

Table of Contents

SBP BSC (BANK)OFFICE WISE PERFORMANCE REPORT OF LCAC SINCE ANUARY 2004 TO 30TH SEPTEMBER, 2004.

S.No.	Name of Office	Page No.
1.	SBP BSC (Bank) Karachi.	01
2.	SBP BSC (Bank) North Nazimabad Karachi.	07
3.	SBP BSC (Bank) Hyderabad.	08
4.	SBP BSC (Bank) Sukkur.	22
5.	SBP BSC (Bank) Bahawalpur.	24
6.	SBP BSC (Bank) Multan.	31
7.	SBP BSC (Bank) Faisalabad.	35
8.	SBP BSC (Bank) Lahore.	38
9.	SBP BSC (Bank) Sialkot.	43
10.	SBP BSC (Bank) Gujranwala.	45
11.	SBP BSC (Bank) Rawalpindi.	47
12.	SBP BSC (Bank) Islamabad.	50
13.	SBP BSC (Bank) Muzaffarabad.	52
14.	SBP BSC (Bank) Peshawar.	54
15.	SBP BSC (Bank) D.I. Khan.	56
16.	SBP BSC (Bank) Quetta.	58
	<u>Presentation/ Trainings/ Workshops arranged.</u>	59

**SBP BSC (BANK) OFFICE WISE PERFORMANCE REPORT OF
LCAC SINCE JANUARY 2004 TO 30TH SEPTEMBER, 2004.**

1. Karachi Office.		
Meeting /Onsite visit	Issue raised / Points discussed	Action taken/Reply by Department/Office
<p>- Chief Manager meeting with North Karachi Association of Trade and Industry on 14-01-04.</p> <p>- Agenda points received from FPCCI for 21st meeting of LCAC held on 19-04-2004.</p>	<p>1) Non availability of LMM loan facility.</p> <p>2) Non acceptance of utility bills, sales tax and Income Tax challans.</p> <p>1) Complaint of J.A. textile against ABN Amro Bank regarding raise in L.C/advising charges whether SBP have permitted them to do so?</p> <p>2) Some Banks are not charging KIBOR for their corporate lending specially ABL.</p> <p>3) Current status of BMR Scheme</p>	<p>-CM briefed the participants about various SBP loaning schemes and gave assurance to solve their problems (if any) pending with SBP, however, policy points refer to BPD, SBP.</p> <p><u>BPD SBP REPLY</u></p> <p>-Proposal with regard to revamping of LMM scheme has been submitted for approval and after approval will be circulated (<u>scheme announced on 04-8-2004</u>).</p> <p>-SBP has been making all efforts to improve the situation and to reduce the difficulties of general public in depositing utility bills in the bank, instructions in this regard has been issued to all public sector banks.</p> <p><u>BPD SBP REPLY</u></p> <p>-The issue pertaining to increase in L/C advising charges, it is stated that for providing better & efficient services to the clients, cap on the minimum and maximum charges recovered by the banks on exports (Para 1 of Prudential Regulations No. X) has been withdrawn vide BPD Circular No.33 dated October 02, 2003. The banks, however, restricted that no change in the notified schedule of charges will be allowed during the period in which these are in force.</p> <p>-The issue of benchmarking KIBOR with corporate lending rate, it is advised that there are following exemptions from the requirement of using KIBOR as benchmark rate, as per instructions laid down in BPD Circular No.1 dated 21st January 2004 which read as under:</p> <ul style="list-style-type: none"> • Financing under Export Finance Scheme of State Bank of Pakistan, rates of which shall continue to be determined as per instructions issued by the Banking Policy Department of State Bank of Pakistan. • Lending provided by the banks in terms of the Prudential Regulations relating to Consumer financing and SME Financing. • The Overdraft and Running Finance facilities extended upto 31 January 2004. (These shall, however, be benchmarked to KIBOR at the time of renewal of the facility or when the same is due for reprising) • All TFCs / CPs approved by SECP and / or submitted to any stock exchange, provided the requests for necessary approval are submitted upto January 31, 2004. • All time loans with agreements executed upto January 31, 2004. However, if the pricing is renegotiated, these loans will be benchmarked to KIBOR. The FPCCI may, however, be advised to identify and report specific instances where banks have not adhered to these instructions on their corporate lending. •

<p>- LCAC Sub Committee Meeting held on 12-04-2004, Representatives of Sindh Chamber of Agriculture, Agriculture Department Govt of Sindh, ACD SBP and Banks attended.</p> <p>- LCAC Meeting held on 19-04-04, Representatives of Traders/ Trade Associations, Builders, Exporters, APTMA, KCCI, Korangi Association of</p>	<p>4) Banks require personal guaranties of all Directors against bank borrowings.</p> <p>5) (i) Recovery of fine imposed on Bank on Account of violation of PR-IV (linkage between borrower's equity and total borrowing from the Banks) and PR-V (Current Ratio) from it borrower and</p> <p>ii) Issue of service charges on salary account.</p> <p>1) Interest Rate.</p> <p>2) Agricultural Credit, Disbursement/ Recovery.</p> <p>3) Sanctioning limit of Loans.</p> <p>4) Direct Financing through Arthees.</p> <p>5) Mandatory targets and</p> <p>6) Bonafide losses.</p> <p>1) Complaint against increase in advising charges by the banks.</p> <p>2) Banks are not charging KIBOR for corporate lending.</p> <p>3) Penalty imposed for violation of P.R</p>	<p>- With regards to the issue of launching new scheme relating to finance, facility against the imported machinery, it is advised that the development of the scheme is at advanced stages and is expected to be finalized shortly.</p> <p>- Regarding the issue of obtaining personal guarantee of the directors, you are informed that we have advised Board of Directors of banks / DFIs under Prudential Regulation R-10 of Corporate / Commercial Banking to formulate policy of obtaining personal guarantees of directors of Private limited companies. Banks / DFIs may, at their discretion, link this requirement to the credit rating of the borrower, their past experience with it or its financial strength and operating performance. As such, the matter has been left to banks/DFIs in the light of an approved policy on the subject. It may also be noted that he SBP requirements are minimum in nature to be complied with, thus if a bank / DFI require from its borrowers to fulfill some additional formalities including obtaining of personal guarantees, SBP does not restrict banks' / DFI's decision.</p> <p>-All penalties for the violation of Prudential regulation are primarily imposed on the landing banks, so that they can exercise carefully compliance of prudential regulation and other rules. As regards charging of penalties account it is advised that in case of export refinance, if documents are not submitted by the borrower the bank recover the same form him. The similar principle can be applied in other cases as well. With regard to the issue of services you are advised that banks are free to levy the charges for the various services, which they provide to their customers. However, some of the Banks are not levying service charges on salary disbursement on deposit accounts. The customer has always the choice to shop around and choose a bank, which suits his/her budget.</p> <p>-</p> <p>- All the points were replied suitably by the CM and Joint Director, ACD SBP, hence no issue outstanding.</p> <p>- All the points were replied suitably by the CM and representatives of BPD/EPD SBP, hence no issue is outstanding.</p>
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<p>Trade and Industry, SMEs and Banks attended.</p> <p>-Training session for awareness of officials of Agriculture Department, Government of Sindh was held on 13-07-2004 wherein Officials of Government</p>	<p>No.1V & V of SBP.</p> <ol style="list-style-type: none"> 4) Refund of penalty recovered due to short shipments and delayed submission of documents. 5) Personal guarantees from the Directors of the companies against borrowings is not proper. 6) CIB to follow rules and not to show companies as group if not fall under the definition. 7) Bank charges on payment of salaries. 8) Export Refinance (ERF) pre/post shipment Banks do not entertain requests for post shipment ERF if shipment is late or documents are discrepant despite the fact that the buyer is agreed. 9) Mark-up on Export Re-Finance Charge/ mark-up to be charged on settlement of the ERF loan instead of charging mark-up on monthly or quarterly basis by the Banks. 10) Current status of the scheme including financing facilities for BMR of the existing projects. 11) Withdrawal of the restrictions imposed by the New PRs upon financing against Group Company Shares. <p>EXTRA POINTS</p> <p>Current status of BPD circular No.22 dated 30th June, 2003.</p> <ol style="list-style-type: none"> ii) Request that performance of Exporters may be reduced from 2 times to 1.5 times for Refinance facility. iii) Request to compensate the exporters loss due to the rate of US\$ dropped. <p>-JD ACD SBP put following points to the Government of Sindh on behalf of SBP/Banks & Stakeholders.</p> <ol style="list-style-type: none"> 1) Issue of passbook to 70% remaining 	<p>-C.M. briefed the very purpose of the session.</p> <p>- All points (excluding ACD SBP) raised in the session were suitably replied by the Chief Manager, Director/ Joint Director ACD, SBP, hence no issue outstanding.</p> <p>- Further, <u>Director ACD SBP gave details of SBP policies/incentives for this sector which</u></p>
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<p>of Sindh, Director/ JD, ACD SBP and CM attended.</p> <p>- LCAC meeting held on 29-07-2004 representatives of traders / trade associations, builders, exporters, APTMA,</p>	<p>genuine landowners.</p> <p>2) Issue of khasra Girdawari to tenant farmers.</p> <p>3) Improvement in water management to save 50% seepage / leakage of irrigation water.</p> <p>4) Proper utilization of water with no theft.</p> <p>5) Reactivation of Sindh Provincial Co-Operative bank / Co- operative Societies.</p> <p>6) Improvement in agricultural extension services.</p> <p>7) Provision of technical knowledge/assistance to grass root level.</p> <p>8) Mindset to uplift the living standard of farming community.</p> <p>9) Strong co- ordination/exchange of knowledge between SBP and GOS for the betterment of rural community by having a high powered forum with Additional Secretary P&D, Secretary Agriculture, Food & Co-operatives, Secretary Revenue and Director ACD SBP.</p> <p>10) Provision of high processing quality seeds/ fertilizer/pesticides at farmers door step.</p> <p>11) Provision of proper and adequate storage facilities for agricultural produce.</p> <p>12)Provision of adequate marketing facilities/information to the farmers.</p> <p>1) Difficulties in setting the prices while linking them with KIBOR to offer to corporate clients for the facilities secured against lien on deposit.</p>	<p>revamped recently keeping in view of discussion with various stakeholders i.e. farmers associations, abadgars ,kissan board ,chamber of agriculture and WTO (which includes simplification / reduction of process of documentation required for loans, revamping of agricultural credit schemes/enhancement of eligible list, publicity of schemes through publication i.e. brochures and translation thereof in Urdu / Sindhi & Local languages, and enhanced the interaction with the stakeholders through meeting/circulars and arranging workshops / seminars / training programs throughout the country.</p> <p>-All the points were suitably replied by the CM and representatives of BPD, EPD and EDMD SBP hence no issue outstanding.</p>
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<p>KCCI, North Karachi/ F.B. Area Association of Trade & Industry, VIP Hyder Estate.</p>	<p>2) The Banks like ABL may be advised to keep reasonable cushion of 2%-3% over six months KIBOR as per market practice instead of 9% -12%.</p> <p>3) The word “Group” may be replaced with the word “Per party” in the new Prudential Regulations. (FPCCI).</p> <p>4) Some Foreign Banks are not confirming maturity dates of the export bills against their usance L/Cs by tested message. (FPCCI).</p> <p>5) Relaxation in Prudential Regulations IV- & V (Corporate) for sanctioning /renewal of the working capital limits of the customer.</p> <p>6) Approval for disbursement of only un-disbursed committed funds by CRSIU.</p> <p>7) Once a person clears all the dues then his name should be omitted from the list of defaulters of Banks/ DFIs.</p> <p>8) Widows and Private employees should also be exempted from bank charges on their salary accounts.</p> <p>9) SBP should allow Banks to accept documents and accept the ACU currency in the case of trade with Myanmar.</p> <p>10) Banks be advised to release the pledged amounts and absolve the seeker of the guarantee from any liability after expiry of the Bank guarantee.</p> <p>11) Branches of SME Bank and Khushhali Bank may be opened near the cluster of SMEs.</p> <p>12) Housing Finance and facilities for</p>	
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<p>- LCAC sub-committee (Agricultural sector) meeting held on 15-09-2004, the representatives of Agriculture / Live Stock and Fishries Department, Government of Sindh, Fishers, Sindh Chamber of Agriculture and Banks attended the meeting.</p>	<p>construction Industry.</p> <p>13) Non acceptance of Utility bills.</p> <p>1) (i) Pass Book system be implemented in Makran and Kech Districts for the benefits of small farmers. (ii) Difficult and costly Mortgage System.</p> <p>2. Suggestion that the SBP may review penalty system and only 50% penalty be imposed due to non achievement of Mandatory Agriculture Target.</p> <p>3. Development loan allowed to small farmers should count towards achievement (Substances holding) Mandatory Credit Target.</p> <p>4. Points of Sindh Chamber of Agriculture.</p> <p>i) Bank's staff should be highly qualified empowered for assessing the cultivated area and competent to sanction loans on the spot with the cost-benefit –ratio of various crops.</p> <p>ii) Banks should not advance Credit facilities to sugar Mills who failed to make payment to the Farmers in time. Such Mills should pay mark-up on delayed payments to the Farmers at the Bank's rate.</p> <p>iii) Reasonable loans be advanced to genuine and progressive Farmers for fish Farming and cattle breeding in view of their land holding and past record.</p> <p>iv) Relief should be given to the Farmers in mark-up who pay the loans well in time.</p>	<p>- All the points were suitably replied by the CM and representatives of ACD SBP hence no issue outstanding.</p>
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v) The value of produced index Unit and the present value of the land should be enhanced by the Banks.

vi) The import of beetle vine should completely be banned.

vii) Banks should provide loans for construction of Godowns for storing seeds.

5. Points of Government of Sindh, Agriculture, Livestock & Fisheries Department.

i) Loans should be provided to the Livestock Poultry & Fisheries Farmers separately.

ii) Presently Banks are providing very limited loans to the farmers without obtaining any technical/feasibility report from the concerned Department which resulted failure due to improper construction or other farming practices.

iii) Due to non-availability of incentives farming have not been developed on modern lines.

iv) At least 60% of the Agriculture loan be earmarked for Livestock, Poultry and Fisheries Sub-Sectors.

v) Banks should ensure sufficient funds and the concerned Department may be involved in leasing procedure.

Provisioning against NPLs "Realizable values" or the "Forced Sale Value" of Agricultural land may be taken equal to 75% of its average sale value.

3. Hyderabad Office.		
<p>-LCAC meeting held on 08-01-2004, Farmer Association and Bankers attended the meeting.</p>	<p>1) Compensatory Package of Agricultural Loan in main affected areas of Badin district.</p> <p>2) 2nd time fresh loan to the borrowers calamity affected areas on the same pass book if cushion/margin is available in the passbook.</p> <p>3) Rescheduling of Agricultural Loan.</p> <p>4) Insufficient indicative per acre limit for major crops be enhanced.</p>	<p>- All the points were suitably replied by the CM however policy points referred to ACD SBP.</p> <p><u>ACD SBP Reply</u> -We will have no objection; however, all the criteria of a fresh loan should be fulfilled.</p> <p>-The revision of indicated per acre cost/limit in a time consuming process because market prices of all inputs, labor and other allied items are taken into account to get it finalized. However, a proposal to this effect may be put up before ACAC for consideration in its meeting to follow. Further, indicative per acre limits already supplied to the banks vide our circular letter # ACD/887-893/PD (P)-08/2001 dated 17-04-2001 is only indicative in nature so cannot be considered as final. If management of the banks considered that per acre cost of any crop has been increased /revised and in such conditions it would be up to the management of the banks to decide /enhance per acre limit of that particular crop and can issue loan as per revised per acre limit. <u>(Limit now enhanced with effect from 04-08-2004)</u></p>
<p>-CM meeting with the representative of farmers association. member market Committee as well as Managers of various commercial banks/ZTBL at National Bank of Pakistan, Badin on 14-01-2004</p>	<p>Points of Sindh Chambers of Agriculture.</p> <p>1) Un-necessary and un-called formalities by the commercial Banks with regard to sanction of loans.</p> <p>2) Bank demand additional security in addition to Pass Book. (the banks also demand for surety of those persons who have account in their own branch and each having balance of Rs.50,000/- in his account).</p> <p>3) Banks take much time for finalization of loan/advance cases due to many formalities. Timeframe for finalization should be prescribed.</p>	<p><u>ACD SBP Reply</u> -Banks are free to determine their procedure for disbursement of credit according to their approved credit policies. Requirements surety in addition to pass books varies from borrower to borrower depending upon his credit worthiness. SBP has not asked any bank to call or not to call any specific document for any specific lending. Banks are free to examine the proposal and SBP requirement is only that banks should lend prudently to secure the interest of the bank but without hurting/discouraging the genuine credit needs of the farming community. The issue can conveniently be resolved with banks if the borrower is having good past records.</p> <p>-</p> <p>- Under SBP Supervised Agricultural Credit Scheme, 48 hours have been prescribed for sanction of production loan and 15 days for sanction of development loan. However, in terms of the provision of "Loan for Agricultural Purposes Act 1973" it has been advised to sanction production loans through pass book within 7 days after completion of required formalities including creation of charge on the pass book and recording of required entries by the Revenue Officers. SBP is regularly pursuing the banks to avoid unnecessary delay in the processing and</p>

	<p>4) In sufficient powers for Managers of Commercial Banks of Rural Branches for sanction of Agricultural Loan (i.e. Rs.25,000/- to Rs.100,000/-) (except ZTBL), as a result delay in finalization of cases, due to want of its approval by their Regional office.</p> <p>5) Various packages announced by the Government/State Bank of Pakistan are not being properly implemented.</p> <p>6) Most of the staff of commercial banks are found involved in corruption and demand 5% amount as “pay off” from the grower for finalization of loan/advance case.</p> <p>7) Growers may be provided easy “loan-term loan” without interest enabling them to develop and cultivate their land.</p> <p>8) Irrigation and drainage system of canals, watercourses of agricultural land and tube-well should be repaired.</p> <p>9) The agricultural loans outstanding for the last more than 30 years should be included in the written off package proposed for the next three years.</p> <p>10) Supply of necessary instructions/pamphlets/booklets to farmers’ issued from time to time by SBP.</p>	<p>disbursement of Agricultural Credit. This pursuance also includes avoiding refusal of loans applications on flimsy ground. This is being done to ensure disbursement of adequate & timely banking credit to the farming community.</p> <p>- SBP has repeatedly persuaded the bank’s management to delegate appropriate powers at each level for smooth & efficient processing and sanction of loan applications. This is being monitored by SBP through Local Credit Advisory Committees at each office. Specific cases, if any, may be discussed in such committees.</p> <p>-In order to ensure prompt & quick solution of problems relating to banking credit locally. Local Credit Advisory Committees including Sub-Committees for Agricultural Credit have been established at each office of SBP, Regular meetings of these committees are conducted by respective Chief Managers wherein cases of dispute between complications are resolved by the banks, borrowers, Chambers & Associations.</p> <p>- The Association may indicate specified cases of corruption in any bank with complete details thereof to enable SBP to take-up the same with the management for action against those involved in such activities.</p> <p>- SBP does not favour disbursement of agricultural loans on mark-up free basis. The commercial banks have now been privatized and it may not commercially be viable for them to provide markup free loans. Under the present scenario, the markup rates of banks are already being reduced depending upon the market forces.</p> <p>- Repairing of irrigation & drainage system of canals, watercourses of agricultural land & tube wells is the responsibility of various departments of provincial government. As such issue may be resolved with the concerned departments. However, such provisions have already been made by the SBP in the list of eligible items, for availing of Agricultural Credit from the banks after completion of required formalities.</p> <p>- The stuck-up loans including agricultural loans are being written off by the banks in accordance with the guidelines issued by SBP or the package announced by the Government. Association may approach to banks for the purpose and resolve the issue on the basis of existing guideline and instructions.</p> <p>- In order to create awareness among the farming community including Chambers, Associations, City Governments, SBP has printed Brochures containing rights and privileges and new products available to farmers under SBP Supervised Agricultural Credit Schemes. These brochures / publications and policy circulars are invariably sent to all stakeholders for their information and guidance. In additions to circulation of these circulars, SBP is also conducting special training programs throughout the country for dissemination and sharing of knowledge with Banks, Chambers, Associations, and Farmers during the last one year. However, the Chamber may</p>
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	<p>Points raised by Sind Abadgar Board</p> <ol style="list-style-type: none"> 1) Steps for rehabilitation of rain/ flood affected farmers of Badin District. . 2) Recovery of loan may be deferred for a period of one year as announced in Prime Minister Relief package 3) Different interpretation of SBP policies by Commercial Banks. 4) Different mark up charged by Commercial Banks. 5) In sufficient loan by ZTBL as their loaning target is fixed with the 	<p>approach concerned SBP. Chief Manager for any further information or approach Agricultural Credit Department, of SBP or avail the benefit of SBP website, wherein all information / schemes including agricultural credit data is available. Moreover SBP has already started field visits during its 2nd phase of specialized training program. During such field visits large gatherings of farmers are being addressed by the senior officials of SBP as well as commercial banks. These gatherings includes presence of 300 to 400 farmers / growers of the area, Union Nazims, Councilors, and other representatives / Associations of farming community. Such field visits / programs would continue in the 3rd phase of special trainings during 2004-05 in collaboration with Banks / Chambers, Associations, And Chief managers.</p> <p><u>ACD SBP reply</u></p> <p>- SBP has already issued complete guidelines to banks for rescheduling / restructuring and write-off after approval of their Boards of Directors. The issue may be resolved with the banks by the borrowers. SBP has recently with the consensus of all participating banks introduced Revolving Credit Scheme, which provides maximum access and comfort to the borrowers for availing of Agricultural Credit.</p> <p>- The Package for deferment of loans was announced by the Government with certain terms and conditions and as such the issue may be taken up with the Government by Abadgar Board.</p> <p>- Every bank has its own system, product and procedure for financing of Agricultural Sector duly approved by their competent authority. Being commercial, organization, every <u>bank is free to formulate their lending policies in accordance with Prudential Regulation and other credit restrictions imposed</u> by SBP from time to time. <u>Similarly banks are also free for pricing of (markup) different products</u> according to the nature of the product. However, in the case of Revolving Credit Scheme recently introduced by SBP, it has been advised to the banks that they shall implement the said scheme uniform, in letter and spirit. No bank can deviate from the definition & procedure of the scheme as contained their in.</p> <p>- In addition to five major Commercial Banks, who have enhanced the credit expansion to Agricultural Sector, SBP has also inducted 14 domestic private commercial banks in the scheme for financing to agricultural sector. ZTBL has also been converted from specialized / single major player in the agricultural sector to a full-fledged commercial bank like other commercial banks operating in the system. Such conversion and induction of 14 domestic private commercial banks would certainly provide more funds and easy accessibility to the farming community besides creating healthy competition in the market. The efficiency and performance of ZTBL would certainly be improved after completion of its restructuring and reorganization in the near future. As regards charging of markup by ZTBL, they have already announced that the borrower who will repay two installments in time would be charged markup @ 11% instead of 14%. We are sure that with the development of competition in the market among commercial banks, the rate of markup would automatically be reduced further.</p> <p>- SBP policy / relief package with regard to recovery and settlement of stuck-up loans was originally valid upto 30-6-2003. In order to provide maximum opportunities for settlement of</p>
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	<p>recovery ratio.</p> <p>6) The mark-up rate charged by the ZTBL is on very high side.</p> <p>7) The date of settlement of stuck-up loans and its write-off may be extended upto 30th June, 2004. As the farmers and the other people of calamity affected areas could not avail the benefit of the SBP policy / package with regard to recovery and settlement of stuck-up loans by 31st December, 2003.</p> <p>8) Commercial Banks must be bound to enhance the limit of agricultural loan.</p> <p>9) SME bank should also be advised to play the role for financing in agriculture sector.</p>	<p>such loans, the date was extended upto 31-12-2003. Under the scheme the bank were required to settle their accounts by 31-01-2004 and in case any account if not settled by this date, the borrowers and the banks were required to lodge such disputed / unsettled claims with the Committee by 15-2-2004. If any borrower has still not availed the opportunity, he should understand that no package / policy can remain open ended.</p> <p>- The disbursement of five major commercial banks has appreciably been increased during the last few years as compared to the disbursement of ZTBL and their own earlier performances. The commercial banks including 14 domestic private commercial banks as a group have achieved their targets upto 82% during July 2003 to February 2004 (8 months) as compared to their achievements of 61% during the same period last year. Domestic Private Commercial Banks alone achieved 52% of their targets during July-2003 to February 2004 compare to their achievement of only 22% during the similar period last year. We are hoping that as per undertaking of the banks, they would be disbursing more than their targets upto 30-6-2004 The banks are free to disburse agricultural loans in excess of their targets allocated.</p> <p>- There is no restriction on Small & medium Enterprises from SBP for providing finances to Agricultural Sector. The farmers and growers can avail credit facilities from these institutions after completion of formalities.</p> <p>-</p> <p>-</p>
<p>- CM. on site visit of Thatta on 17-02-2004 meeting with members of market committee, farmer association and bankers.</p>	<p>1) In sufficient time (i.e one year) for loan recovery of relief package for natural calamity hit areas.</p> <p>2) Growers may be allowed Agricultural loan through one window operation within shortest possible time.</p> <p>3) Mobile Credit Officer (MCO) may be enhanced to the considerable extent.</p>	<p>- SBP has already issued complete guidelines to banks for rescheduling/restructuring and write-off of loans and they are themselves competent enough to provide the relief to the farmers after approval of their Board of Directors. Further, issue under reference may be resolved with the banks by the concerned borrowers. Moreover, in order to obtain further relief, Chambers of Agriculture may request for the same to the Federal Government.</p> <p>One-window operations, Chambers of Agriculture may discuss the said issue with the banks concerned in the Sub-committee's meeting SBP has repeatedly persuaded the banks management to delegate appropriate powers at each level for smooth & sanction of loan applications. The same may also be discussed in the meetings referred to above.</p>

<p>- C.M. on site visit of Mirpurkhas on 26-2-04 meeting with representatives of chamber of agriculture, Sindh abadgar board, farmers and banks. District Nazim also attended the meeting.</p>	<p>4) Loan period may be extended Agricultural loan for those crops whose period of harvesting is 18 months may be allowed for 18 months instead of one-year period.</p> <p>1) Training to MCOs.</p> <p>2) Field contact by MCOs/Branch Manager with sufficient powers.</p> <p>3) Reward for MCOs.</p> <p>4) Credit worthiness of the borrowers.</p> <p>5) High mark up.</p> <p>6) Non availability of to growers.</p> <p>7) Un necessary documents demanded by banks.</p> <p>8) Produce Index Unit of land to be increased.</p> <p>9) ZTBL loans to be rescheduled specially for calamity hit areas.</p> <p>10) One time credit ceiling to fixed for farmers with provision of withdrawals as pre his requirement.</p> <p>11) Procedure of documents to be simplified which should be followed by all banks.</p> <p>12) Support must be provided for development and re-construction of "Nara Canal".</p> <p>13) Substance land holding limit of 16acres may be increased.</p> <p>14) SBP agricultural schemes to be disseminated to farmers / bankers through seminars/ brouchers/ print/ electronic media.</p>	<p>The time period for repayment of production loans is within two months of the harvest.</p> <p>- All points replied suitably by CM.</p>
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<p>-Governor SBP Meeting with the Members of Chamber of Agricultural and Bankers on 22-03-2004 Director ACD SBP and J.D, LCAC also attended the Meeting.</p>	<p>15) Loan for Laser Leveling Machine (fully/semi automatic) may provided on easy mark up.</p> <p>16) Agricultural credit cards to be introduced.</p> <p>17) Special loan (on easy installments) for purchase of pesticide/seasonal spray be provided to the growers.</p> <p>18) Loanee must be informed the rescheduling conditions of the loan.</p> <p>19) In line with HBFC loan for purchase of land to provided to growers on easy mark up rate.</p> <p>20) Difficulty in getting passbook.</p> <p>Points of by Sindh Chamber of Agriculture and Sindh Abadgar Board:-</p> <p>1) Various Banks are not implementing SBP Policies specially with regard to revolving Credit Scheme.</p> <p>2) High interest rate on agriculture loan should be reduced to 6% per annum.</p> <p>3) Timely credit is not available to the growers because of the fact that the Commercial Bank demand various irrelevant documents in addition to Pass Book and also demand for surety.</p> <p>4) Growers are facing much difficulty in getting loans due to closure of various Bank Branches in Rural areas.</p> <p>5) No loan facility from Banks are available for date crops.</p>	<p><u>Reply by the Governor SBP:</u></p> <p>- SBP is considering imposing penalty on violation /not implementation of SBP Agriculture Revolving Credit Scheme.</p> <p>- Commercial Banks are free to determine their lending rate on the basis of market forces. However growers are free to obtain loan from any other Bank as per their choice on lesser mark up rate.</p> <p>- Banks are free to lay down procedure for disbursement of credit according to their approved credit policies and keeping in view Prudential Regulations of SBP, the requirement of surety in addition to Pass Book varies from borrower to borrower depending upon his credit worthiness.</p> <p>-Those Bank Branches are closed which were running in losses however, to facilitate the farmer Commercial Banks are being advised to open Branches in order to ensure Bank facilities are available within the radius of five kilo meter. Governor further informed that issue is under active consideration to introduce Agricultural Credit Cards.</p> <p>-Export finance facility is available for export of dates only @ 3% mark up which can be availed for export of surplus dates.</p>
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<p>- C.M. on site visit of Umerkot on 24-03-04 representatives of</p>	<p>6) Less powers delegated to Bank Branch Managers for sanctioning the loans the same may be enhanced.</p> <p>1) Problem of non availability of water through Nara canal.</p>	<p>- Governor SBP asked the different Banks to disclose the loan limits to be sanctioned by their respective Branch Managers and advised to enhance their limit wherever it is low.</p> <p>Following decisions were made:-</p> <p>1) Check List: procedure and process should be simplified and Banks should prepare checklist in Urdu/Sindhi which should be displayed in the Branches of the Banks at the prominent places as well as copies thereof should be supplied to the Sindh Chamber of Agriculture/Sindh Abadgar Board for their information. Once the check list is finalized, the bank should strictly follow the same in its true spirit and meaning.</p> <p>2) Turnaround Time: Turnaround Time right from receipt of application till finalization process for running finance for “Kharif” and “Rabi ”seasons should be clearly specified to the borrower.</p> <p>3) Delegation of powers: Branch Managers/ Regional Chiefs should be delegated/vested with sufficient powers for grant of Production/Development Loans after completion of required formalities.</p> <p>4) Publicity: Product of Bank and Scheme should properly be published in Urdu/Sindhi language with SBP Pamphlets.</p> <p>5) Implementation of Revolving Credit Scheme:The Agricultural Revolving Credit Scheme of SBP should be implemented in its true spirit and ensured compliance</p> <p>6) Tractor Leasing:Finance against the Tractor is eligible under the existing SBP Scheme and it is crystal clear. Bank should provide proper financing against the Tractor on leasing basis. In case Banks do not come forward, the leasing companies will be invited by the SBP to start functioning in the region.</p> <p>7) Visit of Regional Heads: The Chairman directed all the Regional Heads/ General Manager/ Zonal Head that they should pay visit regularly at the District Head Quarters and Union Councils level and also remain in contact with Chamber of Agriculture / Abadgar Associations. Further the Chairman also advised the Chief Manager SBP BSC (Bank) Hyderabad /Sukkur to arrange regular meetings of LCAC at District Head quarters /Tehsils level in order to solve the local problems of the poor farmers at their doorstep.</p> <p>8) Local Issues: In future the representative of Sindh Chamber and Abadgar Board should submit specific problem/issue of local nature during LCAC meeting. Similarly the Commercial Banks should also specify the specific problems/ cases pertaining to members of above Chamber/ Abadgar Board. All possible efforts should be made to resolve the issues at local level.</p> <p>9) Compliance/ follow up: In order to ensure compliance of the decision taken in the meeting it was decided that Chief Manager alongwith the Director, Agriculture Credit Department will convene similar meeting at Hyderabad after one month.</p> <p>- Replied suitably by C.M, hence no issue outstanding.</p>
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<p>chamber of /zamindars/market committee / nazim & bankers attended the meeting .C.M briefed various credit policies of SBP.</p> <p>-C.M onsite visit of Mithi on 03-04-2004 and meet with representatives of Farmers association, member market committee, individuals and banks.</p> <p>- C.M paid onsite visit of Sanghar on 5th May, 2004 and met with representatives of farmer associations, market committee, Sindh chamber of agriculture and banks.</p>	<p>2) Settlement of outstanding loans of co operative societies/banks.</p> <p>3) Other pointed out problems were the same which were already discussed/decided in the meeting of Governor SBP with agriculturalist on 22-03-2004 at Hyderabad.</p> <p>1) Separate Agricultural Loan Scheme for Arid Zone/Thar Region.</p> <p>2) Lack of Commercial Bank Branches in the Mithi Region.</p> <p>3) Establishment of Implementation Squad on Agriculture Policy.</p> <p>4) Problem of Pass Book.</p> <p>5) Opening of separate Counter/One Window Operation in the Banks for Farmers.</p> <p>6) View point of ZTBL on SBP Revolving Credit Scheme.</p> <p>7) Complete record of property in City Survey.</p> <p>8) Role of NGOs in Thar.</p> <p>1) Proper implementation of the policies.</p> <p>2) Prime Minister relief package not provided.</p> <p>3) High interest rate charged by ZTBL.</p> <p>4) Declining agricultural product of distt: Sanghar due to water crises so the old loans to be rescheduled.</p>	<p>Replied suitably by C.M, hence no issue outstanding. However policy points referred to ACD SBP.</p> <p><u>ACD SBP reply</u></p> <p>So far as agricultural free loan scheme for Thar region is concerned, we have to inform you that under the existing financing system of the country the same is not possible.</p> <p>-Replied suitably by the C.M hence no issue outstanding.</p>
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<p>attended.</p>	<p>which were mostly found implemented).</p> <p>2) Report of study tour of MD SBPASC (alongwith all C.Ms) of a mechanized agriculture/livestock farm near Multan on 29-04-2004.</p> <p>3) Clean note policy-Cash monitoring onsite examination.(imposition of penalties w.e.f 01-07-2004 in of case violation).</p> <p>4) Displeasure on over stay of Potdar at NBP branches (bank advised to purchase/install Note Counting Machine).</p> <p>B- Points of Sindh Chamber of Agriculture</p> <p>1) No display of posters/checklist by the commercial banks at their branches.</p> <p>2) Banks are demanding other documents for showing ownership of land in presence of passbook (banks it depend on nature of loan).</p> <p>3) Amalgamating different instructions/formalities by the bank for various types of loan scheme creating confusion to the borrower.(C.M-a checklist for each loan has been prepared) there will no problem in future).</p> <p>Suggestions of Sindh chamber of Agriculture</p> <p>1) All banks should give Revolving Credit to the growers in the same manner as Commercial Loan Limit on the basis of passbook.</p> <p>2) After sanction the loan should be given in cash instead of cheque by the bank.</p> <p>3) Concession in the rate of mark-up may</p>	
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<p>- C.M paid on site visit of Badin on 07-08-2004 and met with the representatives of Sindh chamber of agriculture, Sindh abadgar board and banks.</p>	<p>be given to the borrower on timely payment by the bank.</p> <p>4) SBP should enforce issue of Instructions/Circulars/Notification by the commercial banks and arrange wide publicity for its decision.</p> <p>C- Points of Sindh abadgar Board.</p> <p>1) Opening of Commercial Banks branches with in the radius of 02 kilometers.</p> <p>2) Revolving Credit Scheme-Clarification on ZTBL.</p> <p>D- Points of NBP</p> <p>1) Prudential Regulations for a agricultural credit (under active consideration at ACD SBP).</p> <p>2) Permission of one week clean up period for Revolving Credit Scheme.(already exists).</p> <p>3) Credit facility of those growers who have availed remission from bank under SBP Incentive Scheme(BPD SBP already issued Circular No.13 dated 16-4-2004 on the subject)</p> <p>A-Points of Sindh Chamber of Agriculture</p> <p>1) Different checklist by all banks.</p> <p>2) Non –cooperative behavior of Manager, NBP Badin and Golarchi.</p> <p>3) Dis- satisfaction over the relief package of 2004 announced by the ZTBL as it differ to package already agreed .by the President of Pakistan in meeting with Kissan Board and demand for announcement of the same in line with the relief package announced for areas of</p>	<p>All points replied suitably by CM, however policy points referred to ACD SBP.</p> <p><u>ACD SBP Reply.</u></p> <p>-In this context it is advised that ACD has already devised a set of standardized documents in consultation with Banks to bring uniformity in documents required by the Banks for extending agricultural credit. It was circulated vide our circular letter No. ACD.5/ 2746/2003 dated the 11th August, 2003. In view of the above all banks are under moral obligations to implement the said set of documents.</p> <p>-It is advised that State Bank of Pakistan has already provided guidelines to prepare relief package for their borrowers at their own. Therefore, the representatives of farmers District Badin and Thatta may please be advised to directly approach the banks.</p>
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<p>- C.M paid on site visit of Dadu on 21-08-2004 and met with the representatives of Sindh chamber of agriculture, Sindh abadgar board, cotton factories, shopkeepers, market committee and banks. He also visited the NBP chest branch Dadu.</p>	<p>Baluchistan District.</p> <p>4) Settlement of account may be allowed on the basis of payment of 50% instead of total outstanding amount -Under this package the overdue cases prior to 31-12-2000 may be allowed. - Date of settlement under this package may be extended upto 31-01-2005. - Facility of this package to be extended to the other commercial banks for similar relief under Agricultural loan.</p> <p>B)Points of Sindh Abadgar Board</p> <p>1) Uniform markup rate may be charged on the agri.loans by all commercial banks/ZTBL all over the country.</p> <p>2) Number of MCOs may be increased For the purpose of agri.survey, just to avoid the delay in disbursement.</p> <p>3) SBP should announce the relief package (for this area) in line with President of Pakistan directives.</p> <p>4) Policy for settlement of old loans should be announced to reduce the ratio of defaulters.</p> <p>5) Facility of EFS@4% may allowed to sale of agri. product in the country. 6) Crop insurance to be introduced for the benefit of farmers.</p> <p>C-Formation of Bank/Abadgar Committee</p> <p>- For solving the farmers/bankers problems at local level/Badin area, the Abadgar Board suggestion for the formation of committee consisting on various branch managers and representatives of Abadgar board was agreed in the meeting.</p>	<p>- All points replied suitably by CM.</p>
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	<p>Points of Sindh Chamber of Agriculture Dadu</p> <p>1) Water crisis (non availability of water in the province).</p> <p>2) Loan against passbook(passbook to be treated as a sole document for the purpose of getting loan).</p> <p>Points of Sindh Abadgar Board Dadu</p> <p>1) Banks usually not allowing fresh loaning to those borrowers who have settled their liabilities under SBP package. This condition should be removed.</p> <p>2) Uniform procedure for loan must be adopted, as same is different in ZTBL& other banks.</p> <p>3) Passbook must be provided in easy & transparent manner by the Revenue department.</p> <p>4) Agricultural credit cards must be provided to the agriculturalists.</p> <p>5) Crop insurance policy should be introduced.</p> <p>6) Beautification of city commercial banks to install sign board at main city areas.</p> <p>7) Multi -story building for all banks to be constructed to facilitate the stakeholders at one place.</p> <p>Points of ZTBL</p> <p>1) Unfair price of cotton due to middlemen farmers get low price.</p> <p>2) Passbook problem.</p> <p>3) Shortage of water due to this productivity reduced.</p>	
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<p>- Joint meeting of LCAC/ Sub-Committee was held on 27-09-2004, representatives of EBP, Chamber of Agriculture, Sindh Abadgar Board and banks attended.</p>	<p>Points of Industrialists.</p> <ol style="list-style-type: none"> 1) Import of cotton is not justified as due to this rate of cotton will be reduced. 2) Industrial sector of Dadu should be provided better incentives. 3) Mark up on Agriculture loan must be reduced and it must be at par with Industrial loans. <p>Points of Member Market Committee.</p> <ol style="list-style-type: none"> 1) Currency Notes, quality is not good. 2) Non- cooperation by Banks. 3) Non-availability of Bank branches in rural areas within the radius of 5.00 KM. 4) Fresh loaning- Bank refuse to extend loan to borrowers whose previous outstanding loans have been remitted/waived of under a package. 5) Bank demand additional security in presence of Pass Book. 6) Delay in grant of loan. 7) Variation in mark up rate. 8) Banks are not facilitating small loans the limit of small loan is very meager, same should be enhanced to one Million on hypothecation of stock. 9) Loan renewal is not allowed. 10) Insufficient quantity of new notes. 11) Payment of Prize money through Commercial Banks. 12) Advance to roller Floor Mills on 50% cash margin may be reviewed. 	<p>- All points replied suitably by CM, however policy point referred to BPD SBP.</p>
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	<p>11) ERU should be revised.</p> <p>12) Bank should be allowed to launch recovery drive after lapse of relief period.</p> <p>13) Non- submission of monthly export statistics by Banks to EPB.</p> <p>14) Crop Insurance.</p> <p>15) Kissan Card scheme.</p> <p>16) Sindh Development fund.</p> <p>17) Extension in the date of settlement cases of ZTBL.</p>	
4. Sukkur Office.		
<p>- C.M visited the Chamber of Commerce & Industry, Sukkur on 10-2-2004.</p> <p>- On site visit to Gambat dated nil (reported on 27-02-04) met with representative of Sindh Abadgar Board.</p> <p>- On site visit of Ghari Yasin on dated Nil (reported on 17-03-04).</p> <p>- LCAC meeting on 17-03-2004, bankers/chamber representatives attended the meeting.</p>	<p>- Problems being faced by the exporters of the Area as well as Khairpur Region in export of Dry Dates.</p> <p>-</p> <p>-</p> <p>1) Agricultural credit facility to farmers and to redress the problems /difficulties being faced by the Bank(achieving of target).</p> <p>2) Stapling of Bank notes.</p> <p>3) Prudential Regulation 25- Schedule of penalties on cash management.</p> <p>4) Export Finance Scheme.</p> <p>5) Clearance certificate procedure.</p> <p>6) Exchange of list of defaulters.</p>	<p>- All points replied suitably by CM.</p> <p>- Issue discussed during the Finance Minister's visit to Khair pur.</p> <p>- CM briefed SBP agricultural Credit Scheme also visited Banks of the area</p> <p>- CM briefed the credit and currency management policies of SBP hence no leading issue observed.</p> <p>- All the points were suitably replied by the Chief Manager, hence no issue outstanding.</p>

<p>- On 12-4-2004 Chief Manager visited main branches of MCB and HBL.</p> <p>-CM visited Panu akil and Ghotki on 30-3-2004 and met with the representatives of farmers, growers and traders.</p> <p>-Joint meeting of LCAC/ Subcommittee held on 18-05-2004 the representatives of abadgar board and banks attended.</p> <p>CM visited various Bank branches ,</p> <p>1) ZTBL Sukkur Branch, on 11-05-2004 ,</p> <p>2) NBP Kot Degi on 19-05-2004 and Thari Mir Wah Branch on 24-05-2004 .</p> <p>3) MCB Kumb branch on 24-05-2004.</p> <p>-C.M visited NBP/ABL branches of Marich Bazar Sukkur and observed the agricultural loaning process.</p> <p>- LCAC meeting held on 18-08-2004 where in representative of Sukkur Chamber of Commerce & Industry & bank attended.</p>	<p>7) Misc. items.</p> <p>-</p> <p>-</p> <p>1) Water crisis.</p> <p>2) Loans on easy mark up to be provided.</p> <p>3) Pass Book.</p> <p>4) Seminar/ Workshop at Union level for dissemination of SBP credit schemes.</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>1) Role of Small & Medium Enterprises Development Authority to be geared up, alongwith SME's Bank Loaning activities.</p> <p>2) In addition to the existing AGRO based industries, survey of some other viable</p>	<p>-CM checked the availability of loan facility also advised them to establish separate credit section for the perspective clients and extend full cooperation to them however no irregularity observed.</p> <p>CM briefed the SBP agricultural credit policies.</p> <p>- All points were suitably replied by CM hence no issue outstanding. Further CM also briefed the salient features of SBP credit schemes (including SMEs).</p> <p>- CM checked the availability of loan and procedure there of in the Branches.</p> <p>-do-</p> <p>-do-</p> <p>- CM checked the availability of loan and procedure there of in the Branches and advised the Banks to introduce agriculture loans under revolving credit scheme for the benefit of farming community.</p> <p>- CM suitably replied all the points. Further he briefed the members about the salient features of the board on "agriculture form" of Mr. Mumtaz Khan Manais Distt. Vehari.</p>
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	<p>industries, which can be setup in Sukkur site & small industries estate, Sukkur may be got conducted through. The good offices. Research section of SBP.</p> <p>3) Sukkur chamber & other chambers may be placed on mailing list & regular supply of "statistical bulletin" issued by SBP is ensured.</p> <p>4) License is said to have granted by SBP to MCB for opening of its Islamic banking branches at Karachi, Lahore, Multan, Hyderabad but Sukkur has not yet been included. Therefore, head office of MCB may be requested to open its branch for Islamic banking at Sukkur also.</p> <p>5) Arrange a symposium for Agriculture Credit & other credit schemes for the stake holders of the area.</p> <p>6) For improving the knowledge of the employees, Library to be set up in every bank.</p> <p>7) Reactivate the bankers club of the area</p>	
5. Bahawalpur Office.		
<p>LCAC meeting held on 19-12-2003, the representative of Bahawalpur Chamber of Commerce, Kissan Board and Banks attended.</p>	<p>1) Progress with respect to address of the worthy Governor to the local head of Banks during his visit to Bahawalpur.</p> <p>2) Payment of DDs on presentation.</p> <p>3) Stuck up/ non-performing loans.</p> <p>4) Establishment of clearing house at Yazman / Ahmed Pur East, Liaqat pur and Hasilpur.</p> <p>5) Issue of Currency notes.</p>	<p>- All points were suitably replied by the Chief Manager, hence no issue outstanding.</p>

<p>LCAC meeting held on 27-01-2004, representative of Bahawalpur Chamber, Kissan Board and Banks attended</p> <p>-CM visited Bahawalpur City on 10-2-2004 met with the Bankers of the area.</p> <p>-CM visited Khan pur city on 17-2-2004 met with the Bankers of the area.</p> <p>- C.M visit of Hasilpur and Liaquatpur cities in connection with the monitoring of Currency / Credit management and meeting with local Trade Bodies / Farmers</p> <p>-C.M meeting with bankers/farmers/zaninders and kissan board at Yazman on 24th</p>	<p>6) Abolition of local collection charges.</p> <p>7) Loans by House Building Corporation.</p> <p>1) Prudential Regulations for consumer financing.</p> <p>2) Supply of currency notes of different denominations.</p> <p>3) One Window operation- difficulties faced by the agriculturalists.</p> <p>4) Endorsement of collecting Bank on Instruments presented through clearing.</p> <p>-</p> <p>-</p> <p>1) Banks are demanding dual security as Mortgage and Hypothecation of property with physical possession, which according to them is un-realistic.</p> <p>2) Islamic base financing may also be introduced in the remote areas.</p> <p>3) Rate of existing mark-up may be reduced, as this is on the high side.</p> <p>4) More schemes for the small loans to be introduced on soft terms / collateral.</p> <p>5) The Commercial Banks of the area have not restored project financing despite the fact that they have enough liquidity now a days.</p> <p>1) The existing Produce Index Units PIU for lands in Yazman are comparatively lower and need to be revised keeping in</p>	<p>-do-</p> <p>- CM appraised the participants the recent steps taken by the SBP BSC in connection with soiled /torn and cut notes.</p> <p>-do-</p> <p>-As regards Islamic banks, SBP has taken number of steps to promote this area of banking and has issued instructions in this regard vide BPD Circular No.1 dated January 1, 2003. As a result banks have started exploring this avenue of banking. Since it is in its initial phase and only one Islamic bank (Meezan Bank) and few Islamic banking branches have started operations under the new avenue, we expect that with the passage of time Islamic banking will expand and will reach the remote areas as well.</p> <p>-Banks are free to make lending in terms of credit policies duly approved by their Board and develop various products keeping in view their commercial consideration.</p> <p>CM suitably replied the points ,how ever, policy points referred to ACD SBP ACD SBP Reply.</p> <p>-The issue relates to Finance Division and not within SBP purview.</p>
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<p>February, 2004, representatives of farmers / traders/ kissan board and bank of the area attended the meeting.</p>	<p>view the increased market value of the lands also fertility of land and availability of water.</p> <p>2) Lengthy procedure for obtaining loans for purchase of tractors needs to be simplified.</p> <p>3) Frequent unnecessary objections on the passbook are raised by the bankers and the bankers demand for patwari to be present personally for certification of khasra.</p> <p>4) Sanctioning powers of local manager (Habib Bank Limited) should be enhanced to avoid unnecessary delay in sanction of loans.</p> <p>5) Limit of loan for tractor should be reduced to 02 acres of cultivated land.</p> <p>6) Loan on additional equipments with tractor should also be extended by commercial Bank as is being done by ZTBL.</p> <p>7) Mark up rate on fertilizers / seeds should be reduced.</p> <p>8) Recovery of installments should be formulated once a year on kharif crops.</p> <p>9) Loan for livestock should be sanctioned at local level by the respective managers.</p> <p>10) The farmers should be given relief package in rate of mark up keeping in view the crop output if affected by natural calamities.</p> <p>11) Rate of mark up on loan for seeds/ fertilizers be reduced to facilitate the poor farmers.</p>	<p>-Already simplified vide ACD Circular No. 5 of 11th August, 2003</p> <p>-Chief Manager may discuss the issue of Patwari with the Local Government.</p> <p>-Banks Regional Heads are being advised through meetings conducted by the Economic Adviser.</p> <p>-Not feasible</p> <p>-Already being done.</p> <p>-SBP has already removed upper/Lower cap on interest rate.</p> <p>-Banker / Borrower settlement – SBP has no objection.</p> <p>-Already being done.</p> <p>-Government is only in favors of Re-schedulement</p> <p>-SBP has already removed upper/Lower cap on interest rates</p>
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	<p>12) Credit policies of different commercial banks should be uniform and procedures simplified.</p> <p>13) Agricultural credits against allotment order (accepted by choolistan Authority) along with personal guarantee may be allowed.</p> <p>14) Rate of mark up on the loans extended to the Choolistani farmers may be lowered down.</p> <p>15) Bankers demand personal guarantee in addition to the pass Book of about 07 kanals cultivated land valuing for more than one hundred thousand Rupees for a loan of small amount of Rs.25,000/- he cited example of the Manager, Habib Bank Ltd., Kudwala Branch who was also present in the meeting. Mr.. Muhammad Ashraf Nasir, Regional Manager, HBL directed the Manager on the spot to avoid such unnecessary objections and extend minimum cooperation to the customers.</p> <p>16) Banker's demands inter bank NOC, which is something, delayed due to absence of the respective Manager. His suggested that power may be assigned to the officiating Manager for such job in case of absence or leave of the manager. The Chairman directed bankers to help the farmers in this regard.</p> <p>17) Personal surety / guarantee should be waived if the guarantor presents the defaulter in person. This was opposed by the bankers in view of legal complications.</p> <p>18) Mutilated and defective currency note if found in any packets the banks return the whole packet. The bankers were advised to accept the note from</p>	<p>-Already simplified vide ACD Circular No.5 of 11th August, 2003</p> <p>-Subject to acceptance by Banks. SBP has no objection.</p> <p>-Not feasible</p> <p>-Settled by Chief Manager/Chairman Credit Advisory Committee.</p> <p>-Settled by Chief Manager/Chairman Credit Advisory Committee.</p> <p>-Subject to acceptance by Banks.</p> <p>-Settled by Chief Manager/Chairman Credit Advisory Committee.</p>
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<p>- Local Credit Advisory Committee meeting held on 25-02-04, representatives of farmers / traders/ kisan board and bank of the area attended the meeting.</p> <p>-C.M on site visit of Chistian City on 09-03-2004 and met with the Bankers and members of market committee/farmers.</p> <p>- CM on site visit of Lodhran on 13-3-2004 and met with the Bankers and members of market</p>	<p>public and do the sorting.</p> <p>19) Bankers do not accept coins when the trader go for depositing the same with banker, the Chairman directed the bankers to accept the coins.</p> <p>20) Frequent violation / assignment by the bank was expensive for the parties and may be avoided. He was informed that for the enhanced loan, the renovation of property is must. The participant showed his satisfaction.</p> <p>1) Minutes of the mid- year ACAC meeting held on 15-01-2004 at SBP Karachi.</p> <p>2) Difficulties in obtaining Export Finance.</p> <p>3) BMR on Cotton Industries.</p> <p>4) Review of establishment of clearing house.</p> <p>5) Site for building of SBP BSC at Bahawalpur.</p> <p>6) Opening of Branch by any commercial bank at Sabzi Mandi, Khanpur, District Rahim Yar Khan.</p> <p>7) Levy of charges on salary account.</p> <p>1) Mark up on agriculture loan to be reduced as Industrial loans.</p> <p>2) Down payment of Tractor loan which is 25% at present be reduced.</p> <p>3) Currency notes / clean note Policy</p> <p>1) Markup on agri. loans.</p> <p>2) Concessional loan for flour Mills for</p>	<p>-Settled by Chief Manager/Chairman Credit Advisory Committee.</p> <p>-Settled by Chief Manager/Chairman Credit Advisory Committee.</p> <p>- All the points were suitably replied by the Chief Manager, hence no issue outstanding.</p> <p>- C.M briefed about the cash/credit policies of SBP ,hence no outstanding issue.</p> <p>- All the points suitably replied by the Chief Manager, hence no issue outstanding.</p>
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<p>committee/farmers.</p> <p>- LCAC meeting on 22-03-2004, representative of Bahawalpur Kissan Board and Banks attended.</p> <p>- On 14-04-2004 Chief Manager paid on site visit of Rahim Yar Khan and met the members of Trade Associations / Market committee members/farmers and Banks.</p> <p>- On 21-04-2001 Chief Manager paid on site visit of Haroonabad and met the members of Trade Associations/Market committee, farmers and Banks.</p> <p>-LCAC meeting held on 27-04-2004 representatives from exporter (Bahawalpur model ginning and oil mills), kissan board and Banks attended.</p>	<p>procurement of wheat.</p> <p>3) Loans for up -gradation of ginning factories.</p> <p>4) Clean note policy.</p> <p>-</p> <p>-</p> <p>1) Fresh notes.</p> <p>2) Non-cooperative attitude of bankers.</p> <p>3) Non- acceptance of coins, cut/soiled notes of lower denomination.</p> <p>4) Utility bills.</p> <p>5) Agri mark up rate.</p> <p>6) Uniform mark up rate be adopted by all banks.</p> <p>7) Establishment of commercial Bank branch at Latifabad,Ghala Mandi (Near Haroonabad city).</p> <p>1) SBP BSC building Bahawalpur.</p> <p>2) Ginning (Raw cotton) may be excluded from the negative list of items of export refinance scheme to boost up exports in Bahawalpur.</p> <p>3) Refrigerated container may be approved to boost export of fruit</p>	<p>- C.M briefing on SBP policies.</p> <p>- Chief Manager briefed various credit / cash management policies of SBP, and all points were replied satisfactorily. Hence no issue outstanding.</p> <p>-do-</p> <p>- All points replied suitably by Chief Manager however, policy point referred to BPD SBP. <u>BPD SBP reply</u></p> <p>- On the issue of exclusion of Raw Cotton from the negative list of Export Finance Scheme, it is advised that since the objective of EFS is to change the structure of exports in favor of more value added items, hence refinance under the scheme can't be provided to raw cotton. (The same has already been briefed by JD, (Refinance) BPD SBP, to CM.</p>
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<p>- C.M paid on site visit of Minchanabad on 19th May,2004 and met with the representatives of trade associations ,market committee members, farmers and bankers.</p> <p>-LCAC meeting held on 26-05-2004 representatives of chamber of commerce& industry, cotton ginner association, exporter, EPB and banks attended.</p> <p>-LCAC meeting held on 24-06-2004 representatives of chamber of commerce and industry, cotton ginner association, exporters and banks attended.</p> <p>-LCAC meeting was held on</p>	<p>/vegetables of the area.</p> <p>4) Establishment of clearing houses at Yazman / Ahmedpur(east) and Liaquat pur.</p> <p>5) Stuck up of loans before due date.</p> <p>1) Shortage of staff in banks.</p> <p>2) Encashment of TT without delay.</p> <p>3) Currency notes.</p> <p>1) Own building of SBP BSC Bahawalpur.</p> <p>2) Steps to boost exports from Bahawalpur.</p> <p>3) In experienced staff in commercial banks in field of export refinance.</p> <p>4) Motivation for export refinance scheme.</p> <p>5) Report of cash monitoring.</p> <p>1) Motivation towards export finance scheme.</p> <p>2) Clean note policy.</p> <p>3) Establishment of clearing house at Yazman/Ahmed pur east.</p> <p>4) Acquisition of plot for SBP's building.</p> <p>5) Change in the term of "Fresh Disbursement" problem faced by the customer in adjustment on their account / credit limits to new banks.</p> <p>1) SBP's credit policy.</p>	<p>- All points replied suitably by Chief Manager hence no issue outstanding.</p> <p>- C.M briefed the members about various credit policies/cash management policy SBP, also replied the raised points suitably and no policy issue outstanding.</p> <p>-do-</p> <p>- All points briefed by the Chief Manager, hence no outstanding issue.</p>
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<p>26-07-2004 which was attended by the bankers only.</p> <p>-LCAC meeting was held on 27-08-2004 which was attended by the representatives of chambers of commerce, PCGA, Kissan Board and banks.</p> <p>-LCAC meeting was held on 28-09-2004 which was attended by the representatives of chambers of commerce, PCGA, Kissan Board and banks</p>	<p>2) Clean note policy.</p> <p>3) Figures (bankwise) of disbursement of loan, recoveries and target achieved.</p> <p>1) Re- scheduling of cotton advances on soft loans.</p> <p>2) Issuance of coins to commercial banks.</p> <p>1) Revamping of LCAC.</p> <p>2) Workshop on the Seminar on Export Finance.</p> <p>3) Non-Cooperation by Banks of the SMEs.</p> <p>4) Business Continuation Plan.</p> <p>5) Performance of Khushhali Bank.</p> <p>6) Practice by fake accountants.</p> <p>7) Problems faced by Farmers of the Agriculturalists.</p> <p>8) Inscription on Re.1.Coin.</p>	<p>-do-</p> <p>-do-</p>
<p>6. Multan Office.</p>		
<p>-Chief Manager meeting with Agricultural/ Bankers of Dera Ghazi Khan on 22-12-2003</p>	<p>1) Certain agricultural lands have lesser Produce Index units (P.I.Us) whereas the market value of such lands has increased manifold. The policy regarding valuation of agricultural lands should be modified / liberalized.</p> <p>2) Like industrialists, the farmers should also be given relief packages in case of real loss/damage to the crops due to natural calamities or lower returns on</p>	<p>All points suitably replied by the Chief Manager, however, policy points referred to ACD SBP. Further, CM briefed various SBP credit policies.</p> <p>-</p>

<p>their produce.</p> <p>3) Purchase of second hand tractors.</p> <p>4) The tractors are delivered after one to three months from the date of finance whereas the Banks start charging mark up from the very first day.</p> <p>5) Farmers themselves can not export the product of Mangoes as it needs a lot of capital, technical know how/expertise and facilities like processing units/cold storage etc. Export Promotion Bureau should come forward and educate the farmers in this regard for which purpose ROC will approach them under advice to SBP.</p> <p>- C.M on site visit Khanewal on 20-01-2004, Representatives of Kissan Board/ Anjuman-e-Kashtkaran , traders and bankers attended the meeting.</p> <p>C.M on site visit Shujabad on 23-02-2004, Representatives of Kissan Board/ Anjuman-e-Kashtkaran and bankers attended the meeting.</p> <p>.- C.M meeting with Mango growers Association is his office on 11-03-2004. Director ACD</p>	<p>1) ZTBL mark up /repayment.</p> <p>2) Credit facility by NBP.</p> <p>3) Currency management.</p> <p>4) Prize Bond.</p> <p>1) Traders operational problem of DD clearance with Bank.</p> <p>2) Property in rural area may be accepted as a security for grant of commercial loans by banks.</p> <p>3) Gold should be treated as Stock for the purpose.</p> <p>4) Harsh attitude of bankers.</p> <p>5) Currency notes.</p> <p>1) Low prices of due to non availability of market.</p>	<p><u>ACD SBP Reply</u></p> <p>-We have already included the 2nd hand “Tractors” in the list of items eligible for Agricultural Credit vide our Circular Letter No.ACD/1044-1050 dated the 26th April 2003, To know the facts let this Department have reasons that why banks are reluctant to sanction loans for purchase of 2nd hand tractors.</p> <p>-As per our information, Banks usually charges the mark-up from the day they made disbursement. Please resolve this issue with the local bankers at your own in light of instructions available on the subject matter.</p> <p>-</p> <p>All points suitably replied by the Chief Manager.</p> <p>-do-</p> <p><u>ACD, SBP reply</u></p> <p>-Now we received a copy of Ministry of Defense letter dated 15-5-2004 (through ACD.SBP) where in they informed us that one of the mango growers demand has been acceded by PIA as they provided 25% additional capacity this year for the up- liftment of mango from Multan by</p>
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<p>SBP also attended the meeting.</p> <p>- Quarterly meeting of LCAC held on 25-03-04 representatives of trader /farmer /chamber association /banker attended. CM briefed the currency management and various credit policies of SBP.</p>	<ol style="list-style-type: none"> 2) No international cargo is available at Multan for exports of mango. 3) Lengthy loaning procedure with more documentation. 4) Non availability of Horticulturalists & research facilities. 5) Revolving loan at high interest rate. 1) Interest rate on agriculture loan is high as compared with Commercial rate. 2) Documentation for Commercial/ Agriculture loaning process is complicated and complex. 3) Concession for natural Hazards. 4) Non- acceptance of small denomination notes by the Commercial Banks. 5) Overview of supply and demand position of small denomination notes. 6) Excuses by Banks for non acceptance of small denomination notes. 7) Limits for major crops to be increased. 8) Standardization of Security documents. 9) Recovery of Agriculture loan in Green Tractor Scheme. 10) Live Stock financing. 11) Revamping financial facilities under LMM Scheme. 12) Efforts to promote Export of Mangoes. 13) Prudential Regulations for consumer 	<p>leasing freighter aircraft, to operate U.K. sector. This capacity is in addition to the passenger version scheduled flights to U.K ,Europe, Saudi Arabia and Gulf.</p> <p>All points suitably replied by the Chief Manager</p>
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<p>On site visit of Layyah by C.M. on 16-04-2004 and met bankers and private sector (farmers/traders) of the area and</p>	<p>Finance.</p> <p>14) Replacing of old Identity Cards with new Identity Cards in loan cases.</p> <p>15) Treatment of the loans contracted before issue of new Prudential Regulations.</p> <p>16)Restructuring /Rescheduling non-performing loans.</p> <p>17) Progress of reference to Export Promotion Bureau regarding problems of mango growers.</p> <p>18) Issuance of Fresh currency notes from Commercial Banks.</p> <p>19) Deposit of Chest/ Bonded notes balances with SBP BSC (Bank).</p> <p>20) Stapling of Note4s.</p> <p>21) Penalties on Cash management-Monitoring of.</p> <p>22) Sale/Encashment of Prize Bonds and payment of Prize Money upto Rs.1000/-.</p> <p>23) Establishment of National Bank of Pakistan Branch at New Site of Multan Dry Port.</p> <p>24) Hypothecation of Stock /Mortgaging of property by the Bank.</p> <p>25) Facility for small loans.</p> <p>26) Diploma of Bankers in Pakistan.</p> <p>1) SBP credit policies.(including revolving credit)</p> <p>2) Role of credit Advisory committees</p>	<p>- All points suitably replied by the Chief Manager.</p> <p>-C.M. briefed them the role of credit committee, various credit/cash management policies of SBP and arranged practical demonstration of quality of notes forged notes/prize bonds. He also visited branches of NBP and HBL at Layyah and observed their working.</p>
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<p>Newspaper reporter also attended.</p> <p>- Joint meeting of LCAC/ Sub committee was held on 21-06-2004, Director Accounts SBP BSC and the representatives of trade & commerce, farmers associations, mango growers and banks attended.</p>	<p>3) Cash Management.</p> <p>1) Multan Dry Port- Opening of Branch of commercial Bank.</p> <p>2) Introduction of Kissan Card.</p> <p>3) Car loan easy as compared to agri. loan.</p> <p>4) Effects of WTO.</p> <p>5) Performance of ZTBL.</p> <p>6) Problems of mango growers.</p> <p>7) Pass Book.</p> <p>8) Loan by commercial Banks in agriculture / SMEs.</p> <p>9) Boosting of Prize Bonds.</p>	<p>- All points suitably replied by the Chief Manager.</p> <p>- General briefing by Director Accounts SBPBSC regarding economy/credit etc.</p>
<p>7. Faisalabad Office.</p>		
<p>- LCAC meeting held on 25-06-2003.</p> <p>-Chief Manager on site visit of Jaranwala Distt: Faisalabad on 19-02-2004 and briefing on currency management and SBP credit policies, Farmers / traders and Bankers of the area attended the meeting.</p>	<p>- Complaint of M/s J.A.Textile Mill, Asim Textile Mills, Zeeshan Energy Ltd. against Faisal Bank (litigation case).</p> <p>2) High markup rate on agricultural credit/finance i.e. 11-12% to be reduced to 8-9%.</p> <p>3) Currency Management.</p> <p>4) Improvement in per Acre yield.</p> <p>1) High markup on Agricultural credit/ financing and demand for low rate i.e upto 8 to 9%.</p>	<p>All the points were suitably replied by the Chief Manager, however, policy point referred to BPD SBP.</p> <p><u>BPD SBP Reply.</u> The subject matter is subjudice and State bank can not intervene (BPD) replied on 25-02-2004).</p> <p>-</p> <p>--</p> <p>- CM briefed the SBP credit and cash management policies, however, policy point referred to ACD SBP.</p> <p><u>ACD SBP Reply:</u> Markup on agriculture loan is now determined by the market forces and there is no upper or lower cap on interest /mark-by SBP on such lending.</p>

<p>- C.M on site visit of Samundari on the 4th March, 2004 met with the Bankers/Agri. Financing Officer/Representatives of Farmers Association and briefed agricultural credit and cash management policy of SBP.</p> <p>-LCAC Sub Committee (agricultural sector) meeting held on 25-03-2004, representative from chamber of</p>	<p>2) Currency Management.</p> <p>Proposal from farmers association</p> <p>1) Trade imbalances would affect the growing. Economies in the year, 2005 under W.T.O. Increase exports and earn foreign exchange.</p> <p>2) Cash Management.</p> <p>1) We should plan to explore such ways and means to utilize the Institutional expertise of Agri-University Faisalabad/ Ayub</p>	<p>CM briefed SBP policies and credit committee however, policy point referred to ACD SBP for advice.</p> <p><u>ACD SBP Reply</u> Agricultural Credit Department of State Bank of Pakistan vide section 8(3) of the SBP ACT, study all questions of Agricultural Credit and Co-ordinate operations of the bank pertaining to Agricultural Credit. In order to meet <u>Future/WTO</u> challengers, we have taken following measures:</p> <ol style="list-style-type: none"> 1) To enlarge the network of banking sector, 14 New Private Domestic Banks have also been inducted in the business of Agricultural Credit from 2001. This is in addition to existing 5 big banks, ZTBL & PPCB. 2) The list of items eligible for Agricultural Credit has been enhanced and about 150 new items are included in the list. 3) Scope & area of lending has been enlarged and at present Agricultural Credit is readily available for Production, Development, Marketing, Processing units, Storage, Silos and Exports etc. 4) Territorial Jurisdictions have been withdrawn from April 2001 and now farmers are at liberty to avail credit from the bank of their choice across the country. 5) Under WTO there will be no facility/restriction of quota. The good quality & cheap price of a product will play a major role in the increase of Exports of a country. As Cotton & its value added products are our major Export items, and contribute substantial share in country exports, therefore, in order to improve the quality of cotton, banks are advised to extend credit to the Ginning factories for Modernization. 6) To provide adequate & timely credit, revolving credit scheme with multiple operations for a period of three years with one time documentation and adjustment of loan once in a year has recently been introduced. No documents are required at the time of renewal of credit. 7) To create awareness about Agricultural Credit among Bankers/Farmers, State Bank of Pakistan has been conducting training Sessions at all 16 offices of SBP: BSC (Bank) for the last two years. Further, State Bank of Pakistan is also arranging field visits at farms alongwith local bankers to resolve the problems of farmers at their doorsteps. <p>We are confident that the above measures alongwith adequate and timely credit will make the country self sufficient in food items. Further, Modern ginning factories will produce good quality of cotton and ultimately it may boost the Exports of country.</p> <p>-</p> <p>- C.M. briefed the minutes of meeting of SBP Governor with representatives of farming Country and Banker, at Hyderabad and Prudential regulations (consumer financing). However, policy points referred to ACD SBP.</p> <p><u>ACD SBP Reply.</u></p>
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<p>agriculture, EPB and banks attended.</p> <p>- Joint meeting of LCAC/Sub. Committee held on 22-06-2004 which was attended by the bankers and no participation from private sector.</p> <p>-C.M paid onsite visit of Chiniot on 27-07-2004 and met with agriculturalists /bankers of the area.</p>	<p>Agriculture Research Institute /NAYAB in the Agri -sector so that role of agro based strategies could be promoted in the overall benefit of the agri –sector.</p> <p>2) Introduction of latest farm technology in agri- sector.</p> <p>3) Lack of storage facilities in agri-sector i.e. for want of proper storage facilities, the perishable fruits go to the rubbish. Stipulating the topic he further, said that Provincial Government in collaboration with the private sector should come forward and construct the cold storage and silos on haring basis.</p> <p>4) Promoting a market oriented future culture.</p> <p>1) Availability of effective and efficient recovery process.</p> <p>2) Availing of total credit limit under SBP revolving Credit Scheme against Rabi and Kharif Crop.</p> <p>3) Procedure for charging of mark up.</p> <p>4) Fixation of maximum credit limit for the farmers.</p> <p>1) Reduction in advance payment of tractor s& Insurance thereof.</p> <p>2) Prudential Regulation-27 for consumer financing.</p> <p>3) Currency notes.</p>	<p>- We appreciate the proposal put forward by Mr. Muhammad Siddique Nasim Ch. and it is informed that almost all type of Machinery required for Agricultural purpose has already been included in the list of items eligible for banking credit, issued vide our Comprehensive Circular letter No. ACD/2096-2116/ PD (P)/08/2003 dated 30-06-2003. Further, as per SBP act vide section (8)3 we deal with Agricultural Credit matters only. Therefore, it would be advisable, if the matter may be discussed directly with MINFAL and concerned Research institutions by the Agricultural Chambers themselves.</p> <p>-We have already included both items cold storage and silos in the list of eligible items for Banking credit so far the construction of cold storage and silos by Government with collaboration of private sector is concerned, the agriculture chamber may discuss the same with Government.</p> <p>- CM replied suitably hence no issue is outstanding.</p> <p>- CM briefed SBP credit policies and replied all the points suitably.</p>
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8. Lahore Office.		
<p>-C.M. visit of Okara on 22-01-2004 met with representative of business community / market committees.</p>	<ol style="list-style-type: none"> 1) Increase in Export. 2) Agricultural loan. 3) Utility Bills. 4) Currency Management. 5) Finance against LMM .(including Power Loom). 6) Export of fresh fruit. 7) Increase in price index unit of Land. 8) Revolving Credit scheme. 9) Training on Export Refinance. 10) Inadequate supply of application forms. 11) Problem in deposit of Government Revenue (Income Tax). 12) High Bank charges on drafts. 13) Opening of booths/ agriculture training. 14) Opening of NBP branch at District Court Okara. 15) Jewelry may be designated as Industry. 	<p>- All points were replied suitably by the CM, hence no issue is outstanding.</p>
<p>- Joint meeting of LCAC and Sub-Committee held on 18-02-2004 attended by representatives from Exporter Association /Ewan-e-Zaraat and Banks.</p>	<ol style="list-style-type: none"> 1) Refund of unauthorized deduction of EDs. 2) Grant of freight subsidy by EPB. 3) Unnecessary documentation demanded from exporters by HBL. 	<p>- General briefing of SBP policies and cash management.</p> <p style="text-align: right;">-</p>

- C.M. on site visit of Sargodha on 24-02-2004 (minutes received on 04-05-2004) and meeting with representatives of chambers of Commerce & Industry, Exporters/traders, farmer association, other business community and Banks.

- 4) Establishment of small Industries in rural areas.
- 5) Commodity loans.
- 6) Problems relating to cash management
- 1) Opening of SBP BSC Branch at Sargodha.
- 2) LMM Scheme.
- 3) Export Refinance
- 4) Hidden charges more than mark up.
- 5) Insurance Cover in respect of Stocks.
- 6) Evening Banking.
- 7) Private money lending.
- 8) Loan against lease of DSCs, SSCs, Gold and Silver.
- 9) Revolving credit.
- 10) Leasing Finance against Tractors/ Tube wells.
- 11) Loan for development, construction of storage etc.
- 12) Corporate farming.
- 13) Loan for growth/ export of vegetables/fruit/ livestock/ Poultry/ Dairy farming/Tobacco market.
- 14) Currency Management.

- All points were replied suitably by the CM, However, policy points referred to BPD SBP.
BPD SBP reply

-It pertains to the credit policy /credit manual of a bank and being a business proposition is to be agreed between bank and borrower at the time of grant / renewal of facilities / loans.

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-It is advised that insurance cover is necessary for lending bank to mitigate the risk arising due to any mishap. Thus it provides a comfort level to the lending banks and hence we are in favor of insurance cover.

-On the issue of evening banking, it is advised that SBP has not placed any restriction on evening banking to be undertaken by the banks. However, banks vide BSD Circular No.36 dated 16th December 2000 are required to inform SBP of their branch(s) where evening banking would be conducted at least seven working days before the commencement of such business.

<p>- On site visit of Sheikhpura on 26-02-2004 by C.M. and meeting with representatives of Trader, Anjuman-e-Tajran, ice factories, farmers, exporters and banks.</p> <p>-C.M. on site of Chunian on 26-03-2004 and meeting with representatives of Trader,</p>	<ul style="list-style-type: none"> - Currency Notes. - Coins. - Discarded Notes. - Illegal sale of Notes, Prize Bonds. -Inter Branch movement of cash. <p>15) Discouraging attitude of Bankers with new comers.</p> <p>16) Untrained staff of Bank.</p> <p>17) Imposing of penalty by SBP.</p> <p>18) Problem in account opening due to non- availability of computerized NICs.</p> <p>19) Higher Insurance cost on Hypothecation of Stocks.</p> <p>1) Increase in Export</p> <p>2) Utility Bills</p> <p>3) Currency Management</p> <p>4) Problems in account openings</p> <p>5) Improvement in the quality /quantity of crops.</p> <p>6) WTOs requirements.</p> <p>7) Revolving credit scheme.</p> <p>8)) Establishment of small Industries in rural areas.</p> <p>9) Grant of freight subsidy by EPB.</p> <p>1) Utility Bills.</p> <p>2) Currency Management.</p>	<p>- All points were replied suitably by the CM, hence no issue is outstanding.</p> <p>- CM, replied the points and briefed SBP credit policies.</p>
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<p>Anjuman-e-Tajran,, farmer, exporters and banks.</p>	<p>In addition to above, high interest rate on agricultural loans discussed.</p>	<p>-do-</p>
<p>-C.M on site visit of Nankana Sahib on 21-04-2004 and meeting with representatives of traders, farmers, business community and banks.</p>	<p>1) Bank's Clearance Report for credit loan.</p>	<p>- All points were replied suitably by the CM, hence no issue is outstanding.</p>
<p>- A joint meeting of LCAC/Sub-Committee was held on 27-05-2004, the representatives of fruit& vegetable associations, Ewan-e-Zarat, EPB and banks attended.</p>	<p>2) Grant of loan to farmers effected by natural calamities.</p>	
	<p>3) Agri loans against second hand agri – machinery.</p>	
	<p>4) Grant of loan to share holders of Joint Holdings of Land.</p>	
	<p>5) Loans on Livestock's, Fisheries and Forestry.</p>	
	<p>6) Shortage of water.</p>	
	<p>7) Revision/ Enhancement in credit limit of major agricultural crops.</p>	
	<p>8) Deduction of service charges.</p>	
	<p>9) Delayed payment of salaries by HBL.</p>	
	<p>10) Delay in setting the cases of Refund of unauthorized deduction of E.D.S.</p>	
	<p>11) Grant of subsidy on export cases.</p>	
	<p>12) Long term loans for vegetable/ Fruits exporters.</p>	
	<p>13) Clarification/Training regarding types of currency notes.</p>	
<p>- A meeting of LCAC Sub-Committee was held on</p>	<p>1) Launching the crop Insurance policy by Commercial Banks in line with the</p>	<p>Policy points referred to ACD SBP <u>ACD Reply.</u> -At present we are going through market economy where market forces determine the rate of</p>

<p>19-08-2004, the representatives of Ewan-e-Zarait, EPB, SMEDA and banks attended.</p>	<p>Bank of Punjab.</p> <p>2) ZTBL to finance also micro and project loans at 9%.</p> <p>3) Installation of DAP Fertilizer Units to save Foreign Exchange.</p> <p>4) To encourage the Local Manufacturers of Agri machinery certain incentives may be given.</p> <p>5) Formulation of policy by the State Bank of Pakistan for granting of Agri-loans to the landless and tenant applicants.</p> <p>6) Extension of the enhanced per crop seasonal loans also to the landless engaged in livestock farming.</p> <p>7) Housing loans in rural areas.</p> <p>8) Difficulties for effective charge of title on shared holdings.</p> <p>9) Review of the Ordinance restricting arrest of defaulter loanee.</p>	<p>interest of banks lending. The State Bank has already withdrawn minimum/maximum cap on Agriculture lending through Banks and the Banks are fully independent to determine their mark up rates. It would therefore, be more appropriate if the representatives of Ewan-e-Zarait, Punjab discuss the matter with ZTBL management directly.</p> <p>-ACD SBP deals with agricultural credit and allied matters only, Awan-e-Zarat Punjab may refer the matter to concerned Government authorities at their own.</p> <p>-It relates to BPD (scheme already announced by BPD SBP on 24-07-2004 –BPD Circular No 25 of 2004.)</p> <p>-Owner, owner-cum-tenant and tenants are already eligible. Please refer to our comprehensive circular on Agricultural loans Scheme (copy of the same has already been forwarded to all Chief Managers) dated the 30th June, 2003. Please let us have a copy of SBP Return Statement (through which Banks are already reporting loans given to landless tenants/ applicants as agri- loans). To proceed further in the matter.</p> <p>-</p> <p>-It does not fall within the purview of SBP. Therefore, the banks may be advised to take up the said issue with revenue authorities or it may be referred to MINFAL by the Banks at their own.</p> <p>-The matter does not fall within the purview of State Bank of Pakistan.</p> <p>Policy point referred to BPD.</p>
<p>- LCAC meeting held on 24-08-2004 wherein the representative of Lahore Stock Exchange and Banks attended.</p>	<p>1) Role of Banks in the proposed Margin Trading/Financing.</p> <p>2) Defaulters in CIB Reports.</p> <p>3) Rigid and Trimmed loaning to SMEs.</p> <p>4) Un-necessary documentation for Export Finance.</p>	<p><u>BPD SBP Reply.</u></p> <p>- On this issue of rigid and trimmed loaning to SMEs issue, you may advise to SBP BSC (Bank) Lahore to brief about the SME scheme about which the bankers were talking. Moreover, banks at their end may make the documents easy and user friendly while ensuring the risk.</p> <p>- On the issue of un-necessary documents of export finance they may again asked to let us know that under which instructions of SBP they are required to submit the documents like Basic Fact Sheet of the exporter against his each financial transaction.</p> <p>- To brief about the SME scheme about which the bankers were talking. Moreover, banks at their end may make the documents easy and user friendly while ensuring the risk. We have asked the Office to let us have their views vide our letter dated 06-10-2004.</p>

9. Sialkot Office.		
<p>Chief Manager reference dated 19th February, 2004 with Local Banks.</p> <p>-C.M. meet with representatives of FPCCI on issue of indirect exporter on 24-02-2004.</p> <p>-C.M presentation to executive committee of SCCI on 28-02-2004.</p> <p>-C.M meeting with small manufacturers on 27-03-2004 on the issue of refinance.</p> <p>-C.M meeting with kissan of Randher village tehsil Daska and briefing on SBP revolving credit scheme for agriculture in March, 2004.</p> <p>- Meeting of Sub Committee on agriculture held on 29-03-2004 members of Farmers/ Agriculturalists, Aujuman-e-Kashtkaran, Awan-e-Zariat, Agriculture Department and Banks attended the meeting.</p> <p>- LCAC meeting held on 30-03-2004, members from chamber of commerce and industry, different export associations and bank attended.</p>	<p>1). Disbursement of Agriculture loans.</p> <p>2) Loan by Arthees.</p> <p>1) Problems relating to indirect Exporters.</p> <p>-</p> <p>-</p> <p>1) Identification of best farmer.</p> <p>2) Model Union Council.</p> <p>1) Indirect exporter.</p> <p>2) Inter Bank settlement.</p> <p>3) Draft policy of LMM.</p> <p>4) Promotion of SMEs.</p> <p>5) Data base on Export finance.</p> <p>6) Security arrangement of Banks.</p>	<p>- CM briefed Agriculture loan schemes.</p> <p>- CM briefed Export Refinance Scheme.</p> <p>-do-</p> <p>- CM briefed SBP Agriculture Credit scheme. Further points replied suitably.</p> <p>-do-</p> <p>- CM briefed the role of SBP in promotion of agriculture in the country.</p>

<p>-C.M. address to farmers convention of Tehsil Daska on 14-04-2004.</p>	-	- CM briefed the farmers about the SBP Revolving Credit scheme.
<p>-C.M. meeting with farmers of Raipur village Tehsil Sialkot alongwith Director ACD SBP.in the month of April, 2004.</p>	-	-do-
<p>-Meeting of Sub. Committee on indirect exporters & settlement system held on 07-05-2004 which was attended by the officials of SBP BSC, Bankers and Exporters.</p>	-	- CM replied the points suitably nothing outstanding.
<p>-C.M visit of ZARAI Meela arranged by HBL at village Saukan wand Tehsil Pasur. and briefing on Revolving credit scheme for agriculture on 11-05-2004.</p>	-	- CM briefed the Revolving Credit scheme for agriculture.
<p>-C.M. address to the district assembly Narowal on 27-05-2004. and briefing to farmers on various policies/incentives of SBP for farmers.</p>	<ol style="list-style-type: none"> 1) Export Refinance. 2) Indirect Exporter. 3) Settlement System. 	- CM replied suitably nothing was outstanding.
<p>-LCAC meeting held on 23-06-04, the representatives of Sialkot chambers of commerce & industry, different trade associations and banks attended.</p>	<ol style="list-style-type: none"> 1) Indirect Exporter. 2) SBP Schemes for long term financing of export oriented projects (LTF-TOP). 3) Credit SMEs. 4) Data base on export for Sialkot. 5) Status of overdue cases. 6) Seminar on WTO. 	- CM replied all points suitably and briefed SBP Credit policies.
<p>-C.M attended the meeting of</p>	-	- CM briefed SBP Credit policies.

<p>Aiwan-E-Zarat/ MNAs&MPAs at village Kaporwali on 26-06-04.</p> <p>-LCAC Sub. Committee meeting held on 19-07-2004, the representatives of Awan-i-Zarait and banks attended.</p> <p>-C.M meeting with NGOs on 29-07-2004, the representative of ZTBL, PPCBL, BOP and SME Bank also attended.</p> <p>-CM meeting with Bankers on 28-09-2004.</p>	<p>-</p> <p>-</p>	<p>-do-</p> <p>-do-</p>
<p>10. Gujranwala Office.</p>		
<p>-LCAC meeting was held on 09-02-2004, representatives of farmers, traders and banks attended.</p>	<ol style="list-style-type: none"> 1. Prudential Regulations for small and medium Enterprises and Export Finance Scheme. 2) Flaws in credit regulations. 3) Extension of micro finance facility. 4) Financing of housing industry at Gujranwala. 5) Delay in realization of export proceeds backed by Letter of Credit. 6) Un-even margin requirements in collateral. 7) Improvement in payment system. 8) Acceptance of income tax refund voucher as collateral. 9) Implementation of export credit guarantees insurance scheme. 10) Acceptance of private limited companies shares as collateral. 11) Uniform credit card policy. 	<p>- CM replied suitably hence no outstanding issue.</p>

<p>-C.M paid on site visit of Tehsil Nowshera /Vikran on 20-02-2004, and met with representatives of farmers, traders and banks.</p> <p>-Quarterly meeting of bankers ,DFIs and NSO held on 04-03-2004</p> <p>-A meeting of Zonal / Regional Chief / Managers of commercial banks arranged on 11-05-2004 where in cash management discussed.</p> <p>-C.M onsite visit of Kamoki on 24-05-2004 and met with representatives of farmers, traders and banks.</p> <p>-C.M onsite visit of Qila Didarsingh on 10-06-2004 and met with the representatives of farmers, business community and banks.</p>	<p>12) Dormant /Inoperative accounts maintenance charges.</p> <p>13) Workshop on Prudential Regulations &Export Refinance.</p> <p>14)BMR import finance scheme.</p> <p>1. Export Finance.</p> <p>2. Currency Notes.</p> <p>1) Currency Notes.</p> <p>2) Export Refinance.</p> <p>3) Utility Bills.</p> <p>4) Shut period statement of Prize Bond.</p> <p>5) Nomination of participants for Workshop Seminar arranged by SBP.</p> <p>1) Prudential Regulation XXV.</p> <p>2) Non acceptance of Re-issuable Notes of Rs.5/- and Rs.10 Den.</p> <p>3) Issuance of Fresh Notes for ATM.</p> <p>1) Agriculture Credit.</p> <p>2) Export Finance.</p> <p>3) Currency Notes.</p> <p>1) Utility Bills.</p> <p>2) Agriculture loans.</p> <p>3) Mutilated currency notes.</p>	<p>- Share knowledge regarding various loan schemes running under supervision of SBP.</p> <p>- All points replied by the Chief Manager suitably.</p> <p>- All points replied by the Chief Manager suitably.</p> <p>- C.M. briefed al the points suitably and SBP policies.</p> <p>- CM briefed the points hence no outstanding issue.</p>
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<p>-C.M paid onsite visit of Wazirabad, Distt: Gujranwala on 22-07-2004, had discussions with local bankers and also visited the factory of Pakistan Tannery at Wazirabad.</p> <p>-LCAC meeting held on 26-07-2004, the representatives of SMEDA, chambers of commerce & industry, private sector and banks attended.</p> <p>- LCAC Sub. Committee meeting held on 26-07-2004, the representatives of private sector and banks attended.</p> <p>- CM paid on site visit of Alipur Chattah on 24-08-04 & met with the fish farmers & bankers of the area.</p>	<p>4) Running Finance.</p> <p>1) Currency Management.</p> <p>2) Local Credit Advisory Committee (LCAC).</p> <p>3) Enhancing efficiency of Bankers Club.</p> <p>4) Increasing level of Communication among Banks.</p> <p>5) Utility Bills.</p> <p>1) Currency notes.</p> <p>2) Enhancing Finance SMEs.</p> <p>3) Export Refinance.</p> <p>4) Export Overdue cases.</p> <p>1) Package announced by President of Pakistan.</p> <p>2) SBP Credit facilities.</p> <p>1) Agricultural machinery.</p> <p>2) Water supply.</p> <p>3) Low availability of injection Ovapram for fishing.</p> <p>4) Costly input in agriculture.</p> <p>5) Cash management.</p>	<p>-do-</p> <p>-do-</p> <p>Suitably briefed by the Chief Manager.</p> <p>CM briefed the agriculture policies and replied the points suitably hence no issue is outstanding.</p>
<p>11. Rawalpindi Office.</p>		
<p>Chief Manager's meeting with Agriculturalists/ Bankers of Wah and Jhelum on 22-12-03 & 23-12-03 respectively.</p>	<p>1) Reduction in insurance rates and charging the same in Lump sum instead on yearly basis.</p>	<p>- CM briefed SBP Credit policies, however, policy points referred to ACD SBP <u>ACD SBP Reply.</u></p> <p>1) Bank's charging of insurance from borrower against loan is the internal matter of Bank and insurance company, please approach them directly.</p>

	<p>2) Opening of more branches of ZTBL to ease obtaining loan for agriculture purpose in for flung areas.</p> <p>3) Allow loans free of interest.</p>	<p>2) Opening of ZTBL branch is not the function of SBP, presently ZTBL is in process of restructuring and closing its branches due loss. However, Federal Government or Management of ZTBL is competent to consider the opening of branch in any area.</p> <p>3) SBP considers Agriculture as a priority Sector but due to certain conditionalities of the International financial institutions, the concessionary/ subsidy elements have to be phased out as quickly as possible. However, there is no minimum/maximum cap fixed by SBP on such lending by Banks. Further at present we are going through market economy and in such circumstances market forces used to determine the rate of interest of Bank's lending so it is not possible for the banks to extend credit without interest rate /mark up. Moreover, our past experience of extending loans free of interest has not yielded the positive results.</p>
<p>Reference – Agenda point for Quarterly meeting of LCAC dated 25-03-2004.</p> <p>- C.M. on site visit of Chakwal area on 09-03-2004 meeting with Bankers/traders and representative of business community of the area.</p> <p>- C.M onsite visit of Attock on 26-05-2004 and met the representatives of traders/business community, agriculturalists community, banks and city Nazim.</p>	<p>HBL Points:</p> <p>1) We are obliged to get customer scan through data check and there are some instances where customer even do not know that every facility i.e. CCPL applied by him showing in data check and restriction show the data check sheet to the borrower create lot of problems.</p> <p>2) It is also commonly observed that when confidential/credit report is called for from the Banks, it is not adhered to properly. And if provided incomplete information is provided.</p> <p>1) Non acceptance of NICs.</p> <p>2) Agriculture Credit.</p> <p>3) Cash Management.</p> <p>1) Mark up on agriculture.</p> <p>2) Shortage of Bank branches.</p> <p>3) Utility Bills.</p> <p>4) Bank charges.</p> <p>5) Loan not sanctioned within time.</p> <p>6) Pass Book .</p>	<p><u>BPD SBP Reply:</u></p> <p>- Issue flagged by the HBL does not pertain to SBP as we collect and maintain data of borrowers of Rs.500,000 and above. We are not aware of financial institutions arrangement with M/s Data Check HL's Official may be advised to put up their suggestion regarding Data Check to their head Office for necessary action.</p> <p>2) As regards suggestion of removal of facilities not approved or adjusted from the data base it is an international practice that credit report shows the detail of enquiries made about the customers so that its lending institutions should be aware that their customer is trying to seek other facilities from other financial institutions. Such type of input is also used in Credit scoring process. Therefore removal of such information from the data base is not advisable.</p> <p>- CM briefed on SBP Policies and the points suitably replied hence no outstanding issue.</p> <p style="text-align: center;">-do-</p>

<p>-Joint meeting of LCAC/Sub. Committee was held on 29-06-2004, representatives of private sector, national savings & banks attended.</p>	<p>7) Currency Management.</p> <p>1) Difficulty in recovery of classified financing due to non cooperation of Revenue authorities.</p> <p>2) Mandatory target.</p> <p>3) Prize Bonds.</p> <p>4) Banding Machine for currency notes..</p> <p>5) Currency Management.</p> <p>6) Agricultural credit.</p> <p>7) Export Refinance Scheme.</p> <p>8) Request for the arrangements of clearing facility through NIFT Rawalpindi Office.</p>	<p><u>ACD SBP Reply:</u></p> <p>1) As you are aware that President of Pakistan has recently announced a relief Package for ZTBL. Accordingly, banks will not utilize Revenue authorities as well as Police to arrest the defaulters for the recovery of Agriculture Loans. You are therefore, suggested to please make all efforts including legal action at your own for the recovery of old loans.</p> <p>2) So far as Mandatory Credit Targets are concerned these are now allocated in consultation with the banks to approval of LCAC in its annual meeting. While in the past these targets were allocated on the basis of deposits and Zones of the banks concerned. Therefore, at present targets are not only realistic but most of the banks always get it achieved.</p>
<p>- Joint meeting of LCAC/ Sub-committee on agriculture held on 29-09-2004 where in representative of Banks and EPB attended.</p>	<p>1) Difficulty in recovery of loan/ non-cooperation of Revenue authorities.</p> <p>2) Sorting stamp affixation (fine to be discontinued).</p> <p>3) No one day cash requirement.</p> <p>4) Issuance of fresh cash.</p> <p>5) Cash sorting.</p> <p>6) Fake accountants.(As reported by ICAP).</p> <p>7) Governor's note- Prudential Regulations for SME sector.</p> <p>8) Personal loan for computers.</p>	<p>- CM suitably replied the points and gave briefing on Policy points.</p>

	<p>9) Security Standard for enhancement of security of the lockers.</p> <p>10) Service charges on PLS deposit accounts.</p> <p>11) Important events in Banking sector- Fraud /Forgery.</p> <p>12) Guidelines dealing with customers complain.</p> <p>13) Release of security/ margin held against Bank guarantee.</p> <p>14) Guidelines on Business Continuity Planning.</p> <p>15) Banks participation in LCAC meeting.</p> <p>16) Agriculture finance/ Governor's visit to NAIB/ NIBGE.</p> <p>17) Issue pertaining to Foreign Exchange Operation Department.</p>	
12. Islamabad Office.		
<p>- Letter (dated 27-01-2004) from Islamabad Chambers Of commerce & Industry.</p>	<p>1) Status of Revival of Sick Industries by CIRC How many industries have been reviewed, what were their financial arrangements settle by the banks concerned, what can be done to speed up this work?</p> <p>2) Status of NPLs (non-performing loans) What is the total amount outstanding amount has been recovered, what is the status of the remaining actions?</p> <p>3) Status of State Bank's circular # 29 concerning "sick industries" What is the total amount outstanding against the defaulters, how much has been recovered, what is the status of negotiations between the concerned commercial banks and the</p>	<p><u>BPD SBP Reply:</u></p> <p>-</p> <p>NPLs net advance is on decline.</p> <p>Bank/DFI's have settled 46,720 cases. They represent the amount of Rs.44.27 billion. The recoveries are Rs.2.29 billion.</p>

<p>-LCAC meeting held on 10-02-2004 which was attended by the representatives of traders and banks.</p> <p>-LCAC meeting was held 02-06-2004 where in the only the members of banks attended.</p>	<p>affected parties?</p> <p>4) Status of credit line approved by State Bank for the current fiscal year for development. How much total amount has been disbursed to the public and private sectors respectively? What are the difficulties being faced by the private sector for obtaining a credit line from this fund?</p> <p>5) What are the difficulties faced by the Commercial Banks for approving loan for housing construction? What is the current practice, how can this important sector be financially supported?</p> <p>6) What measures can be considered by the Commercial Banks to approve project financing by SME's? Does up-gradation of training qualify for loans to SME's?</p> <p>1) FEOD may be opened at Islamabad office.</p> <p>2) 1 million maximum limit of investment in SSC/DSCs created problems.</p> <p>3) Grant of loan to traders on the basis of utility bills.</p> <p>4) Grant of educational loans to students for higher studies at foreign universities.(TWA).</p> <p>5) Loose security measures at commercial banks.</p> <p>6) Acceptance of collaterals.</p> <p>7) Housing finance scheme.</p> <p>8) Currency notes/coins.</p> <p>1) Non cooperative attitude of revenue</p>	<p>SBP does not provide any credit line for development projects. However, facilities under EFS are available through commercial banks.</p> <p>SBP is making endures to create incentives under enabling regulatory environment to facilitate the flow of bank's credit to priority area including house financing relaying on market based mechanism.</p> <p>SBP has issued a separate set of Prudential Regulations which are effective from 1-01-2004.SBP shall not ask financing banks to provide financing to SMEs for the specific purpose including up gradation of the training facility(reply from BPD dated 9-02-2004)</p> <p>CM replied the points suitably. The matter is under active consideration of FEOD, HOK.(FEOD reply dated 09-02-2003and dated 07-04-2004)</p> <p>-CM briefed all the points suitably, however, policy points referred to ACD SBP. <u>ACD SBP REPLY:</u> -The President of Pakistan recently while meeting with the representatives of farmers declared</p>
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	<p>authorities & police at the time of recovery.</p> <p>2) ACD SBP should set-up model farms & loan schemes to be publicized.</p> <p>3) Limit of Rs.1.00 million investment in DSCs/ Govt. Securities to be waived.</p> <p>4) Other commercial bank to be allowed to collect Govt. revenue like NBP.</p> <p>5) Refinance facility like EFS may be introduced for agricultural sector.</p> <p>6) Insurance cover for agricultural sector may be introduced.</p> <p>7) The extracts from the minutes of local & Central Credit Advisory Committee to be placed at SBP website for the benefit and feedback of all members.</p> <p>8) LCAC Cell located at Head Office may convey the points vital /common interest raised at one Office to other Centers of SBP BSC.</p>	<p>that police would not arrest the defaulters of agricultural loans. In order to obtain the co-operation of revenue authorities; the banks at their own approach the provincial governments for the said purpose.</p> <p>-</p> <p>-</p> <p>-</p> <p>SBP consider Agriculture as a priority sector but due to certain policy decisions the concessionary/subsidy element have to be phased out as quickly as possible. However, in market economy competency, efficiency and prudent and timely lending of banks can only benefit the farmers.</p> <p>-The policy of crop loan insurance is under consideration. A decision to this effect would be communicated to you as and when finalized.</p> <p>-As regards the extracts from the minutes of local & Central Credit Advisory Committee to be placed at SBP website for the benefit of all stakeholders is concerned, it is advised that the same is not possible because as per the decision of the ACAC in its meeting held on 17th July, 2004, we already finalizing a series of FAQs and reply/clarification thereto which would be available very shortly for the benefit of all SBP stakeholders including the rural & farming community.</p>
13. Muzaffarabad Office.		
<p>Letter received from Secretary Agriculture, Livestock & Food. Azad Government of the State of Jammu & Kashmir, Muzaffarabad</p>	<p>- Share of AJK government in allocation of targets for financial year 2003-04.</p>	<p><u>ACD SBP Reply.</u> SBP allocates credit targets for disbursement only under the list of items eligible for credit but does not allocate crop wise /province wise. The concerned banks provide credit to farmers of Pakistan including AJK on demand both for Kharif and Rabi Crops. Further, Agricultural Credit Advisory Committee (ACAC) reviews the performance of banks as a whole and on province wise basis including AJK both in its annual & mid-term meetings. ACAC in its last</p>

<p>- CM on site visit of <u>Chikar</u> on 19-02-2004, meeting with Farmers/Bankers and traders.</p> <p>- C.M on site visit of <u>Dhirkot</u> on 27-02-2004, meeting with Farmers/Bankers and traders</p> <p>- C.M on site visit of <u>Bagh</u> on 11-03-2004, meeting with Farmers/Bankers and traders</p> <p>- C.M on site visit of Rawla Kot on 25-03-2004, meeting with Farmers/Bankers and traders.</p> <p>- LCAC meeting on 13-04-2004 members of Anjaman-e-Tajaran, Banks and Income Tax Department attended.</p> <p>- Meeting with local bankers on 13-04-2004 and discussed cash/credit management.</p> <p>- On site visit of Balakot on 14-04-2004 meeting with private sector and bankers.</p> <p>-C.M onsite visit of Atmuqam /Patika on 12th May,2004 and met with the bankers of the area.</p> <p>-C.M meeting with bankers of the area on 10-06-2004</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>1) Islamic financing.</p> <p>2) Stock of Rs.5/ denomination notes.</p> <p>3) Incentives to registered aliens residing in Pakistan (Prud. Reg. M-1).</p> <p>4) Cash monitoring.</p>	<p>meeting held on 15th January, 2004 advised the banks to improve their disbursement particularly in Sindh, Balochistan and AJK.</p> <p>CM briefed SBP Credit policies for Agriculturalists and exporters etc.</p> <p>-do-</p> <p>-do-</p> <p>-do-</p> <p>-do-</p> <p>-do-</p> <p>-do-</p> <p>-do-</p> <p>Suitably replied by the Chief Manager.</p>
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<p>-C.M on site visit of Gharhi Habibullah Distt: Mansehra on 15-07-2004 in connection with currency /credit management and visited NBP&UBL branches of the city.</p> <p>-LCAC meeting (attended by bankers only) and another meeting with local bankers was held on 27-07-2004.</p> <p>-C.M meeting with local heads of commercial banks of the area on 26-08-2004</p> <p>-C.M on site visit of Channari, Hattian Balla & Gharhi Dupatta District Muzafarabad on 31-08-2004 in connection with currency/credit management, also visited NBP & HBL branches of the cities.</p> <p>-C.M on site visit of Kahori and Patika, District Muzfarabad on 16-09-2004 in connection with currency/credit management, also visited HBL branch of the city.</p>	<p>5) Promotion of sale of National Prize Bonds.</p> <p>1) Currency Notes.</p> <p>2) Bank credit.</p> <p>1) Clean Note Policy.</p> <p>2) Promotion of sale of Prize Bonds.</p> <p>3) Revamped the scheme of LMM.</p> <p>1) Cash monitoring/clean note policy.</p> <p>2) Issuance of fresh notes through designated branches of commercial banks.</p> <p>3) Holding capacity of chest/ sub. Chest.</p> <p>4) Broad based credit facilities</p> <p>1) Currency Notes/ Management.</p> <p>2) SBP Policies.</p> <p>- As above, further no agricultural credit activity observed due to border area.</p> <p>1) Relaxation in interest in natural calamity hit areas.</p> <p>2) Shortage of notes/Coins.</p>	<p>Suitably replied by the Chief Manager. Further CM also briefed SBP Credit policies.</p> <p>-do-</p> <p>Suitably replied by the Chief Manager. Further CM also briefed SBP Credit policies.</p> <p>CM briefing on currency and availability of credit</p> <p>- Suitably replied by the Chief Manager.</p> <p>- CM general briefing on currency and SBP credit policies.</p>
<p>14. Peshawar Office.</p>		
<p>- LCAC meeting on 20-01-04, members from Pakistan Tobacco Board, Tobacco dealer</p>	<p>1) With holding tax on export to Afghanistan.</p>	<p>- Points suitably replied by the Chief Manager.</p>

<p>association , EPB, SCA NWFP, Dry Port Standing Committee and Bankers attended.</p> <p>- Joint meeting of LCAC and Agricultural sub-committee Add on 22-04-04 representatives of Pakistan Tobacco board, Sarhad Chamber of Agriculture and Banks attended the meeting.</p> <p>- Agriculture Conference held on 26-04-2004 at Mardan. Wherein MD SBP BSC, Director, ACD SBP and Chief Manager, attended the representative of Anjuman-e-Kashtkaran, (Sawal Bhar & Swat) Aiwan-e-Zarat, Charsad, Nazim and Naib Nazim, District Mardan MPA Takht Bai, attended.</p> <p>-LCAC meeting held on 20-07-2004 where in the representatives of chambers of commerce & industry, EPB, SMEDA and banks attended.</p> <p>-LCAC Sub. Committee meeting held on 29-07-2004 where in the representatives of EPB, tobacco dealers association, Pakistan tobacco board , Sarhad chambers</p>	<ol style="list-style-type: none"> 2) Loans on SIDB. 3) Currency Notes/ Coins. 4) Export against advance payment. 5) Difficulties in encashment of Cheques. 6) Timely credit to Agriculture. <ol style="list-style-type: none"> 1) Rate of interest on Agri loans. 2) Production loans. 3) Seminar/ Conference of agriculturalists at Mardan. <ol style="list-style-type: none"> 1) Agriculture finance. 2) Mark up rate. 3) Pass Book. 4) Relief on naturally hit areas. 5) Tax Revenue charged on creation of chart for Bank finance. <ol style="list-style-type: none"> 1) Extension/ availability of finance for SMEs by Commercial Banks. 2) Opening of full fledged Branch of NBP at Torkhum. 3) Deposit of Water Bills. 4) Extension of credit facility to small borrowers. <ol style="list-style-type: none"> 1) Introduction of crop Insurance. 	<p>- CM briefed all the points suitably.</p> <p>- MD SBP BSC and Director, ACD SBP gave briefing on SBP credit policies and suitably replied all the points.</p> <p>- All points suitably replied by the Chief Manager.</p> <p>- All points suitably replied by the Chief Manager, however, policy points referred to ACD SBP:- <u>ACD SBP reply:</u> - The policy of Crop loan insurance is under consideration. A decision to this effect would be communicated to you as and when finalized.</p>
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<p>of agriculture and banks attended</p> <p>-Quarterly meeting of bankers held on 29-07-2004 where in representatives of local banks attended.</p> <p>-Joint meeting of LCAC/ Subcommittee held on 15-09-2004 where in representatives of Sarhad Chamber of Agriculture, Pakistan Tobacco Board and banks attended.</p>	<p>2) Relaxation in payment of agriculture loan.</p> <p>3) Decrease in mark up rate on agriculture finance.</p> <p>4) Seminar on Agriculture.</p> <p>5) Insurance of Tobacco crop.</p> <p>6) Revolving credit scheme.</p> <p>7) Currency notes.</p> <p>1) Sale/Encashment of Prize Bonds.</p> <p>2) Utility Bills.</p> <p>3) Non- acceptance of applications for public subscription of shares.</p> <p>1) Mark up rate.</p> <p>2) Introduction of Agriculture crop Insurance.</p> <p>3) Relaxation in the agriculture loan.</p>	<p>-As Federal Government has announced the package under reference please refer the matter either to Federal Government or discuss the same with management of ZTBL.</p> <p>-There is no minimum/maximum cap fixed by State Bank of Pakistan on Agricultural lending through banks. At present we are going through market economy and in such circumstances market forces used to determine the rate of interest of bank lending. Further, almost all the banks have already declined the mark-up rate such as ZTBL from 14% to 8% if loan is repaid in time. If prevailing circumstances continues, we hope that mark-up rate would further be declined in future.</p> <p>- Suitably replied by the Chief Manager.</p> <p>- Suitably replied by the Chief Manager, in addition he also gave general briefing on SBP policies including SMEs.</p>
<p>15. D.I. Khan Office.</p>		
<p>- C.M. on site visit of Pharapur area on 13-01-04 - CM on site visit of Kalachi/tank area on 19-01-04 .</p> <p>- CM on site visit of Bakhar/Darya khan on 21-01-04 -CM on site visit of Lakki Murwat on 24-01-04 and met</p>	<p>-</p> <p>1) Holding of Agriculture credit specialized training at D.I.Khan.</p> <p>2) Encouragement of export</p>	<p>- CM Briefed about various SBP credit policies.</p> <p>- Suitably briefed by the Chief Manager.</p>

<p>with Bankers and farmers of the area.</p> <p>- C.M. meeting with local bankers on 12-02-04</p> <p>- Reference from Secretary Armed Services Board.</p> <p>-C.M paid on site visit of Bhakkar on 14-04-2004 and met with the representatives of traders, business community, farmers, members of general public and banks.</p> <p>- LCAC meeting held on 15-04-2004, representatives from Chamber of agriculture and Banks attended the meeting.</p> <p>- CM paid onsite visit of Daraya Khan on 17th April, 2004 and met with the members of public ,farmers ,traders and banks.</p> <p>-</p> <p>- CM paid onsite visit of Tank on 19th April, 2004</p>	<p>refinance/LMM cases.</p> <p>3) Currency Management.</p> <p>4) Session on Islamic Banking.</p> <p>5) Activation of Bankers Club.</p> <p>-</p> <p>Housing loan facility to Federal Government.</p> <p>-</p> <p>1) Mark up on agriculture loan.</p> <p>2) Value of Agriculture land mortgaged as Security of loan.</p> <p>3) Revision of Index for loan for per production unit.</p> <p>4) Loan for wheat procurement.</p> <p>5) Reporting of figures of CBR.</p> <p>6) Enhancement of Professional qualification.</p> <p>7) Activation of Bankers club.</p> <p>-</p> <p>-</p>	<p>-CM briefed SBP agriculture credit scheme (including Revolving credit and clean note Policy) He also paid visit of local Bank Branches.</p> <p>- BPD, SBP supplied a copy of Finance Division “Rules/Guidelines” on the subject which is transmitted to the office accordingly.</p> <p>SBP Policies briefed by CM.</p> <p>- Suitably replied by the Chief Manager.</p> <p>- CM briefed SBP Credit policy including clean note policy.</p> <p>- Suitably replied by the CM he also gave general briefing on agriculture credit policy.</p> <p>-do-</p>
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<p>respectively and met with the members of public ,farmers ,traders and banks.</p> <p>-C.M meeting with representatives of chamber of agriculture on 17-06-2004.</p> <p>- Joint meeting of LCAC/ Sub. Committee held on 22-07-2004 where in representatives of chambers of commerce and industry/agriculture and banks attended.</p> <p>-C.M's onsite visit of Paharpur on 30-09-2004 and met the representatives of Farmers, Traders and Bankers.</p>	<p>-</p> <ol style="list-style-type: none"> 1) Early implementation of President's announcement regarding mark up on agriculture loan from 14% to 8%. 2) Publicity material about agriculture loan by ZTBL for awareness of Farming community. 3) Field credit Officer may keep close contact with extension staff at District /Tehsil/ Union Council level to impart knowledge about loan procedure of their Bank to farmers. 4) Bank of Khyber briefing about interest free loan scheme. <ol style="list-style-type: none"> 1) Clean Note Policy. 2) Revolving Credit Scheme of SBP. 	<p>- CM briefed SBP policies and also briefed the participants about MD's visit of Farm House in Vehari. Further he discussed agro based cottage industries and one window operations.</p> <p>- CM briefed SBP policies and also briefed the participants about study report on agricultural farm of Mr. Mumtaz Khan Mainias situated at Tibba Sultanpur, Distt. Vehari prepared on the basis of visit of MD SBP BSC alongwith all C.Ms on 29-04-2004.</p> <p>-CM suitably replied the points and also briefed SBP credit policies.</p>
16. Quetta Office.		
<p>- CM paid on site visit of Quetta met with the traders and shop keepers on 08-06-2004.</p> <p>-Joint meeting of LCAC/Sub. Committee held on 09-06-2004, the representatives of chamber of commerce/agriculture and banks</p>	<p>-</p> <ol style="list-style-type: none"> 1) Holding of regular meetings of CAC/ACAC. 2) Processing of post -dated cheques. 	<p>CM discussed the problems regarding currency /notes, deposit of utility bills, etc. and also ensured them to solve their problems. He also briefed SBP credit policy.</p> <p>Suitably replied by C.M, hence no issue outstanding.</p>

<p>attended.</p> <p>- On site visit of CM to cloth market of Quetta on 19-08-2004.</p>	<p>3) Non-issuance of Debit/Credit advices.</p> <p>4) Outsourcing Credit Worthiness/CIB Reports by Banks.</p> <p>5) Agricultural finance target.</p> <p>6) SBP BSC clean note policy/discontinuation of Rs.5/-notes.</p> <p>7) New long term export loan scheme.</p> <p>8) Problems faced by the public in depositing utility bills.</p> <p>-</p>	<p>CM discussed the problems regarding currency /notes, deposit of utility bills, etc. and also ensured them to solve their problems. He also briefed SBP credit policy.</p>
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Following Presentation/ Trainings/ Workshops arranged

S.No.	Description
1)	Seminar on Islamic Banking arranged on 09-01-2004 at Gujranwala Office. Dr.Pervez Said, Director, Islamic Banking Department, SBP was the speaker.
2)	BPD SBP, arranged presentation on Prudential Regulations (Consumer Finance) on 15-01-2004 at Karachi Office, Officials from Accounts Department SBP BSC, Karachi and North Nazimabad Office attended.
3)	Mr. Pervez Said, Director Islamic Banking Department SBP, gave presentation on Islamic Banking on 10-02-2004, at Karachi Office, all OG-2 and above of the office as well as office bearers of Karachi Chambers of Commerce and Industry attended.
4)	One day seminar by IBP on Agricultural Credit Policies held on 26-2-2004 at Multan, Director ACD SBP, briefed.
5)	C.M on site visit of Vehari on 14-03-2003 alongwith the Director ACD SBP, met with farmers/bankers of the area and briefed the SBP various credit policies.
6)	Three days specialized training on Agricultural Credit was also conducted by the A.C.D, SBP at the following offices and C.M of the respective office actively participated
	Offices
	Muzaffarabad From 19 th To 21 st January, 2004.
	Gujranwala From 26 th To 28 th January, 2004.
	Islamabad From 12 th To 14 th February, 2004.
	D.I. Khan From 19 th To 21 st March , 2004.
	Multan From 11 th To 13 th March, 2004.
	Bahawalpur From 25 th To 27 th March, 2004.
	Sialkot From 8 th To 10 th April,2004.
7)	Training workshop/seminar on the Export Refinance Scheme for education of field offices arranged with the collaboration of BPD, SBP, on all Pakistan level at the following offices.
7-a)	Karachi office for Karachi, North Nazimabad, Hyderabad and Quetta offices on 24-03-2004.
7-b)	Multan office for Multan, Sukkur and Bahawalpur offices on 31-03-2004.
7-c)	Lahore office for Lahore, Sialkot, Gujranwala and Faisalabad offices on 01-04-2004.
7-d)	Islamabad office for Islamabad, Rawalpindi and Muzaffarabad offices on 07-04-2004.

7-e)	Peshawar office for Peshawar & D.I. Khan offices on 08-04-2004.
8)	Agriculturalist conference was conducted under the auspices of NBP at Mardan on 17-04-2004 which was attended by the MPA & Naib Nazim Distt: Mardan, MDSBP BSC ,Director ACD SBP,C.M Peshawar, representatives of farmer associations in Mardan, Takht Bhai ,Charsadda ,Swabi and Swat. MD SBP BSC and Director ACD SBP thoroughly explained the agricultural credit policy of the SBP and replied the questions of the participant accordingly/ satisfactorily, hence no policy issue outstanding.
9)	SBP BSC, Sialkot arranged seminar on “Prudential Regulations” for SMEs on 06-05-2004 which was attended by the representatives of trade/export associations ,SMEs and banks. Sr.JD BPD SBP was the speaker.
10)	SBP BSC, Gujranwala arranged presentation on ”Prudential Regulations” for SMEs and Export Refinance Scheme on 17-05-2004, which was attended by the business community and Bankers. Joint Director and JJD from BPD, SBP made the presentation on the subject respectively, also replied the quires of the participants suitably, however, no outstanding issue observed.

Note:- The report is prepared on the basis of information provided by the SBP BSC (Bank) field offices to Accounts Department Head Office Karachi up to October 26, 2004.