

State Level Bankers' Committee, Puducherry

Convenor: Indian Bank

Banking Development in U.T. of Puducherry

(As at Quarter ending September 2009)

(Rs. in Crores)

| S. No | Details/Sector | March 2006 | March 2007 | March 2008 | March 2009 | Sep 2009 |
|--------------|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Total No of Branches | 115 | 120 | 126 | 145 | 150 |
| | Of which – Rural | 42 | 44 | 47 | 55 | 57 |
| | - Semi-urban | 19 | 21 | 22 | 28 | 29 |
| | - Urban | 54 | 55 | 57 | 62 | 64 |
| 2 | Total Deposits | 3464.31 | 4082.95 | 4826.00 | 5626.17 | 6106.21 |
| | Of which NRI Deposits (9.93%) | 344.13 (9.93%) | 382.32 (9.36%) | 434.91 (9.01%) | 495.22 (8.80%) | 496.09 (8.16%) |
| 3 | Total Advances | 1949.34 | 2290.88 | 2795.02 | 3237.59 | 3548.40 |
| 4 | CD Ratio | 56% | 56% | 58% | 58% | 58% |
| 5 | Investments | 100.96 | 122.17 | 115.76 | 144.78 | 144.87 |
| 6 | Cr. + Inv./Deposit Ratio | 59% | 59% | 60% | 60% | 61% |
| 7 | Total Priority Sector Advances | 927.57 | 1230.06 | 1593.40 | 1932.72 | 2140.68 |
| 8 | % of PSA to Total Advances | 48% | 54% | 57% | 60% | 60 % |
| 9 | Total Advances to Agriculture | 224.75 | 311.40 | 451.47 | 510.15 | 566.68 |
| 10 | % of Agri. To Total Advances | 12% | 14% | 16% | 18% | 17.5% |
| 11 | Advances to Weaker Section | 176.85 | 211.43 | 264.21 | 337.92 | 388.53 |
| 12 | % of W.S. to Total Advances | 9.1% | 9.2% | 9.45% | 10.44% | 10.95% |
| 13 | Advances to SC/ST | 47.65 | 62.01 | 72.46 | 94.26 | 118.74 |
| 14 | Advances to DRI | 0.35 | 0.41 | 0.52 | 0.88 | 1.28 |
| 15 | Advances to Minorities | - | - | 67.48 | 90.88 | 116.93 |

**II Disbursement made under Annual Credit Plan
in UT of Puducherry**

(At a glance)

(Rs. In Crores)

| Year | Particulars | Agriculture | Non farm Sector | Services | Total |
|---|--------------------|--------------------|------------------------|-----------------|--------------|
| 2005-06 | Target | 89.82 | 80.00 | 108.58 | 278.40 |
| | Achievement | 106.45 | 54.37 | 187.44 | 348.26 |
| | Achievement | 119% | 68% | 173% | 125% |
| 2006-07 | Target | 100.44 | 87.42 | 144.11 | 331.97 |
| | Achievement | 179.16 | 67.42 | 280.13 | 526.71 |
| | Achievement | 178% | 77% | 194% | 159% |
| 2007-08 | Target | 140.50 | 93.42 | 167.27 | 401.19 |
| | Achievement | 230.44 | 100.30 | 199.17 | 529.91 |
| | Achievement | 164% | 107% | 119% | 132% |
| 2008-09 | Target | 299.57 | 138.63 | 256.22 | 694.43 |
| | Achievement | 287.14 | 146.63 | 268.10 | 701.87 |
| | Achievement | 96% | 106% | 105% | 101% |
| 2009-10 (up to Sep 2009) | Target | 145.67 | 77.17 | 149.28 | 372.11 |
| | Achievement | 147.04 | 67.87 | 173.75 | 388.66 |
| | Achievement | 101% | 88% | 116% | 104% |

AGENDA: 1

Confirmation of minutes of the SLBC Meeting held on 24.09.2009

The minutes of the SLBC meeting held on 24.09.2009 was communicated to all the members vide Lead Bank letter reference COP/L04/2009/3009 dated 10.10.2009. A copy of the minutes is enclosed as Annexure.

The minutes of the meeting may please be confirmed.

AGENDA: 2

Review of follow up action taken on the decisions on the earlier meeting

2.1. Setting up of Registry for Equitable Mortgage - Capping of Stamp Duty and Registration Fees

As deliberated in the SLBC meeting held on 24.09.2009, Lead Bank has followed up with the Chief Secretary vide letter dated 05.10.2009 & 05.12.2009. The matter was also pursued with revenue department, District Collector through various letters to expedite the matter. On 09.12.2009 also the matter was again taken up with the Chief Secretary and District Collector and it has been informed that the matter is in the advanced stage.

The Department is requested to inform us of the present position.

2.2. Utilizing Lok Adalat as an alternative dispute resolution mechanism for Bank Debt:

As decided in the SLBC, Lead Bank has informed the BLBC convenors to conduct Lok Adalat in the respective blocks. As there are many advantages for the Banks and Borrowers for early settlement of the dues under NPA, the District Coordinators were requested to inform all their branches to actively co-operate in the organization of joint Lok Adalats and make full use for early settlement of the Bank debt.

Accordingly Lok Adalats have been conducted in different Blocks with the active participation of Legal Services Authority, BLBC Convenors and District Coordinators of different Banks in all the Blocks of Union Territory of Puducherry and the details are as follows:

| S.No | Date | Block | No. of Defaulters to whom notice was sent | Amount settled (Rs. in lakhs) |
|------|------------|-----------------|---|-------------------------------|
| 1 | 14.09.2009 | Karaikal | 117 | 4.41 |
| 2 | 16.09.2009 | Villianur | 210 | 4.26 |
| 3 | 17.09.2009 | Ariyur | 130 | 0.68 |
| 4 | 23.09.2009 | Karikalampakkam | 159 | 2.83 |
| 5 | 25.09.2009 | Oulgaret | 329 | 1.39 |
| 6 | 03.10.2009 | Mahe | 65 | 0.65 |
| 7 | 10.10.2009 | Yanam | 146 | 1.12 |
| | | TOTAL | 1156 | 15.34 |

2.3. Coverage of unbanked and under banked areas and Road Map for providing banking facility to every village by 2011.

During the SLBC held on 24.09.2009, the status report of villages in Union Territory of Puducherry was placed for information of the forum and deliberated by the members so as to provide banking services to the 43 unbanked villages with more than 2000 population as recommended by the Committee on Lead Bank Scheme of RBI. The subject matter has been again discussed during the core committee meetings. PBGB has informed of their action plan for some villages. PSCB has informed that their co-operative societies are functioning in all these villages. RBI has also clarified that these societies can be considered for appointment as business correspondents. So if PSCB designates/appoints these societies as business correspondents of their bank than all the villages can be considered to be provided with banking services as per the recommendation of the committee.

2.4) Finalization of allotment of land to Indian Bank Self Employment Training Institute (IND SETI) Puducherry:

- ❖ The matter of allotment of suitable land for the RUDSETI Institution (IND SETI) was discussed in the SLBC meetings and the Chairman of the SLBC vide letter no No.73.1834 dated 27.08.2009 , various letters from Lead Bank and the personal discussion the SLBC Convenor & Chairman, Local Advisory Committee, INDSETI had with the Chief Secretary on 08.12.2009.
- ❖ In the first National Level Steering Committee (NLSC) of RSETIs held on 16.09.2009 at New Delhi under the Chairmanship of Secretary (RD), Government of India the following decision has been taken with regard to getting allotment of land for RSETIs.

"Since the process of allotment of land by the states for establishment of RSetis is far from satisfactory, it was decided to set a deadline of 31st December 2009 for land allotment by the states failing which the states/districts would not be able to avail the funding assistance for establishment of RSETIs."

Department concerned to inform the present status.

AGENDA: 3 – New Issues

3.1) Extension of cutoff date of the payment of premium by Farmers of Union Territory of Puducherry under the National Agricultural Insurance Scheme.

- ❖ Government of India has stipulated the cut off date as 30.11.2009 for the payment of premium under the National Agricultural Insurance Scheme (NAIS) for paddy during Rabi 2009-10 season in the notified areas of Puducherry and Karaikal regions of this Union Territory.
- ❖ As per the norms of the NAIS, the crop insured should be of minimum one month age for the enrollment of farmers under the NAIS. Where as, due to the late receipt of Cauvery water in the Karaikal District, which is in the tail-end of Cauvery Delta, the farmers could not raise the crops during the commencement of the current Samba/Thalady (Rabi) Season.
- ❖ Heavy rains that occurred in the second week of November 2009 also disrupted the agricultural activities.
- ❖ Consequently, the farmers of this Union Territory were able to raise the crops only during the Third week of November. As a result, the farmers could not enroll themselves in the NAIS before the stipulated cut off date of 30.11.2009.
- ❖ Hence, it is requested to extend the cut off date of the payment of premium by farmers of this Union Territory (Puducherry & Karaikal Region) under NAIS up to 31.12.2009, as permitted in the neighbouring Districts of Nagapattinam and other Districts of Tamil Nadu under similar circumstances.
- ❖ Secretary (Agri. & RD), Government of Puducherry vide letter dated 07.12.2009 has also requested Joint Secretary (Agri.), Crop Insurance Department, Ministry of Agriculture Government of India for extension of cut-off date.
- ❖ The matter was discussed in the XXII Meeting of the State Level Co-ordination Committee on Crop Insurance on 09.12.2009 at Puducherry and it was unanimously decided to request for extension of time up to December 2009.

The matter is placed for information and deliberation of the members.

3.2) Direct transfer of social security pension in to bank accounts of beneficiaries:

Reserve Bank of India, Chennai, vide their letter .NO. RPCD/(Che)/1541/02.94.001/ 2009-10 dated 26.10.2009 has informed as follows:

- ❖ A group has been set up by the Government of India to examine the feasibility of direct transfer of social security pension in to the Bank/Post Office accounts of the beneficiaries.
- ❖ During the first meeting of the Group held on 28.08.2009, it was pointed out that there were delays in transferring funds by the nodal bank to the disbursing branches of banks and this resulted in the delay of payment of benefits to the beneficiaries.
- ❖ It was suggested that a system should be put in place to ensure that the accounts of the beneficiaries are credited on scheduled date so that the beneficiary is free to withdraw the amount any day he/she likes.

The copy of the letter from RBI, Chennai is placed for information and deliberation of the members.

3.3) Incentive Scheme for Quicker Adoption of Electronic Benefit Transfer(EBT) for Government Scheme:

Government of India, Ministry of Finance vide their letter F.NO. 21/09/2009-Dev dated 17.06.2009 has communicated the details of Incentive Scheme for Quicker Adoption of Electronic Benefit Transfer for Government Schemes received from Deputy Governor, RBI vide letter No.RPCD.CO.MFFI.D.O.No.8555/ 12.01.19/ 2008-09 addressed to all the Chief Secretaries of the States. The Gist of the Scheme is as follows:

- ❖ RBI had constituted a High Level Committee to go in to the issues connected with the modalities of Electronic Benefit Transfer(EBT) and suggest a common strategy for adoption by the State Governments.

- ❖ Based on the recommendations of the Committee ,RBI has proposed an incentive scheme to quicken the pace of adoption of the smart card based EBT mechanism by the Banks and roll out the EBT system in the States that are ready to adopt the scheme.
- ❖ As per the Scheme, the RBI would partially reimburse the Banks the cost of opening accounts with bio-metric access at the rate of Rs.50 per account through which payment of social security benefits, NREGA payments and payments under other Government benefit programme would be routed.
- ❖ Reimbursement would be made on the basis of the data supplied by the State Governments and Banks on the number of the new accounts opened through which Government payments have been routed.
- ❖ The Incentive package would be dependent on the State Governments agreeing to pay to the transacting banks, the transaction fee of 2% of the value of Government payments effected through these accounts.
- ❖ The reimbursement by RBI would be available for a limited period ,which could be decided by mutual consultation
- ❖ The Scheme is being currently piloted in the State of Andhra Pradesh.
- ❖ The Government of Puducherry has been requested to consider adopting the Electronic Benefit Transfer (EBT) concept for routing Government payments to the beneficiaries.
- ❖ Lead Bank , vide letter dated 06.07.2009 & 05.12.2009 has requested the Chief Secretary, Government of Puducherry to inform the action taken in this regard.

The letter from Ministry of Finance and RBI is placed for information and deliberation of the forum so as to approach RBI with a concrete proposal . Government of Puducherry to inform the present status.

3.4.) Budget Announcement 2009-10- 1% Interest Subvention on Housing Loans up to Rs.10 lakhs-Guidelines- regarding.

- ❖ Government of India, Department of Financial Services vide their letter F.NO. 5/60/2009-Dev dated 30.09.2009 has informed that in order to stimulate housing demand in the country specially in middle and lower income segment of population, the Finance Minister ,during his Budget proposals for 2009-10, had announced a Scheme of 1% Interest Subvention on Hosing Loans up to Rs.10. Lakhs .
- ❖ An allocation of Rs.1000 crores was announced for the purpose. The Government has allocated an initial sum of Rs.300 crores during the current financial year for implementing the Scheme.
- ❖ The Reserve Bank of India and the National Housing Bank(NHB) have been designated as the Nodal Agencies by the Government for implementing the Scheme through Scheduled Commercial Banks(SCBs) and Housing Finance Companies(HFCs) respectively.
- ❖ The Scheme would be in operation for a period of one year .w.e.f. 1.10.2009 to 30.09.2010.
- ❖ The RBI/NHB have been requested to implement the Scheme through the Implementing Agencies , monitor and evaluate the Scheme.
- ❖ All the Banks are requested to give wide publicity to the Scheme so that eligible borrowers of home loans can avail maximum benefit of the Said Scheme.

The copy of the letter and Scheme is placed for information of the members of the forum.

AGENDA: 4

Review of performance of Commercial Banks in U.T. of Puducherry:

Position as at the end of September 2009

Branch Net Work:

As at the end of September 2009, there are 38 banking institutions with a total network of 150 branches operating in the Union Territory of Puducherry. The commercial banks with 115 branches, Puducherry State Co-operative Bank with 22 branches, and Puducherry Co-operative Central Land Development Bank with one Branch and a Regional Rural Bank of U.T. of Puducherry named Pudukkottai Bharathiar Grama Bank with 12 branches are taking care of the banking services of the people in the UT of Puducherry.

The Agency wise break up is as under.

| No | Particulars | No. of branches | Of which Rural branches | Branches in Karaikal Region |
|----|------------------------------|-----------------|-------------------------|-----------------------------|
| 01 | Commercial Banks | 115 | 36 | 25 |
| | Of which | | | |
| | a. Nationalized Banks | 93 | 35 | 19 |
| | b. Private Sector Banks | 22 | 1 | 6 |
| 02 | Puducherry State Co-op. Bank | 22 | 12 | 2 |
| 03 | P.C.C.L.D. Bank | 1 | - | - |
| 04 | Regional Rural Bank | 12 | 9 | 2 |
| | T O T A L | 150 | 57 | 29 |

Besides this, PIPDIC (A Government of Puducherry Undertaking) & SIDBI are also extending loan assistance in this Union territory. **Of the 150 branches, as many as 93 branches constituting 62% are in urban/semi-urban areas. The average population served per branch is placed at 6496. In Karaikal Region 29 branches are operating and the average population served per branch is around 5889.**

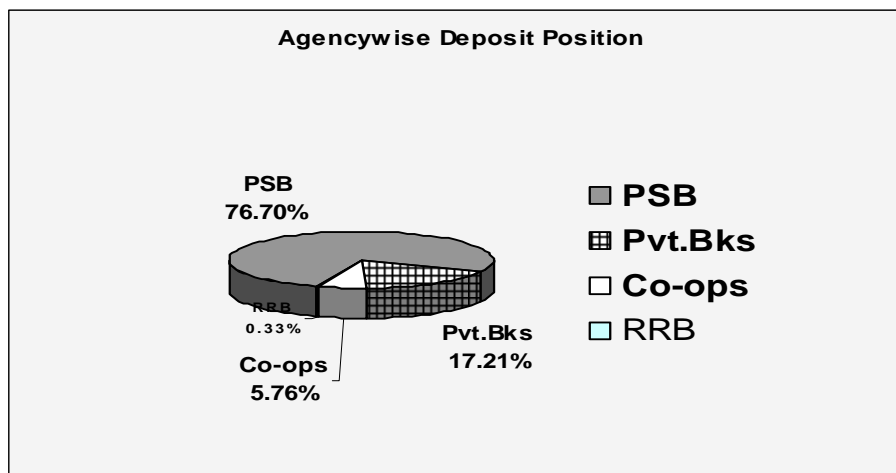
The comparative details of the agency-wise performance under various important parameters are furnished in the annexure.

Business Position as on 30.09.2009

(Rs. in Crores)

| Sl. No | Details/Sector | March 2009 | Sept 2009 | Variation & % of growth over March 2009 |
|---------------|---|-------------------|------------------|--|
| 1 | Total Deposits | 5626.17 | 6106.21 | 480.04 (8.53%) |
| | Of which NRI Deposits | 495.22 | 496.11 | 0.87 |
| 2 | Total Advances | 3237.59 | 3548.40 | 310.81 (9.6%) |
| 3 | CD Ratio | 58% | 58% | - |
| 4 | Investments | 144.78 | 144.87 | 0.09 |
| 5 | Credit + Inv / Deposit Ratio | 60% | 60% | - |
| 6 | Total Priority Sector Advances | 1932.72 | 2140.68 | 207.96 (10.75%) |
| 7 | % of Priority Sector Adv. to Total Advances | 60% | 60% | - |
| 8 | Total Advances to Agriculture | 510.15 | 566.68 | 56.53 (11.08%) |
| 9 | % of Agri. advances to Total Advances | 18% | 17.5% | -0.5% |
| 10 | Advances to Weaker Section | 337.92 | 388.53 | 50.61 (14.98%) |
| 11 | % of Weaker Section to Total Advances | 10.44% | 10.95% | 0.51% |
| 12 | Advances to SC/ST | 94.26 | 118.74 | 24.48 (25.97%) |
| 13 | Advances to Minorities | 90.88 | 116.93 | 26.05 (28.66%) |
| 13 | Advances to DRI | 0.88 | 1.28 | 0.40 (45.45%) |

Agency-wise Deposit Position:



Deposits

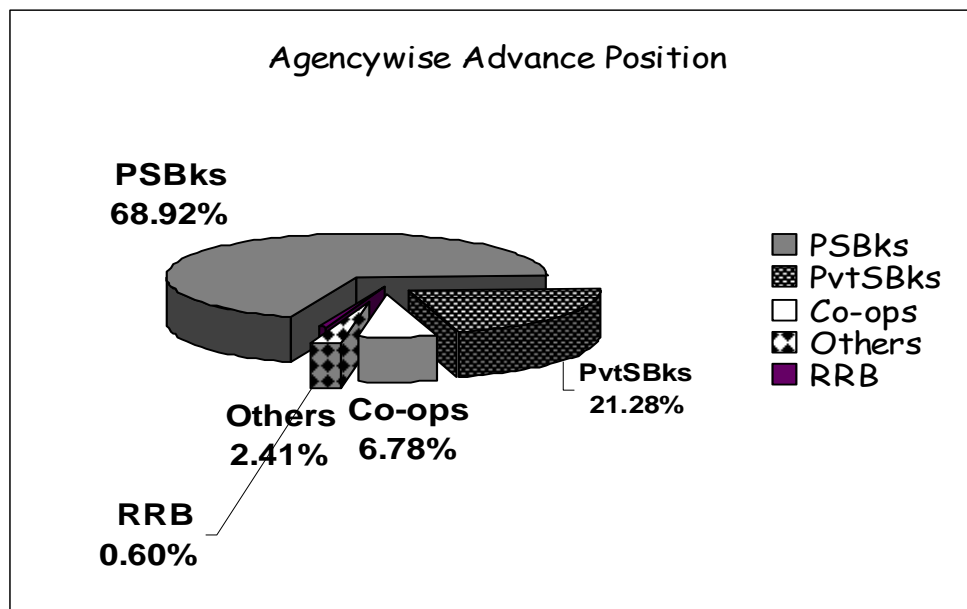
(Rs. in Crores)

| Agency | March 2009 | Sep 2009 | Variation & % of growth over March 09 |
|----------------------|----------------|----------------|---------------------------------------|
| Public Sector Banks | 4297.47 | 4683.84 | 386.37 (8.99%) |
| Private Sector Banks | 979.91 | 1050.8 | 70.89 (7.23%) |
| Co-operative Banks | 342.61 | 351.7 | 9.09 (2.65%) |
| Regional Rural Bank | 6.18 | 19.86 | 13.68 (221.36%) |
| TOTAL | 5626.17 | 6106.21 | 480.04 (8.53%) |

Analysis:

- The deposits mobilized by the banking system in the UT of Puducherry rose from Rs. 5626.17 Crores as of March 2009 to Rs. 6106.21 Crores as of Sep 2009 registering an increase of Rs.480.04 Crores (8.53%).
- The Public Sector Banks continued to have a predominant share with their deposits constituting as high as 76.70% of the total deposits followed by Private Sector Banks at 17.21%, Co-operative Banks at 5.76% and RRB at 0.33%
- In absolute terms, Public Sector Banks have shown an increase in the growth of Deposits by Rs.386.37 crores (8.99%). The deposits of Private Sector Banks increased by Rs.70.89 crores (7.23%). The deposits of Co-operative Banks increased by Rs.9.09 crores (2.65%). RRB has mobilized deposit of Rs.19.86 crores.

Agency-wise Advance Position



Advances

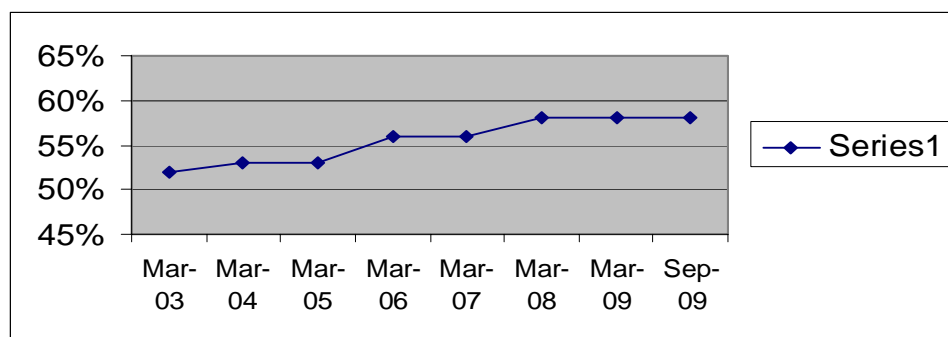
(Rs. in crores)

| Agency | March 2009 | Sep 2009 | Variation & % of growth over March 2009 |
|----------------------|----------------|---------------|---|
| Public Sector Banks | 2161.34 | 2445.6 | 284.26 (13.15) |
| Private Sector Banks | 777.95 | 755.19 | -22.76 (-2.92) |
| Co-operative Banks | 220.14 | 240.61 | 20.47 (9.3) |
| Regional Rural Bank | 4.28 | 21.59 | 17.31 (403.49) |
| Others | 73.88 | 85.41 | 11.53 (15.61) |
| TOTAL | 3237.59 | 3548.4 | 310.81 (9.6) |

Analysis:

- Gross credit increased by Rs.310.81 crores showing a growth rate of 9.6%.
- Public Sector Banks have shown increase of Rs.284.26 Crores, recording a growth rate of 13.15% over the March 2009 position.
- Private Sector Banks have shown decrease of Rs.22.76 Crores.
- Co-operatives banks have shown an increase of Rs.20.47 Crores (9.30%) when compared to March 2009 position.
- RRB has lent advance to the tune of Rs.17.31 crores.

CD Ratio:



Deposits have registered a growth of 8.53% (Rs.480.04 Crores) as compared to the growth of Advances at 9.6% (Rs.310.81 Crores). Hence, the CD ratio is at 58% during the period under review.

- NRI deposits amounting to Rs.496.09 Crores accounts for 8.12% of the total deposits invested in bank branches in UT. Excluding the NRI deposits, the CD ratio works out to 63.25%.
- The CD ratio for Karaikal Region works out to 65%
- Out of the 22 Public sector banks present in the UT, 8 Banks are having CD Ratio of more than 60% and the remaining 14 Public Sector Banks have a CD Ratio of less than 60%.
- Of the 13 Private Sector Banks in the UT, 6 Banks are having CD Ratio of more than 60% while the remaining 7 have a CD Ratio of less than 60%.
- RRB, PSCB and PCCLDB have a CD Ratio of above 60%.

Credit to Deposit and Investment Ratio

It could be observed that RRB, PSCB & PCCLDB have made an investment to the tune of Rs.144.87 Crores in Government Securities and as a result the Credit plus Investment to Deposit ratio is at 60% in September 2009.

Performance under other key functional areas:

| Area | Reserve Bank of India Norms | Actuals as on March 2009 | Actuals as on Sep 2009 |
|-------------------------|------------------------------------|---------------------------------|-------------------------------|
| Priority Sector | 40% | 60% | 60% |
| Agricultural Advances | 18% | 18% | 17.5% |
| Weaker Section Advances | 10% | 10.44% | 10.95% |
| DRI Advances | 1% | 0.03% | 0.04% |

Analysis:**Priority Sector:**

The share of Priority Sector Credit to Total Advances stood at 60% for the period under review. In absolute terms, there is an increase of Rs.207.96 Crores over March 2009. The rate of growth during the period stood at 10.75%, which is against the growth rate of over all credit at 9.6% for this period. As per the norms of RBI, banks are required to maintain 40% under Priority Sector advances.

Agriculture:

Under Agriculture loans, there is an increase of Rs.56.53 crores during the period under review, registering an increase of 11.08% over March 2009 position. The ratio of agriculture advances to the total advances is at 17.5% as of September 2009 as per the revised guidelines of calculation of ratio based on the previous year's outstanding advances.

Weaker Section:

Advances to Weaker Sections under Priority Sector Advances have increased by Rs.50.61 Crores during the period under review. This accounts for a growth of 14.71 % over March 2009 position. The ratio of weaker section advances to total advances as of September 2009 is at 10.95%

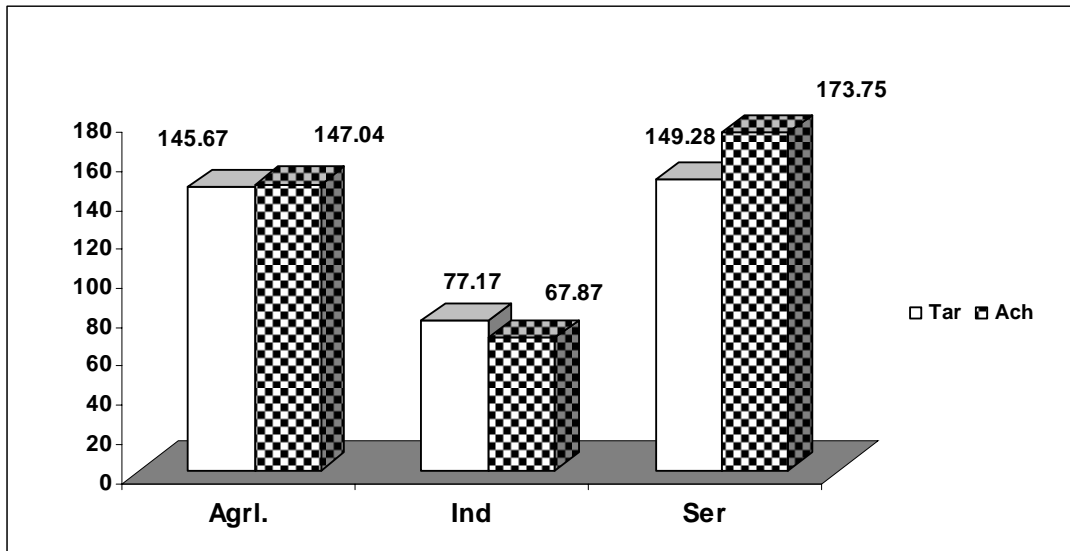
DRI Scheme:

The outstanding advance under DRI has increased from Rs.0.88 crores as on March 2009 to Rs.1.28 crores as of September 2009.

AGENDA: 5

Review of Performance under Annual Credit Plan 2009-10

(Rupees in Crores)



The Sector wise target vis-à-vis achievement (Disbursement) as of 30.09.2009 is given below:

(Rs. in Crores)

| Sector | Target | Achievement | % of Achievement |
|---|------------------|---------------|------------------|
| | As of 30.09.2009 | | |
| Agriculture | 145.67 | 147.04 | 101 |
| NFS (SSI, artisans, Village & Cottage Industries) | 77.17 | 67.87 | 88 |
| Trade/Services | 149.28 | 173.75 | 116 |
| TOTAL | 372.12 | 388.66 | 104 |

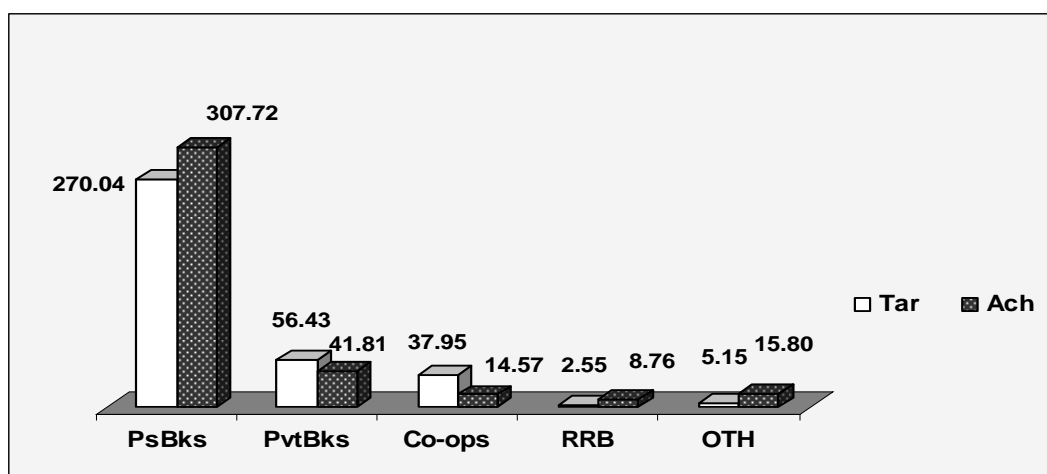
The aggregate Credit disbursement for the year 2009-10 upto September 2009 amounts to Rs.388.66 Crores against the target of Rs.372.12 Crores, which works out to 104% of the target. The Banks in UT of Puducherry continue to give thrust to Agriculture. The credit flow to agriculture sector reached a level of Rs.147.04 crores against the target of Rs. 145.67 crores achieving a level of 101% of the target. Major share of credit is absorbed for crop production

purposes followed by Dairy development. Trade/services sector absorbed 45% of the total credit and is followed by agriculture at 38%.

Banks disbursed loans amounting to Rs.173.75 crores against a target of Rs.149.28 crores achieving a level of 116% under trade and services sector. Tourism related activities, Hotel industry, IT and IT enabled services, food processing units are the major beneficiaries of this credit flow.

Agency-wise target vis-à-vis achievement under ACP 2009-10 as of Sep 2009.

(Rupees in Crores)



The performance of Public Sector Banks under ACP 2009-10 as of September 2009 is placed at 114%, Private Sector Banks at 74% & the co-operative sector registered 38%.

(Rs. in Crores)

| Agency | Target | Achievement | % of Achievement |
|-----------------------|------------------|---------------|------------------|
| | As on 30.09.2009 | | |
| Public Sector Banks | 270.04 | 307.72 | 114 |
| Private Sector Banks | 56.43 | 41.81 | 74 |
| Co-op Sector Banks | 37.95 | 14.57 | 38 |
| RRB | 2.55 | 8.76 | 344 |
| Others (PIPDIC/SIDBI) | 5.15 | 15.80 | 307 |
| TOTAL | 372.12 | 388.66 | 104 |

AGENDA: 6

NATIONAL PILOT PROJECT FOR FINANCIAL INCLUSION (NPPFI) – PUDUCHERRY:

The Union Territory was declared as covered with 100 per cent banking facilities to all its eligible and willing households. The bankers are to utilize this opportunity to assist the needy population by way of overdraft and General credit card. Banks can still open no frills accounts for any left out household/population. Bankers have shown enthusiasm in opening of no-frills accounts for the old age and disabled pensioners by following the National Pilot Project on Financial Inclusion guidelines. As at the end of period under review, a total number of 191863 accounts have been opened under the project. All the Banks have also extended credit facilities to the tune of Rs.268.39 lakhs to 25488 beneficiaries under OD/GCC scheme and Rs.470.67 lakhs to 880 beneficiaries under other facilities. All the banks are requested to provide credit facilities to the account holders.

AGENDA: 7

Flow of credit to Agriculture

The banks in UT of Puducherry have performed exceedingly well and achieved the doubling of credit flow to agriculture in two years time i.e. by the end of 2005-06. They are continuing the good performance in this year also.

The progress made in UT of Puducherry with respect to the new farm credit policy is given below:

(FOR THE PERIOD 01.04.2009 TO 30.09.2009)

(Rs. in crores)

| S. No. | Particulars | No | Amount |
|--------|--|--------------|---------------|
| | <i>Annual Target AS PER ACP 2009-10</i> | 77619 | 300.33 |
| 1 | Loans issued a. Crop loans | 4284 | 19.96 |
| | b. Agri. Jewel Loans | 28645 | 108.9 |
| | c. Agri Term loan | 2504 | 18.21 |
| | TOTAL | 35433 | 147.04 |
| 2 | No of new farmers financed | 9650 | 36.92 |
| 3 | No of Agri. clinics financed | | |
| 4 | Tenant farmers and oral lessees financed | 566 | 1.64 |
| 5 | Debt Swap Scheme | 1420 | 2.75 |

During the period under review banks in UT of Puducherry provided crop loans to 4284 farmers to the tune of Rs.19.96 crores and the total credit deployment by banks in the UT of Puducherry in the agriculture sector is Rs.147.04 crores as against the annual target of Rs.300.33 crores. UT of Puducherry is having 86 rural and semi urban branches and banks in the current year have provided loans to 9650 new farmers that work out to 112 farmers per branch.

All the crop loans given to notified crops in the notified area are to be invariably covered under NAIS.

Bank wise performance under the Flow of credit to Agriculture is furnished in the annexure.

AGENDA: 8

Review of Recovery Performance under Government Sponsored Schemes:

8.1. Recovery performance under PMRY:

The rate of recovery under PMRY during the year under review was 34%. The Bank-wise recovery details are furnished in page No. .

8.2. Review of recovery performance under SJSRY:

As of September 2009 the recovery performance under group loans (SJSRY-DWCUA) is at 87% and the rate of recovery under SJSRY (USEP) individual loan is at 48%. Banks and the department are to put in more efforts to improve the recovery and not allow the rate of recovery to decline, in the upcoming year also. The Bank-wise recovery details are furnished in page No.

8.3. Review of recovery performance under SGSY

The recovery performance under SGSY as of September 2009 stands at 89%. The Bank-wise recovery details are furnished in page No.

8.4. Review of Recovery performance under Priority Sector Advances

The recovery under Priority Sector advances is 77% of the total demand during the period under review. The Bank-wise recovery details are furnished in page No.

AGENDA: 9

Review of Performance under Government Sponsored Schemes in UT of Puducherry

9.1 Swarnjayanti Gram Swarozgar Yojana (SGSY):

The formation of Self-Help Groups among the BPL families is being made on an on-going basis under the SGSY Scheme. So far, 1845 groups have been formed in the UT of Puducherry. Against the target of 200 groups under economic assistance for the year 2009-10 the agency has sanctioned subsidy for the 142 cases as on 30.11.2009. Banks have released loans to 88 cases amounting to Rs.198.68 Lakhs (Details are provided in Page No.)

9.2 PMEGP

For the year 2009-10 in rural areas so far 158 applications have been sent to the banks of which 69 applications have been sanctioned. In urban areas so far 242 applications have been sent to the banks of which 46 applications have been sanctioned. (Details are provided in Page No.)

9.3 PADCO – Adi Dravidar Welfare Programme

As on 31.10.2009, against the target of 1300, the agency has sponsored 621 applications and banks have sanctioned 517 loans. (Details are provided in Page No.)

AGENDA: 10 - Performances under various Schemes

10.1 Performance under Housing Finance Scheme:

The Union Territory is witnessing substantial construction activity especially in Puducherry and Karaikal Regions. The total disbursement for the period ending September 2009 is Rs.81.46 crores in 1196 accounts.

10.2 Performance under Educational Loan Scheme:

The increasing demand from student community for credit assistance to pursue higher education is playing greater role of the performance of the banks. All the member banks are actively participating in Educational loan Scheme.

On 14.11.2009 a special Education Loan Campaign was conducted in Puducherry. During the campaign a total of 1776 applications for education loans were received out of which 29 applications have been rejected and 549 applications have been sanctioned and the remaining applications are under various stages of processing.

The outstanding advance in Educational loan as on 30.09.2009 is Rs.123.21 Crores. This accounts for 3.71% of the total advances. Banks have sanctioned loan assistance to 1774 students for a sum of Rs.20.78 Crores during the period under review.

10.3 Credit Flow to Non Farm Sector:

The outstanding advances to Non farm sector (comprising SSI, artisans, village and cottage industries) by the financial institutions in UT of Puducherry as of September 2009 is Rs.627.91 crores. This accounts for 17.70% of the total credit. As per the report received from bank branches and as shown in the annexure, credit flow to the tune of Rs.67.56 crores was made upto September 2009 to 3241 accounts.

In view of the various schemes in operation viz. Credit Guarantee Fund Trust Scheme, Credit Linked Capital Subsidy scheme, Micro Finance Scheme banks are requested to increase the lending under SME sector.

AGENDA: 11 - Performances under special Schemes

11.1 Disbursement to Minority Community

The outstanding advance to minority communities as on 30.09.2009 is Rs.116.93 Crores. This accounts for 3.30% of the total advances. Banks have disbursed an amount of Rs.3083.23 Lakhs to 3196 accounts to Minority Communities for the period under review. Banks are requested to take note of the Prime Ministers 15 Point programme on the welfare of minorities and to lend more to the minority community.

11.2 Disbursement to SC/ST Community

The outstanding advance to SC/ST communities as on 30.09.2009 is Rs.118.74 Crores. This accounts 3.35% of the total advances. With regard to disbursement to SC/ST communities banks have disbursed an amount of Rs.1839.82 Lakhs to 1782 accounts for the period under review.

11.3 Disbursement to Women beneficiaries

The outstanding advance to women beneficiaries as on 30.09.2009 is Rs.265.86 Crores. This accounts for 7.49 % of the total advances. With regard to disbursement to women beneficiaries banks have disbursed an amount of Rs.3314.95 Lakhs to 4439 accounts for the period under review.

AGENDA: 12 - Performances under other Schemes

12.1 Performance under Kisan Credit Card Scheme:

In the current year banks have issued 5633 cards and extended credit assistance of Rs.2266.91 lakhs.

As all the crop loans are to be given only under KCC the banks are requested to furnish the statements correctly to lead bank. All the KCC holders should be invariably covered under PAIS with a view to provide continued accident insurance coverage.

12.2 SHG Credit Linkage:

During the period under review, 765 new SHGs opened SB Accounts. 1565 groups were credit linked to the tune of Rs.2300.62 Lakhs and 438 groups availed repeat finance amounting to Rs.1052.74 Lakhs. The cumulative number of SHGs having SB accounts as on 30.09.2009 is 15690. **These groups are apart from the groups financed under SGSY, SJSRY and other Government Schemes.**

12.3 Swarozgar Credit Card (SCC) Scheme

Members are aware that Reserve Bank of India has introduced during last year, a new scheme Swarozgar Credit Card (SCC) to provide credit facility for fishermen, rickshaw pullers, self employed persons etc. The details of Swarozgar Credit Card (SCC) and Artisan Credit Card (ACC) were circulated to all the member banks in August 2006. The target for all banks in Union Territory of Puducherry is 500 cards and banks are requested to make use of the implementation of second phase of NPPFI and report the progress under SCC also.

Handicrafts Marketing Centre, Government of India, Ministry of Handlooms is helping the banks by selecting and forwarding various Artisans for issue of Artisan credit Cards (ACC) under CGTSI Scheme.

AGENDA: 13

Submission of LBR-2 and LBR-3 Returns

The level of submission of LBR 2 and LBR U2 by bank branches in UT of Puducherry as of September 2009 is at 100% and the over all the position is furnished as below:

| Name of the Return | Submission Level | Name of the Return | Submission level |
|--------------------|------------------|--------------------|------------------|
| LBR 2 | 100% | LBR U2 | 100% |
| LBR 3-A | 100% | LBR U3-A | 100% |

As the performance of Banks under various sectors especially FCP, ACP, recovery of loans and achievement of various targets are reviewed based on the data furnished in the Lead Bank Returns (LBR) by the branches, **any default in submission will result in projecting unrealistic and low performance of the Banking system.**

Due to the best efforts by Lead Bank in sending the formats well in advance, reminders, telephonic reminders, information through various meetings the submission level has reached this level. Controlling offices of the Banks are requested to ensure timely submission of LBR so that the actual performance is presented for review on time.

Bank wise details on LBR submission is given in the annexure.

Agenda No 14.

Stimulus Package Issues relating to MSME sector.

In compliance with the directives of Reserve Bank of India contained in their letter No RPCD.SME &NFS. BC.NO.76/6.2.31(P)/2008-09 dt. 16.12.08 wherein it was mentioned that Special SLBC is to be convened every month to discuss the issues relating to MSME sector and the same is also to be discussed as a part of agenda in the regular SLBC meetings. Accordingly, the latest meeting was held on 11.12.2009. The progress made is furnished in the annexure.

Agenda : 15

Any other matter with the permission of the Chair.

FORMAT FOR REPORT ON SPECIAL SLBCS ON ITEMS OF ECONOMIC PACKAGE.

As on 30 11 2009.

| Particulars | During the month | | Cumulative at end of month | |
|--|------------------|----------------|----------------------------|----------------|
| | No. of a/cs | Amt. Rs. In Cr | No. of a/cs | Amt. Rs. In Cr |
| (1) Credit flow to MSE: | | | | |
| • Sanction of working capital loans(New) | 138 | 3.21 | 1578 | 288.70 |
| • Sanction of incremental working capital loans (Existing units) | 16 | 1.78 | 382 | 103.86 |
| • Restructuring of MSME accounts | 7 | 0.13 | 243 | 12.39 |
| • Sanction of loans for purchase of Genset on soft terms | NIL | NIL | 2 | 0.06 |
| (2) Sanction of Housing loans | | | | |
| • Loans upto Rs.5 lakhs | 58 | 2.37 | 1581 | 55.94 |
| • Loans from Rs.5 lakhs to Rs.20 lakhs | 85 | 9.01 | 2930 | 227.38 |
| • Loans above Rs.20 lakhs | 12 | 3.35 | 190 | 54.82 |
| (3) Sanction of auto loans | 101 | 3.39 | 1835 | 62.11 |
| | | | | |

Memo items:

(i) Interest rates (range) charged on loans sanctioned:

| MSME Loans | Housing Loans | | | Auto Loans |
|------------|-----------------------|--------------------------------------|--------------------------|------------|
| | Loans upto Rs.5 lakhs | Loans from Rs.5 lakhs to Rs.20 lakhs | Loans above Rs.20 lakhs. | |
| 8.50-14.25 | 8.00-13.50 | 8.00-13.50 | 8.00-13.50 | 8.00-15.0 |