

PERFORMANCE UNDER ANNUAL CREDIT PLAN Q-1 OF FY 2017-18

Amount in crores

Sr. No.	Sector	Financial Year 2017-18					FY 2016-17 [March to June-2016]		
		Target		Achievement Q-1 of FY 2017-18		Achi. %	Target for FY 2016-17	Achievement Q-1 of 16-17	Achi. %
		No.	Amt.	No.	Amt.	Amt.	Amt.	Amt.	Amt.
1	Agriculture	3700878	94868	1643577	22451	23.67	80989	19412	23.97
1a	Farm Credit	3418692	88374	1604356	20855	23.60	75927	18146	23.90
1b	Crop loan out of 1a	2594512	67229	1341662	17872	26.58	58521	15303	26.15
1c	Agriculture Infrastructure	187088	3905	4423	244	6.24	3184	362	11.37
1d	Ancillary Activities	95098	2589	34798	1352	52.22	1877	904	48.16
2	MSME	444309	18441	126316	6351	34.44	16123	7319	45.39
2a	Micro Enterprises	315927	11493	104630	3119	27.14	*	3374	*
2b	Small Enterprises	21729	2865	11121	2388	83.35	*	2856	*
2c	Medium Enterprises	11803	1101	1138	581	52.81	*	980	*
2d	KVIC	11183	910	395	26	2.81	*	9	*
2e	Other under MSME	83667	2072	9032	237	11.43	*	100	*
3	Export Credit	2518	529	32	15	2.74	425	6	1.41
4	Education	28775	1138	4258	132	11.63	1435	93	6.48
5	Housing	188147	6996	28112	1091	15.60	5948	1028	17.28
6	Social Infrastructure	90492	1410	51	17	1.19	3914	11	0.28
7	Renewable Energy	31470	356	31	0	0.13	271	0	0.00
8	Others	118795	3141	435613	861	27.42	0	735	0.00
9	Total Priority Sector	4605384	126879	2237990	30918	24.37	109104	28605	26.22
10	Total Non-Priority Sector	156715	5076	838475	27949	550.61	3252	5969	183.55
11	Total Credit Plan (9+10)	4762099	131954	3076465	58867	44.61	112356	34574	30.77

HIGHLIGHTS

- The potential credit outlay FY 2017-18 for priority sector lending was estimated as Rs. 126879 crore, with an increase of 16.29% over the projections of the previous financial year.
- As against the target of Rs 1,31,954 crore (priority & non-priority), under Annual Credit Plan for FY 2017-18, an amount of Rs 58,867 crore was disbursed till June 30, 2017, recording an achievement of 44.61 per cent.
- The Banks disbursed Rs 30918 crore to the priority sector against the target of Rs 126878 crore with achievement index of 24.37%. During corresponding period of previous financial year achievement (Mar to June-16) was 26.22%.
- The Banks disbursed Rs 22451 crore to the agriculture sector against the target of Rs 94868 crore and achieved 23.67% of the target as against the achievement of 23.97% during same period of FY 2016-17. Achievement of Commercial banks, regional rural banks & cooperative banks were 63.10%, 15.11% & 26.79% respectively during June 30. 2017.
- Crop loans outlay of Rs. 67229 crores for FY 2017-18, constitutes a major share (51%) in the credit plan. The credit flow to this sector was Rs 17872 crore with achievement of 26.58 per cent during 2017-18.
- Against the allocation of Rs 6996 crore credit for the housing sector (priority sector), the credit off take was Rs 1091 crore at the end of first quarter

of current fiscal and achievement index was 15.60%.

THE RESERVE BANK OF INDIA RECENTLY CUTS REPO RATE BY 25 BPS TO 6% AND LOWERED THE STATUTORY LIQUIDITY RATIO (SLR) BY 50 BASIS POINTS TO 20 PER CENT.

RBI LOWERED THE RISK WEIGHT FOR HOUSING LOANS ABOVE RS. 75 LAKH TO 50 PER CENT FROM THE EARLIER 75 PER CENT, WHILE FOR LOANS BETWEEN RS. 30 LAKH AND RS. 75 LAKH, THE RISK WEIGHTS WERE CUT TO 35 PER CENT FROM 50 PER CENT.

THE STANDARD ASSET PROVISIONS ON HOME LOAN WERE LOWERED TO 0.25 PER CENT FROM THE EARLIER 0.40 PER CENT.

THE STIPULATION OF RISK WEIGHT AND STANDARD ASSET PROVISION WILL BE APPLICABLE FOR THE LOANS SANCTIONED AFTER JUNE 6, 2017.

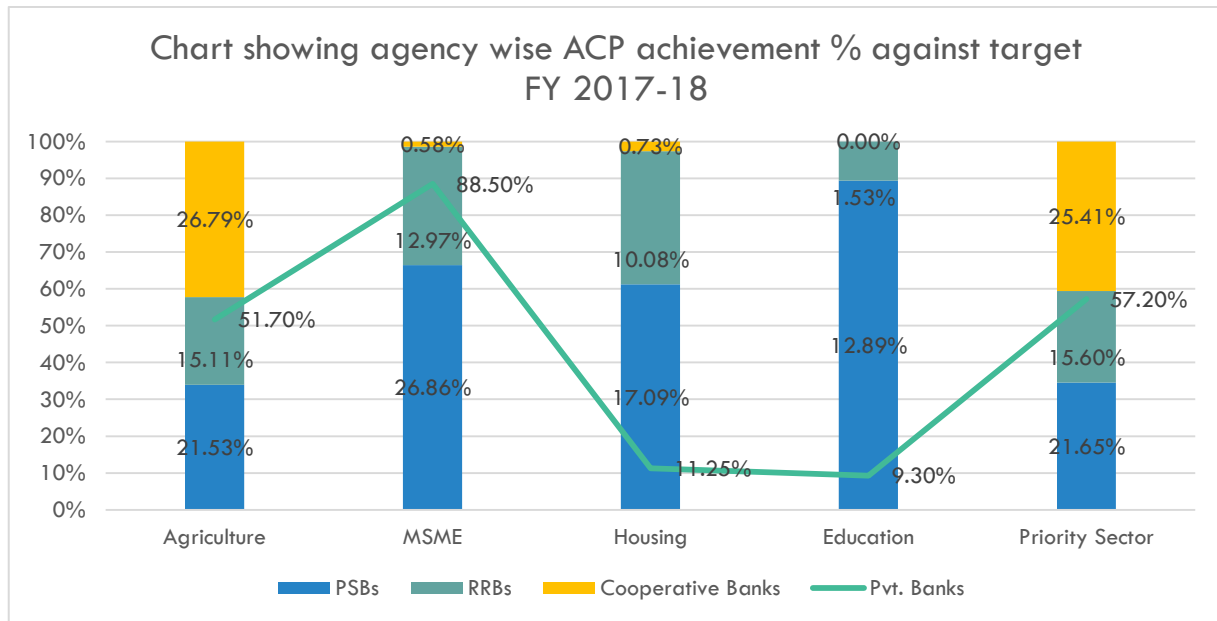
Cut in key rates and reduction in risk weights for housing loans are positive moves that would support bank liquidity and help credit off take in the housing sector.

- Banks performed well under Ancillary activities category and achieved 52.22% of the targets during June-17. Loans up to Rs. 5 crore to co-

operative societies of farmers, Loans for setting up of Agri-clinics and Agribusiness Centres, Loans for Food and Agro-processing up to an aggregate sanctioned limit of Rs100 crore per borrower , Loans to Custom Service Units , loans to Primary Agricultural Credit Societies (PACS), Farmers' Service Societies (FSS) etc. come under ancillary activities.

- Under MSME (priority sector), banks disbursed Rs. 6351 crores during first quarter of FY 2017-18 as against the target of Rs. 18441 crores and achieved 34.44% of the target. However, achievement was 45.39% during same period of previous financial year.
- Performance under Social Infrastructure & Renewable Energy sectors are yet to be picked up as achievement during 2017-18 was only 1.19% & 0.13% respectively.

Agency wise ACP performance FY 2017-18 up to June 30, 2017



- Data suggests that private banks are moving fast towards agriculture and MSME sectors and achieved 51.70% and 88.50% of their targets for FY 2017-18 during first quarter of current fiscal. Achievement index of cooperative banks under agriculture sector was 26.79% up to June 30, 2017. During first quarter, cooperative banks received huge repayment in their agriculture loan accounts. It is expected to increase during next quarter.
- Regional Rural Banks could achieve only 15.11% up to June 30, 2017. RRBs need to give a serious thought to the issue and scale up finance to agriculture sector as they are among the drivers of agricultural credit in the State, which is primarily an agrarian economy.
- The MSME sector contributes significantly to the State's manufacturing output, employment and exports and is credited with generating high employment. The Government of Madhya Pradesh is poised to enable entrepreneurship through access to resources and support in terms of infrastructure and incentives. The MSME sector in Madhya Pradesh has witnessed significant transformation in recent times wherein new business opportunities have come up and several diverse investments are being undertaken by the public and private sector players.
- Private Banks achieved 88.50% of their targets under MSME during June 30, 2017. However, targets given to private sector banks constitute only 15.21% of total targets under MSME, while it is 75.55% for Public Sector Banks. Looking to the performance of private sector banks, their targets need to be revised.
- Public Sector Banks disbursed Rs. 966 crores to housing sector followed by Private Banks with disbursement of Rs. 89 crores. State Bank of India was in the top with disbursement of Rs. 574 crores.
- Public Sector Banks were pioneer in disbursement of education loans (Loans up to

10 lakh). Out of total disbursement of Rs. 132 crore during first quarter of current fiscal, they disbursed Rs. 122 crores with 92.42% market share. Private Banks could disburse only Rs. 9.20 crores.

- During first quarter of the year 2017-18, Public Sector Banks achieved 21.65 per cent of the credit target under priority sector and private banks achieved 57.20% of their targets. However, PSBs disbursed Rs. 17163 crores, Pvt. Sector Banks could disburse Rs. 5436 crores.
- Co-operative banks and Regional rural banks disbursed Rs. 6158 crores and 2161 crores under priority sector and achieved 25.41% & 15.60% of the target respectively.

