

**MINUTES OF THE STATE LEVEL BANKERS' COMMITTEE MEETING, ASSAM, FOR
MARCH, 2019 QUARTER, HELD ON 05.07.2019 AT ASSAM ADMINISTRATIVE STAFF
COLLEGE, KHANAPARA, GUWAHATI**

The State Level Bankers' Committee Assam met for the quarter ended March, 2019 on the 5th July, 2019 in the Assam Administrative Staff College, Khanapara, Guwahati. The meeting was co-chaired by Shri Rajiv Kumar Bora, IAS, Additional Chief Secretary, Finance Department, Government of Assam and Shri Sunil Kumar Tandon, Chief General Manager (CGM), SBI NE Circle Guwahati. It was attended by the senior officials of RBI, NABARD, Banks, Financial Institutions and Government line departments.

The following dignitaries were present in the meeting-

1. Shri. Samir Kumar Sinha, IAS, Principal Secy, Finance Department, Government of Assam
2. Shri Neeraj Varma, IAS, Principal Secy, Urban Development Department, Government of Assam
3. Shri Rajesh Prasad, Principal Secretary and Agriculture Production Commissioner, Government of Assam
4. Shri S S Saha, Chief General Manager (CGM), NABARD
5. Smt. Binita Topno, Deputy General Manager (DGM), Reserve Bank of India
6. Smt. Tamanna Mooshahary, Assistant General Manager (AGM), Reserve Bank of India

Sri. Sudhir Kumar Sharma, GM (NW-I), SBI, opened the March, 2019 SLBC meeting for Assam by greeting the guests, representatives and everyone present in the conference hall.

Shri. Sunil Kumar Tandon, CGM, SBI, greeted the guests, representatives and participants in the meeting. He observed that CD ratio in some of the Districts are continuously low and improvement is not yet visible despite DCC/DLRC meetings being held for Dec, 2018 quarter in all these districts. He expressed his hope for a better CD ratio in these districts in the next SLBC.

During the Financial Year 2018-19, the Banks had achieved 94% of the ACP target. The crop loan has shown a positive growth mainly due to the initiatives taken by the Government of Assam to unclog the credit flow to farmers. However, Agricultural sector as a whole has not been able to mark a positive trajectory necessitating the focus on investment credit in this sector.

The priority sector loans stand at 61% of the total advances with 26% YOY growth. He pointed out that Agriculture has remained a matter of concern and needs more focussed attention. He stressed on the total eco-system involving

Agriculture and agro-centric activities for doubling of Farmers' income by 2022 as envisaged by honourable Prime Minister. He stressed on backward and forward linkage in the production chain, promoting supply and demand side, promoting agro-based industries, identification and notification of potential Agricultural cultural cluster areas, promotion drive for ancillary activities and animal husbandry etc. based on a total value chain concept in a cluster wise approach.

He announced that all the unbanked villages identified by RBI and DFS have been successfully covered in the state but appealed for extending Social Security Schemes and financial services to the majority of public. With the thrust on MSME, growth of MUDRA loan is an indication that the state is conducive to growth and is in a positive trajectory. He also appealed for data integrity and accuracy in the SLBC portal as the same has been made EXCEL compatible.

Shri Rajiv Kumar Bora, IAS, Additional Chief Secretary, Finance Department, Government of Assam, in his address acknowledged the progress made by the Banks and thanked the bankers for their assistance and also for being a part in various government schemes. He acknowledged the progress made in schemes like Interest Relief Schemes however, reminded the banks that there is still scope for improvement. Therefore, he requested the banks to keep up the momentum this year as well. He stated that Agriculture continues to be the fulcrum of economy and the priority of both the State and Central Government

He expressed the concern over the low CD Ratio, low loan disbursement rate in priority sector schemes in some districts and reminded the banks of the need to improve upon priority sector lending. In SVAYEM also, the loan sanctioned and disbursed is hardly 10% of the application received. Considering all these, he asked the under-performing banks to improve their performance backed by a definite action plan. He requested all the banks to submit a definite action plan and submit it to SLBC. **(Action point- All banks & SLBC)**

He suggested for wider coverage of financial inclusion as every Government sponsored schemes are going to be implemented in DBT (Direct Benefit Transfer) in future and so Aadhar seeding needs to be encouraged. As observed in the past, insurance premium could not be debited for PMJJBY and PMSBY due to lack of minimum balance in PMJDY accounts. He therefore asked the banks to find out the ways to resolve the issue. **(Action point- All banks & SLBC)**

In the budget, it was announced that Government will pay the premiums on behalf of the tea garden farmers in these insurance schemes. Aspirational districts will continue to be priority area for the State as well as Central Government and it was an agenda item during the recently concluded Chief Ministers' meeting chaired by honourable Prime Minister. He requested the banks therefore to gear up and work upon wherever intervention by banks is required in the 49 indicators of Aspirational Districts.

(Action point- All banks & SLBC)

He also raised the issue of low staff strength in many of the banks' branches in some of the aspirational districts and requested the banks to ensure that the branches are properly staffed as many of the Government schemes are rolled out through banks.

(Action point- All banks & SLBC)

AGENDA PRESENTATION: by Mr. Satyabarta Mishra, AGM, SBI and discussion thereon:

The previous minutes were adopted without amendments.

Thereafter Shri Neeraj Verma, Principal Secretary, Urban Development Department flagged on two important issues.

1. He expressed concern over poor performance of PMAY and appealed to complete the target with support of 'Credit linked subsidy scheme for PMAY' to the beneficiaries.

2. He also stated that in NULM, SHGs are facing difficulties and having very poor linkage status with 423 out of 1897. He suggested for convergence of MUDRA loans with DAY- NULM for benefit of Interest subvention.

CGM, SBI, appealed all Banks to emphasize on PMAY and PMMY convergence through instructions to the ground level functionaries, as subsidy element reduces EMI, both beneficiaries and bankers are benefitted.

Smt. Nandita Hazarika, Director, ASRLM flagged the issues of NPA list and requested Banks to separate SHG linkage in three categories (NRLM, Non-NRLM & Mixed SHG linkages). CGM, SBI requested the Banks to assist ASRLM by providing them the SHG-linked saving account list. **(Action Point- All Banks)**

Answering to disposal of ASRLM proposals, he also suggested that timely submission of the documents at one go will help in speedy disposal of pending application. **(Action Point- ASRLM)**

The Action Taken Reports of last SLBC were discussed and accepted with some of the observations enumerated below.

Responding to submission of common format by IBA, NABARD said they do not have any such IBA approved format for KCC and agreed that the formats approved by individual banks will serve the purpose.

The identified Banks like IDBI, KMB, UCO, UNI banks have confirmed on making efforts for improving the CD Ratio eg. UCO bank by forming Credit Camps to improve the CD Ratio, UNI by concentrating on improving the PMMY, Agriculture loans & retail portfolio to improve the CD Ratio. Other banks are yet to submit any roadmap.

(Action Point- ANB,PSB,SYN,YES,SIB,CBI,FED, BOB)

Officials from RBI observed that CD Ratio subcommittee meetings in the Districts are not held in right spirit and road maps are not recorded. However these districts are required to submit a monitorable action plan to RBI. Shri Bora advised the SLBC to chart out a holistic plan as well as a bank-wise plan to bring CD Ratio upto 60% CD.

(Action Plan- All LDMs and SLBC)

It was observed by the Government officials that despite Government introduced debt relief schemes no fresh sanction in Agriculture has gained momentum. With regards to SVAYEM also, the performance is low.

Shri Rajiv Kumar Bora, IAS, Addl. Chief Secretary, Finance Department, Government of Assam, proposed that for data for the entire priority sector and Government sponsored schemes, the respective line departments to reconcile/review and verify the figures/records at their end with those main implementing banks in a meeting within one month's time.

(Action points- Concerned Government Departments & SLBC)

Durgesh Pandey, GM, SIDBI, said that to solve the problem of delay, SIDBI has launched loans-in-59 Minutes scheme. He said that any loan above Rs 1.00 Lakh to 5.00 Crores can be put under this and banks to use the platform.

CGM, SBI lauded the scheme, he however, mentioned 3 areas of operational concern/challenges:- firstly requirement for income tax, PAN no.etc, secondly requirement for GST No. and thirdly availability of minimum 6 months' transaction history in any bank. There are challenges faced by prospective borrowers in making these documents available.

Officials from RBI expressed that data integrity to be ensured before conducting any DCC/DLRC meetings, as per the revamp of Lead bank Scheme.

(Action Point- All Banks)

Agriculture Department expressed the flow of credit to KCC and Agriculture is continuously coming down. He found the fixation of target being improper. Majuli-like district has been allotted a target of 7000, South Salmara- 10,000 where as last year disbursement was only 192. He asked the Banks without KCC to come up to a respected level to have a turnaround in KCC. 12 Banks were below 8% total advance to agriculture sector were expected to improve upon.

(Action Points- KBL,KMB,PSB,ANB,JSF,BOM,AXIS,OBC,FED,BOB,APEX,INDUS)

In PMFBY, a flagship scheme of the Government the achievement of Assam was very poor showing only 54014 last year. The house was informed that State Government is now ready to pay 2% premium share of farmers to encourage PMFBY. Shri Bora, Addl. Chief Secretary, Finance Department informed the house that PMO and NITI Aayog are monitoring over 49 indicators including KCC and PMFBY for Aspirational Districts on daily basis. He suggested that Banks

should cover all the KCC farmers under PMFBY, which will help the Banks to fight NPA at the time of natural calamities.

(Action point- All Banks)

The contact details of the nodal officers for each bank have been sent to the Industries Department to be displayed in their portal. However Industries Department was requested to respond. Information on conduct of workshops & sensitisation programmes by MSME & Industries Department, Government of Assam is yet to be received by SLBC. Addl. Chief Secretary Finance Department, asked the MSME department to pursue the drive and monitor over its conduct.

(Action Point- MSME & Department of Industries, Government of Assam)

It is observed that 22 Banks are yet to update the Bakijai information in the SLBC portal. Since it is in the interest of the Banks they are advised to update their data base on priority sector NPA and Bakijai cases and take up the matter with the respective DCs. CGM, SBI urged the Banks to update their Bakijai status and to take up with District Authorities to prevent their mushrooming NPA figure.

With regard to ACP performance, there is a overall 94% achievement out of target set for the year, whereas Agriculture achievement is pegged at 52% in FY(2018-19) from 59% in the previous year. which needs to be paid attention. Shri Bora expressed to take a review on the trend in the Crop sector for at least five years.

(Action Point- SLBC)

Banks like Dena, Axis, KMB and YES Banks have reported Nil figures in the current year sanction in the portal which has impacted the growth level in the Prime Minister Mudra Yojna. CGM Shri Tandon advised that any NIL figure in valued parameters is not acceptable.

KVIC Director, Mr. Deb brought to the notice of the house that PMO has given 100 days of MOC for KVIC. As seen last year, there are 9 banks whose participation is Zero. The PMEGP portal is showing 1479 application pending, awaiting clearance from Banks.

CGM, SBI suggested the Banks to give 2nd loan if any borrower is found eligible. He also requested the KVIC to forward the names of eligible borrower for a PMEGP 2nd loan.

(Action Point- KVIC)

AGM, SBI informed that various uncovered villages identified by DFS and RBI have already been covered and there are now no uncovered villages in Assam either in 'villages with population above 5000' or 'Villages with population less than 2000'.

Regarding RSETIs in Assam, CGM, SBI requested the banks to finance the RSETI trained people who have developed and equipped skills. It was brought to the notice of the House that RSETI building in Udalguri has been occupied by the SSB defence personnel for quite sometime and not being vacated citing different reasons like NRC survey, Election etc. It was informed that a letter submitted to

the Chief Secretary is yet to be answered. Addl. Chief Secretary has assured to look in to the issue.

CGM, SBI raised the issue of low RSETI credit-linkages in some districts like- Udalguri (1%), Morigaon (3%), Golaghat(1%), Lakhimpur (0%) , Sibsagar (3%) etc. as banks still fail to extend credits even to the RSETI trained persons, which should be looked into.

(Action Point- The DCs of the concerned District/All Banks)

Interest Subsidy Eligibility Certificate (ISEC) Programme of KVIC- was discussed. On the recommendation by KVIC, the working capital requirement of the 17 Khadi Institution, functioning in Assam will get Interest subsidy. The KVIC assured to circulate the guidelines.

NABARD also talked about the restructured National Bamboo Mission of the Government of India where Forest Department will be the implementing and Nodal Department with a committee under the chairmanship of Chief Secretary. The circulars are to be circulated among the member banks and departments.

NABARD requested the banks to ensure that the sectoral targets in the Annual Credit Plan (ACP) are in line with the one as per the Credit Potential Link targets set by NABARD. SIDBI also informed that with support from EU, SIDBI has adopted SWITCH ASIA PROJECT- a Mission on bamboo in 9 states including Assam. Stand up India-

Shri Gauri Prasad Sharma, GM, UBI raised one issue of deteriorating service condition of BSNL that is affecting the functioning of branches and requested for necessary intervention.

Shri Susant Kumar Sahoo, DGM, SBI, SLBC Assam concluded the meeting with a vote of thanks.