

**MINUTES OF**  
**THE 55<sup>TH</sup> REVIEW MEETING OF THE STATE LEVEL**  
**BANKERS' COMMITTEE, BIHAR FOR THE 3rd QTR OF FY**  
**2015-16 ENDED DECEMBER 2015, HELD ON 24<sup>th</sup>**  
**FEBRUARY, 2016**

The 55<sup>th</sup> review meeting of State Level Bankers' Committee, Bihar was held on 24<sup>th</sup> February, 2016 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 Shравan Kumar, Minister for Rural Development, GOB, Sri Alok Kumar Mehta, Co-operative Minister, Sri Awadesh Kumar Singh, Minister for Animal Husbandry & fisheries , GOB, Sri Anjani Kumar Singh, Chief Secretary of the state other senior officials of State Government, RBI, NABARD, Banks, Insurance company and other agencies. The list of participants is enclosed as Annexure-I.

Shri Ajit Sood, Chief General Manager, SBI & Convenor, SLBC Bihar, welcomed the Hon'ble Finance Minister and all the participants in the meeting and then briefly outlined the achievements of Banks operating in the State under ACP during the nine months of FY 2015-16. He highlighted that during the period under review, against the ACP target of Rs. 84000 Crores, the banks disbursed Rs. 58177 Crores, i.e 69 % of the annual target, which is termed as satisfactory. In absolute terms this translates into Y-O-Y growth Y of 13%. In agriculture sector, the growth over last year's performance is 14%. He expressed that the performance of Banks in dairy and fishery is not encouraging and urged the bankers to give special attention on allied activities for higher achievement of the plan targets.

CGM, SBI also expressed concern over the low growth under PMEGP loans by Banks and requested the Bankers to increase their lending under this segment to boost industrial sector of the State.

On Branch opening, CGM, SBI said that the Banks has so far opened 302 branches during the period under review against the annual target of 527 branches and expressed confidence that all Banks would initiate suitable steps to achieve their target during the remaining period of FY 2015-16. He added that as per the RBI directive, Bricks & Mortar branches are to be opened in all villages having population above 5000 in the State by 31.03.2017. He said that 1640 such villages has been identified in the State and SLBC have distributed the list of such identified villages and number of branches to be opened to all the Banks in the State. CGM, SBI requested all Banks to follow the guidelines of RBI and complete the task of branch opening of villages having population above 5000 by 31.03.2017.

On CD ratio, Shri Sood stated that the state had achieved 44.24 %, an increase of 210 basis points over last Financial Year. He said that the CD ratio of the State is on an increasing trend but it was still much below the national average.

CGM, SBI said that the rising NPA is a major concern for the Banks, which stood at 7.24 % at the end of December 2015. He requested the State Govt. to help the Banks in disposal of pending certificate cases, so that the NPA level could be kept in check and the credit flow in the state remained at the expected level.

CGM, SBI, thereafter highlighted the launching of three schemes of Jan Suraksha Yojana by the Hon'ble Prime Minister on 09.05.2015. He said that so far over 60 lacs persons have been enrolled under Prime Minister Jeevan Jyoti Bima Yojana(PMJJB) and Prime Minister Suraksha Bima Yojana(PMSBY).

Sri Sood also highlighted the performance of RSETI and Financial Literacy Centres maintained by the Banks in each district of the state and their role in entrepreneurship development and financial awareness in the state. He requested the Bankers to give priority to monitoring the

performance of BCAs and utilize their services in various activities so that a number of banking facilities are available in rural areas; and the BCAs income becomes sustainable.

At the end, Sri Sood thanked the State Govt. for the unhindered support provided to Banks in the state.

The Regional Director, Reserve Bank of India, Shri. M. K. Verma, in his address expressed happiness over banks recording a YOY growth of 14% in Agriculture, 47% in MSME and 13% in total Credit from Dec 2014 to Dec 2015 and increase in CD ratio of the State from 42.14% to 44.24% during the corresponding period. He also added that instead of CD ratio, the incremental YOY growth in credit was a better parameter for a State like Bihar and the State has recorded more than 60% increase during the period Dec 2014 to Dec 2015. He also commended the Banking fraternity for achieving the Benchmark in case of Priority Sector Lending, Agri lending, MSME lending and lending to women as well as to weaker sections. He expressed concern over some districts having CD ratio below 40% and advised that a committee should be formed to suggest corrective measures for improving the same.

The Regional Director, RBI was also critical of non participation of senior official at DCC meeting at district level and advised the bankers to monitor that these meetings are held on time with active participation of senior officers from Banks.

On branch opening, the RD expressed concern over opening of only 302 Branches up to the 3<sup>rd</sup> Quarter of the current financial year as against the stipulated target 527 branches and advised the banks to make an all out effort to achieve the target. He also added that as per the recent RBI guidelines, all the villages having a population above 5000 and not having a Brick and Mortar (B&M) branch should be covered with B&M Branches latest by 31.03.2017. He advised that SLBC has sent the list of villages where B&M branch is to be opened to all the Banks and requested all

banks to complete the task of branch opening within the stipulated time frame. As regards non availability of B&M branch in 13 blocks in the State, Sri Verma clarified that all the 13 blocks are connected through Bank Branches.

Shri Verma also stressed the need to increase lending under Housing loan in rural areas and requested the State Govt to remove the hurdles in approval of the Site Plan in rural areas.

The Regional Director, RBI expressed concern at the NPA level of 7% and mentioned that high NPAs lead to greater provisioning requirement which in turn lead to lower capital adequacy constraining the lending of the banks. He remarked that more than 4 lakh certificate cases are pending in the State and numbers of new cases added are more than the number of cases disposed off during every quarter. He requested the banks to intensify their efforts and the Govt. to provide support in their recovery related issues, like appointment of certificate officers for the disposal of certificate cases, execution of SARFAESI notices etc.

RD also raised the issue of high rate of Stamp duty payable on security documents pertaining to loans under non-agriculture sector, which acts as hurdle in credit dispensation to small borrowers, particularly under retail lending, DRI, WCC etc and requested the State Govt to either abolish or reduce stamp duty substantially for non-farm sector loans up to certain threshold limit.

The Chief General Manager, NABARD Shri R.K.Das, in his address lauded the performance of Regional Rural Banks in agriculture sector during the nine months of FY 2015-16. He said that the achievement of three RRBs in the State have been 113% of their annual target and ranked top in the country with Andhara Pradesh being second and Tamil Nadu achieving the third position. He informed the house that NABARD has already prepared the Potential Linked Plan (PLP) based on potential available in the district for FY 2016-17 and it is expected that the ACP would be around Rs. 1.00

lac crore for FY 2016-17. CGM, NABARD also stressed the need to set up a Skill Development Agency for general public in the State to get certification of Skill development by the nodal Agency, which will increase the flow of credit in the State. He also highlighted NABARD scheme for setting up of V-Sat connectivity for rural branches for Financial Inclusion awareness camp. He added that 321 branches of Co-operative banks for eligible for ATM under under Financial Inclusion Plan of NABARD.

Thereafter, a presentation on Student Credit Card was made by Shri D.S. Gangwar, Principal Secretary, Education Deptt. Govt of Bihar. He explained that the State of Bihar is one of the fastest growing State in the country and the state Govt is committed for supporting the youths of the State in acquiring higher education. Under the scheme, the State Govt will provide Student Credit Card up to Rs. 4.00 lacs to those students who wish to acquire higher Education from recognised Indian Institutions. During the financial year 2016-17, Govt has set a target to provide 5.00 lacs such Credit to students. The principal Secretary said that under the new Education loan scheme, 75 % of the loan amount will be guaranteed under `Credit Guarantee Fund Scheme for Education loan Scheme by Govt of india. He said that apart from Guarantee Scheme from Govt of India, the State Govt will Provide 25% financial assistance to the rest 25% of the loan amount in case of default of loan. The loan amount apart from the tuition fee would also consist of living expenses, books, laptops etc. The principal Secretary requested all Banks (excluding RRBs) to help the State Govt in achieving the annual target of 5.00 lacs Student Credit Cards.

On this issue, CGM, SBI suggested to form a committee of Banks to study the details of the scheme and prepare a common scheme to be presented before the State Govt within 15 days.

Thereafter, a committee under the Chairmanship of General Manager, Punjab National Bank was formed along with heads of BOB, CBI, ICICI

and HDFC Banks who will discuss and put up a compressive scheme before the State Govt by 08<sup>th</sup> March 2016. Thereafter, special SLBC will be conducted for approval of the scheme by 15<sup>th</sup> March 2016.

The Finance Minister, Government of Bihar, Sri Abdul Bari Siddique in his address expressed dissatisfaction over opening of branches during the nine months of the current financial year. He advised the bankers to expedite opening of new branches in order to bridge the gap between population wise average number of branches at state level and national level. He also advised the banks to improve the performance under KCC, the achievement of which was only 39% of the annual target. The Finance Minister, GOB was also critical of non participation of appropriate official at BLBC/DLCC meeting at district level and advised the bankers to monitor that these meetings are held on time with active participation of senior officers from Banks. The Finance Minister also suggested the banks to encourage the best performing branches of the state. He expressed concern over dismal performance of some banks and advised not to keep Govt deposit in those Banks.

Minutes of the last SLBC meeting were then confirmed and Action Taken Report on the action points of 54<sup>rd</sup> SLBC meeting was adopted by the House.

Presentation was, thereafter, made by AGM, SLBC 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:**

#### **a. Agri ACP:**

The achievement under Agri ACP during the nine months of Financial Year 2015-16 was 69 % of the annual target and in absolute terms, 14% more than the corresponding period of last financial year. All banks were

requested to give due attention to Agri lending, especially in allied activities to all deserving farmers.

**b. KCC:**

The achievement of only 39% of annual target during the nine month of the current Financial Year was viewed as unsatisfactory. The banks were advised to give due attention to increase financing under KCC.

**c. Dairy, Fishery & Poultry:-**

The performance under Dairy, Fishery and Poultry sector of the banks was described as very poor. The house agreed that for overall development of the state, these three sectors should be given top priority and urged the bankers to increase the lending in these sectors. Shri Awadesh Prasad Singh, Minister for Animal Husbandry and fisheries, GOB expressed that Animal Husbandary Deptt has launched a scheme in dairy, where subsidy up to 50% is available. He requested the banks to increase their lending under agriculture and allied activities for upliftment of rural masses.

**e. SHG, RSETI & FLC:**

Following issues were highlighted with regard to financing to SHGs/ JLGs and the functioning of RSETIs/ FLCs:

**(I) Self Help Group (SHG)/Joint Liability Group (JLG)**

a) 81815 SHG accounts were opened by the banks during the nine months of FY 2015-16 and 38475 SHGs were credit linked with a total amount of loan being Rs 210.76 crores. The target for account opening is 1, 50,000 and credit linkage is 1, 00,000 for the current financial year.

b) Notification to be issued by the State Govt. with regard to implementation of Interest Subvention scheme in the 27 non-IAP districts on the same line as in the 11 IAP districts is still pending.

c) Banks to ensure use of common format for account opening & 1<sup>st</sup> dose credit linkage of SHGs.

e) Against the annual target of credit linkage of 75000 JLGs, 26587 were financed by Banks during the nine months of FY 2015-16 and out of this 26045 were done by the 3 RRBs of the state.

d) Commercial Banks were asked to focus on JLG financing.

e) Banks were advised to include performance of NULM as one of the Agenda item during the DLCC meeting.

e) Banks were also advised to feed proper product code while opening SHG accounts in the system to avoid the problems in interest subvention. It was also suggested to sort out the problem faced by the branches in opening of Bulk accounts under SHG.

## **(II) RURAL SELF EMPLOYMENT TRAINING INSTITUTE (RSETI)/FINANCIAL LITERACY CENTRE (FLC)**

a) Banks were asked to give more focus to the settlement of trainees which is the main objective behind creation of RSETIs, and for this sustained hand-holding of the trainees need to be ensured.

b) Loan application forwarded to branches for credit linkage of RSETI trained persons should be a regular agenda item in BLBC & DLCC meetings.

c) Banks were requested to ensure that their rural branches organise atleast one financial literacy camp every month to sensitize people about the benefits of maintaining bank account and various schemes of the Banks.

## **B. ISSUES RELATED TO 'INDUSTRIES'**

### **(I). Achievement under MSME ACP:**



During the nine months of FY 2015-16, against the annual target of Rs. 12000 crores, Banks under MSME have disbursed Rs 10072 crores, which is 84 % of their annual target. In absolute terms it is approximately Rs.3200 Cr more than the disbursement made during the corresponding period of FY 2014-15.

**(II). Achievement under PMEGP:**

The achievement under PMEGP during the nine months of FY 2015-16 was viewed by the house as not at all satisfactory. Against the physical target of 3026 projects for 2015-16, Banks have sanctioned only 1708 projects amounting to Rs. 121.62 Cr during the period under review. As industrial sector was national priority area and had potential to provide large number of jobs to people, banks were requested to give adequate attention towards financing under the scheme.

AGM, SLBC raised the issue of escalation in stamp duty, which is acting as a hurdle in credit dispensation to small borrowers under PMMY. The Principal Secretary, Finance, GOB expressed that the issues related to stamp duty is under process and will be settled within a month.

**C. OTHERS:-**

**(I) EDUCATION LOAN:**

The performance of Banks under Education loan was not encouraging during the period under review. During the nine month of FY 2015-16, against the annual target of 50000, the achievement of Banks under Education loan was only 19122, which is 38% of the target. The Banks were advised that bottlenecks in sanctioning/disbursing of Education Loan should be removed as there is a lot of scope for increasing finance under the scheme.

The performance of major Private Banks, whose achievement is less than 5% in education loan, was viewed very seriously by the house. All the

private banks were advised to increase their performance in education loan and ensure achievement of their allotted yearly target.

**(II). HOUSING LOAN:**

During the nine months of FY 2015-16, the achievement of Banks under Housing loan was only 46% of the target, i.e 10998 against 24000. AGM, SLBC stated that certain issues like master plan, title deed, map approval, agriculture land are coming in the way of sanctioning housing loan. He requested for the state govt's intervention to facilitate the sanctioning process.

The meeting ended with a vote of thanks to the chair and all the participants.

\*\*\*\*\*  

---

## **ACTION POINTS**

### **55<sup>th</sup> SLBC MEETING HELD ON 24<sup>th</sup> FEBRUARY 2016**

1. Banks should put in concerted efforts to ensure achievement of 100% target set under ACP for 2015-16.

(Action: All Banks)

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

(Action: All Banks)

3. Banks to ensure achievement of target under Branch opening for FY 2015-16.

(Action: All Banks)

4. Banks to initiate suitable steps to achieve the target of Branch opening for population above 5000 by March 2017.

(Action: All Banks)

5. Banks to ensure achievement of target under Education loan for FY 2015-16. Bottlenecks in sanction/ disbursement should be removed. Private Banks to give priority in achievement of target for the current FY.

(Action: All Banks)

6. Bottlenecks in approval of site plan in rural areas to be removed for increasing lending under Housing loan in rural areas.

(Action: State Govt)

7. Banks to give more focus on advances under DRI schemes to achieve the benchmark of 1% of total aggregate advances during previous year.

(Action: All Banks)

8. Rupay cards to be issued to all eligible farmers, while issuing and renewal of KCC.

(Action: All Banks)

9. Notification on waiver or reduction of stamp duty on non-agriculture sector loans to be issued.

(Action: State Government)

10. Banks to ensure feeding of proper product code while opening of SHG accounts in the system to avoid problems in interest subvention.

(Action: All Banks)

11. Banks to ensure participation of senior level officers at BLBC/DLCC meeting in the District.

(Action: All Banks)

12. Necessary instruction to be issued to the district authorities for disposal of pending certificate cases already provided to SDC-Banking of each district.

(Action: State Government)

**55<sup>TH</sup> SLBC REVIEW MEETING HELD ON 24.02.2016 AT HOTEL CHANAKYA,  
PATNA**

**Annexure-I**

Sl. No.	Name of the Participant	Designation/Office
<b>Ministers</b>		
	Shri Abdul Bari Siddiqui	Finance Minister, Govt. of Bihar
	Shri Shravan Kumar	Rural Development Minister, Govt. of Bihar
	Shri Awadhesh Kumar Singh	Animal & Husbandry Minister, Govt. of Bihar
<b>State Govt.</b>		
	Shri Anjani Kumar Singh	Chief Secretary, Govt. of Bihar
	Shri Shishir Kumar Sinha	Development Commissioner, Govt. of Bihar
	Shri Ravi Mittal	Principal Secretary (Finance), Govt. of Bihar
	Shri Tripurari Sharan	Pr. Secy, Industries, Govt. of Bihar
	Shri Chaitanya Prasad	Pr. Secy, Co-operative, Govt. of Bihar
	Shri Rajiv Ranjan	PS to Minister Animal & Husbandry
	Shri Hare Ram Singh	Director (Dairy), Govt. of Bihar
	Shri Nishat Ahmed	Director (Fisheries), Govt. of Bihar
	Shri Radhe Shyam Sah	Director (Animal Husbandry), Govt. of Bihar
	Shri Sunil Kumar	S.E (Monitoring), MWRD
	Shri G.K. Sinha	Asstt. Director, MSME-DI
	Shri A. C. Jain	Addl. Director (Agri), Govt. of Bihar
	Shri Ravindra Prasad	Director, Deptt. of Industries, Govt. of Bihar
	Shri Vinod Kumar Choudhary	DIG, CID
	Shri Sanjai Kumar	OSD, UD&HD
	Shri Sanjiv Kumar Sinha	OSD, Rural Development
	Shri Sushil Kumar	Additional Secretary, Inst. Finance
	Shri Mithilesh Thakur	APO, Inst. Finance
	Shri Yogendra Rai	Under Secretary, Inst. Finance, Govt. of Bihar
	Dr. Vijay Kumar Singh	L.R.O, A.H. Directorate
<b>Reserve Bank &amp; NABARD</b>		
	Shri M.K. Verma	Regional Director, Reserve Bank of India
	Shri Ranjit Kumar Das	Chief General Manager, NABARD
	Shri Awadhesh Kumar	General Manager, NABARD
	Shri N. K. Verma	Asstt. General Manager, Reserve Bank of India
	Shri M.S. Akhtar	Asstt. General Manager, NABARD
	Shri M.M. Ashraf	Asstt. General Manager, NABARD
	Shri Dhruva Kumar	Asstt. General Manager, NABARD
	Shri Pravin Kumar	Manager, Reserve Bank of India

Other Banks:-		
	Shri Ajit Sood	Chief General Manager, State Bank of India
	Shri Abhijit Dutta	General Manager (NW-I), State Bank of India
	Shri V.S. Negi	General Manager (NW-III), State Bank of India
	Shri Jagannath Mishra	General Manager, Allahabad Bank
	Shri Birendra Kumar	General Manager, Bank of Baroda
	Shri M.M. Chiniwar	General Manager, Canara Bank
	Shri Anil Kumar	General Manager, UCO Bank
	Shri R. K. Arora	General Manager, Central Bank of India
	Shri Sanjiv Sharan	General Manager, Punjab National Bank
	Ms. Manjula Kalyansundaram	Dy. General Manager (PBBU), SBI, LHO, Patna
	Shri M.N.A. Ansari	Dy. General Manager, Bank of India
	Shri D. P Singh	DGM & CRM, United Bank of India
	Shri P K S Choudhuri	Dy. General Manager, Syndicate Bank
	Shri Subrat Kumar	Dy. General Manager, Vijaya Bank
	Shri Ghazi Islam	Dy. General Manager, IDBI Bank
	Shri B.G. Sandhibigraha	Dy. General Manager, OBC
	Shri U. Madhusudhana Rao	Dy. General Manager, Corporation Bank
	Shri A.K. Tripathi	Dy. Zonal Manager, Dena Bank
	Shri Rajiv Kumar Das	AGM, SLBC, SBI, LHO, Patna
	Shri Shibanand Prasad	AGM (ABU-III), SBI, LHO, Patna
	Shri Prabhat Ravi	AGM, (GBD), SBI, LHO, Patna
	Shri P.K. Das	AGM, Punjab National Bank
	Shri Sanjeev Kumar Kaushal	Asstt. General Manager, IDBI Bank
	Shri S. N. Thakur	AGM, State Bank of Bikaner & Jaipur
	Shri N.K. Sinha	Dy. Regional Head, Union Bank of India
	Sr. Anil Kumar	Sr. Regional Manager, Indian Overseas Bank
	Shri Sandeep Gautam	VP-Cluster Head, HDFC Bank
	Shri K.S. Rakshit	MD, Bihar State Co-op Bank
	Shri Nand Kumar Singh	Sr. Vice President, Bandhan Bank
	Shri Samir Sinha	Dy. Vice President, Bandhan Bank
	Shri Quamrul Hoda	Dy. Vice President, Indusind Bank
	Shri Budh Singh	Zonal Manager, Indian Bank
	Shri Pramod Dubey	Zonal Head, ICICI, Patna
	Shri I.M. Utreja	Chairman, Uttar Bihar Gramin Bank
	Shri P.C.N. Sinha	General Manager, Bihar Gramin Bank
	Shri K.K. Upadhyay	General Manager, Madhya Bihar Gramin Bank
	Shri Anil Kumar	Chief Manager, Central Bank of India
	Shri Arun Srivastava	Chief Manager, Indian Overseas Bank
	Shri Arbind Kumar Rai	Chief Manager, Andhra Bank
	Shri Birendra Kumar Mallick	Chief Manager, Punjab & Sindh Bank
	Shri Rajib Lochan Mohanty	Chief Manager, Federal Bank
	Shri Ashok Vardhan	Chief Manager, Indusind Bank

	Shri Ajey Kumar Jha	Sr. Manager, United Bank of India
	Shri Ramesh Kumar Singh	Sr. Manager (Agri), Vijaya Bank
	Shri Purnendu Kumar Triyar	Sr. Manager, Bank of Baroda
	Shri Pankaj Kumar	Sr. Manager, Punjab National Bank
	Shri Anand Shankar	Sr. Manager, Punjab National Bank
	Shri Prem Shankar	Sr. Manager, Punjab & Sindh Bank
	Shri Rashid Iqbal	Circle Zonal Manager, Axis Bank
	Shri C.G. Maurya	Manager, Canara Bank
	Shri Sapan Kumar Choudhary	Manager, Union Bank of India
	Ms. Moni Kumari	Manager, Oriental Bank of Commerce
	Shri Jainendra Kumar	DCO, Dena Bank
	Shri Nishit Chandra	Sr. Branch Manager, Bank of Maharashtra
	Shri Lakshman Kumar L.L.V	Branch Manager, Karnataka Bank
Others:-		
	Shri Rajiv Verma	General Manager, COMFED
	Shri Rajesh Kumar Singh	APG, UIDAI
	Shri Ravindra Mehta	State Resource Person, UIDAI
	Shri M.C. Sharan	PC-FI, Jeevika
	Shri A.K. Thakur	Consultant (MF), Jeevika
	Shri Manoj Kumar	State Director, RSETI, NACER
	Shri Munna Kumar	Asstt. Manager, AIC, Patna
	Shri Madan Pathak	State Mission Manager, NULM
	Shri Biman Kumar Mishra	State Mission Manager, NULM
	Shri Arvind Kumar Pandey	State Project Co-ordinator, NULM

\*\*\*\*\*