

राज्यस्तरीय बैंकर्स समिति, पश्चिम बंगाल : STATE LEVEL BANKERS' COMMITTEE, WEST BENGAL

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Ref. No: SLBC/WB/151stSLBC Meeting/ 531 /2021

Date: 01.03.2021

- 1) The Member Banks under SLBC, West Bengal,
- 2) The LDMs in West Bengal,
- 3) Line Departments, GoWB.

Re: Minutes of the 151stSLBC, West Bengal meeting on 24.02.2021

The 151st SLBC meeting for the state of West Bengal was held on 24.02.2021 in a virtual mode to review the progress made in various banking parameters till quarter ending December, 2020. After a brief inaugural speech on significant developments taken place in Dec' 2020 quarter by Sri Nabin Kumar Dash, ZM & Convener, SLBC West Bengal, the meeting had commenced under the chairmanship of Dr. Amit Mitra, Hon'ble Finance Minister of GoWB. Sri A. K. Azad, Executive Director, Punjab National Bank. Dr. Manoj Pant, Principal Secretary, Finance Dept, Dr. M.V.Rao, ACS, Panchayat & Rural Development Deptt & Cooperation, Sri Manas Dhar, Director, Institutional Finance, GoWB, Sri Susobhan Sinha, RD, RBI, Sri Ranjan Kumar Mishra, CGM SBI LHO and Dr.A.R. Khan, CGM, NABARD, were among other notable dignitaries who had participated in the meeting.

At the outset, welcoming the participants, Hon'ble Finance Minister encouraged the Banks for their collective endeavor in lending as well as implementation of various government schemes. While complimenting disbursement of Rs. 63000 cr as on 31.01.2021 (70% of ACP target) in MSME sector, he expressed his concern over disappointing performance in Agriculture sector (just 42% of ACP as on 31.12.2020). Following is the excerpt of observations made during his brief speech along with responses from the dignitaries where asked for-

- i) **MSME lending:** Hon'ble Finance Minister mentioned that Banks' overall performance in MSME sector was so far satisfactory and it could be reasonably expected that the lending target of Rs.90,000 crore would be achieved by the end of this financial year. He suggested all Banks for systemic re-classification of their existing loan portfolio in line with latest guidelines on MSME classification issued by RBI for proper reflection of their achievement in this sector, boosting up the level of MSME lending post re-classification. He urged upon all member banks to complete the process of reclassification within the next 15 days. Observing the gap between Export Credit of Rs.945 crore made till 31.12.2020 and the annual target of Rs.1610 cr for the FY 2020-21, he requested member banks to ensure achievement of target by 31.03.2021. Sri Saha, General Manager, SLBC expressed his confidence over achieving the residual gap in MSME annual target of Rs.27000 crore by 31st March, 2021.
- ii) **KCC:** Expressing his satisfaction over disbursement of total 19.65 lakh KCCs including renewal cases upto Dec 2020, Hon'ble Finance Minister requested the Banks to carry on the process to assist the farmers, particularly the Non-loanee farmers. He specially mentioned that though the KCC saturation Campaign for covering 20 lakh non-loanee farmers of the state had come to the end on 31.01.2021 as collectively agreed upon, Banks should continue the process of



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sanctioning and disbursement of fresh KCCs as usual with added initiative in pushing up the level of average lending quantum per KCC.

iii) **Agriculture Lending:** Hon'ble Finance Minister mentioned performance under this sector as very much disappointing, particularly in the backdrop of commendable jobs done in KCC lending. He requested the banks to give due attention for lending in various segments of agriculture like Fisheries, Animal Husbandry etc for betterment of performance. Sri Saha, General Manager, SLBC submitted that Agriculture Lending had become almost doubled during the last quarter to Rs.32479 Crore (42% of ACP target) as on December 2020 from Rs.16641 Crore (21.55% of ACP target) as on September, 2020. Mentioning the average achievement level of 75% of ACP in this sector during the last 5 years, Sri Saha assured that Banks would sincerely strive for achieving at least 75% of the ACP target with the ultimate aim on reaching the annual target by the year end. However, the Hon'ble FM insisted in achievement of the annual target of lending under Agriculture.

iv) **SHG Lending:** Hon'ble Finance Minister observed average disbursement of Rs.1.21 lakh only per SHG account as very much disappointing which transpired from the total disbursement of Rs.7195 crore in 591057 no of SHG-NRLM accounts. He stressed upon improvement in the ticket size of loan to at least Rs.2.50 lakh per account.

Dr. M.V.Rao, ACS, Panchayat & Rural Development, appraised the house that as some Banks had not yet uploaded their current position in the NRLM portal, actual disbursed figure of Rs.11043 crore till date was not reflected. He requested the member Banks to update the current SHG position on NRLM portal.

v) **CD ratio:** Hon'ble Finance Minister expressed his dissatisfaction over negative growth in CD Ratio during Dec 2020 quarter in 4 districts namely Birbhum, Kolkata, Murshidabad & Paschim Medinipur. He expressed his concern for not attaining the threshold level of CD Ratio in 4 districts. He advised to take all measures to surpass the threshold level of 40% CD ratio in these 4 Districts.

vi) **Overall ACP target achievement:** Hon'ble Finance Minister noted that overall disbursement including Non-Priority sector stands at Rs.267249 crore which is 99.52% of the overall ACP target. He congratulated all the Bankers for this remarkable achievement and urged upon for continuation of their support in the coming days also.

Sri A. K. Azad, Executive Director, Punjab National Bank assured from Bank side that all member Banks would look into the areas of his concern and take necessary actions so that these issues might not appear in the next meeting. He requested all member Banks to be careful in implementing the directions of the government as well as the ACP.

(Action point 1: Member Banks)

After initial deliberation of the Hon'ble Finance Minister, Dr. M. Pant, Principal Secretary (Finance) steered the meeting with agenda wise discussion. Summary of the agenda wise discussion and action points emerged thereof are enumerated below:

1. Agriculture Credit:

Sri P.Mazumder, Advisor to the Hon'ble Chief Minister on Agriculture, voiced his concern over the following issues of Agriculture lending in the state:



- i) Average ticket size of loan in KCC is abysmally low, requiring its increase to a reasonably accepted level. He stressed that Banks should not find difficulty in covering all the 20 lakh non loanee farmers under KCC as have been identified. He requested Banks to focus on ARD proposals for strengthening and uplifting the socio-economic conditions of the rural people of the State which would help in achieving ACP target.
- ii) Progress in Fishery loan under KCC is very low, though all the Banks have been provided with list of registered beneficiaries (fishermen) engaged in fishing activities well before.
- iii) In view of anticipated bumper harvest of potato crop this year and resultant price slump, GoWB intends to introduce Potato Procurement Policy for 2021 to support potato growers in the state. Member Banks can lend to potato growers (mainly small and marginal farmers) by adopting the policy and make good their shortfall in lending in Agriculture sector.

Sri M Dhar, Director, Institutional Finance informed that two separate links on Animal Husbandry and Fisheries have been hosted in the Finance Department portal in line with already provided KCC IMS link. The initial sponsoring of proposal data shall have to be uploaded by respective line departments in the specially provided links in respect of KCC AH and KCC Fishery data management system and member Banks have to subsequently upload sanction details in it from time to time.

Potato Procurement Policy 2021: Sri R.Sinha, Secretary, Deptt of Agriculture Marketing briefly outlined the Potato Procurement Policy for 2021 as announced by the State Government. This year, for implementation of the policy, necessary financing to the Cold Storages is to be extended by the respective Cooperative Banks of the potato growing districts and/ or any other Scheduled Commercial Banks with whom the concerned Cold Storages have established banking relationship. Banks will have to make additional seasonal working capital loan to the Cold Storages at their prevailing rate of interest on execution of a separate agreement for this purpose to enable them to purchase potato from the farmers. The scheme has been unanimously adopted by the house with an observation that operational issues, if any arise in future, would be resolved by the respective department. It has also been placed on record that the policy would be implemented in terms of the detail guidelines to be issued by Agriculture Marketing Department, Government of West Bengal in due course of time.

Director, Institutional Finance requested all the banks to explore this avenue to augment their agriculture lending as the implementation of Potato Procurement Policy 2021 would be in their familiar domain of Cold Storage financing having low level of risk from security point of view.

(Action point 2: Member Banks)

2. NRLM-SHG Advances :

Dr. M.V.Rao, ACS, Panchayat & Rural Development highlighted the following issue regarding SGH NRLM portfolio –

- i) PNB, Canara Bank, Union Bank of India were yet to upload the current data in NRLM portal.
- ii) Large portion of sanctioned amount remained undrawn/ undisbursed in SHG accounts.

He requested the Banks to entertain SHGs by disbursing the undrawn amount by end of this financial year. He also urged upon Banks for sanctioning of fresh SHG loans and disbursement thereon by 31st March, 2021.

Sri S.G. Saha, General Manager, SLBC informed the house that the data of PNB had already been uploaded on 23.02.2021 in the portal. Canara Bank confirmed that the data would be updated by 10.03.2021. Union Bank also confirmed that the data would be updated within 4-5 working days.

(Action point 3: Member Banks)



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3. Finalization & adoption of Annual Credit Potential (Broad Sector Wise) as per State Focus paper of NABARD for Financial Year-2021-22:

Sri Saha informed that NABARD has published the State Focus Paper for the financial year 2021-22 and suggested for fixation of ACP target of Rs.221211 cr under Priority Sector advance for FY 2021-22 with an increase of 10.27% from Rs.200601 cr ACP target of FY 2020-21. Sri Saha placed the ACP target for FY 2021-22 before the house for discussion and fixation of the annual credit disbursement target for the state. However, all the member Banks unanimously adopted the ACP target for FY 2021-22 as suggested by NABARD in their State Focus Paper.

Sri S Sinha, RD RBI Kolkata suggested the Banks to be more focused in next Financial Year for achieving ACP as prescribed by NABARD in their state focus paper. This target should be segregated into Block level target, District level target and the target should be monitored at their respective levels at regular interval.

(Action point 4: Member Banks)

4. Financial Literacy Camps & Awareness Drive:

Sri S. G Saha informed the house that, in Dec 2020 quarter, total 312 camps had been organized where 8668 no of participants attended. Being FLCs & Awareness Drive a continuous process, Sri Saha appraised the house that in coming days more such camps would be organized. Sri S.Sinha informed the house that RBI had announced to form centre of financial learning in collaboration with NGOs in 13 identified districts of West Bengal. He requested member Banks to take a note of that.

(Action point 5: Member Banks)

5. Expanding & Deepening of Digital Payments Ecosystem (Incl. Payment Banks etc.):

In terms of RBI directives, SLBC formed the Sub-Committee on Digital Payments and adopted the district of Nadia as Digital District with the objective of making it 100% digitally enabled. Sri S.Sinha, RD RBI-Kolkata requested all member Banks especially PNB being the Lead Bank in Nadia District as well as Convener of SLBC to provide special focus in this segment. This will help in enhancing financial inclusion as well as completing the task of converting Nadia district as a 100% Digital District.

Sri Saha informed that as on 31.12.2020, 83.54% of SB a/c s in the district is covered with at least one digital mode, whereas in case of CA accounts the achievement stood at 43.46%. Current account was a major concern area and member Banks present in Nadia district should concentrate on this issue to achieve the goal for making Nadia district as 100% Digital district.

(Action point 6: Member Banks present in Nadia district)

6. Review of functioning of RSETIs & setting up of 5 new RSETIs:

Sri Saha narrated that in first two quarters, trainings at different RSETIs was hampered due to COVID-19 pandemic. But, now the training programme has been going on in full fledge. Cumulatively, Settlement & Credit linkage stood at 73.59% & 59.60% as on 31.12.2020.

In view of creation of 4 new districts viz; Alipurduar, Jhargram, Kalimpong & Paschim Bardhaman requirement has arisen to set up RSETI in these districts. Sri Saha proposed that RSETI in these districts may either be set up by the lead bank or by any other bank. Central Bank of India informed the house that they were not in a position to set up new RSETIs due to imposition of PCA. Sri N. K Dash requested CBI to revisit the proposal for opening of new RSETIs in Darjeeling & Alipurduar.

Sri R K Mishra, CGM SBI informed that they have already contacted district authority in Kalimpong & Paschim Burdwan for providing land to set up new RSETIs. PNB, being lead district for Jhargram, was requested for opening of RSETI at Jhargram. Central Bank of India have shifted a RSETI from GTA Darjeeling to Siliguri M.P.



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Sri S Sinha requested the Nodal Banks for RSETIs to energize RSETIs for performing better. He requested Govt of WB for allotment of land to Banks for setting up new RSETI building as most of the RSETIs are running in lease accommodation. Dr. M. Pant, Pr. Secretary-Finance, GoWB informed that some RSETIs have already been provided with suitable land and assured that rest of the RSETIs will get the same accordingly.

(Action point 7: CBI, SBI, PNB & line Department)

7. Calendar of SLBC Meeting/Events & issues related to BLBC/DCC/DLRC:

Dr. A. R. Khan CGM, NABARD suggested Credit flow & Annual Action Plan could be monitored more effectively in Block & district level. There was need to reenergize Block & District level committees to keep more focused on periodical review of targets and other operational issues could be addressed at field level. Sri Dhar, Director, Institutional Finance suggested for uploading BLBC meeting details in the link/ portal already developed by GoWB. SLBC was requested to issue suitable advisory to the LDMs for regular updation of BLBC meetings in the Portal/ Link. Sri S. G. Saha assured the house in this regard.

(Action point 8: Member Banks)

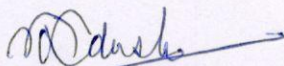
8. Social Security Schemes (Including PMJDY A/c's, PMSBY, PMJJBY & APY etc.):

Sri A. Dongare, PFRDA congratulated SLBC, West Bengal for achieving APY target set by PFRDA & DFS. He also appreciated SBI, CBI, BOI, Allahabad Bank, BGVB & Tamilnad Mercantile Bank Limited for achieving the target. He pointed that, approx 23 lakh people (i.e 6%) have been covered under APY out of 3.66 cr of eligible customers in West Bengal, which is lower than national average of 7%. Though the overall State target is achieved by 124%, some banks' performance is below par. He requested SLBC, West Bengal to follow up with Banks whose performance is below par and to continue the APY campaign to surpass the national average.

Before concluding the meeting, Dr. M Pant summarized the following major action points as had been emerged:

- i) Potato Procurement Policy 2021 has been adopted by the SLBC and all the state heads of member banks had agreed to implement the scheme.
- ii) Banks are to strive hard in pushing up Agriculture lending this year from the current level of 42% of ACP.
- iii) Member Banks are to continue KCC financing as usual to cover 20 lakh non-loanee farmers of the state under KCC by March 2021.
- iv) Member Banks are to improve per ticket disbursement figure of SHGs and to upload SHG data in NRLM portal in time.
- v) Banks are to focus on achieving MSME target under ACP by 31.03.2021.

The meeting ended with vote of thanks to the chair & other participants.



(Nabin Kumar Dash)
Chief General Manager &
Convener, SLBC West Bengal

