

**MINUTES OF THE 59TH REVIEW MEETING OF THE STATE
LEVEL BANKERS' COMMITTEE, BIHAR FOR THE 3RD QTR
OF FY 2016-17 ENDED DECEMBER, 2016, HELD ON 17TH
FEBRUARY, 2017**

The 59th review meeting of State Level Bankers' Committee, Bihar was held on 17th February, 2017 at Hotel Chanakya, Patna under the chairmanship of Shri Abdul Bari Siddique, Hon'ble Finance Minister, Govt. of Bihar. The meeting was also attended by Sri Alok Kumar Mehta, Co-operative Minister, GOB, Sri Anjani Kumar Singh, Chief Secretary of the State, Sri Ravi Mittal, Principal Secretary (Finance) of the State, other senior officials of State, RBI, NABARD, Banks and other agencies. The list of participants is enclosed as Annexure-I.

Shri Ajit Sood, Chief General Manager, SBI & Convenor, SLBC Bihar, welcomed all the participants during the 3rd meeting of the current financial year and briefly outlined the achievements of Banks operating in the State under ACP during the first nine months of FY 2016-17. He said ACP of the State for financial year 2016-17 has been enhanced to Rs.1.00 lac crore. Highlighting on the issue of ACP, he said that during the period April to December 2016, the banks disbursed Rs. 65121 Crores, i.e approx. 65% of the annual target. In agriculture sector, against the annual target of Rs. 48000 Crores, Banks have disbursed Rs. 30214 Crores during the period under review, which was approx 63% of the target. He said that during the period under review 4.45 lac new KCC have been sanctioned and 16.07 lac have been renewed to the farmers.

On CD ratio, Shri Sood stated that the state had achieved 44.01 %, during the period under review and the Banks and State Govt were trying their level best to increase the CD ratio. He also stated that the movement of money into banking channel due to demonetisation has reduced the CD ratio of Banks by 3.16% in spite of the fact that the increase in quantum of loan during the period has increased by approx. 7000 crore.

CGM, SBI said that target of Education loan (5.00 lac students) was given to the banks keeping in mind the launching of "Bihar Student Credit Card Scheme "in the state. But the launching of the BSCS got delayed due to various reasons. Now applications has started coming to the banks and increase in figure is expected in next quarter of the fiscal. However, education loan of Rs 856 crores was sanctioned to 25775 students during the period.

CGM, SBI said that Banks and JEEVIKA has been playing good role in the area of financing to SHGs in the state. Banks have sanctioned loans to 93000 SHGs against the target of 2.00 lacs. 76000 Savings a/c has since been opened to the SHGs.

CGM, SBI said that banks have so far opened 114 branches in the state during the current fiscal year. Banks have been given a target of opening of 1640 branches in terms of RBI's directive. These branches are to be opened in the villages having population of 5000 and above.

CGM, SBI said that NPA has been a critical issue for the banks and requires help of GOB in its recovery.

CGM, SBI, said that Banks were grossly involved in meeting the challenges due to demonetisation of notes. Despite the fact, the achievement of Banks in different area could be said satisfactory.

Minutes of the last SLBC meeting were then confirmed and Action Taken Report on the action points of 58th SLBC meeting was adopted by the House.

Presentation was, thereafter, made by Sri R K Das, AGM, SLBC, Bihar on major agenda items. After discussion on the agenda items during the meeting, the following points emerged.

A. AGRICULTURE RELATED ISSUES:

(I) Sub-Committee meeting of SLBC on Agriculture:

Agri ACP:

The achievement under Agri ACP during the nine months of Financial Year 2016-17 was 63% of the annual target. All banks were requested to give due attention to Agri lending, especially in allied activities to all deserving farmers.

Principal Secretary (Finance), GOB said that under Farm Mechanisation there has been a 50% subsidy available to borrowers. Bank should therefore consider the scheme liberally as GOB is ready to keep a lump-sum subsidy amount with the respective banks.

Self Help Group (SHG):

Role of JEEVIKA was appreciated in the meeting.

Chief Secretary, GOB pointed out that loan component being sanctioned to SHGs in Bihar is lesser than the other states. Although it has been already decided to enhance the mount from 1.50 lacs to 3.00 lacs , but only four banks have been found adhering to revised norms. Controlling heads of all such banks where it has not yet been implemented needs to pass instruction to its branches.

CGM, SBI said that spread of JEEVIKA is to be in whole state instead of only in north Bihar.

JEEVIKA agreed to increase its spread in whole Bihar.

Dairy, Fishery & Poultry:-

The performance under Dairy, Fishery and Poultry sector of the banks was described as very poor. Bihar being a consumer state of dairy, fishery & poultry, the support to sectors was very essential for overall development of the state. Despite huge subsidies available in the schemes for financing to Dairy, Fishery & Poultry, the sanction of loan was not at all upto mark. AGM SLBC Bihar said that it must improve up to acceptable

level by the next SLBC review meeting as Bihar has great potential for these activities.

B. ISSUES RELATED TO 'INDUSTRIES'

(I). Achievement under MSME ACP:

During the period of nine months of FY 2016-17, against the annual target of Rs. 15000 crores, Banks under MSME have disbursed Rs 11205 crores, which was 75 % of their annual target.

(II). Achievement under PMEGP:

The achievement under PMEGP during the nine months of FY 2016-17 was viewed by the house as not satisfactory. Against the physical target of 3750 projects for 2016-17, Banks have sanctioned only 1454 projects amounting to Rs. 65 Cr during the period under review.

Sri S Sidhartha, Principal Secretary (Industry), GOB, said that there has been a variation noticed in online and physical data report. The sanctioned loan must be reported online. He expressed concern over the dismal performance in PMEGP financing by all the Gramin banks. He also said that the achievement vis a vis to target for **Stand up India** and **Mudra** is not satisfactory.

AGM SLBC said that the inflow of loan application under **stand up India** scheme is very low.

Representative of NULM said that GOI has allowed considering MUDRA loan under NULM. As growth of industrial sector is a national priority area and has the potential to provide large numbers of jobs to people, Banks were requested to give adequate attention towards financing under the scheme.

C. OTHERS:-

(I). OPENING OF BRANCHES:

The Banks in the State had opened only 114 branches during the current FY.

Chief Secretary wanted to know the reason of lesser number of branch opening. He said that GOB is ready to offer its 1000 Panchayat Bhawan for opening branches of banks. These buildings are ready and can be used by banks for opening of their branches.

Principal Secretary (finance) suggested that

(i) RBI should penalise the banks for not achieving the branch opening target and

(ii) SLBC Bihar should convey the concern through letter to the Head quarter of each bank and the reason for not opening the branch to be sought for.

Shri S. Sidhartha, Principal Secretary (Industry), GOB expressed concern over shifting of some banks branches from the places of historical importance /tourism place. CGM, SBI clarified that there was no such move and assured to look into the matter.

Chief Secretary wanted to know from Regional Director, Reserve Bank of India as to whether RBI can take any penal action against the banks which have not opened bank branches despite SLBC request for the same.

Regional Director, RBI clarified that opening of bank branches have been deregulated by Reserve Bank of India. The banks have the discretion to open the bank branches based on the board approved policy subject to fulfilling the conditions of Master Circular on Branch Authorisation.

Having said that, Regional Director, RBI also clarified that Reserve Bank of India vide its letter dated December 30, 2015 had instructed the banks to open branches in all those villages which have a population of 5000

and more. Accordingly, banks were expected to open branches in all those 1640 villages which have a population of 5000 and above.

CGM, SBI said that so far shifting /merger of branches are concerned it is a continuous process as viability is also an important aspect. He assured to revisit into the aspect of shifting. He further said that the main aspect of branch opening has been to extend banking facility to the villagers and if the same is done through Bank's BC /CSP model, it should be considered. However, we need to have BC/CSP, if B&M branches are not viable there.

(II). BIHAR STUDENT CREDIT CARD (BSCS):

Principal Secretary (Finance) said that Banks have sanctioned advances under BSCS to 60 students and requested to arrange for disbursal of residual application pending with Bank branches within next 10 days.

Sri R K Das, AGM, SLBC said that It has been observed that some students are applying for loan from a branch which is far away from his place of residence or college. It is preferable for Banks monitoring purpose to opt for bank branch close to his/her permanent residence /college.

Chief Secretary, GOB said that

(i) Necessary changes in the BSCS scheme guidelines will be made by GOB. Students applying for loan under BSCS can avail the loan from a bank which is nearer either to his place of residence i.e. home place or to his college where the students is studying.

(ii)For waiver of PAN of co-applicant, SLBC took the resolution in today's meeting that obtention of PAN of Co-applicant is not mandatory"

Hon'ble Finance Minister said that waiver of PAN of co-applicant is now since ratified by SLBC Meeting. No bank should now insist for PAN of Co-applicant in case of BSCS scheme. Member banks of SLBC may now

inform to their respective Controlling Central offices in this regard. It is also recorded that such waiver has been made available by SBI and PNB.

(III). HOUSING LOAN:

During the April-December of FY 2016-17, the achievement of Banks under Housing loan was 61% of the target, i.e 14702 against 24000.

AGM, SLBC stated that certain issues like master plan, title deed, map approval, agriculture land in rural areas were coming in the way of sanctioning housing loan. He requested for the state govt's intervention to facilitate the sanctioning process. He also said that implementation of "**Pradhan Mantri Awaas yojna**" was very poor. The detail of this scheme has already been placed with agenda book of SLBC for the ready reference to banks.

NHB representative said that SLBC may consider the issue of land /master plan etc to start PMAY in the area of operation of Patna Municipal Authority.

Principal Secretary (finance) said that as per advice of SLBC, GOB is going to notify soon the authority for passing map in rural areas.

IV). NON PERFORMING ASSETS (NPA):

Chief Secretary, GOB said that they have initiated a drive related to recovery of amount involved in bad debt of Govt. of Bihar. He said that the window can be made available to banks in the state for recovery of its NPA. He suggested the need to pay some amount out of the recovered amount as incentive. Merely filing a certificate suit against the defaulting borrower would not serve the purpose. Bank has to be proactive for recovery of its NPA.

CGM SBI said that most of the banks are having OTS scheme and a commission is being paid to the recovery agent. Banks should have no problem about it. But the approval has to be sought from respective head offices of individual banks.

(V) AADHAR SEEDING:

Chief Secretary, GOB said that payment from GOI/GOB towards all social welfare schemes has to be done through DBT for which AADHAR seeding of beneficiaries a/c is required to be completed by March 2017. Representative from UIADI was told to extend all necessary help to GOVT and banks to complete the task within the deadline.

GM, PNB expressed that it is impossible to achieve the task by the banks without the help from Govt. functionaries. AGM,, SLBC said that SLBC has time and again requested DFS, GOI for providing details (Bank wise / District wise) of consent forms of beneficiaries for AADHAR SEEDING data in MNRGEA a/cs but it is yet to be provided. If the detail is made available, monitoring can be possible by the respective banks.

Principal Secretary (Finance), GOB, said that they will call a meeting on this issue with banks and Govt functionaries to discuss it.

Regional Director, RBI, Bihar & Jharkhand said that this has been his first meeting of SLBC in Bihar and it gives him an impression that SLBC Bihar is very vibrant in comparison to other states as per his experience. He referred to news in the local paper about non-acceptance of coin of Rs10 by some banks. He expressed displeasure and desired the banks to refrain from this practice. He said that achievement under ACP should have been 83% by Dec2016. He added that recovery climate in Bihar is not good. Lot of money has been locked in NPA which is public money. He requested govt machineries to share the concern of NPA from various forums so that a better recovery climate could be created. He made it clear that Govt has to play dual role in the area of loan disbursement and timely recovery. RBI or the Government can't insist banks for only disbursement but also to help the banks in recovery of loan.

CGM, NABARD said that GOI has launched a programme for doubling the farmers' income by 2022. It should henceforth be agenda item for discussion in all SLBC meeting and as well as for Subcommittee on Agriculture meeting. Govt. of Bihar has also declared 1% agriculture

interest subvention to be administered by NABARD. Performance in financing to JLG is very low. He said that in order to improve the performance, GOB has to resolve land related issues as it has been acting as a disruption in the scheme. Egg sufficiency programme in Bihar has been launched and it requires attention of the entire stake holder in order to make the state egg sufficient. He also said that to increase cashless transaction in rural areas, NABARD has been providing two free POS machines to each village branches of banks. NABARD has also been providing Rs3.00 lacs to each RSETIs as support for capital expenditure for purchase of training equipment's. All the RSETIs should avail this facility.

The Co-operative Minister, GOB, Sri Alok Kumar Mehta said that contribution of Co-Operative banks in achievement of ACP is excellent. He expressed satisfaction over the functioning of Co-operative bank in Bihar and explained about various initiatives taken recently by his department especially on the front of technological up gradation and recruitment of staffs. He said that he has been willing to provide all the infrastructure to the cooperative bank so that it could compete with commercial banks. He said that small and marginal farmers should also be included in PMFBY as it has been necessary for financial inclusion.

The Finance Minister, Government of Bihar, Sri Abdul Bari Siddique in his address expressed thanks to all the banks in Bihar for efficient service rendered to the people of Bihar during demonetisation of currency notes. He also said that people of Bihar has always been of helping nature during the crisis period but it has simultaneously become imperative for the banks to help people of Bihar by opening new branches of banks. It is obvious that target of branch opening will not be completed now in this financial year. In the situation, he wanted to know that whether the unachieved target will be kept as a target for coming financial year. RBI should make it clear.

He said that SLBC has been a very effective forum for discussion. Attending SLBC meeting by Hon. Chief Minister and other ministers of the

state, top bureaucrats of the state signifies its importance. It was duty of all the stake holders to maintain its sanctity.

The Finance Minister was also critical over zero performance of many banks in implementing various social security schemes of GOI/GOB in the state despite elapsing the time of nine month in this FY. This indicates a very sorry picture and also questions the degree of onus of these banks for Bihar. He warned that henceforth only the CEO of such non performing banks should attend SLBC meeting so that their view point could be understood for development of Bihar.

Hon'ble Finance Minister also said that he has always been highlighting the facts that borrowers should repay the loan in time as the fund given to him has been public money. He referred that he was addressing a public gathering recently on the inauguration of a bank's branch opening where he clearly conveyed to the people that the deposit in bank is your money and banks use to provide loans out of this so it is imperative on you part to repay your loan timely to protect your deposited amount.

He concluded his address with his remarks that more efforts were required in all the areas of agenda to make the SLBC meeting a meaningful one towards uplifting the state economy. It should not remain as a customary meeting.

60th Quarterly SLBC Meeting

At the end of the meeting, it was decided by the house to hold the 60th Quarterly SLBC Review Meeting of Bihar on **17.05.2017**.

The meeting ended with a vote of thanks to all the participants by Sri Rakesh Gupta, GM, PNB. He suggested that from next SLBC meeting all the LDMs should also be called. He thanked all the dignitaries for fruitful discussion on various issues during the SLBC meeting and on behalf of all banks he assured the State Government for better performance by Banks during current FY on the lines discussed in the meeting.

ACTION POINTS

59th SLBC MEETING HELD ON 17th FEBRUARY 2017

1. Banks should put in concerted efforts to ensure achievement of 100% target set under ACP for 2016-17.

(Action: All Banks)

2. Banks should give focus on financing Dairy, Fishery and Poultry schemes in order to achieve the ACP target under Allied Agl. Activities.

(Action: All Banks)

3. Banks not to insist the candidates for PAN of co-applicant in case of loan under **Bihar Student credit card scheme.**

(Action: All such Banks)

4. The modalities to be introduced in BSCS so that student can apply for loan from bank of a branch which is either nearer to his/her native place or nearer to his/her college where the student is studying.

(Action: State Government)

5. State Government to issue suitable guidelines in respect of approval of map in rural areas to increase lending under Housing loan/ JLG in rural areas.

(Action: State Government)

6. Banks to ensure achievement of target under PMEGP/MUDRA/ STAND UP INDIA schemes.

(Action: All Banks)

7. Govt should call a meeting of all stake holders to increase the position of AADHAR Seeding in the accounts.

(Action: State Government, All Banks & UIADI)

59TH SLBC REVIEW MEETING HELD ON 17.02.2017 AT HOTEL CHANAKYA, PATNA

Annexure-I

Sl. No.	Name of the Participant	Designation/Office
Ministers		
1	Shri Abdul Bari Siddiqui	Finance Minister, Govt. of Bihar
2	Shri Alok Kumar Mehta	Cooperative Minister, Govt. of Bihar
State Govt.		
1	Shri Anjani Kumar Singh	Chief Secretary, Govt. Of Bihar
2	Shri Ravi Mittal	Principal Secretary, Finance
3	Shri S Siddharth	Principal Secretary, Industrial
4	Sri Chaitanya Prasad	Principal Secretary, UD & HD
5	Shri Radhe Shyam Sah	Director, Animal & Fisheries Resources Deptt
6	Shri Sanwar Bharti	Addl. Secretary, Deptt. of Finance
7	Shri P Kumar	Addl. Secretary Industries
8	Shri Awadhesh Kumar	OSD, Finance
9	Shri Rupam	OSD, Finance
10	Kanak Bala	OSD, Rural Dev. Dept.
11	Shri Nishat Ahmed	Director (Fisheries), Govt. of Bihar
12	Shri A K Jha	Dy. Director (Dairy), Govt. of Bihar
13	Shri P K Jha	Spl. Secretary, revenue and Land Reforms
14	Shri Dhananjay Pati Tripathi	Director PPM, Agri Deptt.
15	Shri A R Gokhe	Director, MSME – DI
16	Shri Ramesh Kumar	Asst. Director, MSME - DI
17	Kumar Ashish	Asst. Director, MSME - DI
18	Shri Thomas Antony	Regional Chief, HUDCO
19	Shri Deepak Kr. Jha	DGM, HUDCO
RBI & NABARD		
1	Shri N P Topno	Regional Director, Reserve Bank of India
2	Shri Ravi Avtar Mishra	Chief General Manager, NABARD
3	Shri Brij Raj	General Manager, Reserve Bank of India
4	Shri N.K. Verma	Asstt.General Manager, Reserve Bank of India
5	Shri Binay Sinha	Asstt. General Manager, NABARD
Other Banks:-		
1	Shri Ajit Sood	Chief General Manager, State Bank Of India
2	Shri Abhijit Dutta	General Manager NW-I, State Bank of India
3	Shri V.S. Negi	General Manager NW-III, State Bank of India
4	Shri Rakesh Gupta	General Manager, Punjab National Bank
5	Shri R.K. Arora	General Manager, Central Bank of India
6	Shri C. Raj	Dy. General Manager (Outreach), State Bank of India
7	Shri Amitabh Pandey	Dy. General Manager, ABU, State Bank of India
8	Shri P K Sinha	Dy. General Manager, Allahabad Bank
9	Shri M Reddaiah	Dy. General Manager, Canara Bank
10	Shri R.K. Das	Asst. General Manager SLBC, State Bank of India

11	Shri Dhananjay Pratap Singh	DGM & CRM, United Bank of India
12	Shri Rajesh Sharma	Regional Manager, Vijaya Bank
13	Shri Manoj Kumar	General Manager IDBI Bank Ltd.
14	Shri I.M. Utreja	Chairman, Uttar Bihar Gramin Bank
15	Shri Harsh Chopra	General Manager, Madhya Bihar Gramin Bank
16	Shri P K C Dash	GM, Bihar Gramin Bank
17	Shri S.R. Padhi	Zonal Manager, Bank of India
18	Shri Budh Singh	Zonal Manager, Indian Bank
19	Shri Prabhat Ravi	Asstt. General Manager, GBD, State Bank of India
20	Shri Jinendra Kumar	Manager DCO, Dena Bank
21	Shri R.K. Rastogi	Asstt. Gen. Manager, Oriental Bank of Commerce
22	Shri Rajesh Khanna	Asst. Gen. Manager Bank Of Baroda
23	Shri Amit Balajee	Asstt. Vice President, HDFC Bank
24	Ms.Abha Sinha	Sr. Manager, Kotak Mahindra Bank
25	Shri Rashid Iqbal	Circle Nodal Manager, Axis Bank
26	Shri V K Yadav	Divisional Manager, Canara Bank
27	Shri Shiv Shankar Singh	Chief Manager, Bank of Baroda
28	Shri Manish Kumar	Sr. Manager Indian Overseas Bank
29	Shri Arbind Kumar Rai	Chief Manager, Andhra Bank
30	Shri B.C. Behera	Chief Manager, Union Bank of India
31	Shri Ranjan kumar	Sr. Manager, Syndicate Bank
32	Shri Ajey Kumar Jha	Sr. Manager, United Bank of India
33	Shri Nishit Chanda	Branch. Manager, Bank of Maharashtra
34	Shri Sapan Kumar Choudhary	Manager, Union Bank of India
35	Ms.Anjali Sinha	Branch Head, B M B (Mahila)
Others:-		
1	Shri Manoj Kumar	State Director, RSETI, NACER, Bengaluru
2	Shri Mukesh Chandra Sharan	PC-FI, Jeevika
3	Shri A.K. Thakur	Consultant (MF), Jeevika
4	Shri Shubhendu Dutte	Admin Officer, AIC, Patna
5	Shri S K Gupta	State Director, KVIC
6	Shri Madan Pathak	State Mission Manager, PMC-NULM
7	Shri Rajesh Kumar Singh	A D G, UIDAI
8	Shri D K Roy	Asst. Director, KVIC
9	Shri Shashi Shekhar	Spl. Officer, Co-operative Deptt.
10	Arun Kumar Jha	Dy. CPM, Patna GPO
11	S.S. Sinha	Sp. Officer, Cooperative Dept.
12	P K Sinha	Manager, SIDBI
13	Vikas	ADS, Education Dept.
14	Sanjiwan Sinha	M.D.BSEIDC, Edu. Dept.
15	Ashish Singh	NIC (Insurance)