

S
L
B
C

B
I
H
A
R

85TH & 86TH JOINT QUARTERLY MEETING

30th August 2023
Hotel Maurya, Patna

MINUTES &
ACTION POINTS

राज्यस्तरीय बैंकर्स समिति, बिहार



संयोजक : भारतीयस्टेटबैंक

STATE LEVEL BANKERS' COMMITTEE, BIHAR

85TH&86THQUARTERLY MEETING DATED 30TH AUGUST 2023

MINUTES

The 85th&86thquarterly meeting of SLBC Bihar was held on 30th August 2023 at Hotel Maurya, Patna. Hon'ble Finance Minister, Govt. of Bihar Shri Vijay Kumar Choudhary presided over the meeting. It was attended by Hon'ble Minister, Rural Development, Shri Shravan Kumar, Hon'ble Minister, Industry Shri Sameer Kumar Mahaseth, and top officials from State Government Departments, RBI, NABARD, SBI, SIDBI, PFRDA, KVIC, DI-MSME, Police, Department of Posts, SLBC member banks, Industry Associations, District Magistrates and Lead District Managers. The list of participants is placed as *Annexure-I*.

2.ShriShiva Om Dikshit, Chief General Manager, SBI delivered the welcome address. He gave an overview of the banking developments in the State during the FY 2022-23 and Q1 FY 2023-24. The summary of views expressed by him is as under:

(i) Under Annual Credit Plan, target for the financial year 2022-23 was Rs 2,04,145 crore. Banks have disbursed total loans of Rs 2,20,520 crore i.e. the achievement of ACP has been more than 108%. This is the best ever ACP achievement performance both in terms of percentage and absolute number.

A total target of Rs 2,63,150 crore has been set for ACP 2023-24 and till June 30, 2023, banks have achieved Rs 77,163 crore i.e. 29.32% of the target. With this pace, the achievements of ACP target for FY 2023-24 is expected to be over 100% again.

(ii) With regard to Sector-wise ACP Achievement, in the FY 2022-23, the target achievement under ACP has been 101% in Agriculture Sector, 79% in MSME, 134% in Other Priority Sector and 151% in Non-Priority Sector.

(iii) In the Agriculture Sector, 2,01,000 new KCCs were sanctioned during FY 2022-23 and 49,000 new KCCs have been given till June in the current financial year. Under National Rural Livelihood Mission – NRLM, loans worth Rs 8,764 crore were distributed to 2,93,840 livelihood groups. Also, under National Urban Livelihood Mission – NULM, loans were given to 5,283 groups against the target of 2,932, which is 180% of the target.

(iv) During the same period, under the PMFME scheme, loans were sanctioned to 2,626 units against the annual target of 3,683 (71% achievement) and Bihar stood second PAN India in implementation of this scheme. The target of PMFME for the year 2023-24 has been set at 10,050, which is almost three times that of the last year. It was assured that the targets would be achieved by the banks.

(v) A challenging target was set for MSMEs in the ACP for the financial year 2022-23 - double the target of 2021-22 of Rs 35,000 crore i.e. Rs 70,000 crore. The relative achievement was Rs 55,000 crore i.e. about 79%. The target for the current FY 2023-24 is Rs 89,000 crore and the achievement till June 2023 is Rs 26,000 crore i.e. about 29%.

(vi) Under PMEGP, 8,883 loans were sanctioned during FY 2022-23 against target of 8,859 registering achievement over 100%. Banks have so far sanctioned 3,671 loans under PMEGP in the current FY.

(vii) Under the Pradhan Mantri Mudra Yojana (PMMY), loans were given to 37,84,000 applicants during financial year 2022-23 and to 3,06,000 applicants during FY 2023-24 till 30th June 2023.

(viii) Under Stand Up India 1,418 loans were sanctioned in 2022-23, which is 250% of the performance of financial year 2021-22. In the current financial year, 475 loans have been sanctioned so far.

(ix) The total deposits of banks in March 2023 were Rs.4,67,000 crores which became Rs 4,62,000 crore at the end of June 2023. And, Total Advances in March 23 was Rs 2,50,275 which became Rs 2,50,575 crore at the end of June 23 quarter. If seen from a comparative point of view, between March 2022 and March 23, there has been an increase of Rs 36,000 crore in Deposits and Rs 31,000 crore in Advances. Similarly, between June 2022 and June 2023, Deposits have increased by Rs 40,000 crore and Advances have increased by Rs 37,000 crore. Since the first quarter of the year remains sluggish in terms of banking business, there has been no significant difference in the Deposits and Advances of banks between March 2023 and June 2023.

(x) The CD Ratio of the state was 52.96% on June 30, 2022, which increased to 55.64% in March 2023 and to 55.70% in June 2023. CD Ratio of the state is continuously increasing.

(xi) NPAs of banks were 11.30% in March 2022, 11.50% in June 2022 and 9.28% in March 2023, which have further come down to 9.08% in June 2023. Thus, banks have consistently performed well on the NPA front.

(xii) The number of bank branches in the state has increased by 170 in FY 2022-23 and by 60 in the Q1 of the current FY. Similarly, the number of Fixed Point CSPs has increased by 6,601 and 5,646 respectively in the same period and the number of ATMs has increased by 380 and 31 respectively.

(xiii) Banks have opened 54.60 lakh new Jan-Dhan accounts in FY 2022-23 and 10.50 lakh new Jan-Dhan accounts in the Q1 of FY 2023-24. During the same period, overdraft loans have also been given to 3,40,000 and 20,000 PMJDY savings account holders respectively.

(xiv) Under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), 34.23 lakh new enrolments were done during 2022-23 and 6.30 lakh new enrolments have been done in the first quarter of 2023-24. During same periods, 59.14 lakh new enrolments were done in 2022-23 and 14.14 lakh in the first quarter of 2023-24 respectively under Pradhan Mantri Suraksha Bima Yojana (PMSBY).

(xv) Under the Atal Pension Yojana(APY), another very important social security scheme, 10.41 lakh new people were covered in 2022-23 and 2.09 lakh people in the first quarter of 2023-24. Bihar is the leader in the entire country in implementing APY and for this, SLBC and many member banks and LDMS have also been awarded by PFRDA.

3. Further, Shri Shiva Om Dikshit, Chief General Manager, SBI stated that State Bank of India is catering actively to the financial needs and priorities of all sections of the society in the state. Some of the highlights of steps taken by SBI during FY 2022-23 and FY 2023-24 are as under:

(a) Under PMEGP, SBI sanctioned 1,963 loans as against a target of 1,895 units for 2022-23 (104% of the target). In 2023-24, SBI has sanctioned PMEGP loans to 740 beneficiaries till 14th August, 2023.

(b) In PMFME, SBI sanctioned 626 loans as against a target of 477 (131% achievement). In the current financial year till June 30, SBI has sanctioned 152 PMFME loans and this number has further increased to 483.

(c) Under the Stand Up India scheme, 1,003 loans worth Rs 169 crore were sanctioned by SBI in 2022-23. In FY 2023-24, 189 beneficiaries have benefitted under Stand Up India till June 30 and this number has further increased to 409. Since the launch, a total of 6,958 loans have been sanctioned in the state in SUI, out of which SBI alone has sanctioned 2,110 loans.

(d) SBI has disbursed loans worth Rs 1,243 crore to 44,000 Self Help Groups in 2022-23 and Rs 170 crore to 5,890 Self Help Groups in 2023-24 till June.

(e) During FY 2022-23, SBI RSETIs have conducted 166 training programs and trained 4,670 entrepreneurs. During current FY till June 2023, 1,399 entrepreneurs have received training in 47 training programs. For work quality and operational excellence, all seven SBI RSETIs have been awarded the best Grading AA by Government of India.

(f) State Bank of India is also playing a leading role in the social security schemes run by the Govt. SBI has enrolled 3,16,000 new people under Atal Pension Yojana in 2022-23 and 55,000 new APY registrations have been done till June in the current year.

Further, 17,88,000 enrolments in 2022-23 and 2,14,000 in 2023-24 till June have been done under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY).

Under the Pradhan Mantri Suraksha Bima Yojana (PMSBY), 29,08,000 people were insured in 2022-23 and 3,71,000 people have been insured in 2023-24 till June.

State Bank of India branches have also opened 4,80,000 Jan Dhan (PMJDY) accounts in 2022-23 and 1,62,000 till June in 2023-24.

4. Hon'ble Finance Minister, Govt. of Bihar, Shri Vijay Kumar Choudhary welcomed all the participants on behalf of Bihar Govt. and blessed the gathering with his opening remarks. A summary of opening remarks is as under :

(i) The efforts made by the banks for increasing the CD Ratio to 55.70% were appreciated. However, Hon'ble Minister mentioned that the State's CD Ratio is still below the national average of 77% and we all have a long way to go.

(ii) The efforts put in by banks in ACP achievement were lauded. The banks achieved 108% of the FY 2022-23 ACP target of Rs 2,04,000 Crores. At the beginning, the banks were apprehensive that the target being too stiff, but together they have done it and the State Govt. has always stood with them in their efforts. This also reflects that there is a huge untapped potential in the State.

(iii) The overall ACP achievement of Private Sector Banks may be good but under the State Govt. priorities it is very poor which shows these are not their top agenda. While the State Govt. gives equal importance to both Public or Private Banks in parking Govt. deposits, at the same time also expects the Private Banks to attach equal priority to participate in social welfare / employment generation / GSS schemes which are under Govt.'s focus.

(iv) Hon'ble Minister emphasized the need of streamlining / developing mechanism for implementation of actionable points emanating out of BLBC / DCC meetings and their escalations wherever required. This will ensure an oversight over the progress made on various issues discussed in BLBC / DCC meetings.

(v) The performance review of 3-4 low performing banks may be carried out at Finance Deptt. to understand the impeding factors and to explore extension of required cooperation.

(vi) Govt. is helping in recovery of NPAs. But districts have reported that Branch Managers do not participate in meetings called by Certificate Officers and updated status of recovery / closure of certificate cases are not advised. This needs to be looked into and resolved.

(vii) There are instances of undue delay in disposal of loan applications. Some papers are demanded and each time the borrower approaches the branch with these, some other additional papers are demanded and it continues. We need to have a well published and circulated checklist for every loan scheme in order to make loan application sanction process more transparent.

(viii) Encumbrance portal has been created by Revenue Deptt., Govt. of Bihar at the request of banks but only a few banks are using this facility. A meeting cum workshop should be organized to sensitize the banks and sort out the related issues.

5. Hon'ble Minister, Rural Development, Govt. of Bihar, Shri Shravan Kumar highlighted the undernoted issues related to the department:

(i) Banks are cooperating a lot in financing JEEViKA SHGs and have done well in extending 1st tranche of credit linkage. But they need to increase their exposure under subsequent tranches which will lead to increased level of financial activities and income of SHGs.

(ii) There are around 1,75,000 incomplete residential units built under Indira Awas Yojana. These beneficiaries want to complete their houses. Banks have been requested to come forward and extend financial assistance under PMAY to complete these housing units. However, nothing has been done so far. These beneficiaries have been added as SHG members also and they are doing well. SHGs have 98% repayment record. So, banks should not hesitate in financing these SHG members for completing / extending their existing dwelling units.

(iii) Banks were appreciated for imparting training to rural youth through their RSETIs. During FY 2022-23, RSETIs have trained 28,292 people but have given loans to only 5,931 i.e. 21% of them. This settlement ratio needs to be improved drastically.

6. Shri Sanjeev Kumar Singh, Assistant General Manager (SLBC) placed before the SLBC that the minutes and action points of the 83rd& 84th joint SLBC meeting have been circulated among all stakeholders after incorporating modifications advised by State Govt. No further request for any change has been received from any stakeholder and, therefore, requested for adopting it by SLBC. This was consented by the SLBC. Similarly, the minutes and action point of Sub-Committees were also adopted. Thereafter, he made a power point presentation on all the agenda items.

7. Action Taken Report :

(i) Low performance : Shri Arvind Kumar Chaudhary, Principal Secretary, Finance, Govt. of Bihar stated that we would continue the review of select banks and districts who are lagging in performance. **Hon'ble Finance Minister, Govt. of Bihar** said that the concerned banks should also review performance of their branches in districts which are lagging in performance.

(ii) PMEGP : Principal Secretary, Finance said that banks should strive to achieve the sanction and disbursement of PMEGP loans as per their targets latest by December so that margin money claims could be lodged well before end of the year. He mentioned the issue raised by some banks regarding status of margin money if PMEGP targets given by Industry Deptt. is more than the PMEGP target intimated by KVIC.

Shri Sandeep Poundrik, Additional Chief Secretary, Industries, GOB mentioned that during FY 2022-23 banks achieved over 100% of their targets. For FY 2023-24, KVIC State Office has fixed the PMEGP target for Bihar of 10,805. However, the Industry Department, after talking to banks, has decided that the PMEGP Target (Physical) for FY 2023-24 should be 15,154 and confirmation of SLBC is sought for this target. This target is in line with Bihar's performance under PMEGP

during FY 2022-23 and State Government's vision to provide self-employment to 10 lakh people. Normally, Ministry has funds and also funds get diverted from non-performing States to performing states. This is why we are insisting that the target be achieved before last quarter and margin money claims be lodged subsequently. As regards margin money, the banks were assured that Ministry and KVIC together will resolve it as there is already a flow of fund from non-performing states to performing states.

State Director, KVIC submitted that for FY 2022-23, margin money has been disbursed in all cases except a total of Rs 13.68 Crores for 480 cases which are reflecting as referred back cases on PMEGP portal. PMEGP target is allotted by Ministry of MSME, Govt. of India and KVIC. Bihar (10,805) is 2nd pan India, next only to Uttar Pradesh (11,000), in terms of PMEGP Target for FY 2023-24. During FY 2022-23 the target was enhanced from 3,129 to 8,859 on the basis that the number of total applications to be submitted to banks would be 2.5 times of target. Last year banks have done well by doing 8,973 PMEGP loans and that any number beyond 15,000 will be a great achievement. He however, reiterated that banks should lodge the margin money claim latest by December so that, like last year, the margin money is released by KVIC. However, he reiterated that the target for FY 2023-24 be kept at 10,805 as already advised.

Hon'ble Finance Minister, Govt. of Bihar mentioned that both – ACS (Industry) and Director (KVIC) – have a common intent to have an enhanced PMEGP achievement in the interest of the State. So, it was finalized in the SLBC meeting that the PMEGP target for FY 2023-24 would be 15,154. The matter of providing margin money accordingly should be taken up with Ministry and KVIC by the Industries Department.

(iii) Stand Up India : Loans to 1,418 beneficiaries during FY 2022-23 and to 475 beneficiaries during FY 2023-24 (up to June 2023) have been sanctioned.

(iv) SHG : CEO JEEViKA said that a total of 26 FPOs / FPCs have been promoted by JEEViKA including the 10 FPOs of "pre-10K FPOs of GoI period". Out of 6 credit proposals of newly formed 16 FPOs submitted to banks, 4 credit proposals have been sanctioned. In remaining cases, credit linkage is expected by the end of September quarter.

(v) Digitalization : Arwal and Sheikhpura districts have achieved 100% digitalization as on 31.05.2023.

(vi) Districts with CD Ratio less than 40% : As on 31.12.2022, there were 5 districts with CD Ratio less than 40% whereas this number has come down to 1 as on 31.03.2023 and 30.06.2023. Now only Munger district has less than 40% CD Ratio. UCO Bank (Lead Bank in Munger) representative told that Topo Land and Khas Mahal issues are major hindrance in extending credit by way of land-mortgage.

8. Additional Chief Secretary, Industries made a presentation on the various schemes being implemented by Industry Department and highlighted the following points:

(a)PMEGP :

(i)The number of PMEGP loans sanctioned in a year in past many years has been a maximum of 2,800. But in 2022-23, banks have sanctioned more than 8,500 PMEGP loans which is a landmark achievement. He thanked banks for their cooperation in this regard. Further, he told that during current FY up to August, banks have already sanctioned 4,300 PMEGP loans which show that we are on our way to achieve the target of 15,000 which, if achieved, will be the highest achievement pan India.

(ii) During April – August 2023, DBGB and UBGB have achieved more than 50% of their targets, PNB, IOB and SBI have achieved more than 30% whereas BoB and UBI have done less than 20%. Canara Bank was among the top performers last year but has slipped among bottom banks this year. Representatives of BoB, UBI and Canara Bank assured that they will speed up and will achieve the target.

(iii) Public sector Banks have achieved 25% of their 2023-24 PMEGP target but performance of Private Sector Banks is very poor; they have done only 2.50% whereas their target is also very less; only 1,700. **Hon'ble Finance Minister, Govt. of Bihar** reiterated that private sector banks should take interest in mobilizing not only Govt. deposits but also in financing flagship Govt. schemes like PMEGP. At the response of ICICI Head, North Bihar, **Principal Secretary, Finance** emphasised that SLBC meeting should be attended by State Heads of banks with updated facts and figures.

(iv) Performance under PMEGP-II is not encouraging whereas, in this scheme, banks have the privilege to select applicants from their successful PMEGP borrowers. We need to focus on PMEGP-II as it is in consonance with objectives of the scheme which, inter alia, envisages to develop PMEGP units from Micro to Small and to Medium enterprises.

(b) PMFME : Bihar was not able to do much during first two years of the scheme. But, during 2022-23 banks did very well in PMFME and we became one of the 5 top States at national level. During FY 2023-24, the public sector banks and RRBs, which have together a total target of 8,902, have sanctioned 2,524 PMFME loans i.e. 28% of their target whereas the national average sanction is 16%. SBI, UBGB and DBGB have done well but private sector banks are lagging here also and have sanctioned only 53 loans. The cooperation from all banks is solicited so that the target of 10,000 could be achieved. PMFME is a big industrial sector scheme and is most suited for an agrarian state like Bihar and has a great potential of generating self-employment.

(c) Start Up : Industry Department, GoB is taking a lot of initiatives for Start Ups in Bihar and banks were requested to join the Start Up Ecosystem in the State. State Govt., with its own funding schemes, has created two co-working spaces --- one at Maurya Lok complex where 180 Start Ups are working and the other is at BSFC Building Frazer Road where there are 50 Start Ups. Banks may send their teams looking after Start Up portfolio and make presentation at these co-working spaces and extend loans to the needy & willing Start Ups. Funding is the main problem with Start Ups. Seed fund is provided by State but for scaling up, further funding is required.

(d) Upcoming Major Events : Industries Department, GoB is going to organize a mega Start Up event on 5th& 6th October 2023 at Patna wherein 22 States will participate. Banks may outreach to this event for exploring credit extension opportunities.

On December 13th& 14th, a Global Investors Summit will be organized by Industries Department, GoB at Patna in which National and International delegates will participate. Banks are requested to get associated with this Summit.

(e) Priorities of State Govt. and Industries Deptt. :The priority of State Govt. and Industries Deptt. in industrial sector is Textile and Leather, Food Processing and IT because these sectors have huge potential for generating employment and employment is focus area of the Govt. Industry Department is sharing with banks the list of those industrial units which are being allotted land in BIADA and have stage-I clearance so that banks may consider to extend credit facilities to these units.

(f) SARFAESI :If there is a unit situated in BIADA against which SARFAESI proceedings are on and the auction of assets is not getting materialized for want of takers, BIADA may take these assets through negotiated offer so that the land is freed. Banks may direct their teams looking after SARFAESI cases accordingly.

(g) Delay in sanction of loans : State Govt. is projecting Bihar as an "Investment Destination" and a pro and positive approach of bankers towards industry is a must for its success. Any inordinate delay in sanction of loans to units will defeat the purpose. So it is important to ensure that there are no unnecessary paper works and back and forth shuttling of loan proposals from branch to head office and vice versa. One proposal being handled by one of the banks was discussed which was pending for want of some undesirable information. GM of the concerned bank assured to look into the matter personally.

9. CEO, JEEVIKA mentioned the undernoted points before the SLBC :

(i) In July 2023, Bihar has achieved the milestone of 10 lakh Savings Bank Accounts of SHGs. He thanked to all banks for their cooperation in making this extraordinary achievement happen.

(ii) Banks have disbursed credit worth Rs 8,764 Crores to SHGs during FY 2022-23. Looking at this performance, Ministry of Rural Development, Govt. of India has given a credit linkage target of Rs 9,000 crores for FY 2023-24. This is very-very ambitious and challenging target in view of the fact that cumulatively a total of Rs 31,000 crore has been credit linked so far since inception in Bihar out of which Rs 9,000 crore was done in 2022-23 alone. However, JEEVIKA believes firmly that the target of Rs 15,000 crore is achievable with the cooperation of banks.

(iii) To achieve the aforesaid target, JEEVIKA has deposited around 63,000 credit linkage documents with banks during the 2nd quarter. To speed up disposals in camp mode, it has been decided, in consultation with banks, to hold camps on 25th August and 8th, 15th and 22nd September 2023. A detailed communication has already been sent to all banks in this regard.

(iv) JEEViKA is actively participating in Social Security Schemes i.e. PMJJBY and PMSBY and out of total PMJJBYs and PMSBYs done in the State during FY 23-24, 75% are those of JEEViKA SHG members. Upto Q1FY24, 62 lakh SHG members have been covered under PMJJBY and 68 lakhs under PMSBY whereas we have set targets of 75 lakh and 80 lakh respectively.

(v) To overcome operational difficulties and conserve time and effort involved in renewals every year, JEEViKA had done policy advocacy with RBI and NABARD to consider to issue PMJJBY and PMSBY policies for 3 years in place of 1 year. We have been informed by DFS that this has been accepted in-principle and detailed circular is expected to follow soon.

(vi) At the time of first time enrolment of PMJJBY and PMSBY policies, an incentive of Rs 30/- and Rs 1/- respectively is paid to resource persons. However, no incentive is paid on renewals whereas these also involve similar process, time and effort. A request was made to banks to consider it.

(vii) At the close of FY 2022-23, there were 5,000 Bank Sakhis and they had done total transactions worth Rs 10,500 crore. Under "One Gram Panchayat – One Bank Sakhi" campaign, more 3,000 Bank Sakhis are required. Major banks are requested to provide as many CSP points as possible. PNB has provided 700 CSPs and there is a similar expectation from SBI.

(viii) In initial phase, IDFC First Bank and Fino Payment Bank had given CSPs but these banking entities are not having branches in rural areas. So, banks are requested to cooperate in opening current accounts of these CSPs with their branches to facilitate the operations of these Bank Sakhis. Further, banks are requested to open these current accounts under "BC Cash Management" product otherwise Bank Sakhis will be burdened with 2% TDS on transactions chargeable under section 194(N) of Income Tax Act.

(ix) As already mentioned by Hon'ble Minister, Rural Development, RSETIs in Bihar have financed only 21% RSETI trained entrepreneurs whereas the mandate is 70%. Out of 38 districts, only 29 RSETIs are running in their own buildings and construction work has not yet started in 6 districts. The related Lead Banks advised that the construction work would start from 15th September 2023.

(x) SHGs are in existence in the State since a fairly long period and have gained maturity of functioning. So, to provide further financial assistance to SHG members for taking up individual activities, financing to individual members of SHG has been undertaken on pilot basis in 5 districts. During last 2-3 months, 240 individual SHG members have been financed by SBI, Indian Bank and UBGB. All banks are requested to promote individual financing.

(xi) As mentioned by Hon'ble Minister, Rural Development, Rs 1,50,000 is being given under PMAY to villagers for building dwelling units but many of these units are incomplete. In case these villagers are members of JEEViKA SHGs, SHGs are financing them in three variants -- Rs 30,000/-, Rs 40,000/- and Rs 50,000/- , to complete their houses. There is provision of institutional finance under PMAY and banks can go for it, especially in light of the fact that SHGs have a good repayment record— 98.50% in 2022-23 which has further improved to 98.60% during Q1FY24. MoU have been signed

with DBGB and Indian Bank for financing Rs 70,000 and Rs 1,00,000 respectively.

10. Further, **AGM (SLBC)** presented the following facts and figures through power point presentation before the Committee :

Highlights of FY 2022-23 and Q1FY2023-24 :

Schemes / ACP / CD Ratio	FY 2022-23	Q1FY2023-24
ACP	108.02%	29.32%
PMEGP (Sanctions)	100.27%	10.66%
PMFME	71.30%	6.06%
Stand Up India (Increase over corresponding period of last year)	246.70%	106.73%
SHG (NRLM/ JEEViKA)	117.54%	14.01%
APY	201.87%	32.82%
CD Ratio	55.64%	55.70%
No. of districts below 40% C D Ratio (6 as on 31.03.2022)	1	1

Looking at the sector-wise ACP achievement, **Hon'ble Finance Minister, Govt. of Bihar** said that it is good that overall ACP achievement is 29.32% at the end of Q1FY23-24 which is in line with Total ACP Target. However, the achievement under Agriculture (18.87%) is lesser and needs to be geared up.

During deliberations on CD Ratio, **Principal Secretary, Finance** said that the bar of lower threshold for comparison of CD Ratio among districts should be raised from 40% to 45%.

11. Secretary, Agriculture put forth the undernoted points before the Committee:

(i) The percentage-wise achievement of new KCC during 2022-23 has improved because the target has been reduced to 3.75 lakh from 8.75 lakh of 2021-22. The total no. of KCC disbursed under KCC is decreasing gradually – 19 lakh in 2020-21, 15.65 lakh in 2021-22 and 14.27 lakh in 2022-23. The KCC target should be increased both in terms of number and amount. Farmers are being suggested to grow commercial crops. State Govt. has come out with a Krishi Roadmap for the all-round development of agriculture sector in the State. We will be able to do activities like storage, processing etc. only after there is production. During FY 2022-23, 18 banks have done zero financing under KCC. The budget of Agriculture Department is Rs 4,000 Crores only and if banks' do not finance at least 3 times of it, it will not be possible to provide sufficient input to farmers for their desired progress. **Hon'ble Finance Minister, Govt. of Bihar** said that **Principal Secretary, Finance** may look into this.

(ii) While going through new KCC numbers of 2022-23, it is observed that 55,000 new KCCs have been financed by Punjab National Bank. Agriculture Deptt. has asked for details to ensure whether these are new KCCs or renewals but the response from PNB was still awaited. General Manager, PNB told that KCCs contain fresh new KCCs, annually renewed / reviewed KCCs and existing

KCCs renewed / issued afresh after their 5 year term. These are being segregated and required data will be submitted soon.

(iii) There are around 10,000 deaths every year in road accidents in Bihar. There is good provision in banks that their debit or credit cards carry free insurance facility ranging from Rs 2 lakh to Rs 50 lakh. Even the basic RuPay card has a Rs 2 lakh free insurance facility the only precondition is that there should be a transaction in 90 days. But the insurance amount is not being claimed, not even 50-100 instances a year, by the families of those who die in road accidents. This is mainly because there is lack of awareness about this facility among the cardholders. Banks are requested to make the cardholders aware of the free insurance facility. **Chief General Manager, SBI** told that we will launch an awareness campaign in this regard as soon as possible.

(iv) **Principal Secretary, Finance** said that earlier the performance of schemes related to Industries Department was below par but in recent time the department has endeavored systematically and now its performance is surpassing the targets. SLBC expects a similar performance turnaround of schemes related to Agriculture Department.

12. Speaking on schemes related to her department, Principal Secretary , Animal Husbandry & Fishery Resources (AH & F) highlighted the undernoted points :

(i) Animal Husbandry & Fishery sector, despite being a part of allied agri sector, is on the back seat. She requested to use the nomenclature "Animal Husbandry and Fishery" sector in place of 'Allied Agri' sector.

(ii) KCC for Animal Husbandry and Fishery is relatively a new product and there has been a negligible progress under it despite trying a lot for it. Under DFS drive for KCC to Animal Husbandry, a total of 1,99,810 applications have been generated out of which 1,88,931 have been accepted and 49,548 i.e. only 26.23% have been sanctioned and disbursement may be less than this. Similarly, under KCC (Fishery), out of a total of 10,169 applications, 9,681 have been accepted and 1,181 have been sanctioned. The performance can be far better because there is no collateral for loans up to Rs 1.60 lakh and for opportunities in this sector in a state like Bihar, sky is the limit.

(iii) The status of financing various State Govt. schemes of AH& F Department is almost nil. Due to non-performance of credit linked Govt. schemes, we are unable to increase plan size also.

(iv) She mentioned that camps are being organized and loan applications are being generated regularly. Banks were requested to honour these applications and in case of rejections or returns, their reasons should be mentioned.

Principal Secretary, Finance said that SLBC has Sub-Committee on Agriculture and on Animal Husbandry & Fisheries. The meetings of these Sub-Committee must be convened regularly and related issues be discussed in detail therein. It has been experienced that the schemes having good repayment record attract more financing. So, the concerned department may look at this aspect and push efforts for recovery also.

13. Coverage of MSME loans sanctioned under AHDF for Credit Guarantee : This agenda has been included at the request of NAB Sanrakshan, a NABARD subsidiary. The objective is to bring the scheme to the notice of all stakeholders and sensitize them to finance under the scheme. The credit guarantee cover under the scheme is available up to 25% of the credit facility with a cap of Rs 25 crore. Chief General Manager, NABARD told that NABARD doesnot have information whether any loan has been sanctioned in Bihar under the scheme.

14. NPAs : There is gradual improvement in NPA level of banks. **Principal Secretary, Finance** said that tallying Register IX with Register X is a must to ascertain the correct status of pending Certificate Cases. This has been taken as a drive by State Govt. and it is being monitored at state level by Finance Deptt. and Revenue Deptt. Banks, especially, those with high NPAs, must take interest in updating status of certificate cases. SARFAESI cases are being monitored at highest level by the Chief Secretary.

15. Social Security Schemes : **Principal Secretary, Finance** said that banks should look into issues related to making period of insurance policy under PMJJBY and PMSBY from 1 to 3 years and payment of commission on renewals also. **Chief General Manager, SBI** said that in SBI we have already referred the matter of increasing insurance period to our Corporate Centre. We will refer the matter of payment of commission on renewals also and will proceed as directed by our Corporate Centre. **Hon'ble Finance Minister, Govt. of Bihar** said that since every stakeholder in the Committee feels that the tenure of insurance should be increased under PMJJBY and PMSBY, we will refer the matter to DFS, Govt. of India accordingly from State Government level.

16. 100 days – 100 Pays: **RBI** has launched this campaign for the period 1st June to 8th September 2023 with an objective to reduce unclaimed deposit in the banking system to return such deposits to their actual owners / claimants. The target under the campaign is to trace and settle at least 100 unclaimed deposits by each bank in each district but SLBC has received data from SBI and 4 more banks only. **Chief General Manager, SBI** said that yet the required progress is to happen under this campaign. We are facing challenges as many of the unclaimed deposit accounts have no complete address or mobile numbers. We are taking the help of Mukhiya and Gram Panchayats to trace them. The campaign has started gaining momentum and we are hopeful of having desired results.

17. Credit Outreach Campaign in Credit Deficient Districts : In order to increase credit outlay and improve CD Ratio, a Credit outreach Campaign has been launched for 90 days w.e.f. 01.07.2023 at the instruction of DFS in 5 districts, namely Arwal, Jehanabad, Munger, Nalanda and Saran. During July 2023, loans worth Rs 330 crores have been sanctioned to 8,942 borrowers under the campaign.

18. Fintech Adoption : The rapid advancement of technology has given rise to Fintech (Financial Technology) Industry and has opened a world of opportunities for Financial Inclusion, Digital Payments, Microfinance & Lending, Investment & Wealth Management. However, these opportunities come with their fair share of challenges like compliance to regulatory framework, cybersecurity, data privacy, infrastructure and connectivity and digital & financial literacy. The objective of

including this agenda at the request of RBI is to sensitize the stakeholders about the opportunities as well the inherent challenges.

19. SVAMITVA (Survey of Villages Abadi & Mapping with improvised Technology in Village Areas) : SVAMITVA is a central sector scheme launched by Ministry of Panchayati Raj and the State Revenue & Land Reforms Department is the Nodal Department for its implementation. It is a reformative step towards establishment of clear ownership of property in rural inhabited (Abadi) areas by mapping of land parcels using drone technology and providing records of rights (property cards) to village household owners. This will bring financial stability to the citizens in rural India by enabling them to use their property as a financial asset for taking loans and other financial benefits. **Secretary, Revenue & Land Reforms** said that this scheme is not being implemented in Bihar because it is basically for Abadi areas. In Bihar, the survey is being done for rural areas and Abadi areas exist in rural areas unlike other States where rural areas and Abadi areas are separate and have separate records of land-rights. **Principal Secretary, Finance** clarified that what this scheme envisages to do now in other States is already being done since long in Bihar.

20. Opening / shifting Bank Branches & ATMs in Panchayat Sarkar Bhavans : Speaking on issues related to his department, **Additional Chief Secretary, Panchayati Raj** said that under One Panchayat – One Bank initiative, the 1st phase i.e. consolidation of banks accounts with 8 banks has been completed. In 2nd phase Panchayati Raj Department aims at providing 'Ease of doing business in Panchayats' and will invite these banks, having panchayats' accounts with them, to open a bank branch in the related Panchayats. There are 1,496 Panchayat Sarkar Bhavans which are operational where these banks will be offered space to open / shift branches / install ATMs. The offer will be made first to the bank having the accounts of the Panchayat and if it does not turn up, the opportunity will pass on to other banks. Here banks have a good business opportunity of amassing funds of not only Panchayati Raj but also of many other departments like REO, Agriculture, Revenue, Social Welfare, Rural Development etc.

21. Secretary, Revenue & Land Reforms made a brief presentation on Encumbrance Portal. He highlighted the undernoted points of this facility for the knowledge of the top bankers participating in SLBC :

(i) When the Bhoomi Portal was developed there was a demand from banks in SLBC that it should have the facility of recording the charges of banks to prevent multiple financing. So, Revenue & Land Reforms Department developed this facility wherein banks, on account of giving a loan, can mention their charge on any plot of land across around 4.50 crore Jamabandis available on the portal. It is an OTP based portal.

(ii) Banks have been given access to the portal at three levels – their State level Head Offices, Zonal / Regional Offices and Branches. Revenue & Land Reforms Department is Super User and, upon receiving credentials from banks, will create the User ID of State level Head Offices which have been given the capability to create User IDs of Zonal / Regional Offices and Branches. Zonal / Regional Offices also have the authority to create User IDs of Branches on the portal.

(iii) A branch can enter its encumbrance against any Jamabandi and save the entry after which it will be visible to everyone who opens that Jamabandi record.

(iv) The user document of the portal has been shared with the banks but the portal is being used by only a few banks. As on date, only 2,236 User IDs have been created by 12 banks whereas there are more than 8,000 bank branches. Around 3,000 encumbrances have been noted on the portal so far.

(v) Banks are requested to sensitize their branches and make the most out of this facility. Requests for any query / guidance or suggestion for any improvement or provision of any additional functionality is always welcome.

Hon'ble Finance Minister, Govt. of Bihar directed that all banks should identify a Nodal Officer for the Encumbrance Portal at State Heads Office level and intimate SLBC. SLBC will organize a sensitization meeting / workshop of these nodal officers wherein officials from Revenue & Land Departments will also participate.

22. Financing against e-NWR : Negotiable Warehouse Receipt (NWR) system has been set up in the country by Warehouse Development & Regulatory Authority (WDRA). The objective of NWR system is to provide farmers the facility to store their produce in scientific warehouses and avail bank finance against pledge of NWRs. This will help them avoid distress sell during harvest season and help discover best price for their produce afterwards. Presently, e-NWR is the only negotiable warehouse receipt in the country and IBA has issued an advisory to consider pledge finance against the e-NWRs issued by warehouses registered by WDRA. Banks can see the e-NWR on the repository system and also mark lien. Banks are requested to consider financing against the pledge of e-NWRs.

23. During his address to SLBC, **Shri Sanjeev Dayal , Regional Director, RBI** highlighted the undernoted points :

(i) CD ratio of Bihar has improved from 52.83% in June 2022 to 55.70% in June 2023. However, the CD ratio of the State continues to remain below the national average. Additionally, over the last two years, the number of districts with CD ratio below 40% has reduced from 16 to just 1 district i.e. Munger.

(ii) ACP achievement during FY 2022-23 was 108.02%, whereas for the quarter ended June 2023, it stands at 29.32%, which is an improvement compared to the similar period of previous year.

(iii) The reduction of Non-Performing Assets (NPA) from 11.30% in March 2022 to 9.05% in June 2023 is commendable. Despite this reduction, the NPA remains considerably high, especially in the agriculture sector, where it has surpassed 21%. To address this, banks should exercise prudence in lending and enhance their recovery mechanisms. PSU banks and RRBs with higher NPA levels should intensify their recovery efforts and collaborate with district administration to minimize the number of certificate cases.

(iv) Bihar has overtaken Tamil Nadu to emerge as the State with the highest micro-lending borrowings by achieving growth of 13.5% Q-o-Q in the gross lending portfolio as of March 2023. The overall MFI

borrowings in Bihar stood at ₹48,900 crores which represents 14.50% of the nationwide MFI portfolio.

(v) An All-India Financial Literacy quiz for students in classes VIII to X of government and municipal schools was organized across all the blocks of Bihar. In the quiz, more than 5,578 students from 2,789 schools participated where they got the opportunity to get acquainted with the various aspects of financial sector. State Level Quiz was held on July 12, 2023. It was won by team from Khagaria district which will represent Bihar at the Zonal Level Quiz in Kolkata on September 04, 2023. RBI expresses its gratitude to all LDMs, DEOs and stakeholders for their contributions in this successful event.

(vi) In order to promote financial inclusion, a project named as 'Expanding and Deepening of Digital Payment Ecosystem' has been launched in which so far, three districts namely, Jehanabad, Arwal and Sheikhpura have been 100% digitalized. Now, the goal is to achieve complete digitalization across all districts. Cooperation is solicited from the Government, Banks and SLBC in creating awareness about the benefits of using digital products among the public at large to make the State 'e-बिहार'.

(vii) '100 Days 100 Pays' campaign, initiated on June 01, 2023, and concluding on September 08, 2023, aims to trace and settle the top 100 unclaimed deposits of every bank in each district of Bihar. Top 71 unclaimed accounts in Bihar amount to ₹42 crores out of which there are 47 government accounts amounting to more than ₹32 crores. With the collaboration and support of Government and SLBC, the banks would make this campaign a success.

(viii) RBI, Patna recently conducted a Frontline Managers' Conference aimed at providing inputs for conceptualization of next version of National Strategy for Financial Inclusion (NSFI 2.0). The inputs and suggestions gathered from the various stakeholders including MSME, SHG, Corporate BCs were shared with RBI Central Office for setting up of goals and impactful policy changes under NSFI 2.0

24.Dr. Sunil Kumar, Chief General Manager, NABARD addressed the SLBC and mentioned the undernoted points :

(i) ACP achievement as on 30 June 2023 under Priority Sector is 23.50% (Agriculture – 18.90%, MSME- 28.80%, OPS – 22.20%). We hope that the achievement under Agri sector will increase in subsequent quarters.

(ii) There are 164 lakh operational land holdings in the state out of which no. of KCC outstanding accounts is 40.45 lakh i.e. 25 % farmers are covered by KCC. Further, during the year 2022-23, only 14.27 lakh KCC accounts were disbursed. Thus, as on 31.03.2023 only 9% farmers (having operational land holding) are having active KCC in the state. All banks are requested to make efforts to cover more no. of new farmers (especially SF/MF) under KCC.

(iii) Crop production, horticulture, and Allied Agriculture activities like Dairy, Poultry, Goat rearing and fisheries have immense scope in Bihar. These activities create not only sustainable employment opportunities for unemployed rural youths but also provides streams of additional income. All major banks in the state are requested to finance at least 5 such units per branch as Agri Term Loan (ATL) in the current FY.

(iv) Small and marginal farmers and share croppers are most vulnerable to the adverse effects of climate change and the impact is severe in Agriculture and Allied Sectors. Therefore, there is a need for adoption of various Climate Resilient Agriculture Practices which would result in conservation and sustainable utilization of natural resources. Integrated Farming System is one of the possible practices which can address climate risks and enhance income of farmers.

(v) Financing to Agri Start-ups, Agriculture Value Chain, application of Drone in Agriculture and Climate Financing are some of the important emerging areas for financing by banks in the state.

(vi) There are 356 registered FPOs, promoted under Central sector Scheme (CSS), of which 122 FPOs have availed Equity Grant Assistance from Small Farmers' Consortium (SFAC). These FPOs are at matured stage and eligible for financing by banks. Apart from CSS, there are total 871 registered FPOs in Bihar promoted by various agencies viz. SFAC, NABARD, Agri Department, NAFED, NCDC, JEEViKA etc. including 227 by NABARD. More than 60 FPOs promoted by NABARD are ready to be credit linked. **SBI** has recently conducted an "**FPO Connect**" programme to increase their outreach to FPOs. NABARD appreciates this initiative and requests other Banks to take up similar initiatives.

As on date, no FPO in Bihar has availed Credit Guarantee facility from NABSANRAKSHAN, a subsidiary of NABARD. Banks are requested to provide credit linkage to matured FPOs and avail the facility of credit guarantee for loans given to FPOs.

(vii) Bihar has the highest micro lending borrowings in terms of Gross Loan Portfolio of MFIs with an annual growth rate of 13.5%. MFI's average exposure per borrower in Bihar is Rs.27,200 and most of the MFI borrowers are small and marginal farmers, rural women, local traders, small retail shop owners, etc. This reflects that the credit demand exists in rural areas and banks may tap the potential by increasing KCC, KCC- AH/ Dairy/ PM Svanidhi loans etc.

25.In his address to the Committee, **Hon'ble Minister, Industry Shri Samir Kumar Mahaseth** expressed his opinion on various topics which is summarized below :

(i) Hon'ble Minister appreciated banks and State Govt. for showing all-round improvement in performance and exhorted them to continue good work, avoid complacency and surpass the FY 2023-24 targets well in advance.

(ii) He complemented banks for accepting a challenging target of 15,000 in PMEGP and mentioned that like last year, banks will achieve 100% of target this year too.

(iii) Hon'ble Minister mentioned that Bihar is an important state of the country and the country cannot prosper without the prosperity of Bihar. Bihar has overcome its tethering days; Bihar is changing, tweaking its priorities, wanting to change from "Upbhokta Ka Bihar" to "Udyami Ka Bihar". Bihar Govt. is trying hard for this. Top officials of Industries Department are visiting every district frequently to oversee that things are moving in right direction.

(iv) Govt. is promoting start ups with Rs 500 Crores under Start Up Policy. In a period of only 6 months, 433 Start Ups have been groomed. We are allotting land in BIADA within 15 days

an Industrial unit applies for it. Entrepreneurship is being promoted in a big way. The State Govt. has extended financial help of Rs 10 lakh each to more than 30,000 entrepreneurship, interest payable on Rs 5 lakh portion only and for women, there is no interest. The vision is to see that footprints of industry reach districts and even villages and the shops all around are filled up with products "Made in Bihar". Cooperation of banks is highly solicited in realizing this vision of Bihar.

26.Hon'ble Finance Minister, Govt. of Bihar, Shri Vijay Kumar Choudhary included the following points in his concluding remarks :

(i) As pointed out by various State Govt. Departments, the Private Sector Banks are not considering the priorities of the State Govt. whereas the State Govt. is taking care of their priorities and urged the private banks to pay due attention to financing under Govt. schemes and programmes and that in next SLBC they would come out with good numbers.

(ii) Hon'ble Minister made it a point that State Heads of Banks must participate in SLBC meeting as it is the highest forum and also the top State Govt. officials participate in it. A prior communication be made and consent be obtained in case a State Head of any bank is unable to attend the SLBC meeting.

(iii) Lead Banks must call for the minutes of BLBC / DCC meetings held in their lead districts, review them with their LDMs and submit a synopsis of review to SLBC and Finance Deptt., Bihar with feedback on any intervention required by State Govt. for improvement.

(iv) The banks with lower performance should have an introspection and review of their low performing branches and take immediate remedial steps.

He thanked all the participants for the successful conduct of SLBC meeting.

27.At the end, **Shri Shailendra Singh Taragi , General Manager (SBI) and Convener, SLBC** extended vote of thanks to all the participants. He assured the Chairperson, SLBC, on behalf of all member banks, that the guidance and advices received will be put into action and no stone will be left unturned to achieve 100% of the ACP target.

= 0 = 0 = 0 = 0 = 0 =

SLBC BIHAR

85TH& 86TH JOINT QUARTERLY MEETING DATED 30TH AUGUST 2023

ACTION POINTS

1. Aligning to the priorities of State Govt., Private Sector Banks must augment their financing under various Govt. sponsored schemes and achieve targets allotted to them

[Action : All Private Sector Banks]

2. Lead Banks should conduct quarterly meetings with their LDMs and review the overall performance of their lead districts and minutes of BLBC, DLCC and DLRC meetings held during the quarter. A synoptic report on the review done should be submitted by them to SLBC which may, inter alia, contain feedback on action / intervention required, if any, at SLBC / State Govt. level.

[Action : All Lead Banks]

3. The performance review of 3-4 low performing banks and districts should continue to be carried out by Finance Department, GoB.

[Action : Finance Deptt. GoB]

4. Banks should review the performance of their low performing branches of those districts which are having low CD Ratio and low ACP achievement and initiate remedial measures.

[Action : All Banks]

5. Lead Banks to ensure timely conduct of BLBC, DCC and DLRC meetings. Member Banks to ensure that their designated representatives participate invariably in these meetings.

[Action : All Lead Banks and All Member Banks]

6. Register IX & Register X must be tallied at regular intervals.

[Action : All Banks, LDMs & Revenue & Land Reforms Deptt.]

7. A check list for making loan applications under Govt. Sponsored Schemes be prepared and circulated.

[Action : SLBC , Lead Banks and concerned Govt. Departments]

8. A workshop should be organized for Nodal Officers of banks on “Encumbrance Portal” for their sensitization and awareness about the portal.

[Action : SLBC & Revenue & Land Reforms Deptt.]

9. The total target for FY 2023-24 for PMEGP will be 15,154 (physical) which may be distributed bank-wise district-wise in consultation with banks.

[Action : All Banks, SLBC & Industries Deptt.]

10. As the total target fixed in SLBC is more than the target advised by KVIC, the matter may be taken up with Ministry of MSME, Govt. of India / KVIC for release of margin money accordingly.

[Action : Industries Deptt.]

11. Credit Cards & Debit Cards offer free life insurance benefit in case of accidental death of the primary card holders but this benefit is seldom claimed due to lack of awareness among the cardholders. Banks should spread awareness about this facility in a campaign mode.

[Action : All Banks]

12. SLBC Reports should also contain information / data on number of applications received, returned, rejected, pending, reason of return beside sanctions and disbursements.

[Action : SLBC]

13. Meetings of SLBC Sub-Committees on Animal Husbandry and Fisheries and Agriculture should be convened at quarterly intervals.

[Action : AH & F Deptt. And Agriculture Deptt.]

14. The matter of issuing PMJJBY and PMSBY policies for a period of three years in place of existing system of one year should be taken up with Central Govt.

[Action : Finance Deptt. , GoB]

15. “100 Days - 100 Pays” campaign has been launched by RBI with an objective to reduce unclaimed deposits in the banking system. Out of top 71 unclaimed deposit accounts, 47 are Govt. accounts.

[Action : SLBC, Banks, Finance Deptt., GoB and RBI]

16. All branches of all SLBC member banks should finance at least 5 Agriculture Term Loans (Dairy, Fishery, Poultry, Goatry, Horticulture etc.) during FY 2023-24.

[Action : All Banks]

17. As SLBC is the highest forum at state level, State level Heads of banks should participate in SLBC meetings.

[Action : All Banks]

= O = O = O = O = O =