



111th SLBC meeting on 14.6.2011 at Mumbai

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*Agenda No.-1*

**Taking on record the minutes of 110<sup>th</sup> Meeting of SLBC held on March 08, 2011.**

The minutes of the 110<sup>th</sup> SLBC meeting held on March 08, 2011 at Pune have been circulated to all members vide our letter No. AX1/Priority/SLBC/Minutes/2010-11/1103 dated March 17, 2011. A Copy of the minutes is again enclosed as **Annexure-1** to this agenda note.

No suggestions have been received so far on the said minutes.

Therefore minutes of 110<sup>th</sup> SLBC meeting are taken on record.



**Follow-up of action points emerged in the last SLBC Meeting (ATR)**

The action points emerged during the last SLBC meeting held on 8.3.2011 were informed to all members requesting them to take necessary action. The present status on the action points as informed to SLBC are given below.

**I. Follow up of Action Points of last SLBC meeting (ATR) -  
Issues related to Govt. of Maharashtra**

Action Point	Pending since	Relates to which Dept. / Bank	Present Status
<p><b>1) Waiver of Stamp duty:</b> (a) Waiver of Stamp duty on loans to male SHGs up to ` 50,000/- (b) for all types of credit facilities up to ` 5.00 Lakhs under priority sector to SC / ST / SF / MF / Artisans / Minority communities (c) for all loans disbursed under SGSY (d) for all crop loans against Hypothecation</p> <p>Chairman SLBC requested State Govt. to communicate suitable decision prior to 31.3.2011.</p>	Since 85 <sup>th</sup> SLBC which was held on 10.12.2004	Revenue Dept., Govt. of Maharashtra	Communication is awaited from Govt. Dept.
<p><b>2) Registration of conveyances : Pune City</b></p> <p>Commissioner Coop. informed that the matter is under consideration of Govt.</p>	Since 94 <sup>th</sup> SLBC meeting held on 14.12.2006	Revenue Dept., Govt. of Maharashtra	Further progress is awaited from concerned Govt. department.
<p>3) The issue of interlinking of Sub-Registrar offices in the city / town is pending with State Govt. It was informed by Govt. that matter is under consideration and take some more time for decision</p>	Since 94 <sup>th</sup> SLBC held on 14.12.2006	State Govt.	Communication is awaited from concerned Govt. Dept.
<p>4) Nomination of Secretary, Finance as Nodal Officer for monitoring the FIP &amp; channelising NREGA / EBT / Social Security payments. It was informed by Smt. I.A.Kundan, Joint Secretary, Planning Dept. that the matter is under progress and order will be issued soon</p>	Since 109 <sup>th</sup> SLBC held on 23.12.2010	Govt. of Maharashtra	Communication is awaited from Govt. Dept.



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<p>5) Issuance of uniform guidelines to District Magistrates on role of local administration under Sec. 14 of SARFAESI Act, 2002 to ensure disposal of requests from banks /FI – In the last SLBC, it was informed by SMt. I.A.Kundan, Joint Secretary (Planning ) that the issue is under consideration &amp; guidelines will be issued soon.</p>	<p>Since 109<sup>th</sup> SLBC held on 23.12.2010</p>	<p>State Govt.</p>	<p>Communication is awaited from Govt. Dept.</p>
<p><b><u>6) Implementation of Rajiv Gandhi Niwara Yojana No. II &amp; release of pending subsidy:</u></b>  Under Secretary, Housing, Govt. of Maharashtra informed that the scrutiny is going on &amp; decision will be communicated within 8 days.  Chairman SLBC requested State Govt. to release the pending claims by 31.3.2011.</p>	<p>110th SLBC</p>	<p>The Secretary Housing Dept., Govt. of Maharashtra</p>	<p>Govt. of Maharashtra has released the pending claims in most of the cases.</p>
<p><b><u>7) Review of Implementation of Interest subsidy scheme for Urban Poor (ISHUP):</u></b>  Housing Dept., Govt. of Maharashtra to issue necessary notification within 8 days.</p>	<p>108<sup>th</sup> SLBC</p>	<p>Secretary Housing Dept., Govt. of Maharashtra</p>	<p>Govt. of Maharashtra not yet issued the notification &amp; hence the scheme is not picking up in the State.</p>
<p><b><u>II Issues related to Member banks / SLBC</u></b> <b>1) Inclusion of Maharashtra Gramin Bank in PMEGP Programme from the year 2011-12</b>  KVIB, Mumbai to allot the target to MGB wef 1.4.2011 &amp; MGB to consider the loan proposals since 1.4.2011</p>	<p>1 10th SLBC</p>	<p>KVIB, Mumbai &amp; MGB</p>	<p>SLBC vide their letter dated 18.3.2011 informed KVIB to allot the target to MGB wef 1.4.2011 &amp; MGB to participate in implementation of PMEGP Scheme.</p>



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<p>9.Review of performance under Govt. Sponsored Schemes</p> <p><b><u>SGSY:</u></b></p> <p>All Banks &amp; Lead District Managers to take up the issue of pending proposals under various Govt. schemes with respective branches for disposal of all pending cases by 20.3.2011.</p> <p>SLBC, Convenor to write to all GM – Priority Sector Adv. of member banks to dispose off all proposals by 20.3.2011</p>	110 <sup>th</sup> SLBC	SLBC	SLBC vide their letter dated 9.3.2011 advised all GMs (Priority Sector Dept.) of Member Banks to dispose off all applications by 20.3.2011.
<p><b><u>2). Prime Ministers’ Employment Generation Programme</u></b></p> <p>KVIB has submitted the Bank-wise &amp; district-wise lists of proposals pending under PMEGP to SLBC for further follow up.</p> <p>All Member banks have to dispose off pending proposals by 20.3.2011 &amp; report to SLBC</p>	110th SLBC	Member banks	SLBC vide their letter dated 9.3.2011 advised GMs (Priority Sector Dept.) of Member Banks to dispose off all applications by 20.3.2011.
<p>3) AGM-SBH to meet officials of KVIB &amp; resolve the matter</p>	110th SLBC	SBH & KVIB	SBH Fort Branch has informed SLBC that, the Margin Money claims are processed once only & no double claim are received or paid in these cases at their end.
<p>4) The loan application form under ISHUP designed by NHB is approved by forum &amp; SLBC to convey the revised target to all Lead District Managers.</p>		SLBC	Revised targets have been communicated to all LDMs.
<p><b>5) Implementation of Govt. of Maharashtra Debt Waiver &amp; Debt Relief Scheme 2009, Review of Pending claims under the scheme</b></p>	110th SLBC	Banks & Coop. Dept	Coop. Dept. has since released Debt Waiver & Debt Relief amount based on claims duly audited. However , the Co-op.



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<p>CMD requested the banks to submit the audited claims immediately.</p> <p>Banks to submit the audited claims to Coop. Dept. &amp; the Dept. to release the claims immediately</p>			<p>Dept of Govt. of Maharashtra has deducted amount towards interest for inter change of waiver &amp; relief amount as under:</p> <ul style="list-style-type: none"> <li>i) State Bank of India: Rs. 2,68,46,420/-</li> <li>i) Bank of Maharashtra: Rs. 1,18,21,295/-</li> <li>ii) Indian Bank: Rs. 25,351/- SLBC vide letter dt. 11/05/2011 requested Co-op Dept. to furnish the details of amount deducted towards interest for all banks along with pending claims under various Govt. of Maharashtra' schemes. Information is awaited from concerned Dept.</li> </ul> <p>Separately discussed in Agenda No. &amp;</p>
<p>6) All member banks were requested to gear up their machinery for coverage of 2767 villages as per FIP of the State by March 2011 without deviation &amp; report monthly progress to SLBC.</p>	<p>Since 110th SLBC</p>	<p>Member Banks</p>	<p>1692 unbanked villages are covered by Banks upto March 2011. All member banks are requested to ensure coverage of remaining villages during 2011-12 &amp; ensure submission of monthly progress reports to SLBC</p> <p>Separately discussed in Agenda No. 3</p>
<p>7) To ensure timely submission of monthly (GOI format) as well as quarterly reports (RBI format) on FI in prescribed format maximum by 10<sup>th</sup> day of succeeding month/quarter. Report for quarter ended March 2011 was due on 10.04.2011</p>	<p>Since 110th SLBC</p>	<p>Member Banks</p>	<p>Out of 27 banks, Monthly progress report for Govt. of India is received from sixteen banks for month of March 2011</p> <p>All banks have submitted the quarterly report for quarter ended March. 2011</p>



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<p>8) BOM &amp; BOI to complete survey of Mhulchera &amp; Korchi centers within 3 weeks and to obtain DLCCs approval if necessary for opening of these branches by March 2011 in Gadchiroli district</p>	<p>Since 109th SLBC held on 23.12.2010</p>	<p>BoM &amp; BoI</p>	<p>Bank of Maharashtra has opened Mhulchera branch on 29.03.2011  BoI has opened Korchi branch on 18/03/2011.</p>
<p>9) All Lead Banks in State were requested to ensure setting up FLCCs within time frame</p>	<p>Since 109<sup>th</sup> SLBC held on 23.12.2010</p>	<p>BOM, SBI, CBI &amp; BOI</p>	<p>BoM has set up three FLCCs at Pune, Nashik &amp; Aurangabad. CBI opened FLCCs at Ahmednagar, Akola, Buldana, Dhule, Jalgaon &amp; Yavatmal  Separately discussed in Agenda item No. 3</p>
<p>10) BOM requested to set up RSETI at Thane on allocation of land &amp; completion of formalities like demarcation &amp; possession of committed / allotted land  CBI to set up R-SETI at Ahemadnagar, Dhule &amp; Jalgaon by 15.03.2011.  BoI to set up R-SETI at Raigad by 31.03.2011  SBH to setup R-SETI at Hingoli by 31.03.11  IDBI to setup R-SETI at Satara by 31.03.2011.</p>	<p>Since 110th SLBC</p>	<p>BOM, SBI, BOI, SBH &amp; IDBI</p>	<p>Govt. till date has not allotted land for setting up of R-SETI at Thane. However, the Bank is exploring the possibility of establishing R-SETI in rental premises till GoM allots the land. CBI has opened R-SETI at Ahmednagar, Dhule, Jalgaon.  BoI has opened R-SETI at Raigad  SBH has informed that centre is likely to start by 31.05.2011 IDBI Bank is expected to start soon in existing building. Separately discussed under Agenda No.—4</p>
<p>11) SLBC to invite the representatives of BSNL and MSEB as special invitees for 110<sup>th</sup> SLBC meeting  As at the grass root level, there are problems of lease lines by BSNL &amp; power cut problems regularly faced by the banks, it was suggested to invite the representatives of above Dept. to solve the problems so as to ensure extending banking network in unbanked centres.</p>	<p>Since 110th SLBC</p>	<p>Convenor SLBC</p>	<p>SLBC has extended invitation to both the Depts for attending the 110<sup>th</sup> SLBC meeting.</p>



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<p><b>III. Issues related to LDMs</b> 1)The Sub-Committee meeting DLCC of Chandrapur &amp; Gadchiroli districts to continue to review the performance for improving CD ratio &amp; confirm to SLBC on quarterly basis.</p>	<p>Since 110th SLBC</p>	<p>LDMs of Chandrapur &amp; Gadchiroli district</p>	<p>Only two districts namely Chandrapur &amp; Gadchiroli are having CD ratio less than 40%. The sub-Committee meetings were held by both districts .</p>
<p>2). LDM of Bhandara district to undertake analytical review of disbursement as the progress under priority sector ACP 2010-11 was poor. LDM to apprise the SLBC for steps initiated for increasing priority sector lending after undertaking the study.</p>	<p>Since 110th SLBC</p>	<p>LDM, Bhandara &amp; Banks in the district</p>	<p>Sub-Committee of DLCC was formed for increasing agril. advances. Meeting was held on 08/03/2011. Sub Committee suggested the suitable strategies for increasing agril. Lending.</p>
<p>3). LDMs to form a sub Committee at district level for increasing agril. lending especially crop loans / KCC in their respective districts.</p>	<p>Since 110th SLBC</p>	<p>LDMs &amp; Banks</p>	<p>SLBC has advised all Lead Bank to form Sub-Committee on agril. advances to discuss the strategies for increasing ground level credit to agriculture especially crop loans / KCCs. Accordingly Sub Committees are formed in 8 districts and in remaining districts, the report is yet to be received..</p>
<p>4. LDMs to speed up the process of identification and allocation of villages having population 1000 plus. This is based on extending banking services to villages having population 1000plus &amp; &lt; 2000</p>	<p>Since 110th SLBC</p>	<p>LDMs</p>	<p>Matter is being followed up with the LDMs. All lead District Managers to confirm allocation of villages &amp; submit the list to SLBC immediately. Separately discussed in agenda No 3.</p>
<p><b>5. other Issues: Waiver Scheme for loans disbursed under various Backward Class Development Corporations of Govt. of Maharashtra</b>  MPBCDC officials requested for early submission of correct claims as per laid down procedure, for further release of funds under waiver scheme for loans disbursed &amp; are overdue as per norms.</p>	<p>110<sup>th</sup> SLBC</p>	<p>MPBCDC</p>	<p>No communication from the Banks &amp; MPBCDC in the matter.</p>





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<p>MPBCDC informed the position of claims as under.</p> <ol style="list-style-type: none"><li>1. Syndicate Bank : Claim figures to be reconciled</li><li>2. Central Bank of India : Will be released within 15 days</li><li>3. Bank of Baroda : In process</li><li>4. Corporation Bank : Released</li><li>5. Union Bank of India : Additional claim of ` 3.61 lakh is received</li><li>6. Bank of India : Not recd. Chairman SLBC requested to submit the same urgently, with a copy to SLBC</li><li>7. Bank of Maharashtra : Additional claim of ` 99.00 lakh</li></ol> <p>Position of 7 banks is tallied &amp; fund has been released. MPBCDC was advised to release pending claims immediately.</p>			<p>CBI officials informed that copy of original claim form is demanded by Corporation</p> <p>Bol officials informed that all related documents are submitted to district office of MPBCDC As far as supplementary claims are concerned , Govt. of Maharashtra has not given any decision in the matter</p>
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**Progress on the Implementation of Financial Inclusion Plan (FIP) for identified villages having population above 2000 in the Maharashtra State and establishment of Financial Literacy & Counseling Centers (FLCCs)**

**I. Progress on Financial Inclusion Plan (FIP) implementation**

1. The implementation of Financial Inclusion Plan (FIP) for identified villages having population above 2000 in the Maharashtra State is being reviewed through SLBC forum.

As per census 2001, there are 7312 villages in the state having population above 2000, of which 4292 unbanked villages are allotted to various banks and the list of such villages is uploaded on Bank's website as SLBC Convenor.

The State Specific Financial Inclusion Plans & progress ther of till 31/03/2011 submitted by member banks in State for year 2010-11& 2011-12 is given below.

Total No. of villages having population > 2000 are 7312, of which unbanked villages are 4292

Year	Plan				Achievement during 2010-11			
	Total Villages to be covered	Type of Banking Outlet			Total villages covered	Type of Banking Outlet		
		Branch	BC	Other		Branch	BC	Other
2010-11	2742	18	2720	4	1692	20	1666	06
2011-12	1550	16	1532	2				
Total:	4292	34	4282	6				

District wise progress made for providing banking services through various outlets up to March 2011 is given separately as Annexure-2A .



The achievement made up to 31<sup>st</sup> March 2011 for covering unbanked villages by participating Banks is 62%.

Bank wise achievement during 2010-11 is shown below:

Sr.No.	Name of Bank	Total No. of villages	Out of which Target for 2010-11	Achievement up to 31 <sup>st</sup> March 2011	% Achievement against target of 2010-11	Target for 2011-12
1	Allahabad Bank	33	0	0	-	33
2	Andhra Bank	1	0	0	-	1
3	Bank of Maharashtra	853	450	484	108	403
4	Bank of India	506	270	274	101	236
5	Bank of Baroda	176	176	94	53	0
6	Central Bank of India	436	320	100	31	116
7	Corporation Bank	3	3	3	100	0
8	Canara Bank	40	40	10	25	0
9	Dena Bank	158	57	50	88	101
10	HDFC Bank	1	0	1	100	1
11	IDBI Bank	82	46	31	67	36
12	ICICI Bank	72	72	40	56	0
13	Indian Overseas Bank	21	11	1	9	10
14	Indian Bank	11	9	9	100	2
15	Karnataka Bank Ltd.	1	0	0	-	1
16	Maharashtra Gramin Bank	355	69	55	80	286
17	Oriental Bank of Commerce	6	0	2	-	6
18	Punjab National Bank	26	0	0	-	26
19	Ratnakar Bank	21	21	8	38	0
20	State Bank of India	855	855	396	46	0
21	State Bank of Hyderabad	215	213	3	1	2
22	Syndicate Bank	50	27	11	41	23
23	Union Bank of India	189	78	95	122	111
24	UCO Bank	23	0	23	-	23
25	Vidarbha Kshyetriya Gramin Bank	63	25	0	0	38
26	Vijaya Bank	3	0	0	-	3
27	Wainganga Krishna Gramin Bank	92	0	2	-	92
	Total:	4292	2742	1692	62	1550



During current financial year 2011-12, Banks in the State have to extend banking services in remaining 2600 unbanked villages. In terms of directives of Govt. of India, all banks have to cover 4292 unbanked villages by March 2012.

We have further allotted quarterly targets of no. of villages ( >2000) to be covered during 2011-12 to various banks in the State for extending banking services.

Quarterly Plan For covering unbanked villages having population over 2000 during 2011-2012						
Sr No	Name of the Bank	No. of uncovered Villages	Quarter wise Plan for Villages to be covered 2011-2012			
			I	II	III	IV
1	Allahabad Bank	33	9	8	8	8
2	Andhra Bank	1	1			
3	Bank of Maharashtra	369	93	92	92	92
4	Bank of India	232	58	58	58	58
5	Bank of Baroda	82	22	20	20	20
6	Central Bank of India	336	84	84	84	84
7	Canara bank	30	9	7	7	7
8	Dena Bank	108	27	27	27	27
9	IDBI Bank	51	13	13	13	12
10	ICICI Bank	32	8	8	8	8
11	Indian Overseas Bank	20	5	5	5	5
12	Indian Bank	2	2			
13	Karnataka Bank Ltd.	1	1			
14	Maharashtra Gramin Bank	300	75	75	75	75
15	Oriental Bank of Commerce	4	1	1	1	1
16	Punjab National Bank	26	7	7	6	6
17	Ratnakar Bank	13	4	3	3	3
18	State Bank of India	459	115	115	115	114
19	State Bank of Hyderabad	212	53	53	53	53
20	Syndicate Bank	39	10	10	10	9
21	Union Bank of India	94	24	24	23	23
22	Vidarbha Kshyetriya Gramin Bank	63	16	16	16	15
23	Vijaya Bank	3	1	1	1	
24	Wainganga Krishna Gramin Bank	90	23	23	22	22
	<b>Total</b>	<b>2600</b>	<b>661</b>	<b>650</b>	<b>647</b>	<b>642</b>

The forum to deliberate on the issue & approve the quarterly target of all banks in State so that 100% coverage of villages can be extended as per Govt. of India / RBI directives.



### **Views of Steering Committee:**

The Committee observed that all villages having population over 2000 are to be covered by March 2012 for extending banking services. All member banks are requested to implement the project as per the quarterly target fixed by SLBC.

### **Swabhimaan - Financial Inclusion Awareness campaign**

A communication is received from Indian Banks' Association, Mumbai (dt. 15/04/2011 vide their letter No. FI/AC/Cir/2956 copy enclosed as **Annexure-2B**) so as to reach out to the target audience, educate them, make them aware of the products and services offered by banks, Govt. of India has suggested to undertake joint awareness campaign in the State under Swabhimaan.

SLBC Convenor Banks have been advised to hold the meetings to chalk out common publicity / awareness campaign in the State for the member banks.

- SLBC has already finalized allocation of unbanked villages having population >2000 various banks in the State and same are uploaded in SLBC website.
- Banks in State have already opened banking outlets (Branch/BC/Mobile van) and transactions are started in few villages
- Village level awareness campaign on Swabhimaan can be made effectively by individual banks within reasonable cost or in cost effective way rather than Lead Bank in the district / by SLBC. All Banks have their own Marketing & Publicity Dept. at H.O. / R.O. level.
- Lead District Managers are not having sufficient manpower to manage the Awareness Campaign in the entire district. They do not have adequate Financial authority to carry forward the campaign. They in turn have to approach their respective Banks for this purpose.

It is therefore suggested that banks who have been allotted villages have to undertake awareness Campaign, publicity at grass root level by display of Swabhimaan Logo/other Publicity material provided by IBA.

### **Views of the Steering Committee:**

The Committee observed that Village level awareness campaign on Swabhimaan be arranged by individual banks in a cost effective way especially using local resources/materials for publicity /advertising etc instead of engaging an outside agency for such campaign by Lead Banks / SLBC. The forum is requested to deliberate on above issue & decide modalities for the State.

### **Evolving Action Plan for remaining unbanked village:**

A meeting was convened by IBA on 19.05.2011 for all SLBC Convenors at Mumbai to discuss government suggestion for evolving financial inclusion action plan for covering all the remaining un-banked villages in the country.

In the first phase unbanked villages having population over 2000 were identified and allocated to various banks for providing banking services. Accordingly banks have started implementing their Financial Inclusion Plans to cover such villages during 2010-11 and 2011-12. for extending banking services.



in second phase & as per directives of Dept. of Financial Services, New Delhi, SLBC had advised LDMs to identify and allocate villages having population more than 1000 but less than 2000 in honeycomb fashion around the FIP villages to different banks for providing banking services. The work of identification of such villages was to be completed by April 2011 as per decision of last SLBC meeting. However it is observed that the said exercise is not yet completed by few Lead District Managers. SLBC therefore advised all LDMs to complete the process and submit the lists as per format already circulated letter dated 25/01/2011 & 12/05/2011 by return e-mail /fax to SLBC for finalization of allotment to various banks.

The government of India is now keen to cover the remaining un-banked villages in the country under Financial inclusion. It was also indicated that the government proposed to route all the benefits under its social security schemes through EBT. SLBC, Maharashtra has already taken a decision to adopt "One district multiple banks model" for channelising all social security payments through banking/BC model. To facilitate this, it was necessary to bring the remaining un-banked villages under the banking coverage so that banking services are available even in the remotest regions of the country. The government therefore wanted all villages to be covered in a systematic way under a structured financial inclusion plan and it was decided that SLBCs has been requested to draw up plans for the remaining un-banked villages.

In view of above it has been decided to finalise allocation of all unbanked villages having population less than 1000 in State are to be covered in phased manner. The broad guidelines adopted for allocation of villages having population over 2000 and between 1000 & 2000, based on Service area guidelines, contiguity of villages / honey comb fashion be followed for allocation of remaining unbanked villages in districts. Therefore, LDMs have been advised to finalize the allocation of unbanked villages to all banks in the district based on above suggestions and submit the above list of villages to SLBC within a month i.e. 30/06/2011. In other words, allocation of all unbanked villages in the district are to finalized by sub-committee of DLCC.

#### **Multi Registrar Policy of the Unique Identification Authority of India (UIDAI) for Aadhaar enrollment – Intimation to State Govt.**

A communication is received from Shri. Ashok Pal Singh, Deputy Director General of Govt. of India, Planning Commission, UIDAI advising that specific protocol is to be followed by Registrars before going live for Aadhaar enrollment. (copy of letter is enclosed as **Annexure-2C**). Govt. of Maharashtra is a registrar for UIDAI for Aadhaar enrollment. As per policy of UIDAI, Banks /FI have also become registrar for UIDAI and started enrollment for Aadhar. It is therefore suggested that proper protocol is to be maintained with State Govt for smooth implementation of UIDAI project. At times logistic support from State Govt. is required for mobilizing general public for enrollment. Therefore, Banks / Financial Institution, who are registrars have to inform State Govt authorities regarding the enrollment plan. A suitable uniform mechanism is to be drawn by Secretary – IT of Govt. of Maharashtra for the purpose.

This will facilitate all registrars in the State to follow uniform guidelines for smooth implementation of National Programme.

The forum to discuss the matter & decide the mechanism so as to have proper co-ordination with state Govt. for implementation of UIDAI project.

**Progress on Setting up of Financial Literacy & Credit Counseling Centre (FLCCs)**

Name of Bank	FLCCs already established	Proposed FLCCs
Bank of Maharashtra	Pune, Nasik & Aurangabad	Satara, Thane & Jalna are proposed to be opened up to 30/06/2011
State Bank of India	Nanded & Latur	Washim, Nandurbar & Osmanabad are proposed to be opened up to 30/06/2011  Beed & Parbhani are proposed to be opened up to Sep. 2011  Hingoli is proposed to be opened up to Dec. 2010
Bank of India	Wardha	Kolhapur & Solapur was proposed to be opened up to 31/03/2011
Central Bank of India	Ahmednagar, Akola, Buldana, Dhule, Jalgaon & Yavatmal	-----

Bank of Maharashtra has proposed to cover all Lead Districts under FLCC. The other lead banks in the state i.e. Bank of India & State Bank of India are requested to appraise the forum on their proposed plan in their respective Lead Districts for setting up of FLCCs and decide the plan of action to cover all districts by March 2012.

RBI vide circular No. RPCD.CO.FID.BC.No. 58 / 12.01.18 / 2010-11 (RBI / 2010-11/456) dated 31/03/2011 advised all banks to open FLCC in each district, block Head Quarter (H.Q.). ( A copy of circular is given in **Annexure-2D** ). Earlier RBI vide circular No. RPCD.CO.MFFI.BC.No.86/12.01.018/2008-09 dated 4<sup>th</sup> February 2009 reminded to set up FLCCs as envisaged in model scheme (A copy of letter is enclosed as **Annexure – 2E**)

All Lead Banks in State are advised to open at least one FLCC in each district H. Q. during current year. Other banks in State are advised to open such centres at block H.Q. / Town / city.

**Views of the Steering Committee:**

The Committee observed that FLCCs are integral to financial inclusion. NABARD is supporting banks in 20 districts (Financially excluded) of Maharashtra for setting up FLCCs.

The forum to further deliberate on the said issue and draw plan of action for setting up of additional FLCCs in State to spread financial literacy & smooth implementation of Financial Inclusion for inclusive growth.





**Request of CITI Bank for approval for distance criterion with respect to Business Correspondent arrangement in Mumbai for Citibank N.A. India.**

A letter dt. 29/03/2011 is received from CITI Bank Microfinance Division for approval of distance criterion in respect of Business Correspondent arrangement in Mumbai. (copy of letter is enclosed as **Annexure-2F**) It is stated that Citi Bank has appointed "Swadhar Fin Access" (Swadhaar) as a Business Correspondent (BC) to source & service no-frill accounts for the underbanked in the urban slums of Mumbai. The base branch of CITI Bank to Swadhaar office at Chembur(East), which is more than 5 kms from the designated base branch. Under the circumstances Citi Bank has requested for approval for a deviation in respect of 5 km distance criterion for their existing BC arrangement in Mumbai city.

In terms of RBI guidelines (Ref circular No. DBOD.No.BL.BC.74/22.01.009/2007-2008 (RBI/2007-08/295) dated 24/04/2008) area of operation of BC within Urban /Metropolitan cities is 5 kms radius for extending banking services to unbanked families at their door steps. with a view to ensuring adequate supervision over the operations and activities of the BCs by Banks. As per the guidelines, the distance between the place of business of a BC and the base branch, in metropolitan centres could be up to 5kms.

Where relaxations is to be given, as per RBI guidelines, "in Metropolitan areas, SLBC may decide on merits in respect of underbanked areas or where the population is scattered over large area and where the need to provide banking services is imperative but having a branch may not be viable, keeping in view the ability of the base branch of the bank making the request to exercise sufficient oversight on the BC"

The main purpose of extending banking service through BC model is to provide door step banking. The location of office of BC is not the basis for relaxation of distance criterion. . The service area of BC is to be restricted with in a radius of 5 km Since sufficient no. of bank branches are located in the city.

The representative from CITI Bank may apprise the forum on the issue. and forum is requested to deliberate & decide on the matter.

**Syndicate Bank – Incentive by Govt. of Madhya Pradesh.**

A communication dt. 21/04/2011 is received from Syndicate Bank, Regional office, pune enclosing a copy of letter addressed to their Chairman & Managing Director by the Additional Secretary, Govt. of Madhya Pradesh ,Finance Dept. (copy of letter is enclosed as **Annexure -2G**). It is stated that Govt. of Madhya Pradesh has decided to compensate the capital cost partly as capital subsidy to participating bank for providing banking services in identified villages under Financial Inclusion. This scheme is further applicable for providing such services in slum area of the four bigger towns of the State.





The scheme is as follows:

- Cost of hand-held device upto Rs. 10,000/- per machine subject to maximum of the total cost of such device for providing banking services through BC model.
- Cost of smart card upto Rs. 60/- per card subject to maximum of 50% of the total cost of such smart card for providing banking services through BC model
- In case the Biometric ATM is installed, then cost of such ATM Rs. 1,00,000/- per ATM subject to maximum of 25% of the total cost of such ATM.

It has been observed that other State Govts. are extending support to banks in extending banking services to unbanked villages / families either by subsidising the cost or providing incentives to Banks (i.e. commission to Banks for NREGA / EBT / Social Security Payments etc.)

In view of above, the forum requests Govt. of Maharashtra to give its views on supporting banks in extending banking services to unbanked villages in State.

**Availability of Mobile Connectivity in unbanked villages having population over 2000.**

The Dept. of Financial Services vide circular No. F.No. 20/22/2010/FI dated 31/03/2011 have informed that Dept. of telecommunications have provided Mobile connectivity to all villages / rural habitations with a population over 2000 except 76 villages. These villages will be covered under Mobile connectivity shortly. This will enable member banks to extend banking facilities through branchless banking / BC model.



**Agenda No.-4**

**The status of setting up of R-SETI in the State of Maharashtra.**

Following issues of member banks needs to be discussed for effective implementation of setting up of R-SETIs.

- 1) Allocation of land by Govt. for construction of R-SETI building.
- 2) Sponsoring of adequate number of participants for training. It has been observed that adequate number of participants are not sponsored by DRDA authorities for training.
- 3) Delay in reimbursement of training cost.

The bank wise present status of setting up of R-SETI in the state is given below:

Bank wise list of R-SETIs started functioning & present status is given below.

Sr. No	Name of districts allotted	Centres started functioning	Present Status & their
<b>A) Bank of Maharashtra</b>			
	1)Pune, 2)Nasik, 3)Aurangabad, 4)Nagpur 5)Amravati 6)Thane 7)Jalna	1)Pune, 2)Nasik, 3)Aurangabad 4)Nagpur 5)Amravati 6) Jalna – it will be covered by Aurangabad centre	1)Out of seven districts, R-SETIs have started functioning at five centres.  2) The Bank is following up with State Govt. authorities for allocating land for R-SETI at Thane.  3)So far State Govt allotted the land at Nasik & Aurangabad. Bank started process of plan & estimates at Nasik & Aurangabad. State Govt. has yet to allot the land at Nagpur, Amravati, Pune & Thane. State Govt. is requested to allot the land at these centres so that fullfledged R-SETI type of training institutes can be started soon.  Start Govt. to stipulate a time frame for completion of formalities.



<b>B) State Bank of India</b>			
	<p>1)Nanded 2)Latur 3)Washim 4)Nandurbar 5)Osmanbad</p>	<p>1)Nanded 2)Latur 3)Washim 4)Nandurbar 5)Osmanbad</p>	<p>1) Out of five districts, R-SETIs have started functioning at all centres.</p> <p>2) Land has been allotted only at Nanded, Latur &amp; Osmanbad district and GOM is requested to allot land at remaining centers assigned to them i.e. Washim &amp; Nandurbar district.</p> <p>3)SBI has referred the issue such as delay in reimbursement of training cost, sponsoring of inadequate number of participants.</p> <p>RDD Dept. to clarify on the issues raised by S.B.I. &amp; issue suitable directions to district administration to sponsor sufficient candidates &amp; reimburse the training cost without delay.</p>
<b>C) Bank of India</b>			
	<p>1)Sindhudurg 2)Solapur 3)Ratnagiri 4)Wardha 5)Sangli 6)Kolhapur 7)Chandrapur 8)Gadchiroli 9)Bhandara 10)Gondia 11)Raigad</p>	<p>1)Sindhudurg 2)Solapur 3)Ratnagiri 4)Wardha 5)Sangli 6)Kolhapur 7)Chandrapur 8)Gadchiroli 9)Bhandara 10)Gondia 11)Raigad</p>	<p>1) Out of eleven districts, R-SETIs have started functioning at all eleven centres.</p> <p>2) Land is allotted only at Chandrapur, Bhandara, Gadchiroli, Ratnagiri, Sindhudurg &amp; Solapur.</p> <p>3) It is reported by R-SETI, Sindhudurg that their two claims regarding reimbursement of expenses on training to the participants from APL families are pending.</p> <p>RDD to clarify on the issue &amp; reimburse the training cost immediately.</p>
<b>D) Central Bank of India</b>			
	<p>1)Buldhana 2)Akola 3)Ahmednagar 4)Yavatmal 5)Jalgaon 6)Dhule</p>	<p>1) Buldhana 2)Akola 3)Ahmednagar 4)Yavatmal 5)Jalgaon 6)Dhule</p>	<p>1) Out of six districts, R-SETIs have started functioning at all six centres.</p> <p>2) It was informed that out of six R-RETIs land is allotted only at Dhule &amp; Jalgaon.</p> <p>Govt. of Maharashtra to expediate allocation of lands in other centres.</p>



<b>E) State Bank of Hyderabad</b>			
	1)Parbhani 2)Beed 3)Hingoli	1)Parbhani 2)Beed	1) Out of three districts, R-SETIs have started functioning at two centres.  2) Bank had to start centre at Hingoli district by 31/03/2011. Now bank has informed that efforts are being made to open R-SETI by the end of May 2011.  3) SBH to appraise the progress to the forum for Hingoli district.
<b>F) IDBI Bank</b>			
	Satara	--Nil-	1) R-SETI centre could not be started yet.  2) Bank has decided to start activity in its own building which need some civil / electrical and interior work to be undertaken. The tender for the related work was floated and work order is issued to contractor and the contractor has commenced the work.  3) The Plan has been submitted to NIRD, Hyderabad with all the details / ownership papers etc.  4) It is reported by IDBI Bank that interior & civil work is expected to be completed by 10 <sup>th</sup> June 2011 and they would be in position to commence actual training thereafter.

### Views of Steering Committee:

The Committee observed that Sub – Committee of R-SETI to deliberate on issue and take up the matter with State Govt. in expediting allotment of land to banks and sponsor sufficient number of trainees to R-SETIs.

Accordingly, a Sub-Committee meeting on R-SETI of Maharashtra State was held on 24/05/2011 at Mumbai to deliberate on the issues listed below.

It was decided in the Sub-Committee as under:

- 1) Where Govt. has allotted lands to R-SETI & funding is received from Govt, Banks have start finalizing plan & estimates and construction of building as per guidelines.
- 2) Banks may invite local representatives / Ministers for foundation laying ceremony of R-SETI in districts.



- 3) Where land is not allotted, Govt. will pursue with District Collectors, Project Directors, DRDA to expeditiously allot the land & hand over the possession to Banks.
- 4) Govt. has agreed to follow up with Project Directors, DRDA to sponsor sufficient number of candidates to training programmes of BPL families and bankers requested Govt. to reimburse minimum expenses of training of BPL families in case sufficient numbers of candidates are not sponsored.
- 5) Govt. has further advised PD, DRDA and release the pending claims of Banks in respect of reimbursement of expenses.
- 6) RDD dept, Govt. of Maharashtra has agreed to organize a workshop on R-SETI to RD, DRDA, Project in- charge of R-SETI, other Govt. & Bank officials to sensitize on need for estblisjng R-Seti in districts..
- 7) In respect of revision in cost of training for BPL families, SLBC to collect the necessary inputs from R-SETIs or banks & put up the request to SLBC for consideration.



**Performance under State ACP 2010 -11**

**I) Performance under State Annual Credit Plan for the year 2010-11: Q4  
(Rs. in Crore)**

Sector	2009-10 Position of Mar. 2010			2010-11 Position of Mar. 2011 *		
	Annual Target 2009-10	Achievement	% Achievement against Annual Target	Annual Target 2010-11	Achievement (Provisional)	% Achievement against Annual Target
Agriculture	19559.75	15213.56	78	26916.96	21182.69	79
Of which Crop Loans	12108.05	11590.60	96	18175.13	13150.88	73
NFS Sector	2757.61	3304.14	55	5066.92	4412.28	87
Other Priority Sector	7944.02	8300.82	104	11418.58	10191.23	89
<b>Total Priority</b>	<b>30261.38</b>	<b>26818.52</b>	<b>89</b>	<b>43402.46</b>	<b>35786.20</b>	<b>82</b>
Non Priority	6925.58	17141.73	248	9066.72	16280.23	180
<b>Grand Total</b>	<b>37186.96</b>	<b>43960.25</b>	<b>118</b>	<b>52469.18</b>	<b>52066.43</b>	<b>99</b>

\* Provisional figures

District & sector wise performance under ACP 2010-11 as of Mar. 2011 is given in **Annexure3**.

**Highlights of ACP performance during 2010-11 is as under:**

During 2010-11, Banks in the State have improved disbursement under priority sector advance as compared to the disbursement made during previous year. Though targets are not achieved, priority sector advances have grown by 33.44%.

Total disbursement under agriculture advances are increased by Rs. 5969.13 crore during 2010-11 over previous year.

The disbursement of credit under NFS & other priority is to the extent of 87% & 89% of total target during 2010-11.



The comparative position of Annual Credit Plan for last 3 years is as under:

( Amt. In Crore )

Particular	2008-09			2009-10			*2010-2011		
	Tar.	Ach.	%	Tar.	Ach.	%	Tar.	Ach.	%
Agriculture	16703	9625	58	19560	15214	78	26917	21183	79
Of which Crop Loan	11485	6445	56	12108	11590	96	18175	13151	73
NFS	2269	2867	126	2757	3304	120	5067	4412	87
OPS	7021	5440	77	7944	8301	104	11418	10191	89
Total Priority	25993	17932	69	30261	26819	89	43402	35786	82
NPS	8796	12621	143	6926	17141	248	9067	16280	180
Total Plan	34789	30553	88	37187	43960	118	52469	52066	99

\* Position as of Mar.2011 – Provisional

District wise & Bank wise performance under ACP 2010-11 as of Dec. 2010 is given in **Annexure 4A & 4B.**

**Views of the Steering Committee:**

Steering Committee observed that banks have shown fairly good performance under all sectors of Priority during the year 2010-11 under Annual Credit Plan.



Annual Credit Plan 2011-12 (Provisional Figures)

(Rs. In Crore)

Agency / Sector	Targets 2010-11	Achievement 2010-11 (Provisional)	% Achievement against Target (Provisional)	Targets 2011-12	% rise over previous year's Target	% rise over achievement of 2010-11 for targets of 2011-12	PLP Projections made by NABARD for 2011-12
Agril & Allied Activities	26916.96	21182.69	78.69%	33699.72	25.20	59.09	35666.75
Of which Crop Loan	18175.13	13150.88	72.36%	22499.33	23.79	71.09	23180.66
NFS	5066.92	4412.28	87.08%	6770.33	33.62	53.44	6469.63
Other Priority	11418.58	10191.23	89.25%	14148.22	23.91	38.83	15011.47
<b>Total Priority Sector ( A )</b>	43402.46	35786.20	82.45%	54618.27	25.84	52.62	57147.85
<b>Non Priority ( B )</b>	9066.72	16280.23	179.56%	10381.16	14.50	-36.23	N.A.
<b>Grand Total ( A + B )</b>	52469.18	52066.43	99.23%	64999.43	23.88	24.84	N.A.

District wise / Sector wise allocations made under ACP 2011-12 (Provisional) for 33 districts of Maharashtra State are given in **Annexure- 5**.





For the year 2011-12, all banks (Commercial, Cooperative & RRBs) have envisaged a plan of Rs. 64999.43 crore (Priority & Non Priority Sector) which is showing growth of 23.88% over last year's plan.

The total allocation of funds under Priority sector lending for 2011-12 is Rs. 54,618.27 crore which is 84.03 % of the total plan outlay.

**Agency wise allocation for Priority sector under Annual Credit Plan for last year and current year is shown below.**

(Rs. In crores)

Agency	2010-11		*2011-12	
	Amount	% Share	Amount	% Share
Scheduled Commercial Banks	23758.61	58.80%	34700.56	63.53%
Co-op Banks	14980.90	37.08%	17829.46	32.64%
Regional Rural Banks	1662.95	4.12%	2088.25	3.83%
Total:	40402.46	100%	54618.27	100%

\*Provisional

The state Annual Credit Plan for the year 2011-12, envisages major allocation of funds for agriculture sector with Rs. 33699.72 crore, which is 61.70% of the plan for total priority sector lending. While for Non-farm sector and other priority sector, allocation is Rs. 6772.31 & Rs. 14148.21 crore respectively.

Govt. of India has increased allocation for agriculture lending during the current year by 25% over previous year. The allocation of agriculture credit in the State increased to Rs. 33,699.72 crore for 2011-12 from Rs. 21,182.89 crore showing growth of 59.09%.

During current year 2011-12, banks in State have to have focused approach on following sector.

1. Increased lending to Agriculture especially crop loan segments to farmers. Priority should be given to small & marginal farmers.
2. KCC accounts are to be increased.
3. Increased lending MSME sector, educational loans, housing loans, weaker sector advances.
4. Advances to minority communities need focused approach in minority dominated districts and increase lending under above category.

The forum to discuss & deliberate on the issue & come out with thrust areas for lending during current year 2011-12 in State.

### **Views of the Steering Committee**

While discussing agency wise allocation for priority sector under Annual Credit Plan 2011-12 in comparison with 2010-11, it was observed by the Steering Committee that share of Co-operative Banks and Regional Rural Banks has reduced from 37.08% to 32.64% & from 4.12% to 3.83% respectively. Hence it was decided to analyze the reasons at district level and approve the allocations.



**Implementation of various Govt. Sponsored Scheme**

Summary of performance under Govt. sponsored schemes (all banks in the state of Maharashtra) is as under.

**DEVELOPMENT SCHEMES**

(Financial in Crore / Physical in Numbers)

Sr No	Scheme	Target 2010-11		Achievement 2010-11		%	
		Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
1	SGSY						
	SHGs (Mar. 2011) Provisional	14878	350.96	15036	299.17	101.06	85.24
	Individuals (Mar. 2011) Provisional	25829	60.83	24501	70.36	94.86	115.67
2	SJSRY						
	DWCUA Groups (Mar. 2011)	6890	34.45	4124	32.17	59.85	93.38
	Individuals (Mar. 2011)	6890	48.92	6638	15.18	96.34	31.03
3	PMEGP						
	KVIC, Mumbai (Feb. 2011)	675	9.45	40	1.52	5.93	16.08
	KVIB, Mumbai (31.3.2011)	1084	15.17	1898	23.72	175.09	156.36
	DIC (Feb. 2011)	1370	19.18	2627	31.55	191.76	164.49
	KVIC, Nagpur (31.3.2011)	343	4.79	154	2.74	44.90	57.20
4	MPBCDC						
	Special Central Assistance (Mar. 2011)	15000	15.35	8337	*	55.58	NA
	Margin Money Scheme (Mar. 2011)	2500	4.01	1358	*	54.32	NA
5	Maharashtra State OBC Corporation Seed Money Scheme (Mar. 2011)	2850	7.13	525	1.62	18.42	22.72
6	Lokshahir Annabhau Sathe Development Corporation (Mar. 2011)						
	50% Subsidy Scheme	3000	15.00	5729	5.73	190.97	38.20
	20% Seed Money Scheme	500	10.00	619	2.43	123.80	24.30
7	Sant Rohidas Leather Industries Development Corporation						
	50% Subsidy (Mar. 11)	750	0.75	756	0.76	100.80	101.33
	Margin Money (Mar. 11)	100	0.10	148	0.15	148.00	150.00
8	Shabari Adivashi Vikas Mahamandal, Nashik (July 10)	5000	41.35	203	4.09	4.06	9.82

\* The review is taken on physical targets.



**Progress reports under various Govt. Sponsored Schemes.**

The latest position of receipt of data of various Govt. Sponsored Schemes is as under.

<b>Sr No</b>	<b>Name of the Agency</b>	<b>Report as of</b>	<b>Annexure No.</b>
1	Swarnajayanti Gram Swarojgar Yojana (SGSY)	Mar. 2011(Provisional)	<b>6A &amp; 6B</b>
2	Swarnajayanti Shahari Swarojgar Yojana (SJSRY)	Mar. 2011	<b>6C &amp; 6D</b>
3	PMEGP	Feb. 2011	<b>6E</b>
4	Khadi & Village Industries Board, Mumbai	31.3.2011	<b>6F &amp; 6G</b>
5	Khadi & Village Industries Commission, Nagpur	31.3.2011	<b>6H</b>
6	Mahatma Phule Backward Class Development Corporation (MPBCDC)	Mar. 2011	<b>6I, 6J &amp; 6K</b>
7	Maharashtra State OBC Corporation Seed Money Scheme	Mar. 2011	<b>6L, 6M &amp; 6N</b>
8	Lokshahir Annabhau Sathe Development Corporation Ltd. (LASDC)	Mar. 2011	<b>6O</b>
9	Sant Rohidas Leather Industries Development Corporation	Mar. 2011	<b>6P, 6Q &amp; 6R</b>
10	Shabari Adivasi Vitta Va Vikas Mahamandal Ltd., Nashik	July 2010	<b>6S</b>

With reference to letters received from various Govt. Agencies on the aforesaid schemes, the progress reports are enclosed herewith.

All member banks are requested to take note of the same.



**Study Report on Verification of Borrowers & End Use of Funds under Government Sponsored Schemes – NIRD Study Report**

RBI has forwarded a copy of the executive summary of the study report on verification of borrowers & end use of funds under Govt. Sponsored Schemes & the same was placed before the house in last SLBC meeting.

RBI has asked follow up action points taken by the Banks in respect of the Executive Summary. Copy of the letter is enclosed as **Annexure-7** .

Observations of RBI are as follows.

- The SLBCs generally look at the achievement of financial targets but not the qualitative aspects.
- The Govt. Schemes with high subsidy oriented programmes have performed worse than others. In such programmes, there were dual responsibilities, one relating to the Government & the other relating to the Banks. The key responsibility was of the Banks who provides 75 % of the funding

All Banks are requested to note the above observations & ensure qualitative aspects of the proposals sponsored by implementing agencies.



### **Implementation of Interest Subsidy Scheme for Urban Poor (ISHUP)**

Govt. of Maharashtra has issued operational guidelines for implementation of captioned scheme. The scheme details & revised targets received from Govt. of Maharashtra for the year 2010-11 were also communicated to all Lead District Managers.

State Govt. had designated Chief Officers of Municipal Council / Urban Bodies as sponsoring agency to collect applications form beneficiaries & submit to Commercial Banks for consideration. The Suitable Nodal Agency is to be identified and notified for effective implementation of the scheme in the State of Maharashtra.

Accordingly, SLBC vide their letter No.; AX/PSD/SLBC/ISHUP/2010-11/896, dated 7.1.2011 has requested Under Secretary, Housing Dept., Govt. of Maharashtra regarding calling a meeting of Lead Banks & issue notification regarding the Nodal Agency immediately. The main purpose of Nodal agency to oversee the implementation of scheme at state level & monitor the performance of sponsoring agencies in the state.

SLBC is yet to receive notification from Govt. of Maharashtra regarding change in appointment of Nodal Agency.

No applications are sponsored to Member Banks as there are teething problems in implementing the scheme & as such there is no progress in State of Maharashtra. Implementing agencies are requested to sponsor the applications to concerned Banks immediately.

As the scheme is not picking up in our State, the issue is open to house to have discussions on the same for smooth implementation of the scheme.

State Govt. to appraise the present status on above points.

### **Views of Steering Committee:**

The meeting observed that SLBC to following up with Housing Dept, Govt. of Maharashtra for change in appointment of Nodal Agency & so that the agency appointed for the purpose can monitor the implementation of scheme effectively in the state,.



**Implementation of Rajiv Gandhi Gramin Niwara Yojana (RGGNY) No. II & release of pending subsidy**

Deputy General Manager, Credit Priority, Bank of Maharashtra, vide letter dated 28.3.2011 has submitted the interest subsidy claim reminder to MHADA with a request to release the interest subsidy amount & inform the bank accordingly. Copy of the letter is enclosed as **Annexure-8** . Accordingly, SLBC has requested MHADA for release of pending claim under the scheme vide their letter No.; AX/PSD/SLBC/RGGNY/2010-11/1152, dated 29.3.2011 as **Annexure-9** .

Total claim of ₹ 3456231/- involving 1050 accounts is yet to be released by MHADA to Bank of Maharashtra.

Concerned agency i.e. MHADA is requested to release the funds immediately.



**Waiver Scheme for loans disbursed under various Backward Class Development Corporations of Govt. of Maharashtra**

Govt. of Maharashtra has granted waiver of over dues portion as of 31.3.2008 of ₹ 114.05 crore loans availed through 6 Development Corporations in the State. Infact the data of 8 Development Corporations were collected, including Development Corporation like Annasaheb Patil Financially Backward Development Corporation & Shabari Adivasi Finance & Development Corporation.

MPBCDC & MSOBC has given further modalities regarding reimbursement of claims from them. However, similar modalities are not received from remaining Development Corporations & hence the matter was referred to Govt. of Maharashtra vide our letter No.; AX1/PLN/SLBC/2010-11/, dated 13.8.2010.

Concerned departments are requested to appraise the forum the present position & release of funds under the waiver scheme as there is constant follow up from the Member Banks.



**Waiver scheme for loans disbursed under Annasaheb Patil Arthik Vikas Mahamandal Ltd. Mumbai**

Managing Director, Annasaheb Patil Arthik Vikas Mahamandal Ltd. Mumbai, vide their letter dated 21.4.2011 has submitted copy of Govt. GR dated 28.8.2009 whereby waiver of overdues portion as of 31.3.2007 of ` 10.42 crore loans availed through Annasaheb Patil Arthik Magas Vikas Mahamandal Ltd. Mumbai in the State. Copy of Govt. GR is enclosed as **Annexure-10** . Initially, the data of 8 Development Corporations (overdues as of 31.3.2008) was collected & submitted to Govt. of Maharashtra. The excluded Development Corporations were Annasaheb Patil Arthik Vikas Mahamandal Ltd. Mumbai & Shabari Adivasi Finance & Development Corporation.

On the lines of MPBCDC further modalities regarding reimbursement be finalized by Annasaheb Patil Arthik Vikas Mahamandal Ltd. Mumbai. Copy of the Bank-wise consolidation is enclosed as **Annexure-11** .

Concerned Mahamandal is requested to appraise the forum the present position & modus operandi for release of funds under the waiver scheme.





**Implementation of Govt. of Maharashtra Agri. Debt Waiver & Debt Relief Scheme, 2009  
– Settlement of claims**

Gist of the schemes and problems arised under the scheme is as under;

- Govt. of Maharashtra had issued the guidelines of the above scheme on 03/01/2009 and it was advised to submit the audited the claim under Debt Waiver by 28<sup>th</sup> February 2009.
- The guidelines were also not much clear as there were frequent changes by Co-op. dept.. However, despite yearly closing work and with great difficulty banks had hurriedly prepared the claims under Debt waiver and submitted to Govt.
- There were also instances of inter change of the claims from Debt waiver to debt relief.
- Govt. has reimbursed the entire claim of all most all the banks under debt waiver. However, as the scheme continued upto 30.06.10 with twice extension for payment by other farmers , there have been some modification in claim under Waiver scheme.
- Some of the claims reported under debt waiver inadvertently shifted to Debt Relief. Thus, the amount received under debt Waiver has been utilized under Relief.
- In case of Debt Relief, Govt. has not released the payment of relief amount and there was extension in the date of repayment of farmers share .
- There was a hue and cry among the farmers for fresh loans during kharif, 2009 who have paid their share excluding share of Govt. ie Rs 20000/- .
- Under such circumstances, banks were compelled to debit their Nominal accounts and credited Rs 20000/- to the account of farmers and extended them fresh finance. In fact Banks were out of funds for a longer period .Thus, banks are entitled for interest on the claim amount under relief form Co-Operative dept..
- There was no instruction from the Govt. specially instructing banks not to utilize the amount of waiver to Relief.
- Govt. has revised its claim form 1) Debt waiver 2) Debt relief 3) Consolidation . In the consolidation format banks have to report there net claim . As such , bankers were under the impression to get the net amount. Despite regular submission & follow up with Co-operative dept, they have reduced the claim amount of banks without assigning any reasons /seeking clarifications.

The claims under waiver were reduced not due to non eligibility of farmers but shifting of farmers from waiver to relief category. As there were no instructions from Co-op. dept. of Govt. of Maharashtra to return excess amount under waiver,



the accounts were already credited and there was a mere change in category of farmers from one category to other. The banks have shown the amount utilized under relief. Under such circumstances claiming of interest from banks is not justified.

The following banks have banks have reported levying of interest for utilizing the waiver amount to relief by Coop. Dept. Their correspondence in this regard received to SLBC is also enclosed as **Annexure- 12A, 12B, 12C & 12D**.

Sr.No.	Name of Bank	Amount of interest	Annexure
1	State Bank of India	` 2,68,46,420	12 A
2	Bank of Maharashtra	` 1,18,21,295	12B
3	Indian Bank	` 25,351	12C
4	Ratnakar Bank Ltd.	` 45,013	12D

#### Views of Steering Committee:

The Committee observed that there is no justification for levying interest on bank for interchange of waiver amount to relief, Since the benefit is passed to eligible farmers under Debt Waiver or Debt Relief scheme of Govt. of Maharashtra. The claims have been dully certified by bank's statutory auditors. Infact, the banks were out of funds for considerable period in relief amount from Govt, since they had not released the amount in advance. As such Govt should have paid interest on such amount to banks. Instead, Govt has levied interest on banks for interchange. The Steering Committee decided to place the matter before SLBC for discussions.& request the dept to settle all valid claims of bank forthwith.



### **Interest Subvention / Waiver Schemes of Govt. of Maharashtra**

Deputy General Manager, Rural Business, SBI vide their letter dated 19.4.2011 has pointed out some queries regarding calculation under Interest Subvention & various Waiver Schemes declared by Govt. of Maharashtra & copy of the letter is enclosed as **Annexure-13**.

Banks are implementing various Interest Subvention / Waiver Schemes of Central Govt. as well as Govt. of Maharashtra, such as Central Interest Subvention, Additional Interest Subvention (Incentive) Scheme for prompt repayment, Interest Subvention of Govt. of Maharashtra & Dr. Panjabrao Deshmukh Interest Subvention Scheme. The guidelines governing these guidelines, particularly those floated by Govt. OF Maharashtra are updated very frequently, making it difficult for the bank branches & offices to keep track. Maximum bank branches are now CBS & there is no ready made software / technical aid available for calculating Interest Subvention reports particularly under Dr. Panjabrao Deshmukh Schemes as there are different parameters as under.

1. 4% for first ` 50000/-
2. 2% for 50001/- to ` 300000/-
3. Regular Interest above ` 300000/-

Commissioner of Coop. & Registrar of Coop. Societies has issued instructions regarding audit of the claims under both the schemes through Assistant / Sub / Dy. Registrar for the year 2006-07, 2007-08, 2008-09, 2009-10 & 2010-11. The procedure prescribed for the purpose is time consuming & laborious.

In Andhra Pradesh the Interest Subvention schemes are being implemented differently. There Banks only issue certificates to the beneficiary farmers & the delivery of the assistance to the farmers is the responsibility of the Govt. Similar type of mechanism with suitable changes can be implemented in our State also.

SBI & Coop. Dept. is requested to comment further on the captioned subject, so as to settle the issues amicably as the Banks are implementing various Interest Subvention Schemes / packages for the farmers as per the directives of Govt.

All member banks are requested to discuss any similar issues & Coop. Dept. is requested to finalize the strategy for settlement of claims by Member Banks under various Schemes declared by Govt. of Maharashtra.

### **Views of the Steering Committee**

The Steering Committee observed that banks have submitted the audited claims duly certified by Central Statutory auditors for interest Subvention based on guidelines issued by RBI.. The procedure prescribed by Co-op. Dept. to audit earlier claims for 2006-07 to 2009-10 amounts to duplication and will not serve any purpose. Further the said guidelines are issued now & made applicable with retrospective effect.

The Steering Committee decided to place the matter before SLBC for discussions & decision.



**Review of implementation of stimulus package for MSME, Housing and Auto sector**

Cumulative information as of 31.03.2011 from 01/04/2010 under the stimulus package (received from 10 banks) is given in **Annexure-14**.

Observations on the data received from the banks as of 31.03.2011 is given below:

**a) MSME Sector:**

- For new units, banks have sanctioned working capital loans of Rs. 444.37 Crore to 1047 borrowers in the month of Mar. 2011. (Cumulative position - Rs.1911.82 Crore to 6171 borrowers).
- For existing units, banks have sanctioned incremental working capital loans of Rs. 298.77 Crore to 424 borrowers in the month of Mar. 2011. (Cumulative position - Rs.1233.94 Crore to 2136 borrowers).
- Banks have restructured 11 accounts during the month of Mar. 2011 (cumulative position – 149 accounts).

**b) Housing Sector:**

- Cumulative disbursement as of Mar. 2011 was of Rs. 7073.24 Crore since 01/04/2011
- Loans sanctioned during Mar. 2011

(Rs. in Crore)		
Quantum	No. of Borrowers	Loan amount Sanctioned
< Rs. 5.00 Lakh	1537	218.24
>Rs.5.00 Lakh & <Rs.20.00 Lakh	2179	770.01
>Rs.20.00 Lakh	841	389.74
Total	4557	1377.99

**c) Auto Sector:**

- Banks have sanctioned auto loans of Rs.93.95 Crore to 1505 new clients during Mar. 2011.
- Cumulative disbursement as of Mar. 2011 to Auto Sector was of Rs. 1551.44 Crore to 27858 borrowers.

**B) Credit Flow to Micro and small enterprises**

SLBC has been advised by RBI to monitor progress in credit flow to new MSME and performance in Micro and small enterprises vis-à-vis mandatory targets including sub targets as fixed by Govt. of India, data for quarter ended Mar. 2011 was called from Member banks vide our letter No. AX1/PSD/SLBC/2011/194 dated 18 /05/2011

However information is received from very few banks. Member banks are, therefore, requested to furnish the information urgently so as to undertake regular review in SLBC meeting.



**B) Rehabilitation of potentially viable sick MSE units**

SLBC has been advised to monitor the progress in rehabilitation of potentially viable sick MSE units. Data for quarter ended Mar. 2011 was called from member banks vide letter No. AX1/PSD/SLBC/2010-11/193 dated 18/05/2011. However information is received from very few banks. Member banks are, therefore requested to furnish the information urgently so as to undertake regular review in SLBC meeting.



**Agenda No.16**

**Effectively monitoring credit flow to various sectors of economy**

Govt. of India has advised for monitoring credit flow to various sector of economy at SLBC level

Bank wise information received from 25 banks related to loans to priority sector, weaker sector, minority community & SC/ST has been given in the **Annexure15A, 15B & 15C** . Consolidated position of the same is as below:

Sr. No.	Particulars	(Rs. in Crore)	
		Disbursement during Q4	Outstanding as on 31.03.2011
1	Priority Sector	48071.05	164445.80
2	Weaker sector (% to Priority)	2601.65 (5.41)	16898.49 (10.28)
3	Minority Communities (% to Priority)	2143.95 (4.46)	8566.45 (5.21)
4	SCs/ STs (% to Priority)	961.69 (2.00)	4108.19 (2.50)

**Information on Key Indicators:** Information as of Mar. 2011 received from 24 banks.

a) No. of branches & CD ratio (For Bank wise position (24 banks) refer **Annexure-15D**).

Sr. No.	Particular	Number
1	No. of branches - Rural	2279
	Semi-urban	1589
	Urban	1344
	Metro	2321
	Total	7533
2	Deposits in Crore	738527.56
	Advances in Crore	558223.82
	CD Ratio	75.59

b) Advances (For 25 bank wise position as of 31<sup>st</sup> March 2011, refer **Annexure15E, 15F & 15G**).

Sr. No.	Sector	(Rs. in crore)			
		A/Cs	% to Priority	Amount O/S	% to Priority
1	Priority Sector advances	3974996	-	164445	-
2	SME	573494	14.43	61339	37.30
3	Other priority sector	1253059	31.52	59941	36.45
4	Educational Loan	126443	3.18	3557	2.16
5	Direct Housing	722477	18.18	57706	35.09

c) No. of fresh farmers financed (For 23 bank wise position refer **Annexure-15H**)  
(Amount in Crore)

Through Rural branches		Through Semi-Urban branches	
No. of accounts	Amount	No. of accounts	Amount
75121	678.83	33161	450.65



d) Agril. Advances (For 25 bank wise position refer **Annexure-15I**)

(Amount in Crore)

Direct Agril advances		Indirect Agril advances	
Accounts	Amount	Accounts	Amount
2266132	29691.22	21546	8747.70

E) Kisan Credit Cards & General Credit cards (For 22 bank wise position refer **Annexure-15J &15K**)

(Amount in Crore)

Kisan Credit Cards				General Credit Cards			
During Quarter		Cumulative		During Quarter		Cumulative	
No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount	No. of A/Cs	Amount
20649	254.45	941595	9387.36	4872	32.75	17272	119.32

F) Financing to Self Help Groups (2010-11): Position for Quarter Mar. 2011 (For 23 bank wise position refer **Annexure -15L**)

During Quarter		Cumulative	
No. of A/Cs	Amt. In Crs	No. of A/Cs	Amt. In Crs
6606	187.97	44782	722.78

**G) DRI Advances:**

(For 13 bank wise position refer **Annexure -15M**)

Disbursement made during the period 01.04.2010 to 31.03.2011	Outstanding Position as on 31.03.2011 (Amt. In Crore )
2.21	12.77



## **Issues Suggested by Gol, State Govt, RBI, NABARD, Banks**

### **Opening of students' accounts for various schlorships**

A communication is received from Reserve Bank of India vide letter No. RPCD.CO.No.12118 / 02.05.05/2010-11 dated 19/04/2011 enclosing therewith letter No. PPK/2010/(163) / 10 /ASNK of Joint Secretary, School Education & Sports Dept. of Govt of Maharashtra dated 20/03/2011 on the captioned subject.

It has been brought to our notice by Joint Secretary, Govt. of Maharashtra that nationalized banks / branches are reluctant to open the accounts of students with zero balance, where prematric schlorship for minority community, schlorship to meritorious students in schools are to be given.

The issue of opening of "NO Frills" accounts for the students belonging to minority communities was already taken during 108<sup>th</sup> SLBC meeting held at Mumbai on 06/09/2010.

All member banks are again advised to ensure opening of "No Frills" accounts or other accounts for students from minority communities or other disadvantaged groups, when they approach the banks, for availing various schlorships or other benefits offered by the Govt. However, while opening such accounts, KYC norms as appropriate may be followed.

### **Kisan Credit Cards (KCC) to all eligible farmers – Promotion of Joint Liability Groups (JLGs) / Self help Groups (SHGs) – Action Plan**

A communication Letter No. NB.MRO/36 / DDPD– Plan-12/2011-12 dated 09/05/2011 is received from NABARD enclosing therewith the DO letter addressed by Secretary, Govt. of India, Ministry of Agriculture & Co-operation to the Chief Secretaries and administrators of all States. (copy of the letter is enclosed as **Annexure-16**)

Govt. of India has advised to launch a time-bound decentralized campaign to cover all eligible farmers under KCC scheme. The concerned departments of the Govt. of Maharashtra and banks operating in the State have been advised to formulate a detailed action plan for promotion of JLGs / SHGs – KCC linkage programme in consultation with SLBC and NABARD.

In view of the above, member banks are requested to deliberate on the issue. Representative from NABARD is requested to apprise the forum.





बैंक ऑफ महाराष्ट्र  
Bank of Maharashtra  
ONE FAMILY ONE BANK

SLBC MAHARASHTRA

*Agenda No.-18*

**Any other issue with the permission of the chair**



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