.67	65.34	69.47		
8	Lohit	10	284.73	82.44	28.95	34.56		
9	Anjaw	1	18.95	3.68	19.44	22.14		
10	P/Pare	36	2705.12	759.16	28.06	34.55	09.07.10	10.11.10
11	U/Subansiri	4	121.77	41.19	33.83	47.38		
12	L/Subansiri	8	170.75	68.48	40.11	62.54	19.03.10	
13	K/Kumey	3	12.00	6.92	57.68	53.05		
14	E/Siang	10	278.12	85.20	30.63	39.44		
15	W/Siang	11	350.78	116.37	33.17	37.22		
16	U/Siang	5	71.80	15.17	21.13	26.43		

** SSC (Special Sub Committee) is to be formed in the district where CD Ratio is below 40% and action to be taken .

Summary of CD Ratio (Analysis) :

- CD Ratio of all banks is 33.71 % , against RBI norms of 60 % .
- CD Ratio more than 60 % in **1** districts.
- CD Ratio more than 40 % & below 60 % in **2** districts.
- CD Ratio below 40 % in **13** districts .
- CD Ratio below 20 % in **3** districts viz. Tawang (6.80 %), Changlang (19.15%) , Anjaw (19.44%) .

Priority sector Advances :

Positive growth of Rs. 12.60 crores recorded during March'11 '10 quarter over December '10 . The percentage of growth is 1.39 %.

Bank wise position of priority sector Advances is given in page No. **22** of this booklet.

Agenda – 4 :

Agricultural Advances

Positive growth of Rs. 25.47 crores recorded upto March'11 over December '10 , The percentage of growth is 6.96 % .

Bank wise position of Agricultural Advances is given in page No. **23** of this Booklet.

Flow of credit to Agriculture :

Agricultural advances at the end of March'11 are Rs. 84.99 crores , which is 5.97 % (RBI bench mark is 18 %). And including RIDF of NABARD, Agricultural advances is Rs. 391.39 , which is 21.79 % of total advances . Net increase in agricultural sector during January '11 to March '11 is Rs. 25.47 crores.

	Outstanding (Rs. In crores) 31. 03.2011	% of Agr. Advances
Crop Loan	30.21	35.55
Term Loan	54.78	64.45
Total	84.99	

Growth during the quarter

	December '10 to March'11 (2010-11)
Total increase	Rs. 1.89 crores
Crop Loans	Rs. 0.85 crores
Term Loans	Rs. 1.04 crores
New Loan sanctioned	
Crop Loans	Rs. 1.05 crores
Term Loans	Rs. 0.42 crores
Total	Rs. 1.47 crores
Target for KCC during the year 2010-11	7997
No. of new KCC issued	3101
Cumulative position of KCC issued	15490 Nos.

Crop Loan recovery % -- 27.88

Agri Loan Recovery % -- 27.34

Bank wise performances under Crop Loans and KCC are furnished in page No. **26** and **32** respectively . Agricultural Loan outstanding and recovery performances are placed in page No **23** .

Agenda – 5 :

Review of performance under ACP 2010-11

Comparative position

Particulars	Rs. In crores	
	As on March'10	As on March'11
Target for the year	92.17	116.81
Achievement	138.30	94.82
Percentage	150.00	81.00

Summary segment wise :

Sector	As on March'10			As on March'11		
	Target	Achievement	%	Target	Achievement	%
Agri	41.50	30.24	75	69.02	23.06	33
Industry	13.07	24.19	185	14.25	22.10	155
Services	37.60	84.18	224	33.54	49.66	148

Major Banks with low achievement percentages are as under:

Bank	No. of branches	% of achievement up to March'11
ICICI	1	3
Union	1	15
Syndicate	1	25

Agenda – 6

Review of progress under MSME Sector

The over all growth during the quarter is Rs 19.93 crores , which is 14.33 % over December '10 level.

The sub segment wise growth is as under :

Sub segment	Growth (Rs. In crores) during the quarter	Growth % over September'10 level	Growth % over March'10 level
Micro	11.58	21.61	50.58
Small	8.35	28.09	123.87
Medium	NIL	NIL	NIL

The Bank wise performances are placed in page No. **52**

SHG Credit Linkages (Direct) :

	Target(No.)	Achievement	% of achievement
No. of SHG Credit Linked	370	84	22.70
Amount of Loan disbursed		Rs. 35.30 Lacs	

Bank wise position is placed on page No. **31.**

Agenda – 7 :

Committee on Financial Sector plan (CSFP)

(a) Progress report as on 31.03.2011

The status report as on 31.03.2011 for 1 (one) district identified for 100 % Financial inclusion is furnished below:

SI No.	District	Lead Bank	No. of House holds	House hold covered upto March'10	House hold covered upto March'11	% of house hold covered
1	West Siang	SBI	16000	13535	14096	88.10

The Bank wise position of CFSP is shown from page No. **59** to **64**.

(b) Providing banking services in every villages having population of over 2000 by March' 2012- achievement

List of villages along with road map and time line and achievement is placed in page No. **69** .

(C) Road map for providing banking services through BC Model in 105 unbanked villages having population 1000 & above, upto 2000 of Arunachal Pradesh : Placed before SLBC for approval

Details given in page No. **70** to **73**

(d) Financial Literacy & Credit Counselling Centres : Centres to be identified and distributed to banks

(e) Setting up of Rural Self Employment Training Institute (R-SETI) in 6 (Six) Districts of Arunachal Pradesh :

6 (Six) R-SETI Centres have been allotted to banks, as per decision taken in last SLBC Meeting held on 17.03.2011. Details of the centres are as follows:

Sl No.	R-SETI Centre	Bank allotted	Present status
1	West Kameng	SBI	For plot of land, matter taken up with D.C.
2	Lower Subansiri	SBI	- DO –
3	East Siang	Vijaya Bank	Bank to appraise
4	Lohit	United Bank of India	Bank to appraise
5	Changlang	P N B	D.C.Changlang advised that a plot of private land near Jairampur will be donated by Shri Tusam Longri , at free of cost . Matter has been advised to PNB. For further action, PNB to appraise.
6	Papumpare	A P Rural Bank	APRB to appraise

Agenda – 8

Credit flow to the members of minority community

Govt of India, Ministry of Welfare has notified the following as minority communities:

(i) Muslims (ii) Christians (iii) Buddhists (iv) Sikhs (v) Zoroastrians .

Arunachal Pradesh has the following districts having minority concentration:

1. Changlang 2. East Kameng 3. Lower Subansiri 4. Papumpare 5. Tirap
6. West Kameng 7. Tawang .

The status reports from the Banks are placed in page No. **41** and **53** .

Agenda – 9 :

PMEGP

Performance of loans sponsored under PMEGP during 2010-11 is placed in page No. **29** of this booklet .

Agenda- 10 :

Implementation of SGSY Scheme :

Bank wise performance of loans sanctioned under SGSY Scheme is placed in page No. **28**

Agenda – 11 :

Annual Credit Plan for 2011-12

Based on PLP prepared by NABARD and allocation of state wise and agency wise targets for ground level credit (GLC) flow for the year 2011-12, bank wise Annual Credit Plan for 2011-12 for the state of Arunachal Pradesh is placed as under for approval of the house

ANNUAL CREDIT PLAN 2011-12 STATE : ARUNACHAL PRADESH

Bank wise financial target 2011-12

(Rs. In Lacs)

SI No	Bank	Agriculture	Crop Loan	Industries	Services	Total
1	SBI	4670	2570	1045	2917	8632
2	UCO	310	140	80	240	630
3	Vijaya	450	150	120	420	990
4	CBI	160	80	40	120	320
5	UBI	450	210	120	300	870
6	BOB	160	80	40	120	320
7	Indian	160	80	40	120	320
8	Syndi	160	80	40	120	320
9	IDBI	65	40	20	120	205
10	AXIS	65	40	20	120	205
11	UNION	160	80	40	100	300
12	ICICI	65	40	20	75	160
13	PNB	160	80	40	150	350
14	HDFC	65	40	20	120	205
15	BOM	160	80	40	120	320
16	Allaha	160	80	40	120	320
17	Canara	160	80	40	120	320
18	OBC	160	80	40	120	320
19	BOI	160	80	40	120	320
ACB	TOTAL	7900	4200	1885	5642	15427
20	APRB	1300	1100	191	230	1721
21	APSCAB	2000	1600	89	160	2249
GRAND	TOTAL	11200	6900	2165	6032	19397

Agenda – 12

Bank wise PMEGP Target for 2011-12

Bank wise (physical & financial) target under PMEGP Scheme for 2011-12 for the state of Arunachal Pradesh , received from KVIC , is placed below for approval of the house .

SI No.	Name of Banks	Physical	Financial (M.M) (Rs. In Lacs)
1	SBI	206	287.782
2	UCO	3	4.191
3	Vijaya	9	12.573
4	CBI	2	2.794
5	UBI	10	13.97
6	BOB	1	1.397
7	Indian	1	1.397
8	Syndi	1	1.397
9	IDBI	1	1.397
10	AXIS	1	1.397
11	UNION	1	1.397
12	ICICI	1	1.397
13	PNB	2	2.794
14	HDFC	1	1.397
15	BOM	2	2.794
16	Allaha	2	2.794
17	Canara	2	2.794
18	OBC	2	2.794
19	BOI	2	2.794
ACB	TOTAL	250	349.25

District wise / bank wise target is given in page No. **74 to 77** of this booklet.

Agenda – 13

Indira Gandhi Matritva Sahyog Yojana (IGMSY)

It is a Govt of India sponsored cash incentive scheme for improving the health & nutrition of pregnant and Lactating women. Concerned department of State Govt is to appraise the house.

Agenda – 14 :

Financial Inclusion Campaign Implementation of ‘ Swabhiman Campaign’ of GOI

- Slot to IBA representative to appraise the house about campaign
- Slot to BSNL representative to provide actual status of connectivity for identified villages of above 2000 population and identified unbanked blocks in Arunachal Pradesh

Agenda – 15 : Miscellaneous issues

- All the Lead District Managers to convene DCC/DLRC/DLSC Meetings regularly at quarterly intervals and detail information of the respective districts to be submitted to the Convenor, SLBC well in time for compilation of data relating to subsequent SLBC Meetings.
- All the banks to submit the quarterly reports by 15th of the following month to the respective LDMs .
- Any other issue.

Opening of Bank branches in unbanked blocks of Arunachal Pradesh

- 1 .Out of 34 unbanked blocks in the state, 10 Nos. of blocks has been identified for opening of new bank branches as per recommendation of the special SLBC Meeting of Arunachal Pradesh held on 9th June'2010 at SBI, Regional Office ,Itanagar .

Sl No.	Unbanked Blocks	Districts
1	Mariyang	Upper Siang
2	Gensi	West Siang
3	Riga	East Siang
4	Pongchao	Tirap
5	Wakka	Tirap
6	Pakke-Kessang	East Kameng
7	Taliha	Upper Subansiri
8	Chayangtajo	East Kameng
9	Rumgong	West Siang
10	Khimiyang	Changlang

- 2.It has also been decided to open Currency chest Bank branches at the under banked places

Sl No.	Places	Districts
1	Yupia	Papumpare
2	Mechuka	West Siang

In this connection , Govt of A.runachal Pradesh has issued notification vide Memo No. FIN/EA-116/2010 dated Itanagar ,10th June,2010.

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SLBC of --(**Arunachal Pradesh** Name of the state) : Convenor:-**SBI**

Agenda item: 4

Review of progress of implementation of Financial Inclusion in the State

In the Annual Policy Statement for the year 2006-07, RBI Governor announced that “SLBC Convenors in all States/UTs advised to identify at least one district in their area for achieving 100 percent financial inclusion by providing a “ No frills” account and a “General Purpose Credit Card (GCC)” on the lines of the initiative taken in Pandicherry.

Action initiated by SLBC:-

(a) Brief note on Financial Inclusion:-

- Lack of financial services, has impact on socio-economic conditions of the people and also on the economic growth of the country. A large section of poor still depend on informal source of borrowing.
- In un-banked area, people have no access to financial services including savings, money transfer, pensions, credit, insurance etc., through any type of formal financial sector organizations such as banks, post offices, Non banking financial institutions, cooperatives, credit unions, NGOs etc.
- **Financial Inclusion** does not mean to bring people in the fold of financial sector for savings (or) credit only. It should include insurance, social security system, pensions, money transfers etc. The basic objectives being to bring people out of non-institutional framework and combat the menace of poverty. It is the delivery of banking services at an affordable cost to the vast sections of disadvantaged and low income groups.

Key components of Financial Exclusion:-

- No savings.
- No insurance
- No assets
- No Bank accounts
- No affordable credit
- No access to financial advice

The financially excluded typically lack the range of choice of credit options available to most people. Instead, they may be forced to resort to the alternative credit market, paying higher interest rates.

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Barriers to Financial Inclusion :-

There are several barriers to financial inclusion, some are characteristics of service providers and some are of customers.

Characteristics of financial service providers, which add to financial exclusion:

- Banking network : No/Less number of bank branches in remote areas/tribal areas. Closure/ mergers/shifting of bank branches, which were hitherto operated in tribal areas/remote rural areas, due certain valid reasons.
- Timings of operation of bank branches in rural areas: Timings are inconvenient for the poor people, as they have to go for farm operations (or) go to wage earning. In that case visiting the branch during daytime would mean loss of wages for a day.
- Lack of information about the financial services.
- Restrictions at bank, personal identification, minimum balance, price of the product, technologies adopted at branches some time restricts the people.
- Reliability and reputation of the service provider. People tend to bank, where their money is considered safe. If the reputation of the provider is not good, then that only not makes existing users to withdraw, but also prevents others from accessing it.

Characteristics of financial service Customers, which add to financial exclusion:

- **Social & Economic position:** Low-income people normally do not feel the need to bank as the transaction carried out by them is mostly in cash that too with low amount.
- **Information:** Many times people do not want to disclose the information, which would be required for accessing any financial service.
- **Identification/Introduction:** Poor people mostly do not have any identification/introduction, which is accepted, by banks to open an account (or) access other financial services.
- **Financial literacy:** Lack of understanding of financial services and the operations to be carried out is also a hindrance.
- **Absorptive capacity** for financial services. Poor people do not have much absorptive capacity for all the financial services.

- Need for different financial services.
- **Large geographical spread of customers.** The spread of customers is very thin which makes the operation of reaching out of them a costly affair.

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- The poor have the capability to engage in **micro-saving** and would require withdrawals at their convenience. The timings of these transactions do not necessarily coincide with bank branch timings. In such scenario, at times it becomes a costly proposition for rural people to forego a day's income and instead go to a bank branch during the day to carryout the banking transaction.

Salient features of the scheme of arrangement for Financial Inclusion:-

1. Opening of Savings Bank accounts (No frills account-with zero balance)
2. Issue of General Purpose Credit card (GCC)
3. Defaulters cleansing Mechanism
4. Strengthening SHG Lending
5. Appointment of Business Facilitators/Business Correspondents
6. Information technology (IT) Connectivity
7. Insurance Products
8. Coverage of Tenant Farmers/share croppers
9. Mapping indebtedness of the farmers and to identify the un indebted farmers etc.

Branch Expansion in Unbanked Centres:-

Banks should be induced to open branches in blocks where there are no branches where security is an issue; branches could be located near police establishment.

Brief Note:-

1. A Block is to be considered Unbanked if there is no branch of Commercial Bank/RRB.
2. A agreed list of unbanked centres to be prepared by all state holders.
3. State Government should come forward to arrange for basic infrastructures such as roads, connectivity etc.
4. ' Bid' arrangement for banking facilities may be implemented.
5. Subvention is available from RBI towards the cost of premises, security, technology, remittances and connectivity.

(i) Plan for Unbanked Block:-

Table : 4.1

Sl No	Name of the District	Name of the Unbanked Block	Population	Name of the bank branch/BC planned to be opened/opened up to the quarter	Date by which planned to be opened	Progress/Remarks

Agenda No :- 5**Review of performance under Annual Credit Plan:**

The performance of ACP (with bank wise and district wise break up) as the end of the quarter under review furnished in page 38, 39 and 40

Comparative Statement Showing Successive Credit Allocations and Achievements for the Last Three years in the State

Table : 5.1

Particulars	2006-07	2007-08
Target (Rs In Cr)		
Achievement (Rs in Cr)		
% of achievement		

ACP Target and Achievement

Summary of performance is as under:-

Table :5.2

Sector	Previous year			Last year			Current Year		
	T	A	%	T	A	%	T	A	%
Agri Total									
Crop loan									
Term Loan									
MSME									
Services									
Total									

T= Target (for the year) A= Achievement up to March '09

Analysis:-

(A paragraph on bank wise and district wise analysis. Reasons for low growth/disbursement and steps initiated by banks & Govt.)

AGENDA ITEM-6**FLOW OF CREDIT TO AGRICULTURE**

Agricultural advances: at the end of March 2009 are Rs. 100.48-----Crores, consisting -9.36----% of total advances against RBI norm of 18%. Net increase of agricultural advances during this year is Rs. 15.71----- crores.

Comparative Statement of Crop Loans
During the last three years

Table: 6.1

Head	2006-07	2007-08	2008-09
Target			
Achievement			
% of achievement			

CREDIT FLOW TO AGRICULTURE IN -----(Name of the State)
Comparative statement for the last 3 years in the state

Table :-6.2

Head	2006-07	2007-08	2008-09
Crop loans			
Agri Term Loans			
Total agri			

(i)Credit Disbursements:

- The flow of credit to agriculture during an year should be at least 30% over the last year's disbursements as announced by the Hon'ble Union Finance Minister.

(ii) Review progress of Kisan Credit Cards :**Action points:-**

1. All eligible crop loan borrowers are required to be covered under **Kisan credit Card scheme**. All the agencies viz: cooperative banks, regional rural banks and commercial banks have to review the position and take necessary action and put in place appropriate strategy to cover all eligible crop loan borrowers under KCC scheme.
2. Banks may explore possibility of extending following facilities to the farmers while sanctioning loans under Kisan Credit Card:
 - Chequebook facility to the eligible/educated farmers to operate the account (KCC) with in the sanctioned limit.
 - ATM compatibility may be linked to KCC holders for more flexibility to draw the amount by the farmers as and when required.
3. Lending under Agriculture term loans may be stepped up, which create rural wealth. Banks may take necessary steps to increase lending to allied to agriculture sector.

4. New schemes for area development may be formulated to take up projects under Agriculture, State Government –Agriculture and allied depts. is requested to take necessary steps to formulate new schemes and examine to extend with subsidy component as supportive to increase lending under Agricultural Term Loans and to increase subsidy under Farm mechanization (tractors/power tillers etc) and other schemes to boost up lending under Agri Term loans.

Bank wise performance of KCC is presented in Page: 35

District wise performance of KCC is presented in page: 36

Recovery performance of KCC is presented in page: 37

Debt swapping –To provide institutional credit to the indebted farmers to repay loans taken from non-institutional lenders (private money lenders)- A new scheme.

The details of the scheme are as follows:

Scheme for Farmers (Debt-swapping)

Relief Measures to Farmers indebted to Non-institutional lenders –(To provide institutional credit to the indebted farmers to repay loans taken from non-institutional lenders i.e. private money lenders).

(Suggested Modalities)

SI No	Point	Details
1	Name of the scheme	Relief Measures to farmers indebted to Non-institutional lenders – (To provide institutional credit to the indebted farmers to repay loans taken from non-institutional lenders ie private money lenders)
2	Eligibility Criteria	Existing Borrowers:- In addition to the regular crop loan (Kisan Credit Card) sanctioned limit subject to maximum of Rs. 50,000/- (or) to the extent of debt which ever is lower to be considered as additional loan to repay debts to Non-institutional Lenders.

REVIEW PROGRESS OF FINANCING TENANT FARMERS THROUGH JOINT LIABILITY GROUPS (JLGS)

Financing Tenant Farmers:-

- **Coverage of Tenant Farmers** : In a recent meeting with the CMDs of Public Sector banks, Hon'ble Union Finance Minister asked the bankers to ensure that 2.5% of the new farmers financed in a year are tenant farmers .

Role of Banks :-

- As there is no service area restriction, banks can finance in any of the villages duly verifying the list of borrowers with the concerned service area bank branch.

Take over Bank should submit the list of farmers to be financed to the service area bank branch in advance . If no response is received from the service area branch within 15 days, the take over bank can go ahead with financing.

- Banks should not charge any service charge for production of “ No dues certificate”
- State Government may examine to issue identify cards certifying oral tenancy to the tenant farmers in the villages.

Financing Joint Liability Groups (JLGs):

- Under the JLG model, 4 to 5 farmers forms into a formal group, which is called “Joint Liability Group-JLG”. Banks will finance these farmers individually by obtaining group guarantee of other farmers in the group.
- The guidelines are already circulated to all the controlling offices of banks and LDMs.

Performance of Joint Liability Group :-**Table:-6.3**

Year	No of J.L. G. financed	Amount (Rs in lacs)
2007-08		
2008-09		

Farmers covered in respect of Crop Loans by Banks under “National Agriculture Insurance Scheme”

Under the provisions of National Agricultural Insurance Scheme (Rastriya Krishi Bima Yojna), the State Govt. of has notified crops and corresponding defined areas for the season Kharif 2009, approved byState Level Co-ordination Committee for crop insurance in their meeting held on..... (Notification to be enclosed as annexure)

Table :-6.4

(Amt Rs in lacs)

SI No	Bank	Crop loan		Insurance claimed		Comments
		No	Amt	No	Amt	
1						
2						
3						

Agenda – 7

Credit flow to the members of Minority Community

Govt. of India, Ministry of Welfare, has notified the following as minority communities :

(i) Muslims, (ii) Christians, (iii) Sikhs, (iv) Buddhists, (v) Zoroastrians.

Arunachal Pradesh state has the following districts having minority concentration :

(1)....., (2)(3) (4)....., (5) (6)(7)

The status reports received from the following districts are furnished below:

Table :- 7.1

Name of district	Muslims		Christians		Sikhs		Budd-hists		Total		% to P S advs
	No	Amt.	No	Amt.	No	Amt.	No	Amt	No	Amt.	

Rs. In Lacs

Bank wise performance of Minority in Page No: 53

Agenda: 8

Review Progress of financing Self Help Groups

(SHGs) and SGSY.

SELF HELP GROUPS (SHGs)

- No. of SHGs formed in the States since 1.4.2000.....and .No. of SHGs formed during this year
- No: of SHGs taken up economic activities.....

Progress during 2008-09

(Disbursement from 01.04.2008 to 31.03.2009)

Table :-8.1

Target	Rs:
Achievement	Rs:

SHG-programme:

- Launched in 1992, the Self-help group programme is a landmark in development in Indian Banking history, which highlighted the fact that poor can save and are bankable.
- It is also underlined that they not only need credit support but also other financial services. The repayment performance of SHGs has been very encouraging. As a follow

up, banks may think of financing successful groups to take up enterprises and joint economic activities, wherever feasible.

The main objectives of the Self Help Groups are-

- To inculcate the saving and banking habits
- To secure them with financial, technical and moral strengths
- To enable availing of loan for productive purpose and repaying the same over a period of time.

Self Help Groups alone provide for:

- Conscious leadership development,
- Rigorous financial discipline,
- Efficient management of community resources
- Entrepreneurial development through:
 - Democratic participation of all group members
 - Coupled with decentralized and autonomous decision making
 - Transparency in transactions
 - Peer pressure and sustained group action.

It is for these that the Self Help Groups programme has taken the dimension of a movement.

SHG – Bank Linkage Programme – Present position:

- The present state of SHGs in India represents a strong, devoted and unassuming rural clientele base whose aspirations are growing.
- SHG – Bank linkage programme is gaining increased acceptance among NGOs and bankers.
- Continuation of the programme to cover at least one third of rural poor population by the year 2008 through one million SHGs, is envisaged by NABARD.
- SHG – Bank linkage programme will be a major way of banking with the poor in the coming years.
- At least 25,000 bank branches, 4000 NGOs and 2000 Federations involving over 1,00,000 personnel of these institutions would have to be associated for scaling up bank linkage of one million SHGs.

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**DISTRICTWISE POSITION OF SELF HELP GROUPS
IN -----(STATE) AS ON 31.03.2009**

Table :-8.2

Sl No	District	No of SHGs formed	No of women SHGs	No of SHGs taken up economic activities

TOTAL				

Notes on SHG-Bank Linkage

SHG_Bank Linkage: Achievement for the last three years:

FINANCE MADE TO SELF HELP GROUPS DURING LAST 3 YEARS

Table :-8.3

Year	2006-07	2007-08	2008-09
No of SHGs			
No of Members			
Bank loan (Rs in Cr)			
Per group loan			
Per member loan			
Growth Rate			

Target for 2009-10 and strategy to achieve the target:

TARGET UNDER SHG-BANK LINKAGE FOR 2009-10 (DISTRICTWISE)

SI No	Name of the District	Target for 2009-10

Progress Under SHG Bank Linkage upto June-2009

SI No	Name of the district	SHG Bank Linkage	
		Target	Achievement

Bank wise SHG Performance is placed in page No: 41 (To be listed)

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Action Points:-

Swarna Jayayanthi Gram Swarozgar Yojana (SGSY)

Performance under SGSY in -----(State) (Rs in Cr)

Year	Target (Credit)	Achievement			
		No of Beneficiaries	Amt of loan	Subsidy Utilized	% of Achievement (loan)
2006-07					
2007-08					

2008-09					
---------	--	--	--	--	--

(Rs in lacs)

Credit Mobilization	Subsidy	No of beneficiaries

* Bankwise allocation is enclosed

Action Points:-

**SWARNA JAYANTHI GRAM SWAROZGAR YOJANA 2009-10
CREDIT MOBILIZATION TARGET-BANKWISE**

Sl No	Name of the Bank	Target (2009-10)
Total		

Bank wise SHG performance is placed in page No: 41
Bank wise SHG Recovery performance is placed in page No: 43

Agenda item-9

Review progress of financing Small & Medium Enterprize (SME) sector:-

Credit flow to Small Medium Enterprises (SME)

Achievement under SME Sector:

CREDIT FLOW TO SMALL & MEDIUM ENTERPRISES (SME)

Govt of India/RBI is attached much importance for credit flow to Small & Medium Enterprises (SME) Sector. It is decided

- To formulate region specific plan of action for enhancement of flow of credit to the SME sector.

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- At the State level, under the aegis of SLBC, SSI associations may interact with the bankers to address bottlenecks in enhanced credit flow to the SME Sector.

Revised guidelines issued by Reserve Bank of India:

Credit Flow to Micro, Small and Medium Enterprises sector:

Definitions :-

(a) Enterprises engaged in the manufacture (or) production, processing (or) preservation of goods as specified below:-

I. A micro enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small scale Industries vide its notification No. S.O. 1722 (E) dated October 5, 2006 **does not exceed Rs. 25 lakh.**

II. A small enterprise is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small scale Industries vide its notification No. S.O. 1722 (E) dated October 5, 2006 is **more than Rs. 25 lakh but doesnot exceed Rs. 5 crore;** and

III. A **medium enterprise** is an enterprise where investment in plant and machinery (original cost excluding land and building and the items specified by the Ministry of Small scale Industries vide its notification No. S.O. 1722 (E) dated October 5, 2006 is **more than Rs. 5 crore but does not exceed Rs. 10 crore.**

(b) Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006) are specified below.

These will include

- I. Small road & water transport operators (owning a fleet of vehicles not exceeding ten vehicles)
- II. Retail trade (with credit limits not exceeding Rs. 10 lakh)
- III. Small business (whose original cost price of the equipment used for the purpose of business does not exceed Rs. 20 lakh)
- IV. And professional & self employed persons (whose borrowing limits do not exceed Rs. 10 lakh of which not more than Rs. 2 lakh should be for working capital requirements except in case of professionally qualified medical practitioners setting up of practice in

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semi-urban and rural areas, the borrowing limits should not exceed Rs. 15 lakh with a sub-ceiling of Rs. 3 lakh for working capital requirements.)

- (i) A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;
- (ii) A small enterprise is an enterprise where the investment in equipment is more than Rs. 10 lakh but does not exceed Rs. 2 crore; and
- (iii) A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore.

Bank wise performance of SME sector is given in page no: 56

Agenda – 10

PMEGP tentative target for the year 2009-10

Summary as on -----

Table :-10.1

Year	Target	Sanctioned	Disbursed

Issues :- i)
ii)

The tentative target under Prime Minister’s Employment Generation Programme (PMREGP) for the year 2009-10 in respect of State has been received from KVIC,..... . The Bank-wise and District-wise tentative targets and margin money allocations in respect of KVIC/KVIB/DIC are given in page no: 54 for information to all concerned.

Bank wise performance is presented in page no: 45

Recovery performance Bank wise and district wise presented in page no: 48 and 49 respectively.

Agenda No -11

Educational Loan :-

Summary as on -----

Table:-11.1

Year	Target	Sanctioned	Disbursed

Issues :- i)
ii)

Performances are furnished in page no: 55

Agenda – 12

Interest Subsidy Scheme for Housing the Urban Poor (ISHUP)

The Government of India, Ministry of Housing & Urban Poverty Alleviation (MH&UPA) has recently launched the Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) to address urban housing shortage in the country. The scheme provides for interest subsidy of 5% per annum on loan amount up to Rs. 1 lac for economically weaker section (EWS) and lower income group (LIG) in the urban areas for acquisition/construction of houses. The scheme is proposed to be implemented by the primary lending institutions

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(PLIs), viz, scheduled commercial banks and housing finance companies. The National Housing Bank (NHB) and HUDCO have been designated as the Nodal Agencies for administration on release of the subsidy.

Summary as on -----

Table:-12.1

(Amt Rs in lacs)

Year	Sanctioned						Disbursed					
	Urban		Semi Urban		Rural		Urban		Semi Urban		Rural	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt

Issues :- i)
ii)

Bank wise performance of Housing Schemes are placed in page no: 66, 67 and 68

Agenda – 13

Self Employment Scheme for Rehabilitation of Manual Scavengers

The Government of India has launched a much improved scheme named as ‘Self Employment Scheme for Rehabilitation of Manual Scavengers’ with an objective to rehabilitate the scavengers and their dependents by March’09.

It has reported byState Development Corporation for Scheduled Castes Ltd., the implementing agency of the State of.;....., that out of numbers of applications sponsored to different banks , only numbers have been sanctioned ; applications have been rejected/returned and applications are still pending for sanction by the banks.

Statement showing Bank wise/District wise pending of loan proposals under SRMS

Table :-13.1

Sl No.	Name of districts	SBI	UBI	UNI	CBI	UCO	CAN	BOB	BOI	PNB	VJB	SYN	AGVB	AAB	ALB	IB	IOB	FB	Total	
1																				
2																				
3																				
4																				
5																				
6																				
7																				
8																				
9																				
10																				
11																				
12																				
11																				
14																				
15																				
	Total																			

Agenda – 14

Progress in setting RSETI

P&RD Department has allotted the following districts to various Banks/Financial Institutions as mentioned below to set up RSETI.

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Table :-14.1

Name of the Banks/ F I	Allotted Districts	Status	No Trained (cumulative)	No availed bank loan (cumulative)

Concerned banks/financial institutions are advised to appraise the house on the development in this regard.

Agenda – 15

Sub-Committee of SLBC for Export Promotion

We have been advised by RBI, Mumbai to set up a separate Sub-Committee under SLBC to discuss exporters' problems in relation to export finance and other bank related issues at the state level.

The sub-committee will include local exporters' Associations, SBI and 2/3 leading banks handling sizeable export business, DGFT, Customs, State Government (Department of Commerce and Industry and Deptt. of Finance), EXIM Bank, ECGC, FEDAI besides RBI (Foreign Exchange Department and Department of Banking Supervision) at regional level, as members of the committee.

Issues:

- (i)
- (ii)