



**STATE LEVEL BANKERS'
COMMITTEE, BIHAR**

66TH QUARTERLY REVIEW MEETING
HELD ON 01 DECEMBER 2018 AT
HOTEL CHANAKYA, PATNA

MINUTES & ACTION POINTS

STATE LEVEL BANKERS' COMMITTEE, BIHAR
MINUTES OF THE 66TH REVIEW MEETING

The 66th review meeting of SLBC, Bihar was held on Saturday, 1st December 2018 at Hotel Chanakya from 11:00 AM onwards to review the progress made by Banks upto the quarter ended September 2018 during the current financial year.

Shri Sushil Kumar Modi, Hon'ble Deputy Chief Minister (Finance) Minister, Bihar chaired the meeting.

The meeting was attended by Shri Shrawan Kumar, Minister, Rural Development Department, Shri Rana Randhir Singh, Minister, Cooperative Department and Shri Pashupati Kumar Paras, Minister, Animal Husbandry & Fisheries Resources Department, Government of Bihar and senior officials from Government Departments, Banks and other institutions. The list of participants is attached as Annexure – I.

1. The meeting began with the welcome address by **Shri Sandeep Tewari, Chief General Manager, State Bank of India & Convenor, SLBC, Bihar**. Outlining banking activities and related issues in the state, Shri Tewari pointed out the following:

- Upto 30.09.2018, the member banks together have achieved 37.42% of the target under ACP (Rs 1,30,000 Crores) for the current FY. Against the annual target of Rs 60,000 Crores and Rs 20,000 Crores under Agriculture and MSME sectors respectively, Banks have achieved Rs 17,797 and Rs 10,809 Crores correspondingly. He was hopeful that Banks will be able to achieve 100% of the target this FY.
- The CD ratio stood at 42.43% as on 30.09.2018 and is required to be boosted to near the national average.
- Banks have opened BOs at 393 URCs out of 602 allotted to them as per RBI guidelines. Recently, the DFS identified 90 locations in the Aspirational Districts for opening Bos; out of which 63 locations are covered sufficiently by BOs opened by Banks. State Government's concurrence / confirmation is

solicited to consider these locations as having been covered by Banking facilities and to report DFS accordingly.

- No arrangement has been made by the State Govt. for insurance of Crops under KCC scheme of Banks may tell upon issuance of new KCCs by Banks and hence their achievement under ACP.
- In notification made by GoB, the crop loss has been estimated to be 33% or more in 275 blocks declared drought hit. Banks are in readiness but as per RBI guidelines GoB has to substantiate the extent of crop loss for extending relief measures to farmer borrowers.
- Rising NPAs, which have escalated from 9.39% as on 31.03.2017 to 10.61% as on 31.03.2018 and further to 12.35% on 30.09.2018, is a matter of concern not only for Banks but also for all stake holders. Prompt and proactive action is required to expedite disposal of pending Certificate Cases and SARFAESI litigations.
- Digitization of land records, issuance of Land Possession Certificates on line, making agriculture and PoS related loan agreements / mortgages stamp duty free and reducing stamps duty in case of other loans are some of the issues resolution of which will help to boost credit off-take / digital transactions.

2. Triggering discussion on the agenda **Shri Sushil Kumar Modi, Hon'ble Deputy Chief (Finance) Minister** expressed his views on various points which is summarized as under:

- ❖ It is dissatisfactory to note that despite computerization of Banks, LDMs are compiling manual data for DLCC meetings and this has been cited by them as the reason for difference in data of Special DLCCs & SLBC. Further, no reason has been provided by LDMs of Banka and Katihar for difference in their data. Controllers of lead banks in these districts should look into the matter and take appropriate action for their indifferent attitude and submit full report in the next SLBC.
- ❖ Achievement under ACP is only 37.42% whereas 6 months have already elapsed. Achievement of some banks, e.g. CBI, MBGB, BGB, Syndicate Bank, Union Bank of India etc. is still below the state average of 37.42% which needs to be geared up. State Heads of CBI, MBGB, BGB and Union Bank of India assured to put in their concerted efforts in this regard.

- ❖ Despite sufficient prior intimation, State (Controlling) Head of Syndicate Bank has not participated in this meeting and a much junior officer has been delegated the responsibility which is not appropriate. Banks should ensure that the SLBC meetings are attended only by the State Heads or by the officials next in hierarchy. In no case any other junior official, be allowed to attend SLBC meetings.
- ❖ Jehanabad, Madhubani, Gopalganj and Banka districts are the bottom four districts in terms of ACP achievement with 25.97%, 26.38%, 26.50% and 26.93% of achievements respectively. Banks should analyze the performance of last 2 / 3 years to ascertain which district they are trailing in and take suitable steps to step up their performance so that the overall achievement of these lagging districts could be bettered. The Controlling Heads of lead banks in these districts assured the house to share the concern with banks operating in these districts to gear up performance.
- ❖ Hon'ble Dy. Chief (finance) Minister wanted to know about the "psbloansin59minutes.com" and detailed modalities of applying for loan through it. It was explained by Shri R.K.Das, AGM, SLBC who also informed that 222 loan applications for loans amounting to Rs 59.60 Crores have been sanctioned in Bihar through this portal.

3. The following points were focused during deliberations made by the Principal Secretary, Agriculture:

- There are around 45 lac farmers registered with Agriculture Department, GoB with biometric authentication and farmers are required mandatorily to apply only on-line under all schemes of GoB. However, the facility of making online applications for loans under KCC is not available to farmers from banks. Only a few banks have the functionality of making application on-line which they need to publicise. Hon'ble Deputy Chief (Finance) Minister requested all Banks to ensure that the facility of on-line KCC application is made available to farmers so that we are able to generate 80-90% KCC applications online by 1st of April 2019. Further, on-line application be made mandatory gradually for availing KCC loans. SBI representative informed that they already have CRM application for applying all kinds of loan & they will publicise this functionality

to be used by prospective KCC borrowers. DFS representative opined that a centralised and common dashboard, like "Vidya Laxmi Portal" meant for education loans, can be created for making KCC loan applications on-line.

- Agriculture department has been organizing Kisan Credit Camps at monthly intervals at block level for generation of KCC and other Agri related loan applications. The cumulative progress till date is as under:

i.	Applications received	:	1,27,204
ii.	Applications sent to Banks	:	67,225
iii.	Applications rejected	:	3,209
iv.	KCC disbursed	:	16,143
v.	KCC renewed	:	35,570

It has been observed that many Branch Managers either do not attend camps or attend for a short while and officials from Revenue Department are not present in these Kisan Credit Camps in many blocks. Bank officials raised the issue of mandatory crop insurance for KCC.

- Agriculture Department has been providing Diesel Subsidy into Aadhar seeded accounts of farmers using their Aadhar numbers. But many DBT transactions get failed because accounts are not Aadhar seeded properly / mapped with NPCI portal. Though the rejection rate has come down from 20-25% to 15-17%, still it is very high. When farmers approach bank branches for Aadhar seeding, they are advised that taking e-KYC is no longer mandatory. However, taking e-KYC has been permitted in DBT /subsidy linked accounts in the recent decision of Hon'ble Supreme Court. It was informed by SBI representative that many rejections also occur because related accounts are inoperative or are in stop status due to zero balance. SBI representative also requested that the current list of failed / rejected transactions be shared with all Banks along with reason assigned for their failure. DFS representative suggested that DBT beneficiaries may open PMJDY accounts with zero balance to obviate minimum balance requirements.
- Bank loan component is necessary for availing subsidy from GoB by farmer borrowers under Farm Mechanisation. As the loan sanctions is very few, subsidy available for Farm Mechanisation is not being utilised.

- Similarly, loans sanctioned by Banks for Vermiculture / Vermicompost and Horticulture activities are not good in numbers depriving farmers of subsidy available under "Rashtriya Bagwani Mission" and "Mukhya Mantri Bagwani Mission".
- Appreciable progress has been achieved in making 1% interest subvention available to eligible farmers by Banks. Out of Rs 10.00 Crores made available to NABARD for reimbursing the Banks, Rs 9.00 Crores (approx.) has been utilized and Rs 5.00 crores more is required. NABARD representative informed that though good amount has been claimed by banks, but these claims have been submitted only by a few banks and many banks are yet to submit claims. SLBC representative informed that the claim format requires classification of farmers into SC / ST which is not readily available with Banks & hence submission of claims is less. **Hon'ble Dy. Chief (Finance) Minister** advised Agriculture Department to ensure that requirement of SC / ST classification is done away with so that the benefit of 1% interest subvention could be passed on to maximum number of farmers.

4. Following important points were mentioned during discussion by The Secretary, Animal Husbandry and Fisheries Resources:

- Bandhan Bank has disbursed 538 Crores under dairy but subsidy from State Government has not been claimed. An official from department was sent to Bandhan Bank but details were not provided. Bandhan Bank representative informed that their data is correct and they have already provided product-wise & district-wise details to the Animal Husbandry and Fisheries Resources department. Now borrower-wise details have been asked a few days ago which will be submitted shortly. He clarified that Bandhan Bank extends micro-finance to women borrowers and their schemes are not a part of Government Subsidy programme. SLBC representative advised that if Bandhan Bank is not financing dairy loans for purchase of milch cattle, it should not be reported by them under dairy.
- Similarly, good amount has been financed under Fishery and Poultry but Government subsidy has not been claimed. Many applications are lying unattended with bank branches and controllers of Bank are requested to

follow up. SBI representative mentioned that the centralized on-line platform of Animal Husbandry & Fishery Resources Department for viewing & updating current status of all applications sent to Bank Branches, with access rights to controllers, is still awaited. It should be launched at the earliest for better performance monitoring by controllers in the said area.

- NABARD representative informed that Rs 16.82 Crore has been made available as Central Government subsidy for Bihar under dairy and submission of their claims is on-line.
- Secretary informed that an equal amount of Rs 16.82 Crores was made available as Top-Up subsidy from Bihar Govt. during last FY to encourage dairy projects but looking at the level of non-utilization, no provision of Top-Up subsidy has been made this year.
- **Hon'ble Dy. Chief (Finance) Minister** told that the basic issue is why subsidy is not being claimed. It should be discussed in Sub-Committee meetings.
- Principal Secretary (Finance) informed that a casewhere subsidy was not adjusted in loan account of the beneficiary, related to United Bank of India, Begusarai, came before him for 3rd hearing under Lok Shikayat. United Bank of India representative assured that it will be looked into and resolved at the earliest.

5. Chairman, Bihar Industries Association mentioned the following:

- The status of PCA imposed by RBI and its impact on Banks should be re-looked because banks are avoiding medium / big ticket size projects. Bihar Gramin Bank representative informed that their Bank is under PCA and therefore unable to finance loans. RBI representative submitted that PCA prohibitions are for venturing into new & risky sectors but taking up small ticket loans like KCC should not be an issue. DFS representative informed that they have taken up the matter with RBI which may result in easing norms and freeing some banks from PCA.
- Chairman, BIA wanted to know whether PNB in Patna has Forex facility or not. PNB representative responded that their New Market, Patna branch is

authorized to deal in Forex and any specific issue in this regard, if brought to their notice, will be sorted out promptly.

- Over-emphasis is being given by banks on taking collaterals even in small loans whereas, loans upto 2 Crores should be sanctioned without collaterals under CGTSME. DFS representative told that Secretary MSME, GoI has issued clarifications in this regard. **Hon'ble Deputy (Finance) Minister** mentioned that there are complaints in Janata Darbarsthat banks are asking for collaterals even for loans under MUDRA scheme. He advised to discuss, in the next SLBC meeting, the extent of big ticket loans covered under CGTMSE.

6. Chairman, Bihar Chamber of Commerce threw light on the following issues:

- ❖ Business & production expansion of many units are suffering due to PCA imposed by RBI because though they are doing well and maintaining accounts as per requirements, their increased credit requirements are not being financed because the Banks they are banking with are in PCA. This needs urgent redressal so that good units do not suffer.
- ❖ As mentioned in the SLBC booklet (page no.32), the achievement in financing to Medium Enterprises under ACP is only 10.84% which needs to be analysed because a good number of medium enterprises have come up in the State.
- ❖ Private Banks having CD Ratio less than 25% need to improve their financing in the state.
- ❖ Districts like Vaishali and Gaya, reeling under CD Ratio less than the State Average, have potential for growth as good units are established there. Efforts are needed in this direction.
- ❖ "psbloansin59minutes" is a good initiative for MSME Support. More awareness is required to be created regarding this for its full utilisation. BCC is ready to provide necessary logistic support in organizing awareness camps by Banks.

7. Discussing various issues related to SHGs and RSETIs, the Chief Executive Officer, JEEVIKA and Commissioner, Self-Employment discussed the following issues:

- Some Banks, except SBI, BoB, MBGB, UBGB, are still insisting on submission of KYC of all members / 3 members / 5 members for opening of SB accounts

of SHGs. No uniform practice is being followed. RBI representative informed that they have issued advisory two times in this regard and would reiterate once again.

- Bank branches are demanding CIBIL score whereas loans to SHG are group loans and not individual loans. Since loans are to new SHGs, there is no credit history for them and CIBIL report is always blank, but it takes time and involves charges as well. RBI Master Circular doesnot stipulate CIBIL report for SHGs. RBI representative clarified that there is a circular for obtaining CIBIL scoring for all loans but taking into account the performance and track record of JEEVIKA it would be practical to do the loan first and obtain CIBIL scoring subsequently for confirmation and record.
- Coverage under social security schemes, namely PMJJBY and PMSBY, is being extended by JEEVIKA through LIC. Achievement on this count should be added to the performance shown by SLBC so that achievement of the State is reflected correctly. SLBC representative assured to include the same from next SLBC meeting.
- RSETI buildings are ready at four Centres – Saharsa, Madhepura, Kaimur and Nalanda but shifting of the Institute from its present location is not taking place.
- Though land has been allotted, construction of RSETI building has not been started at identified places by concerned Banks e.g. Sitamarhi (BoB), Supaul (SBI), Munger, Banka, Bhagalpur (UCO Bank), Samastipur, Khagaria (BoI).
- The extent of credit linkage of RSETI trained entrepreneurs is very low. If banks camp at the concluding/ valediction session of RSETI training programmes to decide credit linkage, it would increase the number of RSETI-trained persons settled with self-employment.

8. The Principal Secretary, Urban Development & Housing Development mentioned the following points:

- ✓ UD &HD, GoB has asked for details of loans sanctioned by Banks under CLSS since launch of the scheme i.e. June 2015 but the response has been received from SBI only. As per details provided, out of a total of 8,059 housing loans sanctioned, only 1,055 loans have been sanctioned by SBI under CLSS which

is merely 13% (approx.). During 2017-18, SBI has sanctioned 3,597 housing loans out of which only 644 i.e. 18% (approx.) are under CLSS.

- ✓ There should be a check point at the time of generating housing loan applications by the banks to ensure eligibility and consent of the applicant for coverage under CLSS in order to pass on the benefit of subsidy to maximum number of housing loan borrower individuals.
- ✓ Even the existing housing loans, subject to laid down norms, can be converted into CLSS housing loans. Banks should explore this avenue also.
- ✓ SBI representative clarified that there is no hitch on their part in this regard & a declaration form is already being provided along with application form. They organized a camp specifically for this purpose but the response has been very poor. Applicants are averse to come under CLSS for reasons best known to them. Hon'ble Dy. Chief (Finance) Minister requested all banks to publicize the benefits and convince more and more applicants to reap the benefits of CLSS.
- ✓ **Hon'ble Dy. Chief (Finance) Minister** exhorted that performance under CLSS should be included in the agenda of next SLBC and ATR be placed for review.
- ✓ The Principal Secretary, UD & HD, informed the house that with effect from 14th December 2018, the use of plastic is being banned throughout the State. He appealed to the banks to spread awareness in this regard among their branches/ offices/ employees/ customers and distribute jute / cloth bags to public to publicize ban of plastic and encourage use of alternatives.

9. The Principal Secretary, Rural Development mentioned the following points:

- RBI is requested to ease CIBIL & other norms, if necessary, in respect of SHGs for boosting finance to them because their performance is excellent.
- SBI should start construction work of RSETI building at Supaul. When SBI representative mentioned about the legal notice sent to Bank litigating land ownership, the Principal Secretary stated that it is immaterial and officials concerned have been advised to start construction. He also told that a communication to this effect would be sent to SBI also.
- It has been noticed that Banks deduct their loan installments / interest from amount credited to the accounts of beneficiaries under Government schemes

e.g. Pradhan Mantri Awaas Yojna. In this regard, the **Dy. Chief (Finance) Minister** mentioned the instance of an MBGB branch in Aurangabad. MBGB representative clarified that this happened because the beneficiary had given the account no. of KCC account for DBT and the KCC account was NPA. Hence the amount credited to NPA KCC account got auto adjusted and reversal of the amount is a technical issue. However, he has taken note of it and will see that it is resolved.

10. Shri Shrawan Kumar, Hon'ble Minister, Rural Development also expressed his views on some issues which are summarized below:

- Rural Development is closely related to upliftment of the poor in which banks have a pivotal role to play. But unsatisfactory performance under various schemes suggests that banks are not extending cooperation to the desired extent.
- Rural area is widely spread in Bihar and bank branches are not commensurate with the rural population. More branches should be opened in rural areas. DFS representative informed that banks in Bihar have been advised to open Banking Outlets in villages not having banking facility within 5 KMs. **Hon'ble Dy. Chief (Finance) Minister** told that the 209 Banking Outlets remaining to be opened must be opened latest by the end of this year. He further informed that "Panchayat Sarkar Bhavan" have been constructed in 1,100 Panchayats in Bihar. These are double storied buildings and interested banks can open branches in these buildings. He advised that the Panchayati Raj Department should send the list of such Panchayats to Banks.
- Banks should ensure that bottlenecks are cleared and accounts of SHGs sponsored by JEEVIKA are opened promptly.
- UCO Bank and other banks who have not signed MoU for RSETI yet should do it without further delay because RSETIs are instrumental in training rural youth and generating self-employment for them. The number of credit linkage of RSETI trained candidates should be increased.
- Government is giving Rs 1,20,000 under PMAY (Rural). Banks should also sanction sufficient amount of loans under PMAY for the benefit of rural populace.

11. Shri Rana Randhir Singh, Minister, Cooperative expressed his views as under:

- **तेरे शहर का पेट मेरे गाँव से पलता है ”, गौरतलब रहे देश मेरा गाँव में बसता है “**
[The cities / towns are dependent on villages for their food requirements. It is to be noted that the nation resides in villages.]
- The launching of India Post Bank on 1st of September 2018 is a revolutionary step in the history of Indian Banking. Opening of more than 32 Crore Jan-Dhan accounts and performance of Banks under various schemes indicate that there has been considerable improvement in the area of banking in Bihar.
- He appreciated the bankers and appealed to them to put in more efforts for further development of the State.

12. Shri Pashupati Kumar Paras, Minister, Animal Husbandry and Fishery Resources mentioned the following points:

- Performance of Banks are not upto mark so far as schemes of Animal Husbandry & Fisheries Resources Department is concerned. Subsidy earmarked is not being consumed. Less than 20% of applications forwarded to Banks have been sanctioned / disbursed. This requires immediate improvement.
- Still many villages / panchayats are not having banking facilities. Banks should open more Banking Outlets in unbanked areas be. He informed that Saharbani Panchayat, wherein the ancestral village of Hon'ble Minister is situated, is surrounded by six panchayats and has together a total population of more than 50,000 but there is no bank branch.

13. SLBC Representative raised the following two points for information and necessary action by the house:

- ❖ **Shifting of SLBC Convenorship from SBI:** State Bank of India has been shouldering the responsibility of SLBC Convenorship in Bihar for the last 17 years. In order to offer fair opportunity to have required experience & inculcate expertise, it is imperative that SLBC Convenorship is entrusted to

member banks, in turn. State bank of India has requested RBI to shift SLBC responsibility in Bihar from SBI to another member bank. RBI has informed that the request is under examination and has advised to include this subject as an agenda item in SLBC meeting.

RBI representative clarified before the house that the it was advised to be included in SLBC agenda to ascertain the opinion / concurrence of the house.

Hon'ble Dy. Chief (Finance) Minister opined that SBI should continue as SLBC Convenor.

- ❖ **Involvement of LDMs by district authorities under "Bihar Lok Shikayat Nivaran Adhikar Adhiniyam, 2015"**: Lead District Managers are being involved in investigating / replying / presenting complaint cases filed by complainants under Bihar Lok Shikayat Nivaran Adhikar Adhiniyam – 2015. Provisions of this Act read with Bihar Right to Public Grievance Redressal Rules, 2016, are not applicable in respect of banking services. This act has manifestly been enacted for the public authority of the state and any complaint against state functionaries only may be entertained under the act. LDMs have raised this issue in the meeting of SLBC with all LDMs in Bihar held on 09-11-2018 and voiced their concern over their undue involvement which is adversely affecting their proper functioning.

Hon'ble Dy. Chief (Finance) Minister requested the Principals Secretary (Finance) to look into and resolve the issue.

14. General Manager, Reserve Bank of India expressed his views as under:

- RBI is thankful to State Government for providing one wall of 534 blocks buildings free of cost for using them for popularizing and expanding Financial Inclusion initiatives.
- Education Department has briefed the press that banks are not opening accounts of minor students for DFT. It is to be noted that minors below 10 years may open bank account with their natural guardian. Minors above 10 years can open accounts in their names and operate the same subject to

balance stipulations. Education Department should advise the names of banks which are not opening accounts of minor students.

- Increasing NPAs of Banks is matter of concern. Recovery mechanism needs to be strengthened.
- Data Integrity is a persisting issue. Soon a data package "ADEPT" is going to be launched.
- 16 districts are having CD Ratio less than 40%. They are required to take suitable steps to increase it.

15. Chief General Manager, NABARD, shared his thoughts on various issues as under:

- ✚ Joint Liability Group is an important component of priority sector. It is satisfactory to note that banks have achieved more than 100% of target set under JLG financing. However, majority of the financing has been done by Small Finance banks. Commercial Banks are required to step up credit expansion under this category.
- ✚ Insurance of crop financed under KCC scheme is a must. This issue should be resolved at the earliest failing which financing by banks under KCC will be adversely affected.
- ✚ Planning process should flow from bottom to top. In this regard, Potential Linked Plan has been prepared and shared with districts. Now Block Level and District Level Credit Plans should be prepared.
- ✚ Subsidy allocation for Bihar under DEEDS is available to the tune of Rs 15.82 Crores of which only Rs 1.50 Crores (approx.) has been utilized. The process of claim submission/ settlement is on-line. Banks should endeavor to make credit expansion under DEEDS and claim subsidy.
- ✚ A programme named "e-Shakti" has been launched for digitization of SHGs and records of around 35,000 SHGs have been digitized. This would help in making and monitoring loan applications on-line.

16. Following points were put forth by Joint Secretary (FI),DFS:

- The concern shown by the house for opening Banking Outlets is topical and important. DFS has been monitoring all parameters of financial inclusion through a weekly VC with all Banks. Regarding opening Banking outlets in

Aspirational & LWE districts, GoI is of the view that Brick and Mortar Branches should be opened in these areas to enable them to cope up with their specific structural weakness. Banking Outlets either in the form of a Brick & Mortar Branch or a BC Outlet may be opened at other unbanked locations.

- GoI has extended PMJDY beyond 14th August 2018 and some features of the scheme have been modified. Earlier it was household oriented now it focuses on unbanked individuals. The accidental coverage with RuPay card has been increased from 1 lac to 2 lacs. Overdraft facility has been increased from 5,000 to 10,000. Now there will be no conditions stipulated for overdraft upto Rs 2,000 in these accounts.
- At all India level, there are 33 Crore PMJDY accounts. Data analyzed at DFS end shows that coverage of PMJDY accounts under PMJJBY and PMSBY security schemes is only 1% & 7% respectively. This needs to be encouraged and active participation of Banks and State govt. is solicited.
- There is general issue of affecting DBT transfers due to accounts being stamped as closed status due to zero balance / non-compliance of minimum balance stipulations etc. If beneficiaries open PMJDY account for DBT this problem will not happen.

17. Dr S. Siddharth, Principal Secretary, Finance spoke on following specific points:

- ❖ This time a pre-SLBC meeting had to be organized for the purpose of ascertaining important issues that ought to be discussed in SLBC.
- ❖ Member banks and related government departments are requested to take the Sub-Committee meetings in true spirit and seriousness as important issues discussed in these meetings will form the very basis of agenda items of the SLBC meeting. This will help to make SLBC meetings issue based and to focus on bridging the policy gaps or initiating other remedial steps.
- ❖ Two important data points, C D Ratio and Achievement under ACP, will be reconciled before every SLBC meeting to ensure that data presented in DLCC and SLBC are not at divergence.
- ❖ In order to inculcate a sense of inter-Bank as well as intra-bank competition the Finance Department, GoB will carry out every quarter the ranking of bank

branches and publish the list of 100 Top Performing and 100 Bottom Performing bank Branches in the State.

18. In his concluding remarks, the **Hon'ble Dy. Chief (Finance) Minister**, reiterated following important points for action by concerned stake holders:

- ✓ We have not discussed data / figures, except ACP, during this SLBC because disbursement of loans improve mostly in 3rd& 4th quarters. Last year the achievement under ACP was 91%. Let us endeavor to achieve 95% of our target of Rs 1,30,000 Crores under ACP this year. And there is a single formulae — identify the worst performing branches and improve them; the target will be achieved automatically.
- ✓ It has been noticed that junior officials from Banks are deputed to attend the SLBC meetings. It is to be ensured that SLBC meetings are attended invariably by State Head of Banks. The second most senior official should attend SLBC meetings in exceptional / unavoidable circumstances only. In no case any other official be deputed to attend these meetings.
- ✓ In order to make district level meetings more meaningful, DLCC meetings should be attended by Senior Officials from State Headquarters and the same official should attend these meetings for the entire FY to ensure fruitful review with continuity of proceedings. Participation and review by senior officials will help improve the performance of operating functionaries.
- ✓ Bihar Government has now got all the blocks in the State connected by BSWAN network. From the next SLBC meetings onwards, all the districts should also be connected through Video Conferencing so that they are also able to, participate, interact and respond.
- ✓ Banks are the entities which have adopted most the progress in technology and computerized their operations. I am surprised in this scenario, to learn, that on-line generation of KCC applications is difficult. Banks are requested to take necessary steps in this regard.
- ✓ GoB exited the Crop Insurance scheme because it was observed that farmers were not paid even 20-30% of the premium paid by the Governments. So, GoB has come out with its Fasal Sahayta Yojna. Regarding the mandatory

- nature of insurance for crop under KCC scheme of Banks, RBI and GoI should examine the same and decide how KCCs can be done without Crop Insurance.
- ✓ Looking at the slow pace of education loan being sanctioned by Banks and the increasing need, GoB has floated its own Student card Scheme and 35,000 (approx.) loans have been sanctioned under the scheme.
 - ✓ GoB has declared 275 blocks as drought affected and is going to help the farmers with substantial funds. As mentioned by DFS representative, PMJDY now has a provision for overdraft up to Rs 10,000. Banks are requested to sanction as many overdrafts to people in drought hit area as possible to help the affected populace. As of now, the data in respect of overdraft in PMJDY accounts is not encouraging because out of a total of 3.21 Crore active PMJDY accounts overdrafts have been sanctioned to 4.45 lacs account holders only.
 - ✓ It has been decided by GoB to constitute a separate Directorate for Institutional Finance in Bihar. This Directorate will include, besides other officials, experts from the field of Banking & Finance. This will help in better coordination among Banks, NBFCs and GoB.
 - ✓ There are some issues raised by Banks which are pending for resolution. The reduction and rationalization of Stamp Duty is one such issue. Principal Secretary (Finance) may please look into it.
 - ✓ Similarly, there is a pending issue of enhancing the limit of agriculture loans without any collateral security. The present limit of Rs 1 lac was fixed long back & needs a relook. The matter should be taken up accordingly with GoI and RBI by concerned department, GoB.
 - ✓ There was a budget announcement by GoI regarding issuance of Fishery / Dairy /Poultry Credit Card on the lines of Kisan Credit Card carrying same rate of interest as on Agriculture Loans. However, it has not been operationalised so far. If it is operationalised, the Fishery / Dairy / Poultry borrowers will be charged only 4% of interest like KCC loans. DFS representative is requested to look into the matter.
 - ✓ This meeting of SLBC has been very satisfactory. The focus of discussion has been on issues and not data. Banks have been doing well. To make the forthcoming SLBC meetings more meaningful and result oriented, it will be instrumental to collect the issues from various departments of GoB and send

them well in advance to SLBC and banks so that Banks may come prepared and respond properly.

19. Sri R. K. Das, AGM (SLBC) extended vote of thanks to all participants for their active participation in the meeting and announced end of the meeting with the permission of the chair.

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ACTION POINTS

66th SLBC MEETING HELD ON 1ST DECEMBER 2018

ACP & CDR

1. Jehanabad, Madhubani, Gopalganj and Banka districts are the bottom four districts in terms of ACP achievement with 25.97%, 26.38%, 26.50% and 26.93% of achievements respectively. The Controlling Heads of lead banks in these districts assured the house to share the concern with banks operating in these districts to gear up performance.

(Action: PNB, CBI, UCO Bank)

2. Finance Department, GoB will carry out every quarter the ranking of bank branches and publish the list of 100 Top Performing and 100 Bottom Performing bank Branches in the State.

(Action: GoB, Finance Deptt.)

3. C D Ratio and Achievement under ACP should be reconciled before every SLBC meeting to ensure that data presented in DLCC and SLBC are not at divergence.

(Action: SLBC & GoB, Finance Deptt.)

AGRICULTURE & ALLIED ACTIVITIES

4. As per RBI guidelines, declaration of actual crop loss % is a prerequisite for extending relief measures by Banks in drought declared areas. Banks are in readiness but the related declaration by Government is awaited.

(Action: GoB, Agriculture; Disaster Management Deptt.)

5. Digitization of land records and on-line issuance of Land Possession Certificates should be made available to expedite Agriculture and other financing.

(Action: GoB, Revenue & Land Reforms Deptt.)

6. The functionality of making on-line application by prospective KCC borrowers should be developed so that banks are able to generate 89-90% applications by 1st of April 2019.

(Action: All Banks)

7. It has been observed that many Branch Managers either do not attend camps or attend for a short while and officials from Revenue Department are not present in

these Kisan Credit Camps in many blocks. Number of KCC camps should be restricted to 4 or 5 and these camps should be held prior to the beginning of Crop Season.

(Action: All Banks/ GoB, Agriculture; Revenue Deptt.)

8. Though the rejection rate in Agriculture related DBT has come down from 20-25% to 15-17%, still it is very high. The current list of failed / rejected transactions be shared with all Banks alongwith reason assigned for the failure.

(Action: SLBC, All Banks/ GoB, Agriculture Deptt.)

9. Requirement of SC / ST classification is done away with so that the benefit of 1% interest subvention could be passed on to maximum number of farmers.

(Action: All Banks/ GoB, Agriculture Deptt.)

10. Banks who have not lodged their claims for reimbursement of 1% KCC Interest Subsidy to do so with NABARD, immediately.

(Action: All Banks)

11. If Bandhan Bank is not financing dairy loans for purchase of milch cattle, it should not be reported by them under dairy.

(Action: Bandhan Bank, SLBC)

12. Centralized on-line platform of Animal Husbandry & Fishery Resources Department for viewing & updating current status of all applications sent to Bank Branches, with access rights to controllers, is still awaited.

(Action: GoB, AH & Fisheries Deptt.)

13. The issue of non-utilisation of subsidy under Animal Husbandry and Fishery resources schemes should be discussed in Sub-Committee Meetings.

(Action: SLBC/ GoB, AH & Fisheries Deptt.)

14. Issue of enhancing the limit of agriculture loans without any collateral security should be taken up GoI and RBI.

(Action: GoB, Agriculture; Finance Deptt.)

15. As per the Union Budget for 2018-19, Allied Agriculture activities like Dairy, Poultry, Fisheries etc. are brought under the ambit of KCC scheme carrying same interest rate. It has not been operationalised so far. Request Govt. of India to issue requisite notification.

(Action: Department of Financial Services, GoI)

16. Regarding the mandatory nature of insurance for crop under KCC scheme of Banks, RBI and GoI should examine the same and decide how KCCs can be done without Crop Insurance.

(Action: GoB, Agriculture; Cooperative Deptt. / SLBC/RBI)

FINANCIAL INCLUSION

17. RSETI buildings are ready at four Centres – Saharsa, Madhepura, Kaimur and Nalanda but shifting of the Institute from its present location is not taking place.

(Action: SBI & PNB)

18. Though land has been allotted, construction of RSETI building has not been started at Sitamarhi (BoB), Supaul (SBI), Munger, Banka, Bhagalpur (UCO Bank), Samastipur, Khagaria (Union Bank).

(Action: SBI, BoB, UCO Bank & Union Bank)

19. If banks camp at the concluding/ valediction session of RSETI training programmes to decide credit linkage, it would increase the number of RSETI-trained persons settled with self-employment.

(Action: All Banks)

20. Performance under CLSS should be included in the agenda of next SLBC and ATR be placed for review.

(Action: SLBC)

21. SBI should start construction work of RSETI building at Supaul. The litigation built up by sending legal notice is immaterial and officials concerned have been advised by UD & HD Department to start construction. A communication to this effect would be sent to SBI also.

(Action: SBI/ GoB, UD & HD Deptt.)

22. RBI is requested to ease CIBIL & other norms, if necessary, in respect of SHGs for boosting finance to them because their performance is excellent.

(Action: RBI)

23. Coverage under social security schemes, namely PMJJBY and PMSBY, is being extended by JEEVIKA through LIC. Achievement on this count should be added to

the performance shown by SLBC so that achievement of the State is reflected correctly.

(Action: Jeevika & SLBC)

24. Remaining 209 Banking Outlets must be opened latest by the end of this year.

(Action: All Banks)

25. "Panchayat Sarkar Bhavan" have been constructed in 1,100 Panchayats in Bihar. Interested bank can open branches in these buildings. Panchayati Raj Department should send the list of such Panchayats to Banks.

(Action: GoB, Panchayati Raj Deptt.)

26. PMJDY now has a provision for overdraft up to Rs 10,000. Banks are requested to sanction as many overdrafts to people in drought hit area as possible to help the affected populace.

(Action: All Banks)

NPAs

27. Prompt and proactive action is required to for quick disposal of Certificate Cases and litigations related to SARFAESI.

(Action: GoB, Land Revenue; Finance Deptt.)

DLCC / SLBC MEETINGS

28. LDMs of Banka and Katihar districts have not provided reasons for difference in data presented in Special DLCC and data presented in SLBC despite intimation. Controllers of lead banks in these districts should look into the matter and take appropriate action for their indifferent attitude and submit full report in the next SLBC.

(Action: SLBC/ UCO Bank & CBI)

29. SLBC meetings should invariably be attended only by the State Heads. The second most senior official should attend SLBC meetings in exceptional / unavoidable circumstances only. In no case any other official, be deputed to attend these meetings.

(Action: All Banks)

30. From the next SLBC meetings onwards, all the districts should also be connected through Video Conferencing so that they are also able to participate, interact and respond.

(Action: GoB, BELTRON)

31. SBI should continue as SLBC Convenor during the current FY. The shifting of SLBC Convenorship may be discussed in the SLBC meetings of FY 2019-20.

(Action: SLBC& RBI)

COMPLIANCE

32. Some Banks, except SBI, BoB, MBGB, UBGB, are still insisting on submission of KYC of all members / 3 members / 5 members for opening of SB accounts of SHGs. No uniform practice is being followed. RBI to reiterate its extant guidelines.

(Action: RBI & All Banks except SBI, BoB, MBGB, UBGB)

MISCELLANEOUS

33. Lead District Managers are being involved in investigating / replying / presenting complaint cases filed by complainants under Bihar Lok Shikayat Nivaran Adhikar Adhiniyam – 2015 whereas provisions of this Act are not applicable in respect of banking services. LDMs have raised this issue which is adversely affecting their proper functioning.

(Action: GoB, Finance Deptt)

34. The extent of Big-Ticket Loans covered under CGTSME be discussed in the next SLBC.

(Action: SLBC)

35. A case wherein subsidy was not adjusted in loan account of a beneficiary, related to United Bank of India, Begusarai, has to go for 3rd hearing under Lok Shikayat.

(Action: United Bank of India)

36. There are complaints in Janata Darbar that banks are asking for collaterals even for loans under MUDRA scheme.

(Action: All Banks)

37. It has been noticed that Banks deduct their loan installments / interest from amount provided into the bank accounts of for specific utilisation under Government schemes e.g. Pradhan Mantri Awaas Yojna. There was such an instance recently in a MBGB branch at Aurangabad.

(Action: MBGB & all other Banks)

38. The long pending issue of reduction and rationalization of Stamp Duty on agreements / mortgages in respect of bank loans should be looked into.

(Action: GoB, Registration Deptt.)

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GLOSSARY

ACP	Annual Credit Plan
ADEPT	Automated Data Extraction Project
AH & Fish	Animal Husbandry & Fisheries Resources
Approx	Approximately
ATR	Action Taken Report
BLBC	Block Level Banker Committee
BCC	Bihar Chamber of Commerce
BC Outlet	Banking Correspondent Outlet
BIA	Bihar Industries association
BOs	Banking Outlets
BOB	Bank of Baroda
BSWAN	Bihar State Wide Area Network
CBI	Central Bank of India
CD Ratio	Credit Deposit Ratio
CGM	Chief General Manager
CGTMSE	Credit Guarantee Fund Trust for Micro & Small Enterprises
CIBIL	Credit & Information Bureau of India Limited
CLSS	Credit Linked Subsidy Scheme
CSP	Customer Service Point
DBT	Direct Benefit Transfer
DEDS	Dairy Entrepreneurship Development Programme
DEPTT	Department
DFS	Department of Financial Services
DLCC	District Level Consultative Committee
DLRC	District Level Review Committee
FY	Financial Year
GoB	Government of Bihar
GoI	Government of India
JLG	Joint Liability Group
KCC	Kisan Credit Card
KMs	Kilometers

LDM	Lead District Manager
LWE	Left Wing Extremism
MoU	Memorandum of Understanding
MSME	Micro, Small & Medium Enterprises
NPA	Non Performing Assets
NPCI	National Payment Corporation of India
PCA	Prompt Corrective Action
PMAY	Pradhan Mantri Awas Yojna
PMEGP	Pradhan Mantri Employment Generation Programme
PMFBY	Pradhan Mantri Fasal Bima Yojna
PMJDY	Pradhan Mantri Jan Dhan Yojna
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojna
PMSBY	Pradhan Mantri Suraksha Bima Yojna
PNB	Punjab National Bank
RBI	Reserve Bank of India
RSETI	Rural Self Employment Training Institute
SARFAESI	Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SBI	State Bank of India
SHG	Self Help Group
SLBC	State Level Banker Committee
UD & HD	Urban Development and Housing Department
URCs	Unbanked Rural Centres

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66TH SLBC REVIEW MEETING DATED 01.12.2018 AT HOTEL CHANAKYA, PATNA

LIST OF PARTICIPANTS

Sl. No.	Name of the Participants	Designation/Office
Ministers		
1	Sri Sushil Kumar Modi	Dy. CM & Finance Minister, Govt. of Bihar
2	Sri Shrawan Kumar	Minister, Rural Development, Govt. of Bihar
3	Sri Rana Randhir Singh	Minister, Co-operative, Govt. of Bihar
4	Sri Pashupati Kumar Paras	Minister, Animal & Fisheries Resources, Govt. of Bihar
State Govt.		
1	Sri S. Siddharth	Principal Secretary, Finance Govt. of Bihar
2	Sri Sudhir Kumar	Principal Secretary, Agriculture Deptt.
3	Sri Chaitanya Prasad	Principal Secretary, Urban Dev. & Housing Deptt.
4	Smt. N. Vijaya Laxmi	Secretary AFRD, Animal & Fisheries Resources Deptt.
5	Sri Balamurugan D.	CEO JEEVIKA, Rural Development Deptt.
3	Smt. Rachana Patil	Registrar, Co-operative Societies, Co-operative Deptt.
6	Sri Vinod Singh	Director, Animal Husbandry Deptt.
7	Sri B.K. Mishra	Director, Revenue & Land Reforms Deptt.
8	Sri Nishat Ahmed	Director Fisheries, Animal & Fish Resources Deptt.
9	Sri A. K. Jha	Director, Dairy Deptt.
10	Sri Amitabh Mishra	Joint Secretary, Deptt. of Finance
11	Sri Chandra Prakash	Dy. Secy. Finance, Deptt. of Finance
12	Sri Rajeev Ranjan	Banking & Finance expert, Deptt. of Finance
14	Sri Mrinayak Das	Dy. Secy. Finance, OSD, Deptt. of Finance
15	Sri V.K. Chaudhary	D.I.G., C.I.D., Deptt.
16	Sri Karun Kumar Sinha	Dy. Director, Agriculture Deptt.
17	Sri Shubhendu Dutta	Administrative Officer, AIC, PATNA
RBI & NABARD		
1	Sri S K Majoomdar	Chief General Manager, NABARD
2	Sri Dr. Dharendra Kumar	General Manager, NABARD
3	Sri Anjani Kumar Verma	Assistant General Manager, NABARD
4	Sri Manoj Ranjan	GM, FIDD, Reserve Bank of India
5	Sri Niraj Kumar	Assistant General Manager, Reserve Bank of India
6	Ms Riya Rani	Manager, Reserve Bank of India
7	Sri B K Mishra	Manager, NABARD
Member Banks		
1	Sri Sandeep Tewari	Chief General Manager, State Bank of India
2	Sri Pradeep Kumar Ghosh	General Manager NW-I, State Bank of India
3	Sri V.S. Negi	General Manager NW-III, State Bank of India
4	Sri Dinesh Kumar Paliwal	General Manager, Punjab National Bank
5	Sri M K Bajaj	General Manager, Central Bank of India
6	Sri D.S. Shaligram	General Manager, Uttar Bihar Gramin Bank
7	Sri Devesh Kumar	Dy. General Manager (ABU), State Bank of India
8	Sri Parijat Saurabh	Dy. General Manager (SME), State Bank of India

9	SriAparesh K Dennis Das	Dy. General Manager (FI & MF), State Bank of India
10	Sri P K Mohanty	Chairman, Madhya Bihar Gramin Bank
11	SriP.S. Jha	Chairman, Bihar Gramin Bank
12	Sri R.K. Goyal	Dy. General Manager, Bank of Baroda
13	Sri Ch. S. Sastry	Dy. General Manager, Andhra Bank
14	Sri G. B. Tripathy	Dy. General Manager, Union Bank
15	Sri Debananda Sahoo	Dy. General Manager, Canara Bank
16	Sri Himanshu Kansal	Dy. General Manager, Allahabad Bank
17	Sri Shivesh Kumar Jha	Dy. General Manager, IDBI Bank
18	Sri D.S. Rathore	Dy. General Manager, UCO Bank
19	Sri Anil Kumar Singh	Zonal Manager, Bank of India
20	Sri Girija Shankar Mishra	Zonal Manager, Indian Bank
21	Sri M.K. Jha	Zonal Head, Dena Bank
22	Sri Sajid Ahmad	Dy. Zonal Head, Corporation Bank
23	Sri Ranjan Kumar Singh	Circle Head, Oriental Bank of Commerce
24	Sri R.K. Das	Asst. General Manager SLBC, State Bank of India
25	Sri K.J. Shorey	Asst. General Manager, United Bank of India
26	Sri S.K. Bhargava	Asstt. General Manager, Union Bank of India
27	Sri Gautam Kumar	Asstt. General Manager, IDBI Bank
28	Sri Sudhanshu Shekhar	Asstt. General Manager, UCO Bank
29	Captain Praveer Bharti	Asstt. General Manager, Bank of Baroda
30	Sri B.Venkata Narayana	Sr. Regional Manager, Indian Overseas Bank
32	Sri V.K. Chowdaish	Asstt. General Manager, Vijaya Bank
33	Sri Gopa Chatterjee	Cluster Head, Axis Bank
34	Sri Amit Balajee	Circle Head HDFC Bank Ltd.
35	Sri S. Roy Chaudhary	Zonal Head, ICICI Bank
36	Sri RohaneshNarain	Regional Head, IndusInd Bank
37	Sri SubhajitMittra	Regional Head, Bandhan Bank
38	Sri Neeraj Kumar	AVP, Bandhan Bank
39	Sri Sudhanshu Kumar	AVP & Nodal Officer, Axis Bank
40	Sri Sunny G Abraham	AVP & Area Head, Federal Bank
41	Sri Ashish Bhaskar	State Manager, Ujjivan SFB
42	Sri Vikas Kumar	Zonal Head, Utkarsh SFB
43	Sri Chandra Shekhar Singh	MD, Bihar State Co-operative Bank
44	Ms Veena	Chief Manager, UCO Bank
45	Sri R S Sharma	Chief Manager, Central Bank of India
46	Sri Ashok Kumar	Chief Manager, Punjab & Sindh Bank
47	Dr. Sri Sandhir Kumar	Lead District Manager, Patna
48	Sri R.K. Singh	Lead District Manager, Munger
49	Sri Ajay Kumar Sinha	Lead District Manager, Madhubani
50	Dr. N.K. Singh	Lead District Manager, Muzaffarpur
51	Sri R.N. Sharma	Lead District Manager, Jehanabad
52	Sri Rajen Kumar	Lead District Manager, Gopalganj
53	Sri A.N. Acharya	Lead District Manager, Banka
54	Sri Kapileshwar Mandal	Senior Deputy Collector (Banking), Patna
55	Sri Shankar Prasad	Senior Deputy Collector (Banking), Muzaffarpur
56	Sri Vidya Bhushan Shah	Sr. Manager, Indian Bank
57	Smt Kiran Singh	Sr. Manager, Bank of Maharashtra
58	Sri Gaurav Kumar	Sr. Manager, Bank of Maharashtra
59	Sri Uttam Kumar	Sr. Manager, MBGB
60	Sri Jay Prakash	Sr. Manager, United Bank of India
61	Sri Deo Bhushan	Sr. Manager, Bank of Baroda

62	Smt Sneha Singh	Manager, Allahabad Bank
63	Ms Nisha Jaiswal	Manager, Vijaya Bank
64	Sri Mukesh Agrawal	Manager, Union Bank of India
65	Sri Uma Prasad	Manager, ICICI Bank
66	Sri Shamaraja Bhatt	Manager, Karnataka Bank
67	Sri Ashok Kumar Sharma	Manager, J&K Bank
68	Sri Arun Henrey E	Manager, South Indian Bank
Others:-		
1	Dr. P.K. Gupta	KVIC, Patna
2	Sri Mukesh Chandra Sharan	PC-FI, Jeevika
3	Sri A.K. Thakur	Consultant (F.I), Jeevika
4	Sri P.K. Agrawal	President, Bihar Chamber Of Commerce
5	Sri K.P.S. Keshri	President, Bihar Industries Association
6	Sri Madan Pathak	State Mission Manager, NULM
7	Sri R K Singh	ADG/ UIDAI, Patna
8	Sri Rajeev Sood	DGM, SIDBI
9	Sri Umesh Prasad	SDPO
10	Sri Kumar Arvind Sinha	BSSC, Education Deptt.
11	Sri Thomas Antony T	Regional Chief, HUDCO
12	Sri Vijay Kumar	Regional Manager, National Housing Bank

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