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

Re: Minutes of the special SLBC meeting held on 03.09.2020.

A Special meeting of the SLBC was convened on 3rd September 2020 through video conferencing to review the progress made in the current FY in (i) KCC Saturation Campaign launched by the State Government for Kharif 2020 season, (ii) financing MSME, Animal Husbandry & Fishery and SHG sectors under the ongoing stressful COVID pandemic situation. After a brief background on the purpose of holding this meeting by Mr. S G Saha, GM (SLBC) Punjab National Bank, the meeting started under the chairmanship of Dr. Amit Mitra, Hon'ble Finance Minister, Government of West Bengal, Mr. A K Azad, Executive Director of PNB joined the meeting from New Delhi. Mr. H K Dwivedi, Addl. Chief Secretary (Finance), Mr. M. V. Rao, Addl. Chief Secretary (P&RD), Mr. S. K Gupta, Addl. Chief Secretary (Agriculture), Mr. B.P. Gopalika, Addl. Chief Secretary (ARD), Mr. S. Sinha, Regional Director, RBI Kolkata, Mr. S. Mandal, CGM NABARD and Principal Secretaries/ Heads of the Government Line Department were among other notable dignitaries in the meeting.

At the outset, welcoming the participants, Hon'ble Finance Minister Dr. Mitra praised the banks for their collective response to the KCC Saturation Campaign by clocking the figure of sanctioning more than 12 lacs KCC to the non-loanee farmers of the state during the current Kharif season. However, he also impressed upon all the stakeholders the need of continuing this effort to achieve the target of covering all the non-loanee farmers for whom cases have been sponsored during the current farming season. Apart from KCC financing, Hon'ble Finance Minister also deliberated on the present status of financing in MSME, Animal Husbandry, Fishery and SHG (NRLM & NULM) sectors as well as need and strategy to boost up advances in these segments. His deliberation was supplemented by the related departmental Secretaries/ Heads and banks to arrive at various action points which emerged during the course of discussion. The agenda wise gist of the discussion and action points are enumerated below:

I. KCC Saturation Campaign

Hon'ble Finance Minister Dr. Amit Mitra mentioned that the progress in terms of sanction of KCC by different banks stood at a reasonable 12.11 lakh against 21.55 lakh number of non-loanee farmers sponsored by the State Government. He also mentioned that Cooperative Banks and RRBs have achieved a commendable performance of 73% of the target and PSU Banks with the achievement of 44% of the target needed to push up the performance. Dr. Mitra particularly praised BGVB, PBGB and WBSCB for their remarkable level of achievement. He also mentioned about sanction of substantial number of fresh KCC by PNB and SBI. He also suggested for taking all the necessary steps towards achievement of KCC campaign target with active participation of all the stake holders. However, there was no contribution of Private Banks despite receiving 3800 KCC proposals.



Sri H. K. Dwivedi , Additional Chief Secretary (Finance) informed that all the necessary certification for the rejected proposals are under process for re-sponsoring so that those may be sanctioned within the extended cut-off date of 15th September which also coincides with the cut-off date for Bangla Sashya Bima Yojana coverage.

Sri P. Mazumdar Advisor (Agriculture) suggested to get branch-wise and district-wise disaggregated data of rejected KCC applications for re-sponsoring & reconsideration by the banks according to KCC lending norms.

(Action Point 1: Agriculture Department, GoWB)

Sri Subrata Mandal CGM NABARD stressed upon the need of commensurate disbursements post sanction of the Kisan Credit Cards.

Hon'ble Finance Minister suggested that as an immediate target, banks must sanction 20 Lakh KCC by 15 September. He also suggested that a meeting of Agriculture Sub-Committee of the SLBC may be conducted within the next 10 days to review the progress in order to ensure that the target of sanction of 20 lakh KCCs by 15.09.2020 is achieved.

Sri A. K. Azad Executive Director PNB and Sri R. K. Mishra, CGM, SBI assured on behalf of the Banks the Hon'ble Finance Minister that the matter will be taken up with the field level functionaries in right earnest to tone up the performance so that the immediate target set by the Hon'ble Finance Minister for issuing 20 lakh KCC by 15.09.2020 could be achieved.

(Action Point 2: Agriculture Department, LDMS, Member Banks)

II. Financing Animal Husbandry & Fishery

Sri B.P. Gopalika Addl. Chief Secretary (Animal Resources Department) informed that Animal Husbandry proposals failed to draw much needed attention of the banks. Mere 2566 number of applications have been sanctioned by the banks during the current FY against 86000 applications sponsored by the department. Sri Onkar Singh Meena Principal Secretary (Fisheries) mentioned that against 24000 proposals sponsored by the department, only 830 proposals were sanctioned. He exhorted the bankers to play a more pro-active role so that more fish farmers come forward to take advantage of bank credit. Sri M. V. Rao Additional Chief Secretary (Cooperation) pointed out that large number of marginal farmers and land less labourers depend on these sectors for their livelihood and as such, Fisheries and Animal Husbandry sectors are having lot of potential for bank financing.

Hon'ble Finance Minister advised that suitable steps may be taken by the controlling offices of various banks to communicate to their field level functionaries for stepping up financing of Animal Husbandry and Fisheries sector. He suggested that data on loans sanctioned under Animal Husbandry may be further disaggregated in terms of activities like Dairy, Poultry, Piggery etc. through an appropriate MIS for effective and real time review of performance as well as to draw up further strategy. He also advised the SLBC convenor to add AH and Fisheries sector with Agriculture during the next Sub-Committee meeting on Agriculture

Sri H. K. Dwivedi Additional Chief Secretary (Finance) suggested that bank-wise and branch-wise disaggregated data of Animal Husbandry and Fisheries sector may be made on an emergent basis so that monitoring of Animal Husbandry and Fisheries sector can be done on a real-time basis through separate portal, as presently being done for KCC-Kharif crops.

(Action Point 3: Fishery & Animal Resources Department, SLBC, Member Banks)

III. Financing MSME

Hon'ble Finance Minister Dr Mitra informed that achievement under MSME sector stood at 17.07% of the target at the end of 1st Quarter of FY 2020-21. He further observed that while Private Banks achieved 38% of the total target, the achievement of PSU banks stood at 13.62%. There was considerable room for improvement by PSU Banks in view of their having larger branch network in comparison to their private peers. He stressed upon the need for analysis to find out sector wise skewness in financing



under MSME. He advised for participation of the banks in MSME-MIS activities, to be launched by the government and suggested that in the Sub Committee meeting, bank wise disaggregated data may be placed and discussed for review of progress and future planning with deeper analysis.

Sri Rajesh Pandey, Principal Secretary MSME, requested the Banks to match the performance of few PSBs who have achieved more than 20% of the lending target in the 1st quarter itself.

Sri Sushobhan Sinha RD, RBI pointed out that the classification of MSME sector has undergone a change and more weightage is to be given where the credit flow is low.

(Action Point 4: MSME & Textile Department, SLBC, Member Banks)

IV. Financing SHG

Hon'ble Finance Minister observed that the status of SHG financing in the State was not encouraging and the disbursement of only Rs.160 Crore being only 6.77 % of the target was not acceptable by any scale. The diminished average ticket size of loans of Rs.0.81 lacs from Rs.2.27 lacs per group is also an alarming sign requiring urgent corrective measures.

Sri M. V. Rao Additional Chief Secretary (P&RD) that the banks' financing in SHG sector is very low in spite of less than 2% NPA in this segment. He also raised an issue of holding back disbursement of sanction amount to the tune of approximately 40% which should be cleared to post a better performance. Sri Sakshi Gopal Saha GM, SLBC informed that the issue had already been taken up in a meeting held on 26 August 2020. He assured that the issue would be taken up once again with the corporate offices of different banks for an immediate solution.


Ms. Roshni Sen Principal Secretary (SHG & SE) informed that compliance of stricter documentation formalities asked by the banks to SHGs requiring presence of all SHG members were causing hardships and delay in the disbursement process. She urged the banks to take a pro-active role in financing of SHGs as these entities in the State had been in the forefront of the battle against Covid-19 by making and supplying masks, sanitization materials etc.

Sri Manas Dhar, Director Institutional Finance, suggested upon issuing suitable instructions to the Municipal Authorities in the districts for their involvement in the whole process of monitoring the progress in financing NULM Groups subsequent to sponsoring of applications. He stressed upon the need for releasing entire sanction amount in Cash Credit account without setting any DP (Drawing Power) applying margin norms on any ground. He also suggested that advancing to SHGs should be in the form of Cash Credit and not in Term Loan mode.

Sri H. K. Dwivedi Additional Chief Secretary (Finance) insisted upon prompt clearance of huge pendency in sanction of loans to SHGs and NULM Groups latest by 30th September 2020 to ensure posting of better performance in the 2nd quarter of the current FY.

(Action Point 5: SLBC, WBSRLM, GoWB, Member Banks)

The meeting ended with vote of thanks to the Chair and the participants.


(Ashwini Kumar Jha)
Chief General Manager &
Convener, SLBC West Bengal

