

**THE PUNJAB STATE COOPERATIVE AGRICULTURAL  
DEVELOPMENT BANK LTD., CHANDIGARH**

**CITIZEN CHARTER**

**Introduction :**

- The Punjab State Cooperative Agricultural Development Bank was established in the year 1958 with the objective to provide facilities of long term credit to its farmer members. These loans are advanced to the prospective borrowers through 89 Primary Cooperative Agricultural Development Banks in the State.

**Vision :**

- Your financial partner for life

**Mission :**

- To play a catalytic role in maximizing the wealth creation for its members to improve their quality of life by being their financial partner and giving an impetus to the economic development of Punjab.

**Objectives :**

- To grant long-term loans to farmers to enable them to carry out agricultural improvements with credit support.
- To acquire land for the formation of economic holdings.
- To float debentures.
- To give loans to help the farmers for development of agriculture and allied activities.
- To support and help the farmers for construction of houses in rural areas.
- To provide loans for soil conservation and redemption of land.

### **Metamorphosis into any new objectives in :**

- Changing scenario to help the exclusive growth of the State.
- Loans for Non Farm Sector
- Kissan Credit Card
- Swarozgar Credit Card
- Micro finance
- Women Empowerment by creating economic assets of the members.
- Any other activity incidental to the attaining of the above.

### **Functions :**

- To introduce the concept of Business Process Re-engineering
- To improve the recoveries
- To increase the quality lending
- To attain technological achievements / support
- To develop Human Resources
- To strengthen the Monitoring and Evaluation System.
- The bank was established in the year 1958 with the objective of providing Long Term Credit to the farmers for agriculture and allied activities.
- Initially the bank provided loans only for Redemption of Land and Purchase of Land to make holdings economical. In the mid sixties the bank started advancing loans for installation of tubewells and purchase of agricultural implements.
- Then the bank started providing loans for Land Development, Land Levelling, Soil Conservation, Reclamation of Alkaline Land and Underground Pipelines

which brought more area under cultivation and also helped in increased agricultural production.

- Now the bank has diversified its lending portfolio and is also financing Dairy, Poultry, Fisheries, Plantation of Horticulture, Mushroom, Bee Keeping, Sheep/ Goat Rearing, Piggery, Installation of Bio Gas Plants and many more such activities.
- The Bank also started financing Non Farm Sector activities since 1993-94 such as Restaurants, Service Stations, Milk Processing, Oil Expeller, Brick Kilns, STD/PCO, Beauty Parlour, Repair Workshop, Saw Mill, Carpet Making, Roadside Dhabas, Atta Chakki, Marriage Palace and many more such activities.
- The bank further introduced number of new schemes like Rural Godown, Floriculture, Sprinkler and Drip Irrigation, Rural Housing, Contract Farming, loans for Higher Education, Rain Water Harvesting, Venture Capital Fund for Dairy / Poultry Schemes, Commercial Production Units of Organic Inputs, Development / Strengthening of Agricultural Marketing Infrastructure, Grading and Standardization, Net Cultivation, Agri. Service Centres, Land Leveler, Lazer Land Leveler etc.
- In pursuance of the aforesaid targets the bank shall have to introduce diversified activities & loan portfolio and to push up lending under New Ventures.
- Bank in the recent past introduced the following new ventures as a step towards further diversification of lending portfolio as under :-

Sr.No.	Name of scheme	Achievement during 2009-2010	Proposed Lending Programme	
			2010-2011	2011-2012
1.	Floriculture	242.00	265.00	292.00
2.	Calf rearing	66.00	73.00	80.00
3.	Drip Irrigation	4.00	5.00	6.00
4.	Agri. Clinics / Agri. Business Centre	106.00	124.00	142.00
5.	Sprinkler irrigation	2.50	4.00	6.00
6.	Rural Godown / Onion Godown	258.00	300.00	350.00
7.	Godown for storage of grain & Shed for parking machinery	520.00	600.00	690.00
8.	Commercial dairy	7885.00	9070.00	10500.00
9.	Rural Housing	15000.00	17200.00	20000.00

- Since inception, the bank has advanced loans of more than Rs. 7000.00 crore.
- During the 9<sup>th</sup> Five Year Plan Period (1997-98 to 2001-02) the bank had advance loans of Rs. 1714.64 Crores for various activities.
- During the 10<sup>th</sup> Five Year Plan Period (2002-2003 to 2006-2007) the Bank had advanced loans amounting to Rs. 2568.52 crores against lending target of Rs. 2550.00 crore.
- During the 11<sup>th</sup> Five Year Plan Period (2007-2008 to 2011-2012), the bank has a vision of advancing long term loans of Rs. 3964.00 crore. During the financial year 2007-2008, the bank had advanced loans of Rs. 275.66 crore and during the year 2008-2009 the bank advanced loans of Rs. 339.13 crore. During the financial year 2009-2010, the bank has advanced Rs. 458.89 Crores.
- During the current financial year 2010-11 Bank has a lending programme of Rs. 570.00 Crores.
- It would be bank's endeavor to push up lending under new activities.

### **Futuristic Vision:-**

- More push to SRTTO (Small Road Transport Operator),
- Loans for two wheelers without security of Immoveable property or against salary of Govt./Corp./coop. officials.
- Further diversification under Blue Revolution by financing Fresh Prawn Culture Schemes in addition to Fish culture in association with Deptt. Of Inland Fisheries, Punjab.
- The bank intend to step in to provide Micro Financing for income generation in the rural areas through Joint Liability Groups ( JLGs ).
- Education Loans,
- Loans for public amenities and community banking,
- Financing bigger Agro Processing Projects like oil expellers, Rice Shellers, Milk Chilling Plants, Dairy Products processing etc.,
- Financing Commercial dairy Projects in close liaison with MILKFED and private Milk Plants,
- Area specific projects under Non Farm Sector viz., Manufacturing concrete bricks, wood charcoal manufacturing, horticultural processing units etc.,
- Informal insurance for assets created with loan initially for tractor financing through Risk Fund / bank's own Insurance scheme,
- Loans for meeting second and subsequent cycles of Working capital requirements of existing units,
- Loans for bigger hatchary Projects for Poultry and Inland Fisheries,
- More stress on Deposit Mobilisation with the objective of collecting low cost funds,

- Involvement in meeting social obligations,
- Strive to retain and improve client base.
- Strive for excellence – improvement on all fronts,
- Improving efficiency transparency and customer service.
- Swapping of high cost borrowings with new low cost funds.

### **Conversion of Bank into Full Fledged Bank :-**

- Conversion of Federal Structure into Unitary structure,
- Amendment in the Bye Laws of the bank,
- Amendment in the Punjab State Cooperative Agricultural Development banks Act, 1957.

### **Recoveries :-**

- Improving recoveries by better utilization of loans,
- Effective Recoveries through persuasive methods by having regular better contact with the borrower,
- Stress on recoveries out of chronic over-dues and willful defaulters.

### **Important steps taken by the Bank:-**

- Disposal of loan cases by the PADBs is being ensured within 15 days. Strict instructions in this regard have been issued. AGMs and ROs have been directed to ensure the same .
- To encourage the farmer members to repay their loans promptly and regularly the bank is providing **1½% interest rebate** w.e.f. 1.4.2005 to those borrowers of PADBs who repay their loans timely, regularly and without default.

- The value of land to be taken as security will **be Rs. 2.00 lac per acre** to be fixed by District Collector whichever is higher.
- The condition of owning atleast 10 acres of agricultural land for availing tractor loan from the PADBs has been dispensed with . Now again farmers owning 4-6 acres of agricultural land in the State are eligible for availing loan from the PADBs for purchase of tractor.
- Now **a farmer can avail of any amount of loan** from the PADBs with a maximum share capital of Rs. 50,000/- . Previously a farmer could avail of loan only Rs. 16.65 lacs under a particular scheme.
- Previously **in case of joint cultivation** the farmers faced problems because of the condition of enrolling all the co-sharers as B-Class members of PADBs . **Now this condition has been abolished.**
- Share money to be contributed by a prospective borrower for availing of loans from the PADB has been reduced from 5% to 3%.
- Loan fee has been reduced from Rs. 5/- per thousand loan amount to only Rs. 100/- per loan case.
- Immovable property other than agricultural land is now also taken as security for Non Farm Sector loans.
- For the benefit of the farmers no bill is required for Farm Sector loans upto Rs. 1.00 lac and for Non Farm Sector upto Rs. 2.00 lacs.
- Bank has framed an Infrastructure Development Scheme for construction of own buildings of PADBs . SADB provides soft loan assistance to such PADBs.

- Now the additional shares of the borrowers are adjusted in the last instalment of repayment of loan by the borrowers. For this purpose each PADB can avail of soft loan of Rs. 3.00 lacs from SADB out of Primary Bank Vikas Fund for creation of share transfer fund.
- In view of the difficulties faced by the borrowers the loan policy of the bank has been simplified and a number of documents have been dispensed with .
- During the past eight years costlier funds of Rs. 2783.24 Crores ( @ 7% to 14%) have been pre-maturely paid to NABARD. By doing so an interest burden of Rs. 34.92 Crores has been saved. During 2008-09, funds of Rs. 306.92 Crores @ 6.25% to 9% have been pre-paid to NABARD/Govt. of India and by doing so an interest burden of Rs. 1.37 Crores has been saved. During 2009-10 bank has repaid Rs. 358.78 Crores and saved interest burden of Rs 3.69 Crores.
- During 2010-11, bank will make advance repayment of Rs. 325.00 Crores to NABARD and Govt. of India.
- Now the bank has laid more emphasis on small loans so as to cover large number of farmer families. PADBs have been advised to prefer loans upto Rs. 2.00 lacs under various schemes and upto Rs. 5.00 lacs under Rural Housing. This would also help in better utilization of loans.
- To ensure proper utilization of loans and better recoveries, the targets of lending are now allotted to the PADBs keeping in view their recovery performance.

- The bank has launched a campaign for organizing Farmer's Club . Each PADB is required to organize one Farmer's Club every month and organize one Farmer's Meet every fortnight. During such Meets farmers are advised, by the bank staff and officials of NABARD and other development departments, about the lending schemes and the advantages of proper utilization of loans which would ultimately help in timely & regular repayment of loans.
- For empowerment of Women, the bank has set up a Women Development Cell in the bank . Each Primary Bank has been directed to advance loans to atleast 10 women borrowers during the current financial year to start with. During the financial year 2008-09, 1254 women beneficiaries were advanced loans for Rs. 28.16 Crores. During 2009-10 1327 women beneficiaries were advanced loan of Rs. 33.55 Crores.

**Special incentive for women beneficiaries:**

- The bank is giving 0.5% interest rebate to women beneficiaries. Moreover no loan fee is charged from the women beneficiaries at the time of availing loan from the PADBs.

**Awards & Prizes :**

- NABARD has instituted 'NABARD'S BEST PERFORMANCE AWARD' in the year 1995-96. Since the inception of this award the bank has been bagging his award every year for its all round performance in various spheres of its working .

On 13<sup>th</sup> September, 2005, NABARD's Best Performance Award was presented to the bank by Sh. P Chidambaram, Hon'ble Finance Minister, Govt. of India, at a function held at New Delhi.

- The bank has also been bagging awards, every year, from the National Cooperative Agriculture and Rural Development Banks' Federation Ltd., Mumbai for its outstanding performance in various spheres. The bank bagged the following three National Level Trophies. These trophies were presented to the bank by Shri Kantila Bhuria, Hon'ble Minister of State for Agriculture, Govt. of India during 8<sup>th</sup> National Conference of ARDBs held on 22<sup>nd</sup> /23<sup>rd</sup> July, 2005 at New Delhi.
  - i) B. Venkatratnam Memorial Trophy for Best Bank in the country.
  - ii) Government of India, Union Minister of Agriculture Trophy for Best Allround Performance amongst SCARDBs in the country.
  - iii) M.N. Nambiar Memorial Trophy for Best Lending Performance amongst SCARDBs.

The awards for the subsequent years have not been announced.

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