

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

State Level Bankers' Committee for West Bengal

Minutes of the 122nd State Level Bankers' Committee Meeting for the State of West Bengal held on 22nd August 2013.

The 122nd Meeting of the State Level Bankers' Committee, West Bengal was held on 22nd August 2013 at Williamson Magor Hall of Bengal Chamber of Commerce & Industry, Kolkata where performance of the banks for the year ended March 2013 and Quarter ended June 2013 was reviewed. The meeting was graced by **Dr. Amit Mitra, Hon'ble Finance Minister** of the State. Amongst the other dignitaries **Ms. Archana Bhargava, Chairperson & Managing Director of United Bank of India, Chairperson, SLBC, West Bengal, Shri B.P. Kanungo, Regional Director, RBI, Sri E.E. Karthak, C.G.M., RBI, Sri S.Padmanavan, CGM, NABARD, Shri Ariz Aftab, Secretary, SHG & SE, GoWB, Smt. Roshni Sen, Secretary, Women & Social Welfare, GoWB, Sri Subrata Biswas, Secretary, Agriculture, Shri A.K.Das, DIF & Special Secretary, GoWB** were also present. **Top executives of State Government, RBI, NABARD and Banks also participated in the meeting. A list of participants of the meeting is enclosed.**

At the outset, Shri Manas Dhar, General Manager, UBI and convener, SLBC West Bengal welcomed all the participants to the meeting. Shri Dhar greeted Hon'ble Finance Minister on behalf of SLBC(WB) and expressed that it was a privilege that Hon'ble Finance Minister of the State remains present in all the SLBC meetings and always guides the SLBC with his valuable opinions.

He also greeted and introduced respected **Chairperson & Managing Director of United Bank of India & Chairperson of SLBC(WB), Ms Archana Bhargava** before the House who attended SLBC meeting of the State for the first time. Thereafter, Shri Dhar requested **Ms. Archana Bhargava, CMD, UBI** to deliver her welcome address to the house.

Ms. Bhargava, CMD, UBI and Chairperson of SLBC(WB) prior to delivering her welcome address greeted Hon'ble Finance Minister of the State on behalf of SLBC(WB). She greeted all top executives of RBI, NABARD, State Government and Banking fraternity. Her briefing inter alia included the following points.

- She referred the recently held inter-active meeting "Bengal Beckons" at Mumbai where she along with other major Bankers were invited. She expressed that she was moved with the effort of the Hon'ble Chief Minister of West Bengal for showcasing industrial potentialities existing in West Bengal in presence of Mumbai based top industrialists. She invited the Bankers to come forward for any big project of the

State and join in the process of accelerating growth of the State, to translate the dream of Hon'ble Chief Minister into reality.

- She praised the efforts made by the Bankers to increase the CD ratio of the State from 63% as on September,2012 to 65% at the end of March 2013. But without getting complacent, the Banks should accept the challenge of achieving 68% CD ratio by end of March 2014.
- While mentioning the tough target of increasing CD ratio by 5% over the September 2012 as at March 2013 for 10 identified districts of the State, set by RBI, she informed the house that as on 31st March 2013,as many as 7 out of 10 identified districts have registered improvement in CD ratio by 5% or more over the level of September ,2012. The three other districts missed the target narrowly.
- In the 2nd phase of extending DBT scheme, Govt. of India has identified Howrah & Coochbehar districts for its implementation. While in Howrah district, accounts of all 23650 beneficiaries from the list made available to the LDM have been opened by the Banks, a lot of ground work needs to be covered in Coochbehar district in this regard.
- In respect of issuance of KCC during 2012-13, the Banks acted proactively and collectively could achieve the target of issuance of 10 lacks Kisan Credit Cards. In 2013-14, focus area of the Banks would be to cover all farming families of the State and surpass previous years achievement.
- As SLBC Convener Bank, she urged upon the banking fraternity to increase the credit linkage of SHGs to reach the desired level as at March 2014. In this connection she mentioned launching of a SHG counselling centre by United Bank of India on 14th August,2013 which was kindly inaugurated by His Excellency – Governor of West Bengal.
- In respect of opening of brick and mortar branches in all unbanked villages having head quarter of Gram Panchayats as urged by the State Government, she informed the house that a fresh assessment has been made and it is observed that at present 889 unbanked Gram Panchayats Head Quarter villages are there in 18 districts. The Banks are to open B &M Branches in these locations in phased manner if the Government assures to provide logistic support including space for the branches in the GP offices.
- As a banker, She expressed her deep concern over the declining trend of recovery in the State leading to mounting of NPA to Rs.17000 crore, which is 6.46% of the gross advance of the Banks in the State. The level should be considered very high as per industry standard. District Magistrates have been approached by the Banks for their

administrative assistance in the matter of taking physical possession and selling of the charged property under SARFAESI Act 2002. She urged upon the State Government for their kind intervention and to initiate suitable measures to improve the recovery atmosphere of the State.

Finally, Mrs Bhargava expressed her confidence that the collective effort of all concerned will facilitate speedy implementation of FI plan, flow of credit to Agriculture & MSE sector, issuing KCC to all eligible farmers, SHG linkage etc. within the shortest possible time.

Thereafter, **Ms. Bhargava** requested **Dr. Amit Mitra, Hon'ble Finance Minister** to preside over the meeting and deliver his key note address.

Dr. Amit Mitra, Hon'ble Finance Minister of West Bengal at the outset welcomed each one of the participants in the meeting and expressed his pleasure for remaining present in the SLBC meetings where it becomes possible to interact with the bankers and Govt .officials at a time. He assured that State Government is not only supporting the Banks but at the same time expects a lot for the development of the State from the Bankers.

Sri Mitra then requested the Secretaries , present in the meeting representing different Govt. Deptts. to introduce themselves. At the time of introduction, **Shri Mitra** primarily interacted with the concerned Secretaries on certain issues like Kanyashree Prakalpa,, KCC, Anandadhara etc. After the introduction part was over, he straight way went to the following deliverables.

i) RBI has set 68% CD ratio target for the State at the end of March ,2014, and considering maintaining the momentum in June,2013 quarter, it should be raised to the level of 70% at the end of March ,2014.

ii) He intended that SME counselling cell could be opened in the State by every Bank and it should be well structured. The Cell would have effective literature in Bengali highlighting scope of MSE and salient points on credit delivery which will be displayed by the State Government in B.D.O/G.P. office and other relevant offices. Advertisement should also be made by the Banks in the leading Newspapers in this regard. Dr.Mitra also informed of setting up of a powerloom park in Belur in a closed factory site and asked the Banks to look for financing there.

iii) Dr.Mitra suggested that one conclave on MSME could be organized in the month of September ,2013 by the Department of MSME & Textiles , GoWB where all the Bankers and other stake holders would participate. The State Principal Secretary of the Department would sit with the bankers to evaluate the potentialities , identify the areas of opportunities with emphasis on cluster approach and draw time bound action plan. Before that the Bankers to go for a SWOT analysis in the Sub- Committee meeting of SLBC on MSME.

It will be a catchment platform for the Banks where cases of 200 entrepreneurs will be dealt with directly in the conclave and after due diligence the cases will be considered by the Banks.

The conclave will be utilized as a platform for entrepreneurs also where units are either sick or showing signals of sickness and deserves restructuring.

iv) While praising the Banks for achieving the target of issuance of 10 lacs KCC last year, he proposed target of issuance of 12 lakh Kisan Credit Card in 2013-14 with a view to covering all eligible farmers of the State. As pointed out by Shri B.P. Kanungo, RD, Reserve Bank of India, Shri Mitra proposed to raise the average credit per KCC to Rs.75000/- from present level of Rs.57000/-. However, after prolonged discussion, Chairperson, SLBC suggested fixation of average credit limit per KCC at Rs. 70000/- which was accepted by the house.

v) As suggested by CEO, Directorate of Fisheries, West Bengal Government, the Hon'ble Finance Minister requested the Banks to instruct the branches for providing short term credit loan to fish farmers under KCC scheme though interest subvention as available in crop loans would not be available in fishery loans.

vi) He informed the house that in respect of on-line registration, the State Government has started work in Howrah district on pilot basis. As the process is complicated, it would take some time to bring the entire State under the purview of this facility. Treasuries are now uplinked as real time basis.

vii) In the light of potentialities of credit flow to MSE sector, Sri Mitra proposed to modify upwardly the target of MSE for the State under ACP 2013-14 to the extent of 20% growth on previous year's target while the growth target on the basis of Potential Linked Plan, prepared by NABARD was 16 percent.

viii) He requested the Banks for attaching sincere efforts towards credit linkage of SHGs and raise the average credit per SHG which is very low compared to all India average. He proposed for minimum Rs. 1.00 lac dose at the time of first credit linkage for every SHG which is Rs.56000/- on an average at the present level. Being pointed out by Dr Ariz Aftab, Secretary, SHG & SE, Dr. Mitra emphasized on overall growth in aggregate amount of credit disbursement to SHG. He suggested to raise the aggregate credit to SHG during 2013-14 to Rs.1000 crore which was Rs.674 crore in the last year.

ix) Dr.Mitra pointed out that still 9 districts of the State are having CD ratio below 40 % viz. Bankura, Birbhum, Murshidabad, Nadia, Hooghly, 24 Parganas North, Burdwan, Jalpaiguri and Paschim Medinipur. Each of these districts to increase CD ratio by 5% as at March, 2014 over the level of June, 2013.

Comments by:

Smt. Archana S. Bhargava , CMD, UBI & Chairperson , SLBC(WB) :

Smt. Bhargava proposed mid-term review in the month of October ,2013 in respect of growth of CD ratio of the State as a whole and of 9 districts in particular where CD ratio is less than 40%. She affirmed that the issues related to issuance of KCC, credit flow to SME, SHG credit linkage would be discussed in the relevant Sub-committee meetings of SLBC, to be held in the month of September 2013.

Shri B.P Kanungo , RD , RBI :

i) He endorsed mid- term review for setting of an achievable target of increasing CD ratio of 9 districts where CD ratio is less than 40% for March 2014.

ii) Sri Kanungo insisted for prior fixing of dates for the SLBC meeting of next two quarters.

iii) He drew the attention of the Hon'ble F.M. in the matter of security arrangement at rural area for the Banks referring recently occurred incidences of robbery during transit of money.

iv) He also categorically expressed his concern over the declining trend of recovery in the State and delay on the part of District authorities in disposal of pending cases under SARFAESI Act.

Sri S.Padmanabhan, C.G.M., NABARD :

In respect of WSHGs under “ Muktidhara” , it would be appropriate if all banks adopt the similar practice of financing to WSHGs based on the micro credit plan and with minimum Rs.1.00 lakh at the time of first credit linkage. He suggested to discuss the issue in the ensuing meeting of sub committee of SLBC on SHGs so that uniform practice may be adopted by all banks in the State.

Shri Manas Dhar, G.M., United Bank of India. :

Shri Dhar informed from SLBC desk that a list of district wise pending cases for disposal under SARFAESI Act 2002, collected from a few member Banks, has already been forwarded to the Finance Secretary, West Bengal Government with the request to convey suitable instructions to the concerned District Magistrates for providing their administrative assistance to the Banks.

In response, Dr.Amit Mitra ,Hon'ble F.M. proposed that SLBC would write to the Government supported by specific data and proposals on how the Government can help the Banks in regard to recovery of loans. He also mentioned that RBI would write to the Chief Secretary officially highlighting the suggestions for coveted security arrangement in the rural areas for the Banks with a copy to him. He ensured that he would look into the matters personally.

Shri Mitra , then pointed out some operational problems persisting at the ground level which are as under:

- i) Some bank branches are demanding deposition of original title deeds/land documents against loan under KCC up to Rs.50000/-.
- ii) Farmers are often being persuaded for keeping money in Bank;s Fixed Deposit against issuance of KCC.
- iii) Interest rate is being charged at higher rate.
- iv) One legal heir is being denied as a member of JLG when the deed is in the name of his late father or grand father and mutation has not been done.

The Hon'ble Finance Minister finally summarized the aforesaid discussed points , expressed satisfaction for threadbare discussion and desired that all should join hands together to improve the economic scenario of the State.

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 121st Special SLBC meeting for West Bengal held on 26th March, 2013 : Confirmed by the house.

2. Review of status of compliance of Major Action Points emerged in the 121st SLBC Meeting held on 26th March 2013.

i. Banks to make efforts to achieve CD ratio of 65% for the State of West Bengal by March 2013 and 68% by March 2014. – Already discussed .

ii) Expansion of Credit to increase the CD ratio of the 10 identified districts by 5% within March 2013 over their September 30,2012 position.- Already discussed in detail.

iii) The SLBC would arrange submission of the report on disbursement of loans to KCC and credit linkage status to SHGs as on 31st March 2013 to RBI and Hon'ble Finance Minister of the State.

- The report on issuance of KCC and credit linkage status to SHGs already discussed and submitted to RBI & Govt.of West Bengal.

iv) Member Banks would submit the district wise list of pending cases under SERFAESI Act to SLBC for onward submission to Finance Secretary, GoWB.

- Already discussed. The member Banks that are yet to submit the list were requested to submit the same to SLBC without further delay.

v) The Banks would ensure opening of Brick & mortar branch in all the unbanked GPs of the State.

- Already discussed and ratified by the house.

vi) Implementation of DBT in 2 districts identified in the 2nd phase of extending DBT scheme by Govt.of India. – Progress already discussed..

vii) One Sub –Committee meeting of SLBC on Agriculture is to be organized to discuss the issue of verification of land records and more credit flow to the units for for growing fruits, vegetables etc under Horticulture segment.

- The meeting of the Sub-Committee of SLBC on Agriculture was held on 19th April 2013. No fruitful discussion could be arrived at regarding the issue of verification of land records.

viii) Credit Linkage to SHGs : Already discussed.

Agenda 3. Financial Inclusion Plan- Setting up of Banking outlets in all the identified villages with population less than 2000 – Opening of Brick & Mortar Branches in 5% of the identified villages(28140) having population less than 2000.

Already covered and house noted the achievement.

Agenda 4. Achievement under Annual Credit Plan (2012-13) and 2013-14 (Up to June 2013)

Already covered and house noted the achievement.

Agenda 5. Performance of Banks in Key Areas in West Bengal for the year ended on 31st March 2013 and up to 1st quarter of 2013-14 ended on 30th June,2013.

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.

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 – Already discussed in detail.

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

The house noted the performance of Banks for the year ended on 31st March 2013 and up to 1st quarter of 2013-14 ended on 30th June,2013.

Agenda 9. Financing the Minority community and backward classes.

The total outstanding advance to Minority Community has reached 17% of the total priority Sector Advance as on 31.03.2013 which denotes an increase of 23.37% compared to 13.85 % growth in the total Prisec Advance over 31st March 2012. The house noted the progress.

Comment by:

Nodal Officer, State Minority Development & Finance: He requested SLBC to collect and furnish data, if possible, on disbursement of loan and outstanding advance to minority community in respect of minority concentrated districts separately. He also informed the house that 4 additional districts viz Darjeeling , Jalpaiguri, Purba Medinipur and Paschim Medinipur have been declared by the Union Government as minority concentrated districts thus making the tally as 16 for the State.

Agenda 10. Recovery performance of Banks & NPA position

Already covered. However the house noted the overall recovery percentage consisting of three broad sectors, viz, Agriculture, MSE and OPS as on 31.03.2013 and 30.06.2013. The sector wise and scheme wise recovery position was reviewed. The house noted that the recovery mechanism was not functioning properly and the NPAs are on the rise. Enforcing recovery through SARFAESI act was discussed earlier.

Agenda 11. Kanyashree Prakalpa.

Shri Manas Dhar,GM (UBI) & Convener SLBC (WB), mentioned Kanyashree Prakalpa as a flagship scheme of the State Government and informed the house that Banks have committed to open the accounts of the beneficiaries on war footing to help launching of the scheme successfully.

Thereafter Smt. Roshni Sen, Secretary, Women & Social Welfare GoWB narrated the salient points of the scheme before the house through power point presentation. Her presentation inter alia included the following.

- i) The Background of the scheme itself and the purpose.
- ii) Key provisions of the scheme.
- iii) Scheme benefits and eligibility criteria.
- iv) Need for speedy opening of the accounts by Bank branches of the girl students enrolled in classes VIII to XII, irrespective of their eligibility to become the beneficiaries under the scheme.
- v) Opening of accounts in Camp mode, preferably in the school campus on a mutually convenient date with the target of completing the account opening by 10th of September, 2013.
- vi) Using common no frill Zero balance SB account opening form by all bank branches.

Shri Manas Dhar,GM (UBI) & Convener SLBC (WB), informed the house that one page standardised SB Account opening form for opening of accounts of the girl beneficiaries has been devised by SLBC and already sent to all member Banks and LDMS (through both soft and hard copy) for using the same uniformly by all bank branches. This action has been ratified by the house.

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

- Banks are to make concerted efforts to raise the CD ratio of the State at the level of 70% at the end of March 2014.(**Action: Banks**)
- With a view to covering all eligible farmers of the State the target of issuance of KCC for the year 2013-14 would be 12 lakh (No). SLBC would revise the Bank wise target accordingly. The average credit per KCC to be raised to Rs. 70000/- from present level of Rs.57000/- . (**Action: Banks , Agril Department of Govt. & NABARD**)
- Short term credit loan to fish farmers up to Rs. 50000/- would be covered through KCC though interest subvention as available in crop loans would not be available in fishery loans. The Banks are to instruct the branches accordingly. (**Action: Banks**)

- The target of MSE credit under ACP 2013-14 to be upwardly modified to the extent of 20% growth on previous year's target (Rs.13500 crore) that stands as Rs.16000 crore. The SLBC will revise bank wise distribution of targets immediately. **(Action: SLBC , Banks)**
- All the Banks operating in the State will open well structured SME counselling cell and advertisement should also be made by the Banks in the leading News papers in this regard. **Action: Banks)**
- The Banks will attach sincere efforts for achieving the target of savings & credit linkage of 1.5 lakh SHGs during 2013- 2014. All banks will adopt the practice of financing to SHGs based on the micro credit plan and with minimum Rs.1.00 lakh dose at the time of first credit linkage. **(Action: Banks)**
- One big conclave on MSME will be organized in the month of September ,2013 by the Department of MSME & Textiles , GoWB where all the Bankers and other stake holders would participate. **(Action: Department of MSME & Textiles, GoWB)**
- **Mid-term review to be made** in the month of October ,2013 in respect of growth of CD ratio of the State as a whole and of 9 districts in particular where CD ratio is less than 40%. After the review meeting, tentative achievable target of CD ratio for March 2014 against these 9 districts where CD ratio is less than 40% will be set.**(Action: SLBC, Banks, RBI , State Govt.)**
- Issues related to issuance of KCC, credit flow to SME, SHG credit linkage would be discussed in the relevant Sub-committee meetings of SLBC, to be held in the month of September 2013.**(Action: SLBC, Banks, concerned Govt. Departments)**
- The member Banks would submit the road map for opening of Brick & Mortar branches in the unbanked Gram Panchayats Head Quarter villages (according to service area) to SLBC immediately for submission of the same to the State Government. In the Agenda book of 122nd SLBC meeting the summary of district wise & distance wise unbanked GPs allotted to Banks is annexed. By way of opening of B & M branches in these locations over a period of time, more than 60% of 1400 villages that need to be covered as per directive of RBI would be achieved. **(Action: Banks)**
- Banks will issue instruction to the branches for opening of the accounts of all girl students enrolled in classes VIII to XII on war footing for successful launching of “ Kanyashree Prakalpa”. A target date for completing the account opening has been fixed at 10th September,2013. The common one page SB account opening form

(already sent to all banks & LDMs) to be used for the purpose.
(Action : Banks)

- The LDMs will hold special DCC meeting immediately and finalise the modalities for speedy opening of the accounts of the girl students. The standard Account opening form should be made available to the Heads of the Schools by the LDM.
(Action: LDMs)

- Member Banks which are yet to submit the district wise list of pending cases under SARFAESI Act to SLBC, are requested to furnish the same without further delay for onward submission to Finance Secretary , GoWB.
(Action: Banks)

- RBI would write to the Chief Secretary, West Bengal Government officially highlighting the suggestions for coveted security arrangement in the rural areas for the Banks with a copy to Hon'ble Finance Minister.
(Action : Reserve Bank of India)

- The FLCs would conduct more outdoor Financial Literacy camps with focus on financially excluded people. FLCs would also submit the quarterly statement as per specific format to SLBC positively within 5th of the subsequent month after the end of a quarter. **(Action: FLCs & Banks)**

Vote of Thanks :

Shri Manas Dhar,GM (UBI) & Convener SLBC (WB) while expressing his privilege to offer vote of thanks, conveyed heartfelt thanks to Dr. Amit Mitra, Hon'ble Finance Minister of the State for attending the SLBC meeting and sparing his valuable time in the deliberations to guide the SLBC on different running issues. He specially thanked Ms. Archana Bhargava , CMD of UBI & Chairperson of SLBC(WB) for her keen interest in all the concurrent issues of the SLBC who attended State SLBC meeting first time. Shri Dhar conveyed thanks to all 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 B.P.Kanungo, RD RBI, Shri S. Padmanavan, CGM, NABARD for attending and enriching the meeting with the valuable views . He thanked also Shri S.K. Dandapat, Special Secretary,MSME & Textiles, GoWB , Shri Subrata Biswas, Secretary, Agriculture, Shri Ariz Aftab, Secretary, SHG& SE, Shri A.K. Das, DIF, GoWB , Smt Roshni Sen, Secretary, Women & Social Welfare, GoWB 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.
