

108th SLBC meeting on 06/09/2010 at Mumbai

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Agenda No. 1

Taking on record the minutes of 107th Meeting of SLBC held on May 04, 2010.

The minutes of the 107th SLBC meeting held on May 04, 2010 at Mumbai have been circulated to all members vide our letter No. AX1/PLN/SLBC/2010/135 dated May 24, 2010. 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 107th 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 May 04, 2010 were informed to all members requesting them to take necessary action, The present status on the action points as informed to SLBC is given below.

Sr. No.	Action Point	Relates to	Present Status
1	To ensure quicker & timely disposal of cases under Govt. sponsored schemes.	All Banks	All member banks have been advised to follow RBI stipulations in this regard by issuing guidelines to their branches.
2	To take necessary steps for strengthening the Lead Bank offices as suggested by High Level Committee	Lead Banks in the state.	<p>a) All Lead Banks have been advised to report progress in respect of the steps taken in this regard.</p> <p>b) A separate note is placed in this regard.</p>
3	Respective Lead Banks having CD ratio less than 40% of their districts, to submit minutes of various meetings of Sub-committees to SLBC, detailed analysis giving the reasons of low CD ratio along with the strategies proposed to be adopted for enhancing CD ratio, response from the banks etc.	All Banks	<p>LDMs of Thane, Ratnagiri, Chandrapur, Gadchiroli & Bhandara have been requested to hold meetings of the Sub-committee of DLCC & initiate necessary steps in this regard.</p> <p>Thane LDM has reported holding of such meetings & slight improvement in CD ratio is observed.</p>
4	To ensure timely and accurate submission of various data required to SLBC as per prescribed formats made available on Bank's website as well as other information requested by SLBC from time to time as per request by RBI, GoM, Gol, etc.	All Banks	<p>There is need to improve the timely & accurate submission of information to SLBC by all member banks to enable SLBC to appraise forum as well as other stake holders.</p> <p>All LDMs & GMs of member banks are also requested to initiate steps to use bank's website for data submission in prescribed format for which manual has been provided. The link of the said web site is as under (http://172.30.1.27/slbc/login.asp</p>
5	For review of weaker sector, Minority Communities and SC/ST data of 25 banks was available & hence all	All Banks	Matter is followed up with the banks by SLBC vide letters dt. 20/07/2010 & 06/08/2010. Information is received from 20 banks. Follow up is being made with other banks

	banks are requested to provide the data immediately		
6	To decide on the matter of Waiver of stamp duty for loans up to Rs.50,000/- to all SHGs & for all types of credit facilities under Priority Sector has already been referred by SLBC	GOM	SLBC has referred the issue to Govt. of Maharashtra & decision is awaited. SLBC has also requested the Principal secretary, Planning & Institutional Finance (Lead Banks)to take up the matter with concerned Govt. Dept. vide letter dt. 27/08/2010
7	SLBC to issue suitable instructions to LDMs / member banks along with ID / Password in respect of submission of on line data.	SLBC	Suitable instructions are issued by SLBC to LDMs / member banks vide letter No. Ax1/PLN/SLBC/2010-11 dated 23/07/2010
8	Member banks to submit information on Financial Inclusion Plan of their banks in Maharashtra state urgently to SLBC as they have to furnish consolidated position to Govt. of India / RBI & formulate state specific plan for the state.	Member Banks / SLBC	Information is received from 17 banks. a) A separate Agenda note is placed under Item No. 4 b) Member banks are requested to expedite submission of the same to SLBC in consolidated form
9	Targets are to be realigned for agriculture term loan and crop loans and also agency wise for year 2010-11 as set by Govt. of India.	NABARD	NABARD has informed vide their letter dt. 18/06/2010 and advised that the ACP target for 2010-11 for agriculture to be aligned with the PLP projections for 2010-11 as a) Crop loan Rs. 17,500.48 Crore as against Rs. 17,850 Crore b) Term loan Rs. 9053.18 Crore as against Rs. 12150 Crore
10	The SLBC has approved the allotment of Thane district to Bank of Maharashtra to open RSETI centre at Thane	BoM & Govt. of Maharashtra	Bank of Maharashtra has initiated necessary steps in this direction. LDM, Thane has been advised to contact Govt. authorities for selection of land site and make joint inspection to decide the site of RSETI.
11	It was decided by SLBC forum to allot Satara district to IDBI Bank for opening of RSETI at Satara	IDBI & Govt. of Maharashtra	IDBI has initiated necessary steps in this direction. The relevant proposal was placed by IDBI before their Board of Directors for approval for setting RSETI at Satara. First meeting of LAC was held at Satara. Approval letter from DRDA Authority, Satara is received.
12	SBI & SBH should sort out the issues amongst themselves if any and should convey readiness to open RSETI at	SBI / SBH and CBI	SBH has informed vide their letter dt. 27/08/2010 that they have received approval from their Competent authority for setting up of RSETI at Hingoli and Beed also. Earlier the approval was

	Parbhani, Hingoli & Beed district. Central Bank of India to inform the progress in setting up RSETI to SLBC / GoM		received from their Head office for parbhani only and the matter was pending for Hingoli & Beed. Further they have reported that process of setting up of institutes has been initiated.
13	RDD Dept. GoM should provide the copy of communication received from Gol for executing lease for minimum period of 33 years for land to the SLBC & allocate land to RSETI expeditiously.	RDD Dept., GoM	Information is awaited
14	Principal Secretary, Planning Dept. to write to tackle the problem of threats / manhandling, physical assaults by middleman / social workers on the life of bank employees at Aurangabad under Govt. sponsored schemes.	Planning Dept. GoM	Matter has been referred by SLBC to the Principal Secretary, Planning and Institutional Finance (Lead Banks) vide letters dt. 03/08/2010, 19/05/2010 & 16/07/2010. Reply / action from Govt. is awaited.

Agenda No.3

Pending issues where intervention of the State Government is necessary

Sr. No.	Action Point	Relates to	Present Status
1	Prevention of frauds in housing loans: Registration of equitable mortgages & inter linking of Sub Registrars' Offices in the city / town.	State Govt.	SLBC-Maharashtra has requested the State Govt. as under: 1. Registration of equitable mortgage should be made compulsory under the law with nominal registration fee. 2. Inter linking of all Sub-Registrars offices in the city / town. Communication sent to IGR & CS, Maharashtra State and decision is awaited.
2	Waiver of stamp duty for loans up to Rs.50, 000/- to all SHGs & for all types of credit facilities under Priority Sector: SLBC to send more specific letter giving details about the categories (SC/ST/SF/MF/Artisans/Minority Communities) and types of loans (small loans for economic activities) to IGR & CS.	State Govt.	SLBC-Maharashtra has requested the State Govt. (Inspector General of Registration & Comptroller of Stamps) for waiver of stamp duty for loans up to Rs.50, 000/- under priority sector. Communication sent to IGR & CS, Maharashtra State and decision is awaited.
3	Waiver of stamp duty for hypothecation of crop loans	State Govt.	SLBC-Maharashtra has requested the State Govt. (Deputy Secretary, Revenue Department) for waiver of stamp duty for hypothecation of crop & clarification is awaited. Communication sent to IGR & CS, Maharashtra State and decision is awaited.
4	Financing under Govt. sponsored schemes in Aurangabad, Parbhani, Jalna & Nagpur District. Threat / physical assault by middlemen / social workers on life of Bank employees.	State Govt.	Separate Agenda No. – is placed. Matter has been referred by SLBC to the Principal Secretary, Planning and Institutional finance (Lead Banks) vide letters dt. 03/08/2010, 19/05/2010 & 16/07/2010. Reply / action from Govt. is awaited.

Principal Secretary, Planning & Institutional Finance (Lead Bank), Govt. of Maharashtra, Mumbai is requested vide our letter No. AX1/PLN/SLBC/2010/ dt. 27/08/2010 to take up the matter with concerned department for early settlement of the long pending issues. Copy of the letter dt. 27/08/2010 written to Principal Secretary, Planning & Institutional Finance is enclosed as **Annexure – 2.**

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. The status of preparation of FIP was put up during last SLBC meeting indicating allocation of the bank wise / district wise number of unbanked villages having population above 2000 i.e. 4348 and it was mentioned that respective banks were to ensure to submit Board approved plans to RBI.
2. Further RBI is monitoring monthly progress in implementation of FIP in the state by various concerned banks. The steps taken by SLBC for monitoring the progress are as below:
 - i. The list of identified villages for implementation of Financial Inclusion in the State of Maharashtra – Bank wise and District wise has been uploaded by SLBC on the web site of Bank of Maharashtra. The link of said web site is as below & is already informed to all member banks / LDMs for their information & updation periodically.
(<http://www.bankofmaharashtra.in/RoadMap.html>)
 - ii. To facilitate review of progress with reference to the bench mark plan parameters of individual bank's FIP, a special format was designed by SLBC and sent to member banks immediately vide AX1/Planning/SLBC/2009-10/2104 dated 18th March 2010. However, information is not received from all banks in respect of state specific FIP.
 - iii. The proforma received from RBI vide RPCD.CO.LBS.HLC.BC.No. 43/02.19.10/2009-10 for monthly monitoring of progress in FIP implementation was sent to all LDMs / General Manager (Priority) at Head Offices / Zonal / Regional offices as the case may be of member banks and the consolidated information / progress is submitted regularly to RBI.
 - iv. The latest proforma received from RBI vide RPCD (MRO).239/19.01.001/2010-11 dated 11.08.10 which is also sent to all LDMs / General Manager (Priority) at Head Offices / Zonal / Regional offices vide letter dated 24.08.10. All member banks are requested to provide timely and accurate information to enable SLBC to appraise RBI/GOI/GOM etc.
3. Progress report on district wise opening of no-frill accounts of FI customers and models adopted for FI implementation in respective districts in RBI prescribed format is enclosed as **Annexure – 3A & 3B** respectively for information of forum.
As of 30th June 2010, 28,56,414 no-frill accounts have been opened covering 74.83% of uncovered households from 33 districts of State of Maharashtra (Please refer **Annexure-4**).

4. The information received from banks is not uniform and clear on various aspects of FI implementation / its models to be adopted etc. However, gist of information received about their plans is given below:

Sr.	Bank	No. of villages	Model proposed	Time frame	remarks
1.	BOM	1. 429 2. 111 3. 320 <u>Total:</u> 860	Smart card based ICT model with about 350 BCs	by March'11 by March' 12 by March'13	Technology Service Provider finalised. In pilot 10 BCs Appointed for 20 villages. 2428 A/cs of FI customers Opened for providing smart Card.
2.	SBI	1. 206 2. 647 <u>Total:</u> 853	Through 72 BC/BF Through 277 BC/BF	By Dec'10 lead dist. Villages By March'11 non-lead dist. villages	
3.	BOB	1. 187 villages - above 2000 population 2. 28 villages - below 2000 population 3. 24 villages - below 2000 population	1. Through ICT + few with mobile 2. Through ICT 3. Through ICT	By March'11 By March'12 By March'13	RFP floated for Identifying technology provider.
4.	UBI	188	Bio-metric smart card	18 by Sept.'10, 48 by Dec'10, 78 by March'11, 118 by June'11, 138 by Sept.'11, 168 by Dec'11 & 188 by March'12 cumulatively.	
5.	IDBI	82	ICT model with BC/BF	By March'11	Pilot project in Satara dist. launched on 6 th July'10 and in Mumbai for urban poor on 17 th July'10.
6.	Allahabad Bank	47	Through 14 BC/BF		No plan details
7.	PNB	26	21 through BC/BF & 5	By March'11	

			through brick & mortar branches		
8.	UCO	1. 13 2. 11 ----- Total : 24	Mobile branch with BC/BF	1. by March'11 2. by March'12	
9.	Canara Bank	39	Through 39 BC/BF		No plan details
10.	Indian Bank	9	BC/BF model		No plan details
11.	Corporation Bank	3	BC		No plan details
12.	State Bank of Indore	2	Any other model		No plan details
13.	Andhra Bank	1			No details given
14.	MGB	1. 69 2. 73 3. 146 4. 77 ----- Total: 365	ICT model	By March'11 By March'12 By March'13 By March'14	
15.	VKGB	61	56 through BC/BF & 5 through brick & mortar		No plan details
16.	WKGB	1. 58 2. 87 ----- Total: 145	ICT with BC/BF	1. By March'11 2. By March'12	
17.	Ratnakar Bank	21	BC/BF model	By March'11	

*SLBC has not received FIP details from remaining banks including Bank of India & Central Bank of India

5. Issues related to monitoring & implementation of FIP as observed by and/or referred to SLBC are given below:
 - i. Neither LDMS or member banks concerned have so far informed about details of their Board approved FIP pertaining to Maharashtra State (except lead bank)
 - ii. It is also the fact that, the FIP of member banks may be prepared at their head offices level for bank as a whole inclusive of all states of their presence in the country. Hence LDMS are not in a position to give correct information of banks present in their district.
 - iii. In view of the same, it is suggested that RBI may introduce uniform proforma to obtain FIP details from member banks for its uniformity & H.O. of member banks should make the same information available in the specially designed proforma related to state specific FIP which can be

consolidated at SLBC level and submitted to RBI for approval. This will also facilitate to review of progress with reference to their plan for respective districts/state.

- iv. IBA vide SB/CIR/ACTION PLAN/SLBC/468 dated 3rd June 2010 referred the issue of Vijaya Bank as below:

“Vijaya Bank has been allotted 2-5 villages in 10 states which are situated within a distance of 5-15 Kms. from respective branches. In such cases, it will be difficult for the bank to appoint Technology provider and Business Correspondent for 2-3 branches in the entire state. The monitoring of BCs and redressal of grievances of the customers may also prove to be difficult due to various logistic issues”. Such type of issue pertains to other banks also like BOM has been allotted one village in Punjab State & two villages in Haryana State and facing similar problem. Hence, the possibility of re-allocating such villages to other banks having larger presence in the area / state & in lieu of such banks may be given some additional villages in states having their larger presence. In view of the above, forum is requested to deliberate & request RBI to issue uniform guidelines on the issue.

- v. Issues related to Co-ordination between state level implementation agencies and banks for channelising the NREGA benefits and other social security payments is given below:

a) In terms of broad guidelines of RBI on allocation of Villages under Financial inclusion Plan, a sub-committee of Lead bank in each district was constituted & finalized allocation of villages having population above 2000 as per erstwhile guidelines on service area approach, contiguity of villages to bank branches etc. and same was approved by SLBC. The model adopted in each district was one district multiple banks model.

b) It has been observed by SLBC that the allotment of villages by Govt. Departments was not in sync with the existing arrangements in some districts of the state for disbursement of NREGA / social security pension benefits. The implementing agencies had already made district wise allocation to banks (one district one bank model) only for distribution of NREGA prior to financial inclusion plans.

c) In view of above, it is therefore felt necessary to avoid duplication of efforts and have better co-ordination between state level implementation agencies and banks. Hence suggested Govt. authorities to adopt one district multiple banks model adopted under Financial Inclusion Plan for making payments of NREGA benefits and other social security payments in all districts.

- vi. In view of viability of FIP implementation by banks, It is also requested that the State Government / GOI / RBI decide suitably on sharing of administrative cost (i.e. 2-3% on transaction amount) by way of commission to be paid to banks on the transactions made through BC model on the lines with other states like A.P.,M.P., Bihar, Uttarakhand etc. as a part of logistic support to all banks implementing ICT based Smart Card technology for FI purpose.
- vii. RBI is also requested to extend their decision to give incentive of Rs.50/- per account opened under MG NREGA / Social Security pensions / Niradhar Yojana etc. for further period of three years.

In view of the above, forum is requested:

- a. To note the steps taken by SLBC in implementation of FIP in the State of Maharashtra by member banks and district wise present status of opening of no-frill accounts and delivery models finalized as of 30.06.10 in the state.
- b. To note the status of FIP submitted by various member banks as given in the note. Observations would be conveyed to banks.
- c. All member banks to note to submit the district wise FIP of their bank as requested vide our letter dated 18.03.2010 (**Copy enclosed as Annexure- 5**).The H.O. of member banks especially to make the information available to their respective Zonal/Regional Offices and also to SLBC related to State of Maharashtra to enable SLBC to submit consolidated position of States total FIP for RBI approval as suggested by RBI.
- d. LDMs to ensure submission of monthly progress in RBI prescribed format by 10th of the following month as provided by RBI vide their cir. No. RPCD.CO.LBS.HLC.BC.No.43 /02.19.10 /2009-10 dated 27.11.2009 to enable SLBC to submit progress of the state to RPCD, RBI, MRO, Mumbai by 15th of the following month and review the progress in SLBC forum from time to time.
- e. Forum also to deliberate on the various issues enumerated above at Sr. No. 5 (i – vii).

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

- The model scheme formulated by Reserve Bank of India for setting up of FLCCs was put up before SLBC forum during last meeting for information and necessary action by member Banks.
- According to said guidelines of RBI, it is expected that, to begin with, lead banks may take the initiative for setting up FLCCs in the district headquarters. Also in order to have maximum coverage, FLCCs may need to set up at all levels viz. block, district, town and city levels.
- However, SLBC has so far not received any information about the steps taken by member banks except BOM and SBI, which is given below:
 - i. Bank of Maharashtra has decided to set up one FLCC each in lead districts totalling six i.e. at Pune, Nasik & Aurangabad by September 2010 & at Satara, Thane & Jalna by March 2011.
 - ii. State Bank of India informed that they have already set up FLCCs at Nanded & Latur. Also they have proposed to start three FLCCs during current year i.e. at Washim, Nandurbar and Osmanbad districts immediately on finalization of premises for which offers have been invited through paper publication.

Other lead banks in the state (Bank of India & Central bank of India or any other member banks) are requested to appraise the progress on setting up of FLCCS to SLBC from time to time and deliberate on the matter.

The status of setting up of R-SETI in the state of Maharashtra

1. The status of setting up of R-SETI in the state of Maharashtra was put up for information of the forum in the last SLBC meeting held on 4th May 2010. Further progress / status / information received to SLBC is put up below:

1. Bank of Maharashtra:

1. BOM has been allotted seven districts viz. Pune, Nasik, Aurangabad, Jalna, Thane, Nagpur & Amravati.
2. Of above, R-SETIs at five centers have started functioning viz. Pune, Nasik, Aurangabad, Nagpur & Amravati & funds @Rs.50 Lac per centre have been received by the bank for all these five centers.
3. The State Government has transferred land in the name of Project Director, DRDA of respective five districts except Pune which is to be utilized by RSETIs. However, in the absence of either transfer of title of land in the name of trust or execution of lease deed, development agreement & handing over of sites, bank could not proceed further for other formalities like approval of plan & layout followed by construction of building etc. & funds received have remained unutilized.
4. The bank proposes to start RSETI at Thane (lead district) on allocation of land & completion of formalities as enumerated at Sr. No. 3 above.
5. C.E.O. Z.P. Jalna vide letter dated 17.08.2010 requested to consider setting up of separate RSETI at Jalna in view of large number of BPL families, unemployment of youth prevailing in the district instead of extending trainings through MSETI at Aurangabad.

2. State Bank of India:

1. SBI has been allotted five centres viz. Nanded, Latur, Washim, Nandurbar & Osmanbad. In addition they have shown willingness to open three more RSETIs on final decision of SLBC wherein they are acting as lead bank viz. Parbhani, Hingoli & Beed.
2. Of above, RSETIs have been started functioning at Latur & Nanded.
3. SBI has informed that they have proposed to start three RSETIs & FLCCs during current financial year 2010-11 i.e. at Washim, Nandurbar & Osmanabad districts once the premises are finalized and for that paper publication inviting offers for rented premises is made.
4. Land has been allotted only at Nandurbar district and GOM is requested to allot at remaining centers assigned to them.
5. It is also informed that SBI is willing to set up RSETIs in all 8 districts wherein they are acting as lead bank.
6. Hence with regard to Parbhani, Beed & Hingoli districts which were earlier allocated to SBH, they are awaiting final decision of SLBC.

3. Bank of India:

In the last SLBC, it was reported by BOI that RSETIs have been started functioning in five districts i.e. Sindhudurg, Solapur, Ratnagiri, Wardha & Sangli districts.

However, progress related to remaining six districts i.e. Kolhapur, Raigad, Chandrapur, Gadchiroli, Bhandara & Gondia districts allotted to them is not

known since SLBC has not received any status report on the progress in implementation of setting up of RSETI. Hence BOI is requested to appraise on the same.

4. Central Bank of India:

CBI has been allotted to set up six RSETI centres i.e. at Akola, Ahemadnagar, Buldhana, Yevatmal, Jalgaon & Dhule. In the last SLBC, it was reported by CBI that search for premises at Jalgaon was in progress, while proposals to NIRD for sanction of grant assistance for setting up of RSETIs at Akola & Ahemadnagar were sent & there is no progress about other RSETIs to be established at Buldhana & Yavatmal.

SLBC has received progress report from CBI and it is informed that land is allotted in Dhule, Akola & Jalgaon district. CBI is requested to appraise on the further progress for setting up of RSETIs.

5. State Bank of Hyderabad:

SBH has been allotted to set up RSETIs at three districts i.e. Parbhani, Hingoli & Beed.

SBH vide letter dated 25.08.10 has informed that the proposal was received from their head office for Parbhani only and matter was pending for Hingoli & Beed. However, SBH vide letter dated 27.08.10 has informed that they have received approval from their Competent Authority for setting up of RSETI at Parbhani, Hingoli & Beed also. Hence they are ready to open RSETIs at Parbhani, Hingoli & Beed. Further they have reported that process for setting up of institutes has been initiated.

6. IDBI Bank:

It was reported by IDBI that action has been initiated by them in this regard. The proposal to set up RSETI at Satara was approved by their Board of Directors. First meeting of LAC was held at Satara on 26/07/2010. Now the proposal will be submitted by them to NIRD, Satara. It was proposed by them to set up the institute in one of their owned buildings, identified as surplus at Satara.

II. Other matters related to RSETIs referred to SLBC by NIRD:

NIRD vide letter No. NIRD/RSETI/CL-ST/SLBC/BK dated 15th July 2010 emphasized that the spirit of RSETI is that the trained youth should be able to establish micro enterprises in their area and GOI desires that the trained youth from RSETI should get credit facilities not only from the RSETI sponsored Bank but from any other Bank operating in the district. It is also emphasized that rejection of the loan applications of the RSETI trainees if any shall be at the higher level and not at the branch level. A copy of said letter is already sent to all member banks vide AX1/PLN/SLBC/2010/384 dated 2nd August 2010. In view of these guidelines, member banks are requested to ensure to follow the same by issuing necessary instructions to their branches in this regard and keep SLBC appraised about the steps initiated by them. All Lead Districts Managers from Maharashtra state are requested by SLBC vide letter No. AX1/PLN/SLBC/2010/320 dated 23/07/2010 to take up the above matter in DLCC and take the review on credit linkages to trained youth while deliberating on the issue of RSETI.

III. Issues to be dealt by Government of Maharashtra:

SLBC vide AX1/PLN/SLBC/2010/297 dated 19th July 2010 has requested Secretary, Rural Development Department, Govt. of Maharashtra to provide a copy of communication received by them from GOI about minimum lease period to be executed about the land to be allotted for R-SETI to concerned banks and their response is awaited.

As per decision of National Level Steering Committee (NLSC) held on 16th September 2009, the state Government is requested to issue suitable uniform guidelines on allocation of committed land either by way of transfer of title or on long term lease (Preferably 90 years with minimum 33 years). Uniform instructions for handing over the actual possession of land be issued to respective Chief Executive & Chairman DRDA of each district followed by demarcation / specifying actual boundaries of the allotted land to enable Banks for getting approval of plan & estimate from respective Municipal Corporation or Grampanchayat, where in the allotted land is situated and enable Banks to establish adequate infrastructure. The matter was put up during last SLBC also. The guidelines issued by State Government through Principal Secretary, Rural Development Department will be helpful to speed up the progress.

There is need to follow uniform guidelines by Banks as well as all concerned district authorities related to land allocation for R-SETIs & its terms and conditions related to lease period / use of premises / construction norms etc. and time frame in line with GOI guidelines on setting up of RSETIs to speed up the progress and timely utilization of funds. These guidelines should be issued by State Government through Principal Secretary, Rural Development Department after discussion with member banks.

In view of the above, five member banks participating in setting up of RSETIs should confirm the information given as above & deliberate on the progress as well as issues for discussion in the forum for effective implementation of concept of RSETIs.

The State Government is also requested to deliberate their views on the various issues concerned with uniform guidelines on allocation of land / transfer of rights or lease period / approval of plan & layout / construction of building etc. as per GOI guidelines.

Performance under State ACP 2009-10 & 2010 -11

I) Performance under State Annual Credit Plan for the year 2010-11: Q1
(Rs. in Crore)

Sector	2009-10 Position of June 2009			2010-11 Position of June 2010 *		
	Annual Target 2009-10	Performance	% Achievement against Annual Target	Annual Target 2009-10	Performance	% Achievement against Annual Target
Agriculture	19559.75	4519.85	23	26799.54	6695.00	25
Of which Crop Loans	12108.05	3824.68	31	18088.21	5339.79	29
SME Sector	2757.61	422.79	15	5091.37	866.57	17
Other Priority Sector	7944.02	1384.01	17	11389.47	1827.44	16
Total Priority	30261.38	6326.65	21	43280.38	9399.01	22
Non Priority	6925.58	4458.17	64	8935.82	4367.43	49
Grand Total	37186.96	10784.82	29	52216.20	13766.44	26

* Provisional figures

District- sector wise performance under ACP 2010-11 as of June 2010 is given in **Annexure –6.**

Highlights of the performance as of 30st June 2010 is given below.:

- i. In absolute terms, there has been considerable disbursement of credit under priority sector advance in the state during first three months of 2010-11 as compared with corresponding period of last year.
- ii. All districts except two districts (i.e. Chandrapur & Gadchiroli) under priority sector was less than 10% of the annual target.
- iii. Achievements under agriculture sector was 25% of the annual target.
- iv. Crop loan disbursement was not satisfactory in Gadchiroli, Gondia, Ratnagiri & Sindhudurg district i.e. less than 10% of the annual target
- v. Except Non-Priority, same trend is continued for disbursement during the current year as compared to last year.
- vi. Non Priority sector shows declining trend for disbursement.

Member Banks are requested to give suitable instructions to their branches for ensuring achievement of targets under ACP in all sectors.

The comparative position of Annual Credit Plan for last three years & for current year (up to June 10) is as under:

(Amt. In Crore)

Particular	2007-08			2008-09			2009-10			2010-2011 *		
	Tar.	Ach.	%	Tar.	Ach.	%	Tar.	Ach.	%	Tar.	Ach.	%
Total Agri.	14368	12113	84	16703	9625	58	19560 (28648)	15214	78 (53)	26800	6695	25
Of which Crop Loan	9314	8460	102	11485	6445	56	12108 (16902)	11590	96 (69)	18088	5440	30
NFS Total	2026	2773	137	2269	2867	126	2757	3304	120	5091	877	17
OPS Total	5691	5182	91	7021	5440	77	7944	8301	104	11389	1827	16
Total Priority	22085	20068	91	25993	17932	69	30261 (39349)	26819	89 (68)	43280	9399	22
NPS Total	8643	12028	139	8796	12621	143	6926	17141	248	8936	4367	49
Total Plan	30728	32096	104	34789	30553	88	37187 (46275)	43960	118 (95)	52216	13766	26

* position as on June 2010

District – wise & Bank –wise performance under ACP 2009-10 as of March 2010 is given in **Annexure-7A to 7D** as per original & revised targets respectively.

From the above Table, it is observed as under:

Achievements under total agricultural advances during 2008-09 declined from 84% to 58% over 2007-08 and of these, crop loan achievements also declined from 102% to 56% for the same period. However for the year 2009-10 the achievement of the State for total agricultural advances up to 31.03.2010 increased from 56% to 78% and of Crop Loan is 96% taking in to consideration the original targets.

Regarding the revised State wise and agency wise targets for ground level credit for agriculture for the year 2010-11, matter was referred by SLBC vide letter No. AX1/PLN/SLBC/2010/186 dated 10/06/2010 to NABARD. It was informed by NABARD, vide their letter No. NB(MR)/DDPD/294/Plan 12/2010-11 that the ACP target for 2010-11 may be aligned with the PLP projections for 2010-11 as given below.

Sector	PLP Projections for 2010-11 (Rs. In crore)
Crop Loan	17,500.48
Term Loan	9,053.18
Total	26,553.66

State Level workshop on strategies for enhancing agricultural credit in Maharashtra during 2010-11

NABARD in coordination with Bank of Maharashtra, Convenor, State Level Bankers' Committee, and Agriculture Department, Govt. of Maharashtra organized the said workshop on 14th May 2010 at College of Agricultural banking, Pune to deliberate on the issues related to ground level credit and finalise strategies for increased flow of bank credit to agriculture for kharif and Rabbi seasons in 2010 –11 in the state.

Gist of the deliberations were as under:

- 1)To ensure adherence to scale of finance by the banks.

- 2) Timely preparation of ACP taking into account PLP and C-DAP of the district
- 3) Identification of district –wise thrust areas for infrastructure development by State Govt. and activities for financing by banks.
- 4) Explore promotion of growers' associations
- 5) Preparation of region – wise unit cost and circulating the same at the district level.
- 6) Guidelines regarding formation of Producers' Company

Meeting called by the Chief Secretary, Govt. of Maharashtra:

With a view to overseeing implementation of the interest subsidy scheme of the Govt. of Maharashtra for agriculturists and taking measures to step up crop loans during the kharif and rabi season for current fiscal, a meeting was called by the Chief Secretary, Govt. of Maharashtra on 14/07/2010 at Mantralaya, Mumbai.

The Chief Secretary besides insisting for stepping up crop loans, advised banks as follows:

- 1) Bank wise crop loan disbursement should be monitored by SLBC
- 2) Credit camps be organized by banks & credit decisions on crop loans are to be expedited
- 3) Bankers to bring within their fold more and more number of farmers who have been shying away from institutional finance.
- 4) Farmers having been given benefit under Debt Waiver and Debt relief Scheme are to be financed for crop cultivation.
- 5) Small & marginal farmers are to be encouraged & extended crop finance.

Implementation of Govt. Sponsored Scheme

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

(A) DEVELOPMENT SCHEMES

(Financial Rs. in Crore / Physical in Numbers)

SN	Scheme	Target 2010-11		Achievement 2010-11 (Up to June 2010 / July 2010)		%	
		Phy.	Fin.	Phy.	Fin.	Phy.	Fin.
1	SGSY (July10)						
	SHGs (July 10)	6687	163.90	2192	35.80	32.78	21.84
	Individuals (July 10)	12886	32.13	3343	3.81	25.94	11.86
2	SJSRY						
	DWCUA Groups (June 10)	6890	34.45	175	1.44	2.54	4.18
	Individuals (June 10)	6890	48.92	375	0.79	5.44	1.62
3	MPBCDC						
	Special Central Assistance (July 10)	15000	15.35	1030	4.02	6.87	26.19
	Margin Money Scheme (July 2010)	2500	4.01	183	1.42	7.32	35.41
4	Maharashtra State OBC Corporation Seed Money Scheme (July 10)	3050	7.25	151	0.44	5	6.02
5	Lokshahir Annabhau Sathe Development Corporation (July 2010)						
	50% Subsidy Scheme		15.00	440	0.44		0.27
	20% Seed Money Scheme		10.00	49	0.11		1.10
6	Sant Rohidas Leather Industries Development Corporation						
	50% Subsidy (July 10)	750	0.75	117		15.60	
	Margin Money (July 10)	100	0.10	18		18.00	
7	PMEGP						
	KVIB (July 10)	1027	14.38	174	2.16	16.94	15.02
	KVIC, Mumbai (July 10)	685	9.59	6	0.14	0.88	1.46
	KVIC, Nagpur (June 10)	343	4.79				
	DIC (July 10)	1370	19.18	282	2.28	20.58	11.89
8	Shabari Adivashi Vikas Mahamandal, Nasik (June 10)	5000					

Progress reports under various Govt. Sponsored Schemes.

We have received latest position of various Govt. Sponsored Schemes & are as under.

SN	Name of the Agency	Report as of	Annexure No.
1	Swarnajayanti Gram Swarojgar Yojana (SGSY)	July 2010	8A –8D
2	Swarnajayanti Shahari Swarojgar Yojana (SJSRY)	June 2010	9A- 9D
3	Mahatma Phule Backward Class Development Corporation (MPBCDC)	July 2010	10A-10D
4	Maharashtra State OBC Corporation Seed Money Scheme	July 2010	11A-11D
5	Lokshahir Annabhau Sathe Development Corporation Ltd. (LASDC)	July 2010	12A-12B
6	Sant Rohidas Leather Industries Development Corporation	June 2010	13A-13D
7	PMEGP	July 2010	14

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

(B) Branch wise list of poor performing bank branches in the state.

A communication (Letter No.; D.O. No. SGY 2010 / C.R. –34 / Yojana –3 dt. 02/03/2010) was received from the Secretary, Rural Development and Water Conservation Department, Mantralaya, Mumbai enclosing therewith branch wise list of poor performing bank branches in the state. This issue was discussed during 107th SLBC meeting held on 4.5.2010. Accordingly the matter was taken up with the Chairmen of concerned banks by the Chairman of SLBC to take immediate steps to improve upon the position. Necessary communications & positions of the Banks was consolidated & forwarded to Secretary, Rural Development & Water Conservation Dept., vide our letters dated 5.5.2010 & 31.5.2010. Copies of both the letters are enclosed herewith as **Annexure –15A & 15B.**

(C) Allocation of revised targets under PMEGP for the year 2010-11.

As per communication received from Deputy Director (Mah.) KVIC, dated 23.8.2010, the revised targets are communicated to all Lead District Managers, vide our letter No. AX1/PLN/SLBC/2010-11/465, dated 25.8.2010. Copy of the same is enclosed as **Annexure-16A & 16B.** Similarly, As per communication received from Director, Divisional office, KVIC, Nagpur, dated 17/19.8.2010, the targets are enclosed as **Annexure-16C.**

(D) Release of pending subsidy under MPBCDC for Satara District office

With reference to our letter No.; AX1/PLN/SLBC/2010-11/, dated 15.5.2010, SLBC has communicated to Managing Director, MPBCDC, that 59 proposals sanctioned by various banks under MPBCDC are pending for disbursement since subsidy / Margin Money is not received by their District Office.

SLBC requested them to release the funds immediately to their District Office for onward distribution to various banks for quick disbursement of all these pending cases.

(E) Target for the year 2010-11 under Swarnajayanti Gram Swarojgar Yojana.

The targets are distributed to all Lead District Managers vide our letter No.; AX1/PLN/SLBC/2010-11/, dated 15.7.2010. Copy of the same is enclosed as **Annexure -17.**

(F) Implementation of Swarnajayanti Shahari Rozgar Yojana: Indicative Target for 2010-11.

The targets are distributed to all Lead District Managers vide our letter No.; AX1/PLN/SLBC/2010-11/, dated 10.8.2010. Copy of the same is enclosed as **Annexure- 18.**

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

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

- a) DGM Bank of Baroda vide their letter No.; ZOMG:PN:AGR:24:10/S-66/1198, dated 6.8.2010 raised a query & needs clarification on following points. The copy of the letter is placed as **Annexure-25**.

The issue of charging interest was discussed in the 91st Steering Committee Meeting of SLBC held on Nov. 4th 2008 at Mumbai. During the deliberations, it was decided to charge rate of interest @ 10% or SBI BPLR- 3% simple, whichever is lower.

This decision was communicated to all Banks vide SLBC letter No. AX1: RO: SLBS: 2008: 041 dated 10th Dec. 2008. Accordingly, all Banks were advised the same rate of interest to all their Branches in the state of Maharashtra.

The Base rate system has been introduced in the Banking w.e.f. 1st July, 2010. Hence, there is a need to re-look into the rate of interest under the scheme approved by SLBC.

- b) Bank of Maharashtra has submitted the interest subsidy claim to MHADA, Mumbai on 2.3.2009 for 238 accounts involving subsidy amount of Rs. 4.78 lakh. Similarly, additional interest subsidy claim submitted to MHADA, Mumbai on 21.5.2010 for 1146 accounts involving subsidy amount of Rs. 47.21 lakh.

MHADA, Mumbai is requested to release the interest subsidy amount & inform the bank accordingly.

Implementation of Interest Subsidy Scheme for Urban Poor (ISHUP)

Govt. of Maharashtra has issued operational guidelines for implementation of captioned scheme. The scheme details & targets for the year 2010-11 are already communicated to all Member Banks & LDMS & a copy of the same is enclosed as **Annexure-19A & 19B** .

Deputy General Manager, National Housing Bank, vide their letter No.; NHB (ND)/HPC/74/3834/2009, dated 23.6.2010, has forwarded us a copy of minutes of the meeting on Interest Subsidy Scheme for Housing the Urban Poor (ISHUP) for SLBC Convenor Banks held on 8.6.2010 & is enclosed as **Annexure -20**.

A meeting was organised by National Housing Bank on 8.6.2010 at Delhi, which was presided over by Shri S. K. Singh, Joint secretary (Housing), Ministry of Housing & Urban Poverty Alleviation.

During the meeting it was observed that there are significant gaps in the implementation of the Scheme including awareness about the programme which needs to be addressed.

During the course of the meeting various issues relating to the implementation of the scheme were deliberated upon including the following.

1. In order to register demand, there is a need to give more publicity to the scheme through suitable notices / posters in regional language in the branch premises & by way of suitable insertion in the housing loan advertisements by the banks.
2. The State Govt. may communicate name of the State Nodal Agency & the targets to lead banks as also to head offices of the concerned banks.
3. Banks may conduct joint sensitization workshops in coordination with National Housing Banks at District level for Lead District Managers / Branch Managers & the expenditure will be borne jointly by SLBC Convenor Bank, NHB & MoHUPA. (Ministry of Housing & Urban Poverty alleviation)
4. Better coordination between the Banks, State Level Sponsoring & Nodal Agencies.
5. Bank may issue a detailed circular to the branches with a view to sensitise the field level functionaries.
6. Beneficiaries have to be motivated to come forward to make their claim. Land Pattas distributed have to be enforceable under mortgage to create further assets.

SLBC vide its letter No.; AX1/PLN/SLBC/2010-11/, dated 21.6.2010, has requested member banks to take a note of the above & to send their feedback along with copy of the circular issued by them.

Implementation of "Government of Maharashtra Debt Waiver & Debt Relief Scheme 2009: Pending claims under Relief Scheme

SLBC convener Bank has already taken up the issue of pending claims referred by respective banks with Commissioner of Cooperation & Registrar of Cooperative Societies, Maharashtra State vide their letter dated 16.8.2010 and also requested to provide details of latest bank wise position of pending claims

Information on bank wise pending claims is awaited from Coop. Department.

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

As Govt. of Maharashtra has granted waiver of overdues portion as of 31.3.2008 of Rs. 114.05 crore loans availed through various Development Corporations (6) in the State. Basically the data of 8 Development Corporations was collected, the excluded Dev. Corps. are Annasaheb Patil Financially Backward Development Corporation & Shabari Adivashi Finance & Development Corporation.

The required information is not submitted by HDFC, IDBI, ING Vyasya Bank & Maharashtra State Coop. Bank.

MPBCDC & MSOBC has given further modalities regarding reimbursement from them but similar modalities from remaining Development Corporations are not received & hence the matter is referred to Govt. of Maharashtra vide our letter No.; AX1/PLN/SLBC/2010-11/, dated 13.8.2010. Copy of the letter is enclosed as **Annexure-21**.

Concerned department is requested to appraise the forum the present position & release of funds under the waiver scheme.

Implementation of Punjabrao Deshmukh interest subvention Scheme of Govt. of Maharashtra

Govt. of Maharashtra has vide notification dated 05th July 2010 conveyed its decision to extend interest subvention scheme for crop loans disbursed by Banks in Maharashtra State, from current year i.e. 2010-11.

Member banks have sought clarifications regarding operation of the Scheme / administration of the eligible interest subvention amount etc. Copies of communication received from General Manager (PS & RRB) Dena Bank Chief Manager, Bank of Baroda are placed in the **Annexures-22 & 23**.

As there are various queries from the Member Banks, we have referred the matter to Commissioner Coop. & Registrar of Coop. Societies, vide our letter dated 2.8.2010 & 25.8.2010 & clarification from them is awaited & hence the issue & further modalities may be discussed. Copy of our letter No. AX1/PLN/SLBC/466, dated 25.8.2010 is enclosed as **Annexure-24A & 24B**.

The respective Govt. departments are requested to deliberate on the suggestions made by the banks & clarify so that member banks are guided accordingly.

Agenda No.13

Release of pending subsidy under PMRY Scheme for the year 2007-08

Assistant General Manager, Punjab National Bank, Mumbai has informed SLBC that, their Head Office has already taken up the issue with RBI, regarding release of pending subsidy of Rs. 10.58 crore. Copy of the aforesaid letter is enclosed as **Annexure-26**.

Similarly, Bank of Maharashtra has forwarded their claim on 24.12.2008 for 3099 accounts involving subsidy amount of Rs. 3.75 crore for the programme year 2007-08.

As there is abnormal delay in release of subsidy, necessary action be initiated immediately by RBI.

Agenda No.14

Financing under Government Sponsored Schemes in Aurangabad District – Threat / Physical Assault by middlemen / Social workers on life of Bank employees.

During the SLBC meeting dated 4.5.2010, the issue was discussed at length, similar incidences have been reported from other districts especially from Marathwada Region & SLBC is receiving various complaints in the matter. Considering the severity, SLBC has taken up the issue with Govt. of Maharashtra, with a request to issue suitable instructions to District Administration to book the miscreants / antisocial elements to create an atmosphere of confidence & security amongst bankers otherwise it will not be possible for them to participate in the schemes. However, there is no communication from the Govt. as to action taken / instruction passed on to district administration. This issue is sensitive & we request the Govt. to react & give comfort to Bankers.

Copies of the letters communicated to Govt. of Maharashtra are enclosed as **Annexure-27A to 27C..**

The forum especially the Govt. is requested to take a note of the above & confirm action taken by them to protect lives of bank employees.

MIS - On line reporting to SLBC

The issue of introduction of on line reporting system was agreed by SLBC & accordingly a small committee of select banks, NABARD, LDMs & MSC Bank is working on the same.

As per discussions of the meeting of small committee, which was represented by select member bankers, LDMs, RBI & NABARD representatives threadbare discussions took place on formats to be introduced for online submission. Minutes of said meeting along with list / various returns were finalized by the committee & approved by SLBC forum in the meeting dated 9.11.2009.

Accordingly, the work of designing of a web based system is completed & the operational guidelines along with respective login IDs have already been circulated to all member banks & Lead District Managers vide SLBC letter No.; AX1/PLN/SLBC/2010-11/, dated 23.7.2010.

Member banks are requested to note & take necessary steps for on line reporting & ensure submission of data.

Agenda No.16

Problems faced by Winery Units in the State of Maharashtra

At the instance of NABARD, MRO, Pune, a meeting of officials from NABARD, bankers having major financial stake in wine industry & representatives from wine industry was called at Bank of Maharashtra, Central Office, Pune on 11.8.2010 to discuss problems being faced by wine industry units in the present recession scenario and to find out solution for the same.

Gist of the issue is as under.

1. Working Capital requirement for winery units & to determine appropriate cycle for arriving working capital requirement.
2. Further rescheduling of loans that have been already rescheduled.
3. Conversion of present working capital facilities into term loans.

The minutes of the sub committee meeting are enclosed as **Annexure-28**.

Agenda No.17

Implementation of High Level Committee to review Lead Bank Scheme

For taking comprehensive review of the Lead Bank Scheme, a High Level Committee was constituted chaired by Smt. Usha Thorat, Deputy Governor, RBI. The final report of committee for improving the working of Lead bank Scheme was submitted in the month of August 2009. The committee was having the overwhelming consensus for continuance of the scheme and opined that lead bank machinery is critical for ensuring that banks and the State Governments work together to achieve inclusive growth focusing on sustainable development.

As per recommendations of the said High Level Committee to review Lead Bank Scheme, various sub committees are formed for sorting out specific issues. Of these, the sub committees on Export Promotion, R-SETIs, Subcommittee Review of Agri. Lending, are already in existence.

To carry out the specific tasks effectively like IT enabled FI, Financial Inclusion in urban areas, action plan for farmer counseling & literacy, grant of educational loan, promoting Bank-SHG linkage etc. as envisaged in the committee report, finalized nine (9) more Sub Committees.

In this connection, SLBC has submitted the Action Taken Report to RBI, vide our letter dated 25.8.2010, showing the progress achieved in implementation of recommendations of the High Level Committee to Review the Lead Bank Scheme (Para-wise). The progress report for the quarter ended June 2010 is as under.

Annex - I

Action Taken Report for SLBC Convenor Bank

Sr. No.	Reco. No.	Recommendations	Departmental Views
1	3	The overarching objective of Lead Bank Scheme shall be to enable banks and State Governments to work together for inclusive growth. (Para 3.4)	As SLBC Convenor, we are already working in liaison & coordination with State Govt. Issues of common interest for the bankers & the Govt. are discussed in the meetings & review of various Govt. Sponsored Schemes are taken from time to time. SLBC meetings are arranged at Mumbai / Pune for enabling the State Govt. officials to participate & discuss issues.
2	4	It is necessary to broad base the scope of the scheme to cover initiatives for financial inclusion, role of State Governments, financial literacy and credit counselling as also 'credit plus' activities, formulate action plans to facilitate 'enablers' and remove / minimise 'impeders' for banking	SLBC has taken various steps / initiatives for preparation of FIP for providing banking services in every village having population of over 2000 as below:

		<p>development for inclusive growth, develop grievance redressal mechanism, etc.(Para 3.7)</p>	<p>All LDMs were requested to constitute a Sub-Committee of the District Consultative Committee to draw a roadmap for FI. Further follow up was also made to know the progress in the matter.</p> <p>All LDMs in the Maharashtra State have provided bank wise allocated list of identified unbanked villages having population above 2000 to be covered under FIP by respective banks which is consolidated at SLBC level. As per census 2001, there are 7312 villages in the state having population above 2000, of which 4348 villages have been identified as unbanked in the state.</p> <p>State Govt. is also requested to play proactive role as suggested by committee & also to decide suitably on the matter of compulsorily making of payments under MG NREGA / social security funds through bank accounts and sharing of administrative cost (i.e. 2-3%) by way of commission to be paid to banks on the transactions made through BC model on the lines with other states like A.P.,M.P., Bihar, Uttarakhand etc.</p> <p>As far as, Setting up of FLCC Centres are concerned SLBC has so far not received any information about the steps taken by member banks and progress in this regard. We will take up the issue with them.</p>
3	7	<p>Banks need to take the maximum advantage of available IT solutions. The funding arrangements available under Financial Inclusion Technology Fund (with NABARD) or other options such as the support offered for distribution of Government payments by RBI may be explored for the purpose. However, connectivity should not be an issue of consideration for not pursuing Financial Inclusion by commercial banks / RRBs. (Para 3.13)</p>	<p>On finalization of service provider / Information & Communication Technology (ICT) for FI, funding arrangements under Technology Fund from NABARD will be looked into & proposal shall be submitted to NABARD.</p> <p>SLBC has taken up the issue with Govt. of Maharashtra to route the Govt. payments through Banks.</p>

4	39	<p>In view of the large membership of the SLBC, it would be desirable for the SLBC to constitute Sub-Committees for specific tasks. In addition to the Sub-Committees already in existence, these could include IT enabled financial inclusion, financial inclusion in urban areas, action plan for financial literacy, grant of educational loans, improvement in land records/ other evidence for land ownership/occupation, improving recovery systems, measures to deal with downturn, promoting bank/SHG linkage and addressing issues relating to provision of microfinance in the State. (Para 4.4)</p>	<p>We have already formulated 11 sub committees on various issues such as subcommittee on Export Promotion, Subcommittee on RSETIs, IT enabled services, Financial Literacy & Credit Counselling / Credit plus Services, Subcommittee on Development Plan, Subcommittee on Review of Agri. Lending, Subcommittee on MSE, Stimulus Package, Subcommittee on Improvement of Land Records, Ownership, Subcommittee on Recovery, Subcommittee on SHG Bank Linkage & Farmers' Clubs & Subcommittee on evaluation. The said Sub Committees were approved in 106th SLBC meeting.</p>
5	41	<p>The various fora at lower levels should give adequate feedback to the SLBC on issues needed to be discussed on a wider platform. Important issues/ decisions of the BLBC, DCC and DLRC should be placed before the next meeting of the SLBC, so that these receive adequate attention at the State Level. (Para 4.6)</p>	<p>The unresolved issues of DLCC are referred to SLBC by concerned LDMs & are discussed during SLBC for amicable solutions.</p>
6	60	<p>Every SLBC should have its own website where all instructions pertaining to the Lead Bank Scheme as well as other instructions issued by Reserve Bank and other agencies as also in respect of Government Schemes for the benefit of common person are made available. (Para 5.8 & 5.9)</p>	<p>We have already created SLBC database & is available on our Bank's website. We have displayed all the formats to be submitted by Banks & LDMs along with minutes of last SLBC meeting & general database related to SLBC. However we are of the need that as suggested, separate website for SLBC shall be made available in due course.</p>

Opening of “No frills” accounts for students belonging to minority communities

It has been brought to our notice by the Secretary, Government of India, Ministry of Minority Affairs that banks are not opening ‘no-frills’ accounts in favour of students from minority communities who wish to avail of the scholarships being awarded by the Ministry through the State/UT Governments. This is causing hardship to the applicants for scholarship schemes of the Government and is inviting criticism. (A copy of Cir dated 11.8.2010 of the Director (CP), Government of India, Ministry of Finance, Dept. of Financial Services, New Delhi is enclosed as **Annexure-29**)

In the state of Maharashtra, the Director of Secondary and Higher secondary Education Board, Pune is the nodal & monitoring agency for payment of pre-metric scholarship to the students of minority community. The Director has notified that students of minority community can open accounts in any of the Public sector banks for availing the scholarship. It has been brought to notice of SLBC that students/ Guardians are coming in large numbers to some bank branches for opening of new accounts and creating commotion and obstacles to regular customers. To avoid such situations, it has been suggested to bank branches to have liaison with school authorities and take their help for filling up of account opening forms, KYC compliance etc so that working atmosphere in bank branches is not disturbed.

All member banks are also advised to ensure opening of no-frills accounts or other accounts for students from minority communities or other disadvantaged groups, when they approach banks, for availing various scholarships or other benefits offered by the Government. However, while opening such accounts, KYC norms as appropriate may be followed for the purpose.

Agenda No. 19-

Meeting of the Hon'ble Finance Minister with Chief Ministers of States and other Chief Executives of Public Sector Banks held at Mumbai on 28/06/2010

Meeting of the Hon'ble Finance Minister with Chief Ministers of central & west zone states and CEOs of Public Sector Banks was held at Mumbai on 28/06/2010. The meeting was convened for discussion on various developmental schemes and issues connected with bank credit to various sectors, financial inclusion etc. Minutes of the said meeting are enclosed as **Annexure -30** for information and necessary action by the members.

Issues Suggested by RBI / NABARD / Other Banks / LDMs / Sponsoring agencies / Government of Maharashtra

1. Issues referred by Indian Bank:

a) Compulsory registration of equitable mortgage (EM) & concessional stamp duty as one of the measure to reduce frauds particularly in home loan accounts:

Indian bank vide letter dated 8th July 2010 has invited attention to rising frauds in home loan accounts and suggested that if registration of equitable mortgage is made compulsory and at reasonable registration fee, bankers would get EM registered & this will help in reduction of frauds. The bank cited example of Tamil Nadu state wherein there is a provision of compulsory registration of EM with nominal stamp duty of Rs.5000/- and registration fee of Rs.1000/- irrespective of loan amount.

In view of above, State Government is requested to make amendment to provide for compulsory registration of EM with nominal stamp duty as one of the measure & support to banks.

b) Jurisdiction of Civil courts for trial of money suits:

Indian Bank vide letter dated 8th July 2010 has also invited attention of SLBC stating that that High Court Mumbai is having original jurisdiction to try money suits with claim of Rs.50,000/- to Rs.10,00,000/- has resulted in piling up of cases and inordinate delay in disposal of cases, as High Court is already over burdened with number of cases.

In view of this, Indian Bank requested SLBC to take up the matter with State Government for making necessary amendments to bring these cases within jurisdiction of City Civil Courts for early disposal.

The forum is requested to deliberate on the suggestions made by Indian Bank as above on various aspects & further request to State Government for their favourable consideration.

2. Issue referred by LDM- Relaxation of NPA norms for farmers loan accounts:

LDM, Pune has received representation from Bank of Baroda vide their letter dated 23rd July 2010 (Copy of BOB letter dated 15th July 2010 is enclosed as Annexure -). Bank of Baroda based on discussions held in the DLCC meeting dated 15th July 2010 under chairmanship of Dist. Collector, Pune has requested to abolish the NPA norms applicable to loans extended to agricultural activities in view of uncertainty in their income due to various reasons given therein.

The forum is requested to deliberate on the matter.

3. Issue referred by Banking Codes and Standards Board of India (BCSBI)

Agenda note was put up in the last SLBC about the details of Code of Bank's Commitment to Customers and Code of Bank's Commitment to Micro and Small Enterprises.

It was requested by member banks to support BCSBI to popularize MSE Code by way of disseminating the Code amongst their micro and small enterprise customers and requested to refer www.bcsbi.org.in for further details.

Now BCSBI with a view to spreading awareness of the codes among the bankers and public, requested for assistance of SLBC forum vide their letter dated 5th August 2010. (Letter received from BCSBI dt. 05/08/2010 is enclosed as **Annexure-31**).

A presentation on above matter will be given by BCSBI officials during the meeting.

Expansion of banking network in the country – opening of bank branches in under / unbanked districts / blocks

Hon'ble Finance Minister in the Budget speech 2009-10 has announced the need for expansion of banking network in the country.

Despite the expansion of banking network in the country, there are still some areas that remained under-banked or unbanked.

Lead District Managers in the state were advised vide letter dt. 21/08/2009 & 02/12/2009 for formation of a special sub –committee of DCC for monitoring the progress in providing banking services in unbanked / underbanked areas of the district. The guidelines regarding use of BC / BF model for total financial inclusion by the banks having major presence in the state have already been provided .

The information was received from fourteen districts namely Dhule, Nasik, Buldana, Gadchiroli, Sangli, Ratnagiri, Ahmednagar, Pune, Beed, Hingoli, Parbhani, Satara, Amravati & Aurangabad. The matter is being followed up with the LDMS of remaining districts.

LDMS of above mentioned fourteen districts confirmed that their districts are not underbanked as they satisfy the criterion of average population per branch as 16000. So also no block from these districts were reported as unbanked.

Lead Banks are requested to ensure regular meetings of the Sub Committee for the purpose and report progress on regular basis.

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

Cumulative information as of 30.06.2010 (received from 10 banks) is given in **Annexure-32**.

Observations on the data received from the banks as of 30.06.2010 is given below:

a) MSME Sector:

- Banks have sanctioned / renewed working capital limits of Rs.246.27 Crore to 669 borrowers (new & existing borrowers) in the month of June 2010. (Cumulative position - Rs.13769.13 Crore to 71966 borrowers).
- Banks sanctioned incremental working capital limits of Rs.339.33 Crore to 240 borrowers in the month of June 2010. (Cumulative position - Rs.13378.78 Crore to 84716 borrowers).
- Banks have restructured 91 accounts during the month of June 2010 (cumulative position – 17185 accounts).

b) Housing Sector:

- Cumulative disbursement as of June 2010 was of Rs.26371.11 Crore
- Loans sanctioned during June 2010

Quantum	No. of Borrowers	Loan amount sanctioned (Rs. in Crore)
< Rs. 5.00 Lakh	956	50.04
>Rs.5.00 Lakh & <Rs.20.00 Lakh	1576	366.48
>Rs.20.00 Lakh	972	1023.44
Total	3504	1439.96

c) Auto Sector:

- Banks have sanctioned auto loans of Rs.246.17 Crore to 5485 new clients during June 2010.
- Cumulative disbursement as of June 2010 to Auto Sector was of Rs.7893.58 Crore to 120843 borrowers.

As suggested in the 106th SLBC meeting, the information on outstanding balances was also called from member banks vide our letter dated 23/03/2010 & 21/07/2010 However the information is not received in modified format from many banks. Member banks are once again requested to submit the same in modified format to SLBC.

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 March 2010 & June 2010 was called from Member banks vide our letter No. AX1/PLN/SLBC/2010/366 dated 29/07/2010.

This matter was followed up by SLBC vide letter NO. AX1/PLN/SLBC/2010/405 dated 09/08/2010. 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.

Release of Booklet on Annual Credit Plan 2010-11

During 107th SLBC meeting held on 04/05/2010, Annual Credit Plan 2010-11 was discussed on provisional figures as information from some districts was not received. After receiving the information from all the districts, the data is compiled by SLBC and given in Booklet as “ACP 2010-11”.

Comparative position of Targets under ACP (2010-11) with (2009-10), Achievement during 2009-10 & PLP Projections made by NABARD are given below.

Sr. No.	Agency / Sector	Annual Credit Plan		Target 2010-11	Rs. In crore	
		Targets 2009-10	Achievement 2009-10		% rise over previous year's Target	PLP Projections made by NABARD for 2010-11
1	Agri & Allied Activities	19559.75	15213.56	26799.54	37.01	26536.79
	Of which Crop Loan	12108.06	11590.60	18088.21	49.39	17500.47
2	SME including NFS	2757.61	3304.14	5091.37	84.63	6444.77
3	Other Priority	7944.02	8300.80	11389.47	43.37	10890.29
4	Total Priority Sector (A)	30261.38	26818.50	43280.38	43.02	43871.85
5	Non Priority (B)	6925.60	17141.73	8935.82	29.03	N.A
6	Grand Total (A + B)	37186.98	43960.23	52216.20	40.42	N.A

It is observed from the above, that the Targets under ACP 2010-11 for various sectors are almost matching with the PLP projections of NABARD.

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 26 banks related to loans to priority sector, weaker sector, minority community & SC/ST has been given in the **Annexure 33A to 33C**. Consolidated position of the same is as below:

(Rs. in Crore)

Sr. No.	Particulars	Disbursement during Q1	Outstanding as on 30.06.2010
1	Priority Sector	14625.42	111287.79
2	Weaker sector (% to Priority)	1307.92 (8.94)	11642.15 (10.46)
3	Minority Communities (% to Priority)	352.49 (2.41)	4824.55 (4.33)
4	SCs/ STs (% to Priority)	444.28 (3.03)	3679.66 (3.30)

Information on Key Indicators: Information as of June 2010 received from 19 banks.

a) No. of branches & CD ratio (For Bank wise position (26) refer **Annexure-33D**).

Sr. No.	Particular	Number
1	No. of branches - Rural	2301
	Semi-urban	1433
	Urban	1328
	Metro	2111
	Total	7173
2	Deposits in Crore	1693706.85
	Advances in Crore	1313775.49
	CD Ratio	77.57

b) Advances (For 27 bank wise position as of 30th June 2010, refer **Annexure-33E & F**).

(Rs. in Crore)

Sr. No.	Sector	A/cs	% to Priority	Amount O/S	% to Priority
1	Priority Sector advances	4531284	-	116609.93	-
2	SME	575964	12.71	44495.08	38.15
3	Other priority sector	1231234	27.17	44861.95	38.47
4	Direct Housing	2086263	46.04	33581.02	28.79
5	Educational Loan	126665	2.80	4467.98	3.83

- c) No. of fresh farmers financed per branch (For 26 bank wise position refer **Annexure-33G**)

(Amount in Crore)

Through Rural branches		Through Semi-Urban branches	
No. of accounts	Amount	No. of accounts	Amount
63233	3109.84	33060	2379.24

- d) Agril. Advances (For 26 bank wise position refer **Annexure-33H**)

(Amount in Crore)

Direct Agril advances		Indirect Agril advances	
Accounts	Amount	Accounts	Amount
2792856	32930.83	23569	17395.63

- E) Kisan Credit Cards & General Credit cards (For 20 bank wise position refer **Annexure-33I & J**)

(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
117791	744.72	278413	42065.25	2352	15.60	3911	9.94

- F) Financing to Self Help Groups (2008-09): Position for Quarter June 2009 (For 25 bank wise position refer **Annexure –33K**)

During Quarter		Cumulative	
No. of A/cs	Amt. In Crs	No. of A/cs	Amt. In Crs
9358	604.00	45066	841.67

- G) DRI Advances:**

(For 16 bank wise position refer **Annexure –33L**)

Disbursement made during the period 01.04.2010 to 30.06.2010	Outstanding Position as on 30.06.2010 (Amt. In Crore)
0.21	4.94

Any other issue with the permission of the chair

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