

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**RBI ADVISES BANKS TO SET UP A SPECIAL SUB-COMMITTEE OF DLCC TO
DRAW MONITORABLE ACTION PLANS FOR IMPROVING CDR**

New Delhi, Agrahayana 04, 1933
November 25, 2011

Reserve Bank of India has advised Banks to set up a Special Sub-Committee (SSC) of District Level Consultative Committee (DLCC) for those districts having CDR less than 40 per cent to draw up Monitorable Action Plans (MAPs), monitor such action plan on a regular basis and initiate necessary action for improving CDR. Accordingly, CDR is monitored and discussed at district level by DLCCs to improve the ratio and ensure that it does not fall below 40 per cent.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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**118 % AND 119% ACHIEVEMENT IN GROUND LEVEL CREDIT TO
AGRICULTURE DURING 2009-10 AND 2010-11**

New Delhi, Agrahayana 04, 1933
November 25, 2011

The Government of India sets target for ground level credit to Agriculture every year. The Agency wise target and achievement for 2009-10, 2010-11 & 2011-12 is as under:

(Rs. Crore)

Agency	Credit flow in 2009-10		Credit flow in 2010-11 (provisional)		Credit flow in 2011-12 (Provisional)	
	Target	Achievement	Target	Achievement	Target	Achievement (1 April 2011 – 31 August 2011)
Comm. Banks	250,000	285,799.73	280,000	332,705.98	355,000	123,939.74
Coop. Banks	45,000	63,496.85	55,000	70,105.30	69,500	43,980.21
RRBs	30,000	35,217.62	40,000	43,967.70	50,500	23,096.02
Total	325,000	384,514.20	375,000	446,778.98	475,000	191,015.97

The overall achievement was 118% and 119% during the year 2009-10 and 2010-11 respectively.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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PRESS INFORMATION BUREAU
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**NABARD MONITORS PERFORMANCE OF COOPERATIVE BANKS TO
IMPROVE THEIR FUNCTIONING**

New Delhi, Agrahayana 04, 1933

November 25, 2011

There are 31 State Cooperative Banks, 370 District Central Cooperative Banks (DCCBs), 20 State Co-operative Agriculture and Rural Development Banks (SCARDBs) and 697 Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) in the country.

As per the information available with National Bank for Agriculture and Rural Development (NABARD) the amount of loss/profit made by Cooperative Banks in the country during 2008-09 and 2009-10 is as under :

(Rs. in crore)

Cooperative Banks	2008-09		2009-10	
	Profit	Loss	Profit	Loss
SCBs	408.78 (26)	70.61 (5)	491.41 (29)	208.06 (2)
DCCBs	1595.23 (324)	216.10 (46)	1711.62 (326)	475.10 (44)
SCARDBs \$	404.07 (12)	87.62 (7)	127.47 (10)	154.92 (9)
PCARDBs	220.21 (344)	342.30 (353)	131.76 (297)	526.34 (400)

(number of banks shown in bracket)

Data for the year 2009-10 is provisional

\$ Manipur SCARDB is defunct

During the inspections of the banks, various irregularities, such as non-maintenance of minimum capital requirement, maintenance of Cash Reserve Ratio, Statutory Liquidity Ratio, non-compliance with various provisions of Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), irregularities in sanction of loans and advances, violation of investment guidelines of RBI, etc., are being observed. The deficiencies observed in the functioning of the banks during the inspection by NABARD are being brought to the notice of the banks and the Registrar of Cooperative Societies of the State concerned with an advice to take rectification measures. These violations are being monitored/rectified through compliance mechanism. In case of serious violations, RBI has taken action by way of imposing penalty for violation under Section 46 and 47 of Banking Regulation Act, 1949.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**SUB-COMMITTEE CONSTITUTED BY RBI UNDER SHRI Y.H. MALEGAM
SUBMITS ITS REPORT REGARDING MICRO FINANCE SECTOR**

New Delhi, Agrahayana 04, 1933
November 25, 2011

In view of the developments in the Microfinance sector, particularly in Andhra Pradesh, the Reserve Bank of India (RBI) had in October, 2010 constituted a Sub-Committee under Shri Y.H. Malegam, Member of the Central Board of Directors of RBI, to study issues and concerns of the Micro Finance Sector including interest rates charged by the lenders in this area. The Malegam Committee in its Report has inter alia recommended the following.

- (i) Creation of a separate category of NBFCs viz. NBFC-MFIs to be regulated, and supervised, by the RBI.
- (ii) An average "margin cap" of 10 per cent for MFIs having a loan portfolio of Rs.100 crore and of 12 per cent for smaller MFIs. An interest cap of 24% on individual loans of MFIs.
- (iii) In the interest of transparency, an MFI can levy only three charges, namely, (a) processing fee (b) interest and (c) insurance charge.
- (iv) A borrower can be a member of only one Self- Help Group (SHG) or a Joint Liability Group (JLG).

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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**GOVERNMENT IMPLEMENTS ADWDRS 2008 TO DE-CLOGG THE LINE
OF CREDIT TO THE FARMERS UNDER DEBT BURDEN AND ENTITLE THEM
FOR FRESH CREDIT; RS. 52419.88 CRORE RELEASED TO THE LENDING
INSITUIONS AS REIMBURSEMENT UNDER ADWDRS**

New Delhi, Agrahayana 04, 1933
November 25, 2011

The Government of India implemented Agricultural Debt waiver and Debt Relief Scheme (ADWDRS), 2008 which aimed at de-clogging the line of credit that were clogged due to the debt burden on the farmers and to entitle these farmers for fresh credit. All agricultural loans disbursed by Public Sector Banks, Private Sector Banks, Cooperative Banks, Local Area Banks and Regional Rural Banks between 01 April 1997 to 31 March 2007 to farmers, overdue as on 31 December 2007 and remaining unpaid upto 28 February 2008 were eligible for Debt Waiver/Debt Relief. The Debt Waiver portion of the Scheme was closed on 30.6.2008. The Debt Relief portion of the Scheme was closed on 30.6.2010.

The Government of India (GoI) has so far released an amount of Rs.52419.88 crore to the lending institutions as reimbursement under the Scheme.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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**OVER 95% SMALL HELP GROUPS (SHGs) LOAN ACCOUNTS ARE REGULAR
AS ON 31ST MARCH, 2011**

New Delhi, Agrahayana 04, 1933
November 25, 2011

The agency-wise progress under SHG-Bank Linkage Programme as on
31 March 2011 is as under:

(Amt. Rs. lakh)

Sl. No.	Name of the Agency	Total outstanding Bank Loans to SHG		Average loan outstanding per SHG
		No.of SHGs	Loans outstanding	
1	Coml. Bank	3053472	2188325.67	0.71
2	RRBs	451798	190785.65	0.42
3	Coop. Bank	1281493	743005.23	0.57
	Total	4786763	3122116.55	0.65

The average loan outstanding per SHG has increased from Rs.57,795/- in March 2010 to Rs.65,224 in March 2011.

Peer pressure plays an important role in SHG mechanism which ensures timely recovery of outstanding loan. As on 31.03.2011 over 95% SHG loan accounts are regular.

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