



United Bank of India : LEAD BANK DIVISION

Convener : State Level Bankers' Committee for West Bengal

MINUTES OF 142nd SLBC MEETING OF THE STATE OF WEST BENGAL

The 142nd SLBC meeting of the State of West Bengal was held on 10.09.2018 at The Oberoi Grand Hotel, Kolkata. Dr. Amit Mitra, Hon'ble Finance Minister, Government of West Bengal presided over the meeting. The dignitaries present included Shri Pawan Bajaj, MD & CEO, United Bank of India & Co-Chairman of SLBC West Bengal and Shri Ashok Kumar Pradhan, Executive Director, United Bank of India. Besides them the meeting was attended by Shri A. Bandyopadhyay, Additional Chief Secretary, MSME & Textile Department, Government of West Bengal, Shri M.V.Rao, Additional Chief Secretary, Co-operation Department, Government of West Bengal, Ms. Anindita Sinha Roy, Director, Department of Financial Services, Ministry of Finance, Government of India, Shri Partha Pratim Sengupta, Dy MD, SBI & Shri Subrata Mondal, CGM, NABARD, Kolkata. In the meeting, Shri T. Hauzel, Chief General Manager, RBI, Kolkata and Shri Ranjan Mishra, Chief General Manager, State Bank of India, Kolkata LHO made their maiden presence. The meeting was attended by other officials from the various line departments of the State Government, participating banks, insurance companies etc. The 23 Lead District Managers from different districts, through whom the decisions taken in the SLBC meetings are largely implemented, were also present in full strength.

At the outset Shri Manas Dhar, General Manager, UBI & Convener, SLBC, West Bengal welcomed Dr. Amit Mitra, Hon'ble Finance Minister, Government of West Bengal and other dignitaries and participants present in the 142nd SLBC meeting. He thanked & extended a warm welcome to Shri T. Hauzel, Chief General Manager, RBI, Kolkata and Shri Ranjan Mishra, Chief General Manager, State Bank of India, Kolkata LHO for their maiden presence in the SLBC, West Bengal. He also congratulated Shri Partha Pratim Sengupta, erstwhile CGM, SBI, LHO Kolkata for his elevation as Deputy Managing Director of State Bank of India. Thereafter, Shri Dhar requested Shri Pawan Bajaj, MD & CEO, United Bank of India & Co-Chairman of SLBC West Bengal to deliver his inaugural address.

Shri Bajaj in his address briefed the house regarding the status of implementation of development programmes undertaken through ACP by the banking sector in the State during the first quarter 2018 and observed significant growth of MSME sector, emerging entrepreneurship amongst the SHG members and opportunities of tapping export potential through bank finance etc. The observation is detailed hereunder;



- SLBC, West Bengal prepared the ACP 2018-19 for deployment of credit to the tune of Rs.146461 crore which envisages credit growth of 22.52 % in 2018-19 with special thrust to Agriculture & MSME. The Banks have registered deployment of Rs.30177 crore in the June, 2018 quarter which depicts an increase of 8.16% over the credit deployed in the last year for the corresponding quarter. A MSME campaign was undertaken simultaneously with MSME Conclave -2018, a major initiative of Govt of West Bengal in the month of August where Banks have accorded sanction of more than Rs.1900 crore at a short notice
- A large number of farmers are yet to be brought under the fold of institutional credit. Identification and coverage of such non- loanee farmers in the State including activation and renewal of dormant KCCs are major tasks ahead. All the farmers are to be covered under Fasal Bima Yojana scheme as well
- SHG movement in the State has gained momentum with each passing year. All the banks are expected to provide accelerated finance to SHGs where incidence of NPA is as low as 1.95%. The next step in SHG movement will be identification of successful SHGs and promote them to become an enterprise in true sense.
- Another area which needs focussed attention of the banks is growth in export credit and a SLBC Sub-Committee for Export has been formed with inclusion of industry representatives for charting a roadmap for augmenting credit in this important sector. A cluster based approach with proper risk mitigating measures is to be put in place.
- A system of proper data management through generation of MIS data leveraging the technology to the maximum possible extent and enabling segregation of data on block level as stipulated under revamped LBS Scheme will be a major task to be undertaken by the Bank. This is in line with revamped Lead bank Scheme.
- Govt of West Bengal initiative for bolstering the Housing (Nijashree) and Handloom sector by proposing 2 new schemes would go a long way in development of these vital sectors. The schemes will enable the Banks to expand their priority sector lending.
- Threat posed to the banking industry by the rising trends in NPA which has adversely affected banks' ability to lend in the last couple of years. Concerted & continued efforts on the part of the banks and recovery measures under NCLT, DRT and SARFAESI Act have started to yield results with resolution made in some of the big-ticket advances. State Government is urged to issue necessary instructions to the district administration for extending required support to the Banks in execution of pending SARFAESI cases.
- Challenges in promotion of the digital payment & cashless transactions through deployment of AEPS, BHIM QR. Involvement of Fin-tech companies. Emergence of India Post payment Bank in banking industry has also been discussed.
- Threats of cyber crimes/e-frauds (ATM & Debit/Credit cards related) have posed new challenges to the Banks. The Financial Literacy program is to be taken to the next step in combating this menace with involvement of the Last Mile friends, the Bank Mitras in creating proper awareness and organization of Financial Literacy camps by RSETIs & LDMs regularly.



- Under Extended Gram Swaraj Abhiyan with active support from all stakeholders, West Bengal could achieve 127.10% in PMJDY, 110.78% in PMSBY & 103.75% in PMJJBY Scheme. Effort should be continued for an inclusive banking with more participation under social security schemes.

Shri Bajaj concluded his speech with the information that he would be demitting his Office shortly on attaining superannuation and thanked the Hon'ble Finance Minister, member banks, Govt officials for the support and cooperation received during his tenure and expressed that SLBC, West Bengal will strive utmost to reach a new height. Shri Bajaj then requested Dr. Amit Mitra, Hon'ble Finance Minister, Government of West Bengal to deliver his key note address.

After welcoming the participants Dr. Mitra profusely thanked Shri Bajaj for his excellent role in leading the SLBC, West Bengal and praised the pro active role played by him and wished that he would continue to be active and contribute after retirement. Dr. Mitra didn't fail to mention the ensuing superannuation of Shri Manas Dhar, Convener, SLBC West Bengal and General Manager, United Bank of India on 30th September, 2018. Dr. Mitra mentioned that as SLBC Convener Shri Dhar had played an outstanding role and was instrumental in taking it forward in a co-ordinated manner. He praised Shri Dhar's promptness, even in challenging situations in providing whatever information/data was sought for. Dr. Mitra wished for Shri Dhar's continued association with the developmental activities in the State of West Bengal even after his superannuation from the service of United Bank of India on 30.09.2018.

CD RATIO : Dr Mishra said although some improvement is discernible in the CD ratio of the State, still four districts are languishing with CD ratio figure of below 40%. Dr.Mitra specially mentioned about the CD ratio of Jalpaiguri District. He said it is a matter of great concern that instead of elimination of the four lagging districts Jalpaiguri has become a new entrant. The LDM of Jalpaiguri district clarified that there was mistake in computation and informed that now the credit deployment in the district is picking up and the district will present a better picture in the coming quarter. Dr.Mitra exhorted that everybody should work steadfastly to present a better CD ratio of the State from September quarter onwards.

BRICK & MORTAR BRANCHES : Dr.Mitra enquired with the LDMs about opening of brick & mortar branches in the 284 unbanked locations. LDM, Murshidabad informed that they have opened 3 (three) branches in unbanked GPs. Bandhan Bank stated that 25 branches/outlets are already in place and they are working on opening more branches/outlets. Shri Manas Dhar, Convener, SLBC West Bengal said that India Post is coming out with an elaborate plan of extending banking facilities with opening of branches which will fulfil the aspiration of people in some pockets. In case the postal authorities confirm that they are having post offices in the aforesaid unbanked locations then they would be requested to convert those post offices into outlets. Convener of SLBC informed that a survey is being undertaken and report will be sent by LDMs by Sept, 2018. SLBC will have a relook regarding the 284 URCs and the feasibility of opening branch/outlet accordingly.



Mr. Kadian, Joint Secretary, Ministry of Finance, Govt. of West Bengal said that six post offices in the unbanked GPs have been converted into India Post Payment Banks and while 25 branches are now opened in the State by them.

Mr Rao, ACS, Cooperation Dept. Government of West Bengal said that District Central Co-operative Bank have opened 27 new branches in the unbanked GPs in the districts of Nadia, Murshidabad and Hooghly. They are working towards fulfilling their annual target of opening 50 branches within this fiscal.

Dr. Mitra welcomed the developments. But he wondered if the bankers would fall into a sense of complacency and desist from opening new branches . He said that India Post has not undertaken commercial banking on a bigger scale in the past and is a new entrant. He opined that Bankers should keep their commitment intact and would go on opening branches in unbanked areas.

MSME ADVANCE : Dr. Mitra said that the MSME sector enjoys a special place in the economy of the State due to its 'employment intensity' aspect. Against an annual target of Rs.50000 crores the state has witnessed MSME lending of Rs.10217 crore at the end of 1st quarter (20%).Dr Mitra told that MSME should be the focussed area due to its labour intensive nature which would result in maximum job creation. He cited the example of the leather industry in Kanpur as an example. Dr Mitra congratulated the bankers for their splendid achievement in MSME lending for 2017-18 and advised the bankers to ensure quality of lending as well. He said it is due to the bankers only that the State has achieved the foremost position in MSME lending for consecutive years and hoped that the trend would continue.

Dr. Mitra enquired of the sectors under MSME where the banks have lent most. Dr. Mitra spoke at length about the export potentials, supply chain issues and the need for the banks to play a major role in ensuring need based financial support to the entrepreneurs involved in this Rs.63000 crore per annum business in export sector. He cited the example of Leather Complex at Bantala where 1.20 people are involved in the business .He favoured holding of a Banker –Stakeholders meeting in the first part of October to work on augmenting Export credit and advised the MSME Deptt to work on it with SLBC also in this regard.

KCC & Redoubling of farmers' income : : Out of annual target of 20,00,000 KCC issuance, at the end of 1st quarter the number of KCC issued stood at 765,246 i.e. 38% of the target. The average ticket size remained at Rs.50,427/- which remained much below the targeted sum of Rs.100,000/-.The average ticket size could improve to Rs.85,303/- if the figures of commercial banks are only taken i.e. without considering the figures of Co-operative banks which alone is financing almost 50 % of total farmers. As such he expected that other scheduled banks should increase their customer base. It was also advised that banks should look beyond crop loans and extend support for poultry & fishery units. It was also stated that there should be an integrated approach by converging the functioning of Animal Husbandry, Horticulture, Fishery Deptt and GIC should be invited for sorting out the issues relating to insurance cover in Fishery & Paultry sector.



SHG : During the 1st quarter the achievement was Rs.1196.72 crore , i.e. 9.19% of the targeted amount. The average credit per SHG stood at Rs.168,367/- on 30.6.2018 against the corresponding period figure of Rs.154,554/-.The targeted average is Rs.200,000/- per SHG which may be looked into by banks for achievement. Dr. Amit Mitra desired that all the SHG members should be sensitised on the quantum of interest subvention available from the Central government & State Government and the conditions thereof. He mentioned that the regular SHGs need to pay interest @ 2%,net of interest subvention and incentive for prompt payment. The issue of under utilization of the SHG credit limit was also discussed.

The issue of collecting and seeding of mobile numbers of the SHG members was also mentioned by SHG Deptt. It was mentioned that under the IFMS based transfer of subsidy is not possible without the mobile number of the beneficiary .There is need to reconcile the NRLM portal data with the SRLM data as well. Department also pointed out the incidence of return of subsidy under BSKP loans after a gap of several years.

Miscellaneous agenda

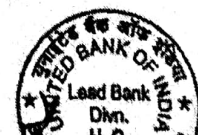
In his deliberation Sri Ashok Kumar Pradhan, Executive Director, United Bank of India mentioned the following. Recovery position must improve in the state to keep pace with the credit delivery. Quality of the loans under schematic finance is to be ensured and an effective recovery mechanism by the stake-holders should be put in place. The immediate task is the renewal of 5.5 lakh NPA accounts in KCC segment.

In her deliberation Ms. Anindita Sinha Roy, Director, DFS, Govt. of India congratulated LDMs for their splendid performance in the just concluded Gram Swaraj Abhijan . Ms. Sinha Roy stressed upon enhanced and timely credit delivery by the Banks.

Shri Anup Kr Agarwal, Principal Secretary, SHG & SE Department, expressed concern over the delay in claim of NRLM subsidy which has been cleared upto 30-09-16 only. He requested Banks to speed up the process for timely settlement and informed that the TAT for clearance of claim by the Department is around 30 days. He also stressed on the process of compulsory mobile seeding of the SHG members.

Sri Partha Pratim Sengupta, Dy MD,SBI spoke about the issue relating to frequent changes of bank accounts by the SHGs and members which results in inconveniences to the banks for monitoring and tracking the parties.

In his maiden address, Shri T Hauzel, CGM of RBI, observed that the agenda items for SLBC meeting are in line with RBI norms. He stressed upon the importance of correct data sharing and urged upon the banks for a speedy implementation of the block level MIS generated Data Management System. He also advised the LDMs to prepare a calendar of meeting and hold the meetings with discussion of the listed agenda items.



Sri Subrata Mondal, CGM of NABARD stressed on the need for placing equal importance on production credit as well as investment credit. He also pointed out the land holding size of the farmers in the State which is skewed towards the Marginal Farmers at 81% with Small Farmers accounting for another 14%. He also highlighted the progress made in E-Shakti program and expected that Banks should utilize the portal (in select districts) for optimum result in an accurate manner.

Sri Manas Dhar in his valedictory speech thanked all the participants for their active role and support .He informed that the minutes and the action points would be sent shortly for initiating necessary steps.

With coverage of all the agenda items, the meeting was concluded with vote of thanks by the Convener.



Manas Dhar
General Manager
& Convener, SLBC, West Bengal

