

State Level Bankers' Committee – Maharashtra State

**Special SLBC Meeting - Focus on Flow of credit
to Agriculture especially crop loans during
current Kharif season in Maharashtra State**

Background notes and agenda for Special SLBC



Date: 8.6.2011

**Venue : Sahyadri Guest House, B.G.Kher Road, Malbar Hill,
Mumbai- 400 006**

CONVENOR :



**बैंक ऑफ महाराष्ट्र
Bank of Maharashtra
ONE FAMILY ONE BANK**

**Special SLBC meeting on 8.6.2011 at Mumbai –
To discuss Flow of credit to Agriculture especially crop loans during current Kharif
season in Maharashtra State.**

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Background Note – Flow of credit to Agriculture especially crop loans during current Kharif season of Maharashtra State.

Item No 1.

Agricultural development in the State particularly with vegetable & crop production:

Introduction :

The major crops grown in the Maharashtra State are Jowar, Bajra, Paddy, Maize, Oilseeds (Groundnut, Safflower, Soyabean), Pulses (Tur, Gram), Sugarcane, Cotton, Fruit crops (Mango, Grapes, Orange) & Vegetables. The State has 18.9% of gross cropped area (GCA) under irrigation, as compared to 44.3% of all India GCA. Yet the State is among the large producers of foodgrains, apart from traditional strengths in Sugarcane, Cotton & Onion. Maharashtra has emerged as one of the leading horticulture States in the country, showing a path of diversification to other States.

Production credit requirement for the year 2011-12 has been estimated at ` 23180.66 crore as per PLP prepared by NABARD. For achieving the desired targets concerted efforts are required from all partners in development viz., State Govt., Banks & other agencies. Some of the important issues required to be addressed to ensure smooth flow of credit to Agriculture sector are as follows.

1. Cooperatives need to cover credit requirements of farmers for investment, allied activities & consumption purposes under a single line of credit i.e. KCC. This, coupled with complete coverage of all farmers & ensuring qualitative improvement in the implementation, would enlarge credit flow sizeably.
2. Scale of Finances may be realistic. It is observed that there are wide variations in scales of finances approved for crops like sugarcane, paddy, cotton etc., by the District Level Technical Committees (DLTCs) of adjacent districts falling under the same agro climatic zone. SLTC may deliberate on such issues & guide DLTCs suitably. Further, a mechanism is required to be developed by State Level Technical Committee (SLTC) to ensure that scales of finance fixed by DLTCs are realistic.
3. A strong integrated marketing system by farmers' cooperative needs to be established to avoid exploitation by the middlemen. The system should consist of scientific harvesting & collection of farmers' produce at all collection centres, scientific grading & standardization, improved & innovative packing, appropriate storage & transport, marketing, finance etc.
4. Good scope exists for marketing of agro-processed products because of growing urbanization, change in food habits & improvement in the standard of living & also for exports due to trade liberalization & new opportunities on account of comparative advantage of Indian agro-products including scope for organic farming. These need to be promoted on large scale.
5. To formulate detailed action plan for promotion of Joint Liability Groups / Self Help Groups (SHGs) – KCC Linkage Programme.
6. For propagating JLG / SHG- NABARD may conduct State Level / District Level workshops for Bankers / NGOs / Govt. Dept.s / Nodal Agencies etc. for creating awareness about the programmes.
7. Banks may also consider dissemination of information of KCCs through mass media such as pamphlets in local languages, big boards, hoardings etc. at suitable places in their allotted villages.

Acreage under cultivation

The details are as under.

Land Use pattern	Area in lakh Hectare	%
Net sown area	174.70	56.8
Area under forest	52.1	16.9
Fallow land	25.2	8.3
Land not available for cultivation including waste land	55.6	18
Total	307.6	100
Irrigated land	33.02	18.9
Non irrigated (Rainfed)	146.75	84

From the above data, it is observed that 84% of cultivable land is rainfed & mostly depends on the rains received through South- West monsoon (June - September). Thus timely availability of credit to farmers is one of major inputs for improving production in Agriculture.

Acreage under main crops

The details are as under.

Sr. No.	Unit	Year	State
Cereals	000 ha.	2007-08	9149
Pulses			4057
Total food grains			13206
Oil seeds			3863
Other Commercial crops			3956

Major Crop-wise details are as under.

Area under principal crops	in 000 ha.
Jowar	4071
Bajra	865
Cereals	8364
Sugarcane (Harvested)	1093
Cotton	3195

Item No.2.**PLP of NABARD & State annual credit Plan for 2011-12 - Assessment of crop loan**

NABARD has assessed PLP for Maharashtra State for the current year 2011-12 as under.
` in crore

Particulars	Agriculture	NFS	Other	Total Priority
NABARD PLP 2011-12	35666.75	6469.63	15011.47	57147.85
State ACP 2011-12	33699.72	6770.33	14148.22	54618.27
Gap bet..PLP & ACP	-2167.03	+300.50	-863.25	-2529.58

Out of Agriculture target , Crop loan assessment for the year 2011-12 as per PLP of NABARD and state ACP for 2011-12 are as follows.

` in crore

Particulars	Crop Loan
NABARD PLP 2011-12	23180.66
State ACP 2011-12	22499.33
Gap bet. PLP & ACP	-681.33

The target for crop loans finance for the state credit plan for 2011-12 is almost in line with potential linked plan of NABARD. The gap between NABARD PLP and State annual Credit plan for 2011-12 is Rs. 681.33 cr which is marginal.

Item No.3.**Performance of the Banks in crop loan lending for last 3 years**

The comparative position of agriculture & crop loan lending under state Annual Credit Plan for last 3 years is as under:

(Rs. in Crore)

Sector	2008-09			2009-10			2010-11*		
	Tar.	Ach.	%	Tar.	Ach.	%	Tar.	Ach.	%
Agriculture	16703	9625	58	19560	15214	78	26917	21183	79
Of which Crop Loans	11485	6445	56	12108	11590	96	18175	13151	73

* Provisional figures as of Mar. 2011

The Agency wise GLC flow in the Crop Loan during last 3 years in the State was as follows.

` crore

Agency	2008-09		2009-10		2010-11	
	Target	Ach.	Target	Ach.	Target	Pro. Ach.
Com.Bks	3706.99	2476.69	4509.36	3750.51	6346.79	4303.34
Co-op.bk	7227.93	3682.67	7017.28	7316.00	10881.35	8221.46
RRBs	550.27	286.12	581.41	524.09	946.94	626.08
Total	11485.19	6445.48	12108.05	11590.60	18175.08	13150.88

The bank -wise performance of crop loans in last 3 years -

Amt Rs in Lakhs

Sr. No.	Name of the Bank	2008-09			2009-10 (With Original Targets)			2010-11		
		Target	Ach.	%	Target	Ach.	%	Target	*Pro. Ach.	%
1	Allahabad Bank	2794	935	33.46	3791	1234	32.55	5673	804	14.17
2	Andhra Bank	461	216	46.85	870	310	35.63	1073	273	25.44
3	Bank of Maharashtra	71525	34441	48.15	85563	62199	72.69	119351	102700	86.05
4	Bank of Baroda	23640	18467	78.12	29511	21993	74.52	38148	33987	89.09
5	Bank of India	65445	43520	66.50	67995	63206	92.96	108479	58361	53.80
6	Central Bank of India	35919	14284	39.77	48853	21716	44.45	52932	34880	65.90
7	Canara Bank	8676	5925	68.29	7264	2233	30.74	9332	1726	18.50
8	Corporation Bank	483	304	62.94	527	459	87.10	667	143	21.44
9	Dena Bank	10451	10935	104.63	14409	18837	130.73	19718	12058	61.15
10	Indian Overseas Bank	499	1239	248.30	1499	1655	110.41	2965	2470	83.31
11	Indian Bank	1535	610	39.74	1595	1855	116.30	2771	1250	45.11
12	Oriental Bank of Commerce	1204	204	16.94	1025	161	15.71	1563	448	28.66
13	Punjab & Sind Bank	0	0	0.00	0	0	0.00	23	0	0.00
14	Punjab National Bank	2432	2314	95.15	2785	2245	80.61	4534	1051	23.18
15	State Bank of Hyderabad	15287	13598	88.95	26718	29424	110.13	36364	38439	105.71
16	State Bank of India	86160	59645	69.23	104092	81238	78.04	141498	88832	62.78
17	State Bank of Mysore	0	6	0.00	0	0	0.00	6	0	0.00
18	Syndicate Bank	1987	1378	69.35	2261	3498	154.71	4505	2245	49.83
19	United Bank Of India	10	0	0.00	11	1632	14836.36	2141	0	0.00
20	UCO Bank	2585	10700	413.93	2148	3755	174.81	5653	7442	131.65
21	Union Bank of India	15355	7998	52.09	17510	15703	89.68	23386	8873	37.94
22	Vijaya Bank	493	677	137.32	519	380	73.22	568	361	63.56
	Total Nationalised Bank	346941	227396	65.54	418946	333733	79.66	581350	396343	68.18
23	Bank of Rajeshtan	45	0	0.00	52	0	0.00	107	0	0.00
24	Fedral Bank	1726	1121	64.95	2129	109	5.12	3439	202	5.87
25	HDFC Bank	709	411	57.97	1293	394	30.47	2088	1327	63.55
26	ICICI Bank	3647	3884	106.50	6259	22585	360.84	8586	4776	55.63
27	IDBI Bank	10921	9949	91.10	15196	10540	69.36	26740	23242	86.92
28	Karnataka Bank	67	9	13.43	107	21	19.63	266	307	115.41
29	Ratnakar Bank	1141	1102	96.58	1511	2278	150.76	1872	1135	60.63
30	Axis Bank	5456	3044	55.79	5167	2193	42.44	8099	2647	32.68
31	Vysya Bank	14	0	0.00	120	0	0.00	7	0	0.00
32	Other	32	753	2353.13	156	3198	2050.00	2129	355	16.67
	Total Private Sector Bank	23758	20273	85.33	31990	41318	129.16	53333	33991	63.73
	Total Commercial Bank	370699	247669	66.81	450936	375051	83.17	634683	430334	67.80
33	Gramin Bank	55027	28612	52.00	58141	52409	90.14	94694	62608	66.12
	Total Gramin Bank	55027	28612	52.00	58141	52409	90.14	94694	62608	66.12
34	DCCB	722793	368267	50.95	700549	731600	104.43	1087781	822146	75.58
35	MSCARD	0	0	0.00	1179	0	0.00	355	0	0.00
	Total Cooperative Bank	722793	368267	50.95	701728	731600	104.26	1088136	822146	75.56
	Total	1E+06	644548	56.12	1210805	1159060	95.73	1817513	1315088	72.36

*Mar 2011 based on LBR submission by Banks

Item No.4

AAP for crop loan for the year 2011-12 :

AAP for crop loan for the year 2011-12 is further segregated into Kharif & Rabi 2011 & the Bank-wise figures are as under.:

Sr.No	Name of Bank	Target 2010-11	Target 2011-12	(Rs. In lakh)	
				Of which	
				Kharif season	Rabi season
1	Allahabad Bank	5673	7023	4916	2107
2	Andhra Bank	1073	1328	930	398
3	Bank of Maharashtra	119351	175245	130921	44323
4	Bank of Baroda	38148	47223	33056	14167
5	Bank of India	108479	154256	113970	40286
6	Central Bank of India	52932	84555	64897	19657
7	Canara Bank	9332	11552	8086	3466
8	Corporation Bank	667	826	578	248
9	Dena Bank	19718	24409	17086	7323
10	Indian Overseas Bank	2965	3670	2569	1101
11	Indian Bank	2771	3430	2401	1029
12	Oriental Bank of Commerce	1563	1935	1354	580
13	Punjab & Sindha Bank	23	28	20	9
14	Punjab National Bank	4534	5613	3929	1684
15	State Bank of Hyderabad	36364	54496	40991	13504
16	State Bank of India	141498	202160	149612	52548
18	State Bank of Mysore	6	7	5	2
19	State Bank of Patiala	0	0	0	0
20	Syndicate Bank	4505	5577	3904	1673
21	UBOI	2141	2650	1855	795
22	UCO Bank	5653	6998	4898	2099
23	Union Bank of India	23386	28950	20265	8685
24	Vijaya Bank	568	703	492	211
	Total Nationalised Bank	581350	822635	606737	215896
25	Bank of Rajasthan	107	132	93	40
26	Federal Bank	3439	4257	2980	1277
27	HDFC Bank	2088	2585	1809	775
28	ICICI + Sangli Bank	8586	10629	7440	3189
29	IDBI + UWB	26740	33101	23171	9930
30	Karnataka Bank	266	329	230	99
31	Ratnakar Bank	1872	2317	1622	695
32	Axis Bank	8099	10026	7018	3008
33	ING Vysya Bank	7	9	6	3
34	South Indian Bank	0	0	0	0
35	Others	2129	2668	1868	801
	Total Private Sector Bank	53333	66053	46238	19816
	Total Commercial Bank	634683	888688	652975	235712
36	Gramin Bank	94694	117118	82055	35063
	Total Gramin Bank	94694	117118	82055	35063
37	DCCB	1087781	1243688	942595	301093
38	MSCARDB (SLDB)	355	439	308	132
	Total Cooperative Bank	1088136	1244127	942903	301224
	Total	1817513	2249933	1677933	571999

Item No. 5

The district wise performance of annual crop loan disbursements for last 3 years is given below:
Amt Rs in Lakhs

Sr. No.	Name of the district	2008-09			2009-10			2010-11		
		Target	Ach.	%	Target	Ach.	%	Target	*Ach. Dec. 10	%
1	AHMEDNAGAR	72566	53961	74.36	80073	57246	71.49	91900	52920	57.58
2	AKOLA	24080	6559	27.24	24279	19696	81.12	32930	23849	72.42
3	AMRAVATI	32899	14755	44.85	43370	35840	82.64	61559	32384	52.61
4	AURANGABAD	36554	8896	24.34	42800	55468	129.60	56092	32639	58.19
5	BEED	35514	24554	69.14	41122	46705	113.58	49000	50550	103.16
6	BHANDARA	12050	1859	15.43	16148	3208	19.87	29765	10804	36.30
7	BULDHANA	33329	7720	23.16	35793	22651	63.28	40337	24936	61.82
8	CHANDRAPUR	23941	11893	49.68	25828	20976	81.21	32999	22308	67.60
9	DHULE	15600	7298	46.78	17590	12339	70.15	24500	15441	63.02
10	GADCHIROLI	3881	2191	56.45	4481	5984	133.54	7000	3480	49.71
11	GONDIA	9850	13573	137.80	4650	7161	154.00	14340	9113	63.55
12	HINGOLI	10595	4207	39.71	12733	17441	136.97	17501	14168	80.96
13	JALGAON	50000	21892	43.78	55001	54865	99.75	74363	66901	89.97
14	JALNA	21648	9408	43.46	34345	26564	77.34	41980	35801	85.28
15	KOLHAPUR	88403	112823	127.62	103815	113692	109.51	151012	66526	44.05
16	LATUR	30075	15431	51.31	37607	39338	104.60	57750	21645	37.48
17	NAGPUR	30367	20710	68.20	33300	26033	78.18	50649	33563	66.27
18	NANDED	39414	23849	60.51	48039	27734	57.73	67375	22176	32.91
19	NANDURBAR	11181	7307	65.35	13108	12586	96.02	21930	16920	77.15
20	NASHIK	131303	50607	38.54	43093	139752	324.30	201943	105436	52.21
21	OSMANABAD	32500	15008	46.18	33520	26561	79.24	50760	22480	44.29
22	PARBHANI	21020	7712	36.69	20148	38532	191.24	34083	37788	110.87
23	PUNE	85306	35054	41.09	95880	99430	103.70	122867	97839	79.63
24	RAIGAD	3597	1885	52.40	3950	1392	35.24	5250	1544	29.41
25	RATNAGIRI	12900	4766	36.95	11337	4253	37.51	14144	7023	49.65
26	SANGLI	46037	31891	69.27	54165	57686	106.50	62071	52927	85.27
27	SATARA	45213	42967	95.03	52640	54280	103.12	73618	53734	72.99
28	SINDHUDURG	5742	4170	72.62	6783	6111	90.09	9101	5065	55.65
29	SOLAPUR	77647	28312	36.46	100471	34027	33.87	149664	32329	21.60
30	THANE	6738	11378	168.86	4107	15885	386.78	25705	7572	29.46
31	WARDHA	24446	9480	38.78	25261	14427	57.11	34194	7013	20.51
32	WASHIM	27525	15194	55.20	29260	16174	55.28	35875	27759	77.38
33	YEOTMAL	46598	17238	36.99	56108	45023	80.24	75256	31353	41.66
	Total	1148519	644548	56.12	1210805	1159060	95.73	1817513	1045986	57.55

Item No. 6

District wise plan for agriculture & crop loan for current year 2011-12 is as under :

Amt. in lakh

S.No.	District	Total Agriculture				Of Which crop loan			
		SCBs	Coop	RRBs	Total	SCBs	Coop	RRBs	Total
1	Ahmednagar	97963	127654	88	225705	37038	91006	32	128076
2	Akola	32174	21935	9010	63119	14795	19595	6360	40750
3	Amravati	69973	30592	98	100663	47641	30485	72	78198
4	Aurangabad	54117	29000	15343	98461	22503	27500	9400	59403
5	Beed	34900	42000	8600	85500	23000	40000	7000	70000
6	Bhandara	16408	11760	5900	34068	10602	11025	4637	26264
7	Buldana	45428	21907	6281	73616	31034	19387	4628	55049
8	Chandrapur	20634	25646	5629	51909	12667	19672	3895	36234
9	Dhule	29633	22757	104	52495	10076	18674	75	28826
10	Gadchiroli	8552	5512	2831	16896	3496	3500	2069	9065
11	Gondia	6106	10848	3887	20841	2935	8276	3128	14340
12	Hingoli	11875	9750	5100	26725	6470	9650	3950	20070
13	Jalgaon	56901	73105		130006	23504	69000		92504
14	Jalna	48311	15578	14141	78030	33102	15578	11350	60030
15	Kolhapur	115335	137143	446	252924	63433	111201	297	174931
16	Latur	37853	54271	8867	100991	18973	48904	4789	72666
17	Nagpur	39957	37934	375	78266	22748	33962	300	57010
18	Nanded	62124	52619	17352	132095	42764	52619	14924	110307
19	Nandurbar	21292	14750	14	36056	23266	14631	7	37904
20	Nasik	108961	201796	14	310771	53592	152223	8	205823
21	Osmanabad	23340	49599	16533	89473	14843	31541	10513	56898
22	Parbhani	25915	18915	9600	54430	16683	18500	8250	43433
23	Pune	175025	143927	104	319056	69278	107745	14	177037
24	Raigad	14056	3300	200	17556	3700	2200	100	6000
25	Ratnagiri	26596	7392	2691	36679	22280	5733	2354	30367
26	Sangli	88536	69400	10	157946	55165	43243	9	98417
27	Satara	81521	78438	48	160007	34007	58063	7	92077
28	Sindhudurg	20325	6609	1680	28614	5528	5338	1062	11928
29	Solapur	123841	133516	4900	262257	68775	94915	3115	166805
30	Thane	35623	8769	346	44738	1974	5265	89	7328
31	Wardha	44523	13174	1590	59288	30812	11755	1288	43856
32	Washim	21298	26339	8550	56187	13065	24238	6631	43934
33	Yavatmal	58790	47595	8215	114600	48936	38700	6764	94400
Total		1657890	1553533	158549	3369972	888688	1244127	117118	2249932.9
%		49.20	46.10	4.70		39.50	55.30	5.20	

Item No 7.

Problems being faced at field level are enumerated as under

1. Non availability of various documents required to be submitted by farmers for crop loan proposals, like; 7/12 extract, mutation entries, , noting of bank's charge on revenue records etc.
2. Commercial banks are finding it difficulty in getting "No due certificates" from Co-operatives Societies.
3. Non availability of quality seeds, fertilizers, insecticides & pesticides during peak season.
4. Non availability of proof of farmers cultivating as tenant farmers / Share croppers / Oral lessees etc.
5. Erratic nature of monsoon & for the same the existing crop insurance may be suitably amended with low premium to farmers.
6. Govt. should provide necessary suitable marketing arrangements of crop produce to get suitable prices to farmers to avoid distress sale of produce.
7. Rural branches are finding it difficult to cope up work pressure during Kharif season for crop lending.

The problems mentioned are only indicative, members banks can put forth their actual problem if any observed during the deliberations.

Item No 8.

Steps taken to augment the flow.

Flow of credit to various sectors including Govt sponsored schemes are being monitored at Block level consultative committee(BLCC)/ District level consultative committees(DLCC) and at state level Consultative committee(SLBC).

SLBC has been reviewing the performance of ACP and a sub-committee on agriculture (Headed by Commissioner Agriculture is further reviewing the performance of various districts / banks & suggest suitable strategies to SLBC. for increasing ground level credit to agriculture especially crop loans / KCCs. In last SLBC, it was advised to Lead District Managers to form a Sub Committees at DLCCs to review the performance of each bank & draw crop specific strategies for increasing agriculture credit in the district. As per reports received at SLBC, in 8 districts i.e., Aurangabad, Nashik, Beed, Gadchiroli, Akola, Bhandara, Dhule & Nandurbar such committee are formed and in the remaining districts the report is awaited.

Item No 9

Initiatives to be taken by Banks

The following strategies adopted to be by banks to augment crop lending during FY 2011-12, particularly with reference to current Kharif season & finalized

1. Banks have to allocate branch-wise physical & Financial targets for KCC disbursement (Fresh / Renewal) separately & to be monitored on monthly basis.
2. Staff support be extended to rural branches during crop loan season so that famers are not denied timely credit.
3. Higher scale of finance may be adopted in consultation with DLTF at district level.
4. Govt. functionaries like Talathi, Gramsevak be advised to involve actively to help the Bank branches for infrastructure support like immediate availability of 7/12 extracts, to note Banks charge on 7/12 extract, filling up of Agri. Loan application forms,

- making available the No Dues certificates from societies wherever applicable, etc. during Kharif season 2011 for timely disposal of loan applications at branch level.
5. Govt. may ensure timely & adequate supply of agricultural inputs such as seeds, fertilizers, insecticides, pesticides etc.
 6. Credit Awareness Camps be organized at villages & administrative officers such as Regional Managers along with District Authorities from various line departments to attend the same & percolate down to line need for increasing flow of credit to agriculture.
 7. Banks may also consider dissemination of information of KCCs through mass media such as pamphlets in local languages, big borads, hoardings etc. at suitable places in their allotted villages.

Item No 10.

Initiatives to be taken by Govt.

1. In view of the fact that, large no. of farmers approaching the banks during Kharif season for availment of crop loans / KCCs, the Agri. Dept. or any other Dept may proactively collect & submit the Agricultural loan applications of eligible farmers to BLBC Convenor bank branch who in turn will undertake primary scrutiny of documents & forward it to respective branches for its quick disposal.
2. SLBC has been following with Govt authorities for waiver certain categories of farmers and required information has already been submitted for consideration as per decision of SLBC. The categories of farmers/ other weaker sections be exempted from paying stamp duty . This will reduce cost for farmers/ weaker sector for availing bank finance.
 - (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 HypothecationGovt. of Maharashtra is requested to look into the matter & resolve pending issue with SLBC.
2. Block Level recovery Review Committees headed by Tasildars be activated in each block & regular meetings be held to improve the recovery of bank branches under agriculture as there will be cycling of Bank funds. Govt. of Maharashtra is requested to reiterate the guidelines once again, as in most of the blocks the BLRCs are inactive.
3. Govt. to issue necessary instructions to Federations & Sugar factories for deduction of bank dues & remittances of the same, as the banks are ready to provide 0.5% charges towards commission & will improve the recovery percentage of Bank branches.

Monitoring Mechanism

Weekly monitoring at DLCC level

LDM should form a sub committee to review the position of Agri. Disbursements on weekly basis. District Coordinators of major Banks be the members of the sub committee. Weekly monitoring meetings be called at LDM office & reporting should be done to SLBC.

Monthly monitoring at SLBC

SLBC in turn compile & monthly monitoring meetings be called & compiled position is to be submitted to Chief Secretary & Commissioner Agriculture.

Mid term review

Mid term meetings be held by SLBC by 15 July, 2011.

Item No 11.

Bank-wise position of KCC issued during 2010-11 is as under.

(Rs. in Crore)

Kisan Credit Cards					
Sr.No.	Name of Bank	During Quarter		Cumulative	
		No. of A/cs	Amount	No. of A/cs	Amount
1	Bank of India	0	0.00	84640	2318.00
2	Bank of Baroda	0	0.00	62005	697.8
3	Corporation Bank	0	0	519	12.72
4	Indian Bank	1764	20.33	4201	34.64
5	Oriental Bank of Commerce	0	0	1645	33.61
6	PNB	0	0	14904	120.44
7	UCO	0	0	14629	239.30
8	Syndicate Bank	0	0.00	9128	55.00
9	Bank of Maharashtra	4556	75.94	246564	1166.06
10	Union Bank of India	0	0.00	31044	423.94
11	Andhra Bank	0	0.00	706	6.89
12	Dena Bank	9215	9.52	31803	277.43
13	Canara Bank	0	0.00	2138	9.62
14	State Bank of India	4527	78.82	207208	1422.39
*15	ICICI Bank Ltd	0	0.00	20	0.21
16	Maharashtra Gramin Bank	0	0	246134	512.03
*17	Karnataka Bank Ltd.	0	0.00	119	9.31
18	Ratnakar Bank Ltd.			2324	17.30
19	State Bank of Hyderabad	0	0.00	190606	717.13
20	Central Bank of India			131133	943.61
**21	IDBI Bank	8	0.35	21	0.45
22	Allahabad Bank	0	0.00	16758	81.17
*23	Indian Overseas bank	0	0.00	2887	55.54
24	HDFC Bank	5072	139.74	12834	432.33
25	Vidharbha Kshetriya Gramin Bank			44592	179.30
26	Wainganga Krishna Gramin	0	0.00	13320	110.58
*27	Axis Bank	63	5.69	1616	525.53
	Total:-	25205	330.39	1373498	10402.33

*Dec 2010 **Dec. 2009

Item No. 12.

Minority Community Lending – 15 Point programme of Prime Minister

RBI vide their Circular No.; RPCD.SP.BC.No.4/09.10.01/2010-11, dated 1.7.2010 has issued detailed guidelines on the scheme. Gist of the circular is as under.

The Govt. of India has indicated that care should be taken to see that minority communities secure, in a fair & adequate measure the benefits flowing from various Govt. sponsored special programmes. All commercial banks, both in public & private sector have been advised to ensure smooth flow of bank credit to minority communities. In terms of Govt guidelines, 15% of total priority lending should be achieved under lending to Minority communities.

The following communities have been notified as minority communities by the Govt. of India, Ministry of Welfare:

- (a) Sikhs
- (b) Muslims
- (c) Christians
- (d) Zoroastrians
- (e) Buddhists

A Special Cell should be set up in each bank to ensure smooth flow of credit to minority communities & it should be headed by an officer holding the rank of DGM / AGM or any other similar rank who should function as a 'Nodal Officer'.

The Lead Bank in each of the minority concentration districts should have an officer who shall **exclusively** look after the problems regarding the credit flow to minority communities. It shall be his responsibility to publicise among the minority communities various programmes of bank credit & also to prepare suitable schemes for their benefit in collaboration with branch managers.

Govt. of India has identified 9 districts namely, Akola, Aurangabad, Amravati, Buldana, Parbhani, Washim, Hingoli, Mumbai & Mumbai Suburb of minority concentration districts having at least 25% minority population in Maharashtra. Accordingly, all scheduled commercial banks have been advised by RBI to specially monitor the credit flow to minorities in these districts ensuring that the **minority communities receive a fair & equitable portion of the credit within the overall target of the priority sector.**

The Convenor banks of the District Consultative Committees (DCCs) & the State Level Bankers Committees (SLBCs) should ensure that steps taken to facilitate the flow of credit to the minority communities & the progress made in this regard are reviewed regularly at their meetings.

The Convenor banks of DLRC / SLRM / SLBCs may invite Chairman / Managing Directors of State Minority Commissions/Boards or the State Minorities Financial Corporations or their representatives to attend the meetings of District Level Review Committee (DLRC), State Level Review Meeting (SLRM) and State Level Bankers Committee (SLBC).

The Lead Banks in the identified districts may collaborate with DDMs of NABARD / NGOs / Voluntary Organizations in reaching the poor through SHGs. Lead Banks of the Minority Concentration Districts will have to exercise the pro-active role expected of them to ensure that the minority communities, particularly those who are poor & illiterate have access to bank credit for taking up productive activities.

The progress made in regard to the flow of credit to the minority communities should be reviewed regularly at the meetings of the District Consultative Committees (DCCs) & the State Level Bankers Committees (SLBCs).

The Lead Banks in the identified districts should furnish the relevant extracts of the agenda notes & the minutes of the meetings of the DCCs to the SLBC on a quarterly basis for their use.

The Lead Banks in the identified districts may sensitize & motivate the staff posted to identified districts through proper training to assist the minority communities under various credit schemes. The Lead Banks may organize sensitization workshops for bank officials regarding micro credit / lending to SHGs with the help of DDMs of NABARD.

There should be good publicity about various anti-poverty programmes of the Govt. The Lead Banks in the identified districts may create awareness among minority communities regarding credit facilities available from banks through appropriate measures which may include publicity through (i) print media i.e. distribution of pamphlets in local languages, advertisements / articles in newspapers etc. (ii) TV channels – DD / local channels, (iii) participation / setting up of stalls in the Melas / fairs organized during the religious / festive occasions by these communities.

Govt. of India has revised the “Prime Minister’s New 15-Point Programme for the Welfare of Minorities”. An important objective of the Programme is to ensure that an appropriate percentage of the priority sector lending is targeted for the minority communities & that the benefits of various government sponsored schemes reach the under-privileged, which includes the disadvantaged sections of the minority communities. All scheduled commercial banks have been advised by RBI to ensure that within the overall target for priority sector lending & the sub-target of 10 percent for the weaker sections, sufficient care is taken to ensure that minority communities also receive an equitable portion of the credit. Lead Banks have been advised to keep this requirement in view while preparing district credit plans.

We vide our letter dated 5.5.2011, communicated the gist of RBI guidelines to all Member Banks & LDMs along-with quarterly & half yearly reporting formats which are to be submitted to SLBC. We requested Member Banks & LDMs to take the review in BLBC & DLCC meetings & formulate suitable strategies for augmentation of credit to minority communities in the state. The Bank-wise position under Advances to Minority Communities is given below.

Name of the Bank	Total Priority Advances		Advances to Minority Communities		Rs. In lakh % to Total Priority advances	
	Disb. made during the period 1.4.2010 to 31.3.2011	O/S position as on 31.3.2011	Disb. made during the period 1.4.2010 to 31.3.2011	O/S position as on 31.3.2011	Disb. made during the period 1.4.2010 to 31.3.2011	O/S position as on 31.3.2011
Bank of Baroda	230624.12	759099.00	2686.00	61183.00	1.16	8.06
Bank of India	167728.00	1154920.00	6263.00	28685.00	3.73	2.48
Corporation Bank	8697.37	121962.37	79.00	6051.00	0.91	4.96
Indian Bank	153672.63	188556.00	1326.54	5483.00	0.86	2.91

Oriental Bank of Commerce	5144.00	92342.00	496.00	4683.00	9.64	5.07
PNB	656469.93	481145.27	3667.01	17627.00	0.56	3.66
State Bank of Hyderabad	164363.00	991645.00	13392.00	59030.00	8.15	5.95
Syndicate Bank	28569.00	369517.00	2337.00	31339.00	8.18	8.48
UCO	43073.75	332466.25	212.15	2415.63	0.49	0.73
Bank of Maharashtra	11852.78	1184127.13	2816.29	64167.60	23.76	5.42
Andhra Bank	13749.00	146000.00	256.00	9152.00	1.86	6.27
Canara Bank	79895.15	689687.00	4350.36	10930.57	5.45	1.58
Dena Bank	94482.00	332817.00	3374.00	14861.00	3.57	4.47
Union Bank of India	88434.54	899917.57	2411.96	26761.32	2.73	2.97
State Bank of India	1245763.00	2586657.00	140134.00	298241.00	11.25	11.53
Central Bank of India	93902.36	567192.00	1882.65	14136.28	2.00	2.49
Allahabad Bank	412752.00	260150.00	7073.00	5693.00	1.71	2.19
United Bank of India	114670.38	303639.00	101.94	1110.45	0.09	0.37
PSB	8039.00	64622.00	566.00	2607.00	7.04	4.03
Indian Overseas Bank	20478.00	61504.00	377.00	2123.00	1.84	3.45
SUB TOTAL (Pub. Sec. Banks)	3642360.01	11587965.59	193801.90	666279.85	5.32	5.75
ICICI Bank	641570.00	1968800.00	9337.00	153400.00	1.46	7.79
Karnataka bank Ltd.	11199.45	67769.00	10.00	3824.12	0.09	5.64
Ratnakar Bank Ltd.	4889.01	51802.81	0.00	46.00	0.00	0.09
Axis Bank	14638.00	832238.00	54.00	4035.90	0.37	0.48
HDFC Bank Ltd.	375735.38	391604.13	2627.41	3046.00	0.70	0.78
IDBI Bank Ltd	0.00	1335212.56	2198.52	13972.65	#DIV/0!	1.05
SUB TOTAL (Prt. Sec. Banks)	1048031.84	4647426.50	14226.93	178324.67	1.36	3.84
Maharashtra Gramin Bank	66001.79	124272.42	4150.48	8750.52	6.29	7.04
Vidharbha Kshetriya Gramin Bank	21286.63	24671.97	1569.58	1726.56	7.37	7.00
Wainganga Krishna Gramin Bk	28454.84	58251.32	641.07	1429.83		2.45
SUB TOTAL (Gramin Bank)	115743.26	207195.71	6361.13	11906.91	5.50	5.75
Subhadra Local Area Bank Ltd	969.75	1992.10	5.35	133.89	0.55	6.72
GRAND TOTAL:- (A+B+C+D)	4807104.86	16444579.90	214395.31	856645.32	4.46	5.21
*Dec 2010						

Problems faced :

- 1) Banks are not getting enough loan applications from Minority communities.
- 2) Lack of awareness of bank schemes.

Steps taken to improve:

- a. SLBC has reiterated the gist of guidelines issued by RBI to all member banks and Lead district Managers in the state.
- b. SLBC has advised Lead district Managers to take review in BLBC/DLCC and report be submitted along with data in prescribed format.
- c. Govt agency or Minority Development Corporation to sponsor the loan applications of minority communities to banks

- d. Banks may also consider dissemination of information of banks schemes through mass media such as pamphlets in local languages, big boards, hoardings etc. at suitable places in their allotted villages.

Item No 13.

Issues of Member Banks

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

Gist of the schemes & problems aroused under the scheme are as under;

- Govt. of Maharashtra had issued the guidelines of the above scheme on 03/01/2009 & it was advised to submit the audited claim under Debt Waiver by 28.2.2009.
- 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 & submitted to Govt.
- There were also instances of inter change of the claims from waiver to relief.
- Govt. has reimbursed the entire claim of all most all the banks under debt waiver. However, as the scheme continued up to 30.06.10 with twice extension for payment by other farmers, bankers have noticed some mistakes and corrected their claim under Waiver scheme.
- Some of the claims reported under debt waiver by mistake shifted to Debt Relief. Thus, the amount received under debt Waiver has been utilized under Relief.
- In case of Debt Relief, Govt. has not made provision for payment of relief amount & 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. Banks were out of funds for a longer period
- Thus, banks are entitled for interest on the claim amount under relief.
- 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 their net claim. As such, bankers were under the impression to get the net amount. Despite regular submission there was no remark from Govt. as to how banks have received more amount under debt relief where as reimbursement was less.

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 reported levying of penal interest for utilizing the waiver amount to relief by Coop. Dept.

Sr.No.	Name of Bank	Amount of penal interest
1	State Bank of India	` 26846420/-
2	Bank of Maharashtra	` 11821295/-
3	Indian Bank	` 25351/-
4	Ratnakar Bank Ltd.	` 45013/-

The Committee observed that there is no justification for levying penal interest on bank for inter change 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 Steering Committee decided to place the matter before SLBC for discussions.

B. Interest Subvention / Waiver Schemes of Govt. of Maharashtra

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. 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.

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 & simplified procedure or fall in line with central interest subvention scheme..

Any other issue with the permission of the chair