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Minutes of the 143rd SLBC Meeting held on 11-12-2018

The 143rd meeting of the SLBC, West Bengal pertaining to the review of the performance of the banks in the quarter ending September, 2018 was held on 11-12-2018. After welcoming the dignitaries on the dais, senior officials of the line departments, member banks and the LDMs, Sri Mukti Ranjan Ray, General Manager and Convener of SLBC informed the House that Hon'ble Finance Minister could not attend the meeting as he was indisposed and requested Sri H K Dwivedi, Addl Chief secretary, Finance to co-chair the meeting. The meeting began with the key note address by Sri Ashok Kr Pradhan, MD & CEO of United Bank of India. Some of the major points touched upon by Sri Pradhan are,

- Opening of Banking Outlets : Banks have completed survey of 284 Unbanked Rural Centres and based on the reports, SLBC has allocated 72 URCs to different banks for opening of Banking Outlets by 31-12-2018. He reiterated the endeavour of the SLBC and member banks to extend all possible financial services to the people of the State.
- CD Ratio: The State has witnessed a steady growth in advances and the CD Ratio as improved from 63.97% to 64.12% on quarterly basis. He exhorted the banks to focus more on core advances, particularly in Agriculture sector so as to rely less on RIDF.
- KCC & covering left out farmers : With issuance of KCC cards to 962418 farmers. 48% of the annual target of 20 lacs farmers has been attained by 30-09-2018. a concerted effort by banks with full involvement of Agriculture Deptt is expected in identification of the left out farmers and renewal of about 5 lacs dormant KCC accounts.
- Agriculture Advances : Deployment of credit in agriculture stood at Rs.23391 crore on 30-09-2018 which is 37% of the yearly target. To achieve the target the focus for the Banks should be on

Investment credit : Farm Mechanisation, Dairy Farming, Poultry, Fishery
Agri Infrastructure : Cold Storage, Rural Godowns, Market Yards
Ancillary Activities : Rice & Oil Mills, Agri Clinic & Custom Hiring Centres, etc

The adoption of JLG mode of finance targeting landless farmers and FPOs were cited as other viable medium for augmenting the agri advance.



- MSME Advances : Deployment of credit to the tune of Rs.20287 crore in the first half of the current fiscal as against Rs.17913 during the corresponding period in the last year. In order to replicate the stellar performance of last year and attain the ambitious target of Rs.50000 crore for the current year too , he requested the banks to be more proactive on this front.

He also requested the member banks to participate in the various Synergies/Conclaves organised by MSME & Textiles Deptt, GoWB for an inclusive growth in this segment. He also lauded the efforts of SLBC and MSME & Textiles Deptt for initiating the adoption of the identified MSME clusters for focused growth . He opined that conduction of Export oriented Workshop/Brainstorming Session on Exports,etc will pave the way for better result in this important area.

- Credit linkage to SHG : positive trend is observed with credit linkage of Rs.3474 crore to 160136 groups in the current fiscal under NRLM with increase in ticket size to Rs.2.17 lacs against Rs.1.56 lacs on YOY basis. He expected that banks will arrange for renewal of eligible groups with enhanced limit . Similar performance is also to shown by the banks related to disposal of proposals under NULM .
- Housing Loans : The banks have disbursed 34302 loans for Rs.3105 crore in the first half of the current fiscal. With the busy construction season ahead, the banks are poised to achieve the desired result in this sector also. He also mentioned the launching of the Nijashree -an affordable housing loan scheme by GoWB.
- NPA & Recovery position : It is observed that NPA has started to decrease and Gross NPA has stood at 13.42% on Sept,18 as against the high of 15.44% as on March,18. However, the banks should not be complacent and continue it's fight against the NPA. It is expected that the enforcement of securities under SARFAESI Act, 2002 is taken to its logical conclusion along with speedy disposal of the Certificate Cases.

Sri Pradhan concluded his address with appreciation of the Bankers' participation and involvement of the Lead District Managers with excellent result in the Extended Gram Swaraj Abhijan and hoped that all the stakeholders will again rise to the occasion for the ongoing 100 Day program on Strengthening of the Ecosystem for MSME for which Murshidabad, Nadia & Bankura districts have been selected as Aspiration Districts. He reiterated the call to the banking fraternity to grab the opportunities provided by the State Government under active support and guidance of RBI, NABARD & DFS to substantially contribute to the socio-economic growth of the State .

Thereafter, Sri T Hauzel, Chief General Manager, Reserve Bank of India ,in his address while observed the decrease in NPA also commented that due to PCA related effects the banks may find it difficult to achieve the targeted growth in some advance parameters. He thanked the Govt authorities for support in recovery measures particularly in SARFAESI actions and requested for unstinted support in the coming days. He also mentioned about the financial inclusion and outreach program through the last mile connectivity. He also appreciated the active role played by SLBC with regular conduct of meetings with representation at appropriate levels and concluded that if the potentials of the State are to be harnessed with need based finance, it will prosper immensely on economical sphere.



In his brief but candid observation , Sri H K Dwivedi, Addl Chief Secretary, Finance , commented that performance in some of the key areas ,such as MSME ,SHG loans,KCC loans ,etc does not provide much comfort given the position on 30-09-2018. With only one (1) quarter left in the year,the banks should gear up their effort and put up a decent result. He then advised that the important issues listed as agenda items be discussed for arriving at a consensus and preparing a roadmap for the future.

Sri Dwivedi observed that due to limitations under PCA ,banks may not be able to open brick & mortar branches currently though the process of opening branches in unbanked area is under deliberation for last couple of years. The Convener of SLBC informed that 72 URCs have recently been allocated for opening banking outlets and requested the Govt authorities to furnish a fresh list of unbanked centres so as to enable SLBC to arrange for the survey regarding opening of more such outlets conforming to the RBI norms.

All the allottee banks have been asked to furnish the position regarding opening of the 72 URCs and preparedness for the same. The position, as informed, is given hereunder.

Name of the Bank	Allotment	Outlets opened	Remarks , if any
Allahabad Bank	2	2	
Bandhan Bank	6	2	BC model not followed. Advised to open B & M br
Paschim Bangiya Gramin Bank	9	7	
Bank of Baroda	5		Identification completed for the 5 centres
Canara Bank	1		Permission sought for branch 3 KM from URC
Central Bank of India	8	1	Others by January,19. Approval from HO is awaited
HDFC Bank	1		
Punjab National Bank	5		Survey is completed. Opening shortly
State Bank of India	17	11	Others will be opened shortly
UBI Bank	16	5	Identification completed for the 8 centres
UCO Bank	1	1	
Uttar Banga Kendriya Gramin Bank	1		Survey completed
Total	72	29	

While Central Bank of India informed that the process would be completed by 15-01-2018, others have also affirmed to complete the same within the targeted date. Bandhan Bank informed that they do not have the Fixed Point BC model for operation. In that case they have been advised to open brick & mortar branch instead.

(Action point : Allotte banks to complete the process and intimate SLBC accordingly)

Next ,the Agriculture advance was taken up for discussion.Sri Pradip Majumdar, Personal Advisor (Agriculture) to Chief Minister analyzed the current position and the performance of the bank performance. He appreciated the performance of the RRBs and the Pvt Banks and expected that the PSU Banks must follow suit in reaching out to the farmers. The ticket size has remained much below Rs.1.00 lac. SBI Chief General Manager intervened and informed that the bank has been able to improve the ticket size to Rs.0.91 lac. Both SBI and Allahabad Bank informed that they would be able to cover up the deficit in Dec,18 and March,19 quarter. Sri Dwivedi then advised the banks to take a stock of the situation and initiate necessary corrective measures.



Sri Majumdar while agreed with the observation of SLBC regarding the need for investment credit in the form of farm mechanization, dairy farming, poultry, etc, opined that due importance should also be given for pisciculture in view of it's importance in local economy. He advocated promotion of Custom Hiring Centres and commented that there has been reports regarding banks adjusting the subsidy for loans without disbursement.

(Action point : Member banks for focus on Investment Credit & Fishery Loans)

Regarding Fasal Bima Yojana, Sri Majumdar observed that the share of loanee farmers has decreased. It was informed that it was mainly related to server problems as well as reluctance of some of the farmers opting for the same. It is desired that banks and line departments should reach out to this segment with better publicity of the scheme. The settlement of claims under the scheme also came up for discussion and the House expressed concern at the apathy of some insurers for non-satisfactory level of resolution.

(Action Point : Member banks & Agri Deptt for covering non-loanee farmers .
Insurance Companies are to ensure timely settlement of claim and clear the arrear claims)

Sri Majumdar also informed the House regarding the falling price of potato which is adversely affecting the cold storage units and opined that restructure is required for the last season's dues still outstanding in the books. The matter has been flagged for the next SLBC Sub Committee on Agriculture meeting for fixation of ceiling price of potato for Cold Store Owners.

During the discussion, Sri S Mondal, Chief General Manager, NABARD spoke about extension of credit through Negotiable Warehouse Receipts other than Agri Infrastructure and Agri Ancillary schemes to boost up the Agri culture advance. He also requested SLBC to arrange for dis-aggregated data in farm credit in future for micro analysis in agriculture..

(Action point : Member banks & SLBC)

Next, Sri Alapan Badyopadhyay, Addl Chief Secretary, MSME & Textiles, took up the MSME credit. He observed that with 41% achievement in the first half, the banks may end around Rs.43000-Rs.45000 crore disbursement by year end, falling short of the Rs.50000 crore target. He spoke at length about the various steps initiated by GoWB in attracting investment and developing entrepreneurship. He mentioned the role played by EEP, FIEO as well. He also advised that cluster approach need to be followed by the banks for further strengthening the clusters.

(Action point : Member banks for achieving the target & follow the cluster approach)

He also informed the House that his Department in collaboration with SLBC intends to hold a Brainstorming Session shortly for development of MSME related export credit with participation of bank executives and the other stakeholders. The House accordingly fixed 20th December, 2018 for holding the proposed Meet. He also appreciated the effort for MSME Cluster formation & adoption by banks for credit linkage and expressed the hope that potential in this regard can be fully exploited. He added that the Nodal Officer as well as Handloom Cluster Head will extend necessary support in this regard.



He also suggested that Industry Development Officer at Block Offices should be designated as Block Level Nodal Officer accordingly.

(Action point : SLBC & MSME & T Deptt)

The next round of discussion was on SHG & SE Deptt related matters. Sri Anup Kumar Agarwal, Principal Secretary apprised the House regarding the steps taken up by the Department in digitization of the processes for various credit programs. While the digitization in NRLM program will shorten the interest subsidy claim process time , the digitization for SVSKP scheme aims to shortage the loan proposal disposal time and timely claim of subsidy. He also urged the banks to renew the eligible cases for SHGs with immediate grading of the groups and also dispose of the pending proposals under SVSKP.

(Action point : All member banks)

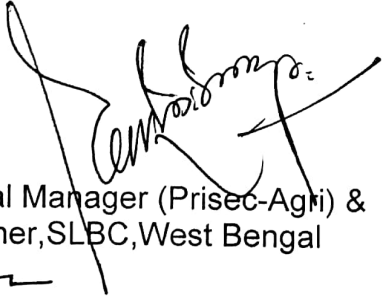
Next, Sri M V Rao, Addl Chief Secretary, Co-Operation, spoke on NRLM program. It was reported that though a number of sanctions have been accorded, disbursement is yet to take place. Banks also need to the matter relating to undrawn amounts where disbursement has commenced as it is impacting the overall position. It was reported that as against the average ticket size of Rs.1.50 lacs, the outstanding is Rs.50000 or so. He also added that the Co-Op Banks are doing well and the credit target for them has also been increased from Rs.8.00 lacs crore to Rs.12.00 lac crore.

(Action point : All member banks participating under NRLM program)

Continuing the discussion, Sri Dwivedi advised the banks to undertake the grading exercise at the earliest and renew the limit with enhancement at the SLBC approved quantum of loans at Rs.1.50 lacs, Rs.2.50 lacs & Rs.3.50 lacs respectively. Sri S Mondal, CGM of NABARD added that NABARD is now extending the E-Shakti model to 150 districts across the country and requested the banks to avail of the facilities available in the portal for online assessment & monitoring of SHGs in the identified districts.

(Action point : Member banks)

With deliberation on the major issues as stated herein the meeting came to an end with vote of thanks to the Chair.


General Manager (Prisec-Agri) &
Convener, SLBC, West Bengal

