

**United Bank of India
Lead Bank Division
Head office
Convener**

State Level Bankers' Committee for West Bengal

Minutes of the 127th State Level Bankers' Committee Meeting for the State of West Bengal held on 24.12.2014

The 127th SLBC Meeting of the State Level Bankers' Committee, West Bengal was held on 24th December 2014 at Williamson & Magor Hall (1st Floor), BCCI, Kolkata where performance of the banks for the period April 2014 to September 2014 was reviewed. **The meeting was chaired by Shri Deepak Narang, Executive Director, United Bank of India.** Amongst the other dignitaries, **Dr. Ariz Aftab ,Secretary, SHG & SE, GoWB, Shri Anurag Srivastav , Joint Secretary, Finance, GoWB, Ms.C.D.Lama , State Mission Director & CEO (WBSRLM), GoWB, Shri E.E. Karthak, CGM, RBI, Ms T.S. Raji Gain, CGM, NABARD, Shri M. A.Narasinham , GM, NABARD, Shri Manas Dhar, GM, United Bank of India & Convener of SLBC,** were also present. **Top executives of State Government, UIDAI, Insurance Companies, IOCL, RBI, NABARD and Banks also participated in the meeting.**

At the outset, Shri Manas Dhar, General Manager, UBI and convener, SLBC West Bengal welcomed all the dignitaries of State Government, RBI, NABARD, Banks to the 127th SLBC meeting of West Bengal. Thereafter, **Shri Dhar requested Mr. Deepak Narang, ED of United Bank of India** to deliver his welcome address to the house.

In his welcome address, **Shri Deepak Narang, ED, UBI,** greeted all the dignitaries of State Government and Banking fraternity. His speech inter alia included the following salient points.

- With regard to account opening under PMJDY, up to 20.12.2014, Banks have opened 68.39 lac accounts out of which 66% accounts are in rural areas and rest in urban areas. State as a whole, household coverage was nearly 99% and he expressed his hope that by the end of December 2014, all Banks would make it 100%. As many as seven districts like Coochbehar, Dakshin Dinajpur, Purba Medinipur, Alipurduar, Jalpaiguri, Malda& Nadia have already achieved almost 100% PMJDY saturation.
- One of the concern we have is the CD ratio. Banks are to make concerted efforts to raise CD ratio of the State progressively over the coming months from present level of 67 % to targeted level of 70%. Particularly in seven districts where CD ratio is below 40%, right kind of projects are to be identified and the Banks should lend to push the CD ratio and our endeavour should be to improve the CD ratio to 40% at the earliest in these districts.

- In SLBC meetings Member Banks were requested to expedite the coverage of unbanked Gram Panchayats by opening Brick & Mortar Branch at the Panchayat Head Quarters. As on date there was 716 unbanked villages having Panchayat Head Quarter but without any bank branch and we need to open Bank Mitra Outlet or Ultra Small Branch in those villages, so that the benefits of PMJDY should flow and sans a delivery point, opening of accounts under PMJDY would not make much of a sense.
- The Banks to step up lending in Agriculture Sector in the coming months of the current financial year to achieve the target of Rs.38390.00 crore as depicted under ACP.
- Another area of concern was fake land record. In this regard, we need co-operation of the State Government for introducing online land verification system as early as possible, which would enable the Bankers to verify land records online and can lend freely.
- While the performance of Banks in issuance of fresh KCC at the end of 2nd quarter of the financial year was stated to be commendable, **Shri Narang** urged upon Banks to take extra efforts to push the average credit outlay per KCC through adoption of revised KCC scheme and scale of finance. Banks should make endeavour to renew and enhance the existing KCC limits as per new KCC Scheme to push the average per ticket KCC further.
- In respect of performance of the Banks in SHG credit linkage under NRLM, **Shri Narang** pointed out that the achievement of physical target of credit linkage to SHG was low. The issues have been discussed in the meeting of Sub-Committee of SLBC on NRLM held on 26.11.2014 and the LDMS were advised to review the district wise performance by holding DDC meeting in the 2nd & 3rd. week of December. He requested the bankers for issuing suitable instruction to the branches for immediate credit linkage of all SHGs ,found eligible through grading exercise process.
- **Shri Narang** expressed his concern with the NPA scenario of all Banks which has been gradually reaching to an alarming level. Overall recovery percentage in respect of three broad sectors, viz Agriculture, MSE and Services of the banking system in West Bengal as on 30.09.2014 stood at only 53% which was a declination from 56% as on 31.03.2014. He requested the State Government for providing all sorts of effective assistance to the bankers with a view to improving the recovery percentage against overdue loans.

Thereafter, Shri Manas Dhar, General Manager,UBI & Convener of SLBC(WB) requested **Dr. Ariz Aftab, Principal Secretary, SHG & SE ,GoWB** to review the performance of the Banks on behalf of the State Government. Dr .Aftab highlighted the points as under.

- **Dr. Aftab** expressed concern over the achievement percentage against agricultural target under ACP and ACP as a whole for the F.Y. 2014-15 which was 28% and 40% respectively as on 30.09.2014. He requested the bankers to adopt all possible corrective measures to achieve the target. Average disbursal amount per KCC is likely to be increased.
- In seven districts of the State, the CD ratio was still below 40% which was another area of perpetual concern. DCC of concerned districts should finalize action plan and take extra efforts for improving the CD ratio.
- The banks would instruct suitably their field level functionaries for immediate credit linking of all eligible SHGs with minimum credit limit of Rs.1.00 lac so that physical target of 1.58 lac SHG credit linkage and targeted sanctioned financial outlay of Rs.1058 crore during the F.Y 2014-15 could be achieved.

Then, **Shri Manas Dhar**, Convener of SLBC requested **Shri E.E. Karthak, C.G.M., RBI** to put his deliberations and guide SLBC. The speech of **Mr. Karthak**, inter alia included the following salient points :

- The level of gross NPA of all Banks in the State has reached to an alarming stage which was much above the average gross NPA of other States. The State Government should come forward to assist the banks effectively in recovery of overdue dues.
- Banks would seriously examine the issue of opening Brick & Mortar branches at 5% of identified unbanked villages as per directive of Reserve Bank of India.
- With a view to enhancing CD ratio of the State as a whole, Banks would think over the effective steps to improve CD ratio of the districts where it was still below 40%.
- The reasons of low growth rate under agriculture sector were to be identified and discussed in the meeting of Sub-Committee of SLBC on Agriculture and action points to be placed in the SLBC meeting.
- Consistence endeavour is required at the level of FLC functionaries to convert maximum number of trained persons to customers of the banks.
- The major area of complaints against bank branches received by Reserve Bank of India was "Delay in processing of loan proposal". Banks should issue suitable instructions to this effect and guide the field functionaries accordingly.

Then, **Shri Manas Dhar** , Convener of SLBC requested **Ms. T.S. Raji Gain, C.G.M., NABARD** to put his deliberations. **Ms. Gain** in her brief deliberations mentioned the following points:

- Banks have done very well in respect of issuance of KCC during the year but average credit limit per KCC to be improved. Banks would be instrumental to ensure that the branches are following the modified KCC scheme and revised scale of finance.
- Banks would suitably instruct the branches to boost up agricultural advance through term lending, JLG financing. Making use of farmers' clubs may be helpful for scouting good loan proposals.
- With a view to improving CD ratio of the State, the potential districts like Nadia, Burdwan, Hooghly etc are to be targeted for credit growth. Issuance of Weavers Credit Card, accreditation of Rural Godown should be looked into and prioritized by the Banks.

Thereafter ,**Shri Manas Dhar, General Manager(Prisec & FI) and Convener of SLBC(WB)** undertook the following Agenda wise discussion through Power Point Presentation and requested the members to interact on the issues.

1. Confirmation of proceedings of the 126th SLBC meeting for West Bengal held on 25th September 2014 : Confirmed by the house.

Agenda 2. Review of status of compliance of Major Action Points emerged in the 126th SLBC Meeting held on 25th September 2014

i) Banks are to make concerted efforts to raise CD ratio of the State progressively over the coming months from present level of 66.71% to go near to the national CD ratio level. Districts where CD ratio is below 40%, DCC should finalize action plan for improving the CD ratio and extra efforts should be taken for improvement within short time by taking necessary corrective measures.

- The CD ratio of the State has been stable around 66 to 67% for last one year. As on 30.09.2014 CD ratio of the State stood at 66.35 which was an improvement from 65.87 as on 30.09.2013, thus registering an Y-o-Y increase of 0 .48%. While taking an overview of the trend, the low proportion of qualitative big ticket credit demand against total credit seems to be one of the reasons of static CD ratio of the State. Besides, declining trend of recovery, write off of bad loans by banks, inadequate enforcement of existing enactments for recovery has inhibited credit growth. However, banks are

constantly sensitizing its branches for identifying prospective borrowers in the field of housing, microfinance, small trade, retail loans etc. to increase CD ratio as well as profitability of the banks.

ii) Banks would take steps for opening of Brick & Mortar branches in the remaining 716 unbanked GPs within this fiscal. Allahabad Bank, Indian Overseas Bank, UCO Bank, Central Bank of India and Punjab National Bank would submit the list of GPs with road map to SLBC for onward submission to Finance Department, GoWB.

-As on date there are 716 villages having panchayat Head Quarter without having any Bank Branch. In large number of such Panchayats, bank branch is available in other villages within the Panchayat in close proximity to the panchayat Head Quarter village. Since all SSAs (Sub Service Areas) are now covered with BCAs, ultimately all such unbanked villages having G.P. Head Quarter is now having banking outlets. Moreover, Allahabad Bank, IOB, UCO Bank, CBI and PNB have been once again requested through our letter no. LBD / SLBC(WB)/FIP/754/2014 dated 18th November 2014 for submitting their Branch Expansion plan in the State.

iii) The Banks would arrange completion of household survey work for PMJDY within 15th October and submit the progress report to SLBC Convener Bank as per specified format. Banks would also ensure delivery of ATM Rupay cards to all the account holders at specified intervals under PMJDY and submit status of account opening to SLBC strictly as per format.

-Survey has been completed in all the SSAs. 59.58 lac account has been opened under PMJDY till 30.11.2014. Almost 33 lac Rupay cards have been issued and delivery of cards is on the process at a fast rate.

iv) Both Telecom Enforcement, Resource & Monitoring Cells of West Bengal and Kolkata to coordinate with SLBC member Banks to discuss and resolve all telecom connectivity issues on priority basis. Member Banks to submit the requisite information urgently to SLBC Desk. Only few Banks have submitted the list so far.

-Telecom Authorities have been inducted as Member of SLBC and are being invited in all SLBC meetings. The list of SSAs having telecom connectivity issues, received by SLBC from different member banks has been forwarded to DFS, MoF, Gol.

Shri M.Zaheer, Director General,(DOT), Term Cell informed the house that he was not aware of any development in respect of connectivity issue against identified 1482 locations, list of which was forwarded from SLBC desk to DFS, MoF. Member Banks desired to know the name of appropriate authority with whom the connectivity issue

could be taken for redressal. As suggested by **Shri Deepak Narang, ED, UBI**, it was decided that SLBC Convener should set up a meeting shortly with the BSNL & Telecom authorities for discussing and sorting out the problems with definite action plans.

v) The Banks to step up lending under Agriculture sector in the coming months of this financial year to achieve the target of Rs.38390.00 crore under ACP. The average credit per KCC to be raised from present level of Rs.40000/- to minimum Rs.50000/.The Agriculture Deptt. of the Govt. should scout quality KCC proposals from uncovered farmers and sponsor the same to the bank branches.

-The disbursement to agriculture sector under ACP (2014-15) up to quarter ended September 2014 stood at Rs. 11128.crore which revealed an increase of 28.51 % over the disbursement of Rs.8659 crore made during the corresponding period of last year 2013-14. Despite discouraging recovery position under KCC, it has been estimated that during ongoing Ravi season, KCC disbursement would pick up further.

The KCC limits are determined on the basis of net cropped area and scale of finance of crop. With the enhancement of scale of finance, the average credit per KCC is expected to improve.

Upto Sept 2014, as against a target of 10.00 lac, 7,77,902 No. of KCCs have been issued with an outlay of Rs.2469.42 crore.

vi) The Banks, those are yet to submit the data of NRLM enabled SHGS to WBSRLM, would submit the same by 31st October,2014. The State Level Controlling office each member banks will also submit the audited statement to WBSRLM to the effect that there is no fund of SGSY lying unutilized at any of their branches in west Bengal, if not already complied.

- Member Banks have already been requested by SLBC for marking NRLM enabled SHGs in their respective online and share the data with WBSRLM. Banks have been requested to comply with without further delay.The issue has again been discussed in the Sub-Committee Meeting of SLBC on NRLM held on 26.11.2014.

vii) The Banks would exert concerted effort to achieve the target of credit linkage of 1.58 lakh SHGS and raise the average credit per SHG to minimum Rs.1.00 lakh during current financial year.

-Up to the end of September quarter of F.Y. 2014-15, 45525 fresh SHGs have been credit linked with a sum of Rs.345.54 crore. The average credit per SHG stood at Rs.75900/- which was an improvement from Rs.63200/- at the end of June 2014. The banks have been repeatedly requested to sensitize the branches for credit linking the eligible SHGs having satisfactory banking relation for more than 6 months with

minimum credit limit of Rs.1 lac, as per SLBC Sub-Committee on NRLM meeting dated 07.02.2014.

Ms. C.Lama, CEO, WBSRLM requested banks to re-circulate the guidelines/decisions of SLBC, related to Interest subvention, proper codification and minimum initial lending limit to SHG amongst the branches as she apprehended that a section of Bank branch officials were not aware of these information.

viii) The Priority Sector outstanding Advance to Minority Communities, SC/ST and other backward classes in the state has remained static over the last few years. The bank lending to these communities to be enhanced to ensure a fair and equitable portion of credit growth within the overall target of the priority sector.

- As on 30.09.2014, the outstanding Prised advance to minority communities stood at Rs.17335 crore, thus recording an improvement from Rs.16362 crore as on 30.09.2013, The growth registered was 5.94%.

ix) State Government to expedite introduction of on-line land verification system that would facilitate the bankers to verify the ownership of the land records of the borrowers and eliminate chances of multiple use of same property to avail loans fraudulently from different Banks.

- The matter is being followed up with the State Government, but till date no major headway is made and the system has not been made in place in any of the districts.

It has been learnt that computerization of land record for online verification has started in Howrah District on pilot basis. The outcome of the exercise is awaited.

Agenda 3. Financial Inclusion -PMJDY- Status of Implementation : The house noted the updated development in respect of implementation of PMJDY.

Up to 20.12.2014, Banks have opened 68.39 lac accounts ,out of which 45.07 lac accounts in rural area and 23.32 lac accounts in urban area. Almost 44.15 lac Rupay cards have been issued and delivering of cards is on the process at a fast rate.

Meeting of State Implementation Committee on PMJDY was held on 27th November ,2014 for analyzing the overall progress made by the Banks in implementation of PMJDY in the state. The meeting was graced by the presence of Regional Director of RBI, CGM,NABARD, Finance Department (GOWB) and banks. It was unanimously resolved by the house that 100% coverage of all households would be completed by 31.12.2014. This meeting was again followed by another meeting on 13.12. 2014,

preceded by the VC with the State Mission Director, SLBC Convener, all Banks by the DFS, MoF, Gol. In regard to household coverage under PMJDY, it was observed that as many as seven districts like Coochbehar, Dakshin Dinajpur, Purba Medinipur, Alipurduar, Jalpaiguri, Malada & Nadia have already achieved 100% saturation. State as a whole has achieved 98.78 % saturation. It was expected that by the end of December 2014 State would be declared having achieved the magic target of 100% coverage.

Agenda 4. Achievement under Annual Credit Plan (2014-15)

The credit disbursement to agriculture sector up to 30.09.2014 against ACP 2014-15 was Rs.11128 crore that indicates an increase of 28.51 % over the disbursement of Rs. 8659 crore made during the corresponding period of last year 2013-14. The disbursement in MSE sector during the year 2014-15 up to september 2014 was Rs.6450 crore depicting 40% achievement against target of Rs.16323.00 crore Under other Priority sector, all Banks have disbursed Rs.3867 crore during the year up to September 2014 which constitutes 72% achievement against target of Rs.5371 crore. Under overall Priority Sector, all Banks have disbursed Rs.21445 crore upto September 2014 recording 35 % achievement against target of Rs.61494 crore for 2014-15.

The house noted the achievement.

Agenda 5. Performance of Banks in Key Areas in West Bengal for the half year ended on 30.09.2014

The house noted the performance of the banks under different sectors.

Agenda 6. CD Ratio, Issuance of KCC, GCC, creation of on –line charge by banks on land holdings, Education loan, housing loan, Agriculture loan.

CD ratio issue has already been covered.

As against annual target of 10 lac(No), 7.77 lac fresh KCCs have been issued during the period from 01.04.2014 to 30.09.2014. The house noted the development /achievements under all the parameters. Details of the performance of Banks under different **schemes including KCC, GCC, Education loan, Housing loan** have been given in the annexure of the Agenda book.

Agenda 7. Direct Benefit Transfer (LPG) –

The DBTL Scheme was earlier launched on 1st June 2013 and finally covered 291 districts. It required the consumers to mandatorily have an Aadhaar Number for availing LPG subsidy. The Government had since comprehensively reviewed the scheme and a

modified scheme has now been re-launched in 54 districts on 15.11.2014 in the 1st phase and rest of the country would be covered under the scheme from 1st January 2015.

The relevant two options/methods for receiving subsidy in the bank account were highlighted through power point presentation. Specimen of Bank Account-Aadhaar Linkage Application Form (1& 2) and Non- Aadhaar based Application form (3&4) are provided with the Agenda Book of 127th SLBC as annexure.

Shri S.Lakshminarayan of Indian oil Corporation narrated briefly the mechanisms for seeding the 17 digit LPG Consumer ID to the account number at the branches & validation of bank account details received from OMC. He requested banks to ensure that both the software solution systems are in place for smooth roll out of modified DBTL Scheme.

Agenda 8. Progress of Credit Linked Self-Employment Programme (SEP)

27044 nos of self employment cases have been sanctioned during the Programme year -2014-15 up to 30.09.2014 and banks have disbursed 24407 cases including the spill over cases during the year 2014-15. The house noted the performance of Banks for the half year ended on 30th September 2014.

Agenda 9. Financing the Minority Community and Backward classes.

The total outstanding advance to Minority Community under PRISEC stood at Rs.17335.03 crore which has reached 15.43% of the total priority Sector Advance as on 30.09.2014. The house noted the progress.

Agenda 10. Recovery performance of Banks & NPA position

The house noted the overall recovery percentage consisting of three broad sectors, viz, Agriculture, MSE and OPS as on 30.09.2014 which stood at 53% . The sector wise and scheme wise recovery position was reviewed. The house noted that the recovery mechanism was not functioning properly and the NPAs were on the rise. The house noted the position. Enforcing recovery through SARFAESI act may provide the opportunity to the Bankers to recover dues from the borrower and necessary support of the State Government in this respect is desired to reach logical conclusion. Recovery also generate recycling of fund for further lending apart from creating a conducive atmosphere to consider loan proposals under various segments by the Banks.

Agenda 11

(a) Adequate Support from the Government for Quick Enforcement of SARFAESI Act

- Already covered under Agenda No.10

(b) Turnover Commission on School Salary paid by the Banks are pending for reimbursement by the Education Department, Govt. of West Bengal.

- Turnover Commissions on school salary paid by the banks, on behalf of State Government are not being reimbursed regularly and resultantly bank's non-interest income is hampered. State Government was requested to look into the matter for early release of turnover commission.

(c) Embargo for issuance of Debit Card to the pensioners/family pensioners of the State Government.

- The house opined in favour of withdrawal of the restrictive order of the State Government on issuance of ATM Debit cards to the pensioners/family pensioners of the State Government and execution of Indemnity Bond by the Banks for issuing Debit cards in the pension account of State Government employees. (relevant circular nos. are mentioned in the agenda book)

Shri Anurag Srivastav, joint Secretary, Finance, GoWB said that State Government would revisit the issue.

(d) Mandatory no-objection Certificate from Banks to renew Route Permit/Fitness Certificate etc. of commercial vehicles hypothecated to Banks.

Govt. of West Bengal has issued necessary directives to all District Magistrates & all Directors, Public Vehicle Deptt. instructing them to obtain "No Objection Certificate" from the Banks, while considering the application made by the registered owners of vehicles for renewal of permit, issuance of duplicate certificate of registration etc. SLBC has already circulated the directives to all Member Banks and Lead District Managers vide Circular letter dated 31.10.2014.

The house noted the development.

The major action points emerged in the meeting were as under:

- Banks are to make concerted efforts to raise CD ratio of the State progressively over the coming months from present level of 66.35% to 70%, the targeted CD ratio level for the State. Districts where CD ratio is below 40%, DCC should finalize action plan for improving the CD ratio and extra efforts should be taken for improvement within short time by taking necessary corrective measures.

(Action : Banks, District Magistrates, LDMs, SLBC)

- The Banks to step up lending under Agriculture sector in the coming months of this financial year to achieve the target of Rs.38390.00 crore under ACP through adoption of revised KCC scheme, updated scale of Finance, financing Agricultural term loans and JLGs. The average credit per KCC to be raised from present level of Rs.40000/- to minimum Rs.50000/-. The Agriculture Deptt. of the Govt. should scout quality KCC proposals from uncovered farmers and sponsor the same to the bank branches. **(Action: Banks : Agriculture Deptt.)**
- The LDMs of remaining 12 districts, those are on the verge of 100% coverage of households, would closely monitor the matter with the member banks operating in the district so that by end of December 2014 State can be declared having achieved the magic target of 100% coverage. **(Action : LDMs/Member Banks)**
- The Banks would arrange delivery of ATM Rupay cards & SB Pass books to all the account holders under PMJDY immediately and submit status of account opening and delivery of Rupay cards to SLBC strictly as per format on regular basis. **(Action: Banks)**
- The SLBC would immediately arrange a meeting with BSNL and Telecom Enforcement, Resource & Monitoring Cells (TERM Cells) of West Bengal and Kolkata to discuss and resolve all telecom connectivity issues on priority basis. Member Banks to submit the updated requisite information in this regard urgently to SLBC Desk. **(Action : TERM Cells/Member Banks, SLBC/BSNL)**
- The Banks would exert concerted effort to achieve the target of credit linkage of 1.58 lakh SHGs and would ensure sanctioning of an initial credit limit of minimum Rs.1.00 lakh to each SHG. All Banks would issue appropriate instructions to the field functionaries in this matter immediately, endorsing a copy of the same to SLBC desk. **(Action: Banks)**
- The member Banks should adopt meticulously the process of data sharing on SHG in respect of credit disbursement and credit outstanding on monthly basis directly from CBS platform (through FTP) to the MORD and WBSRLM for online monitoring of SHG bank linkage by MORD and calculation of interest subvention. All Banks should provide a status report on this score to the SLBC at the earliest. **(Action: All Banks)**
- State Government to expedite introduction of on-line land verification system that would facilitate the bankers to verify the ownership of the land records of the borrowers and eliminate chances of multiple use of same property to avail loans fraudulently from different Banks. **(Action : State Government)**

- All Banks would issue appropriate instructions to District Coordinators and branch level functionaries for attending the DCC/ BLBC meeting positively with all facts and figures. LDMs would monitor the issue and if necessary would take up the matter of frequent incidence of absenteeism of any member bank with its immediate higher authority. **(Action : Member Banks/LDMs)**
- The Banks would issue suitable instruction to branches for opening of savings accounts of the students identified by the Minority Development and Finance corporation for disbursement of pre-matric scholarship. The Minority Development & Finance Corporation in turn is to discuss the method to be adopted for disbursement of such scholarship with SLBC Convener Bank. **(Action: Banks & MDFC)**

Vote of Thanks :

Shri Manas Dhar,GM (UBI) & Convener SLBC (WB) while expressing his privilege to offer vote of thanks, conveyed heartfelt thanks to Shri D.Narang, ED. UBI, Dr. Ariz Aftab, Principal Secretary, SHG & SE, GoWB, Shri E. E.Karthak, C.G. M., RBI, Ms. Raji Gyen, CGM, NABARD, the dignitaries on the dais, senior officials of the State Government, RBI, NABARD , Banks and other Agencies for attending the meeting and taking active part in the deliberations. He conveyed his special thanks to Shri A.M. Narasingham, GM, NABARD and Senior Executives of UIDAI, Telcom and Insurance Companies for attending and enriching the meeting with the valuable views . He also thanked MS.C.D. Lama , CEO, WBSRLM, Sri Anurag Srivastav, Joint Secretary, Finance, GoWB, Shri A.K.Das, Director of Institutional Finance and other Senior Officials of the State Government for raising some very pertinent issues and assured that the banks will give due importance to all those points.In fine, he once again thanked all the participants for attending the meeting.
