

**DRAFT MINUTES OF THE STATE LEVEL BANKERS' COMMITTEE MEETING, ASSAM FOR SEPTEMBER & DECEMBER 2019 QUARTERS, HELD ON 15.02.2020 IN THE CONFERENCE HALL OF CHIEF SECRETARY, ASSAM, BLOCK-C, 3<sup>RD</sup> FLOOR.**

**List of officials is enclosed at Annexure-I.**

The State Level Bankers' Committee, Assam met for the quarters ended September 2019 and December 2019 on 15<sup>th</sup> February 2020, in the Conference Hall of the Chief Secretary, Assam. The meeting was co-chaired by Kumar Sanjay Krishna, IAS, Chief Secretary, Assam and Shri Sunil Kumar Tandon, Chief General Manager, SBI, North East Circle. It was attended by the senior officials of RBI, NABARD, Banks, Financial Institutions and Government line departments. The following dignitaries were also present in the meeting-

1. Shri Samir Kumar Sinha, IAS, Principal Secretary, Finance Department.
2. Shri Rajesh Prasad, IAS, Principal Secretary, (Agriculture, Irrigation Department & APC).
3. Shri S.S. Saha, Chief General Manager (CGM), NABARD.
4. Shri Sudhir Kumar Sharma, General Manager, Network-I, SBI, North East Circle.

**Kumar Sanjay Krishna, Chief Secretary, Government of Assam**, welcomed everyone participating in the quarterly SLBC Meeting. He made the following observations:

1) **Financial Inclusion:** There is a tendency to open bank branches mostly in commercially viable areas only. RBI guidelines are not followed strictly. In financial inclusion, it is only 5-10% unlike 95% in developed countries. He expected the Banks to extend banking facilities to the rural areas.

**(Action Point SLBC- To put up the report of inadequately covered village)**

2) **Subsidy Schemes:** Many subsidy schemes of the State and Central Government are not implemented properly. Banks need to ensure that 90% of the subsidy released by the State Government reaches the targeted beneficiaries within 6 Months.

**(Action point- All Banks)**

3) **Micro Finances:** Many of the Micro Finance Institutions (MFIs) are not properly following RBI guidelines which unless corrected in time, will compel the Government to adopt some legislation to bring in line. **(Action point- All MFIs)**

**Shri Sudhir Kumar Sharma**, GM (NW-I), SBI, in his opening remarks, welcomed all the participants and advised that due to unexpected circumstances the SLBC Meeting for September 2019 could not be held in time.

He thanked the State Government for launching subsidy schemes in the areas of Agriculture, Education (Abhinandan), Housing (Aponar Apon Ghar) which helped the Banks to perform better in these areas.

He advised that in pursuit of Financial Inclusion goals, it is being ensured to cover all rural areas especially Tea Gardens through Customer Service Points (CSPs), Mobile ATMs, installation of ATMs at new locations, within a reasonable timeframe as desired by the Chief Secretary, Government of Assam.

He also mentioned that the country's GDP growth is expected to be around 4.50% caused by global economic health and widespread unstable economy. He opined that a fundamentally strong and robust economic growth with an inclusive element will help to sail through such testing time of the economy. He noted that State Government has supported construction sector by extending home loan incentive in the form of front-end subsidy scheme as Aponar Apon Ghar Scheme and financial support to education loans sanctioned to students in Assam as Abhinadhan Scheme. So far, the Banks have approved subsidy application for 318 housing loans and 1544 Education Loans.

**Shri Samir Sinha**, IAS, Principal Secretary, Finance Department, advised the house that State Government has kept a budgetary provision of Rs. 250 Crores for 10,000 housing loans.

GM (NW-I), SBI pointed out that RERA approvals was a bottleneck in the desired growth in home loans during 2019-20.

## **AGENDA PRESENTATION:**

**Shri Satyabrata Mishra**, AGM, SBI, SLBC, advised that the minutes of the last SLBC Meeting held on 26.09.2019 were adopted without amendments. The **Action Taken Reports (ATR)** of last SLBC Meeting and the current Agenda were discussed and some of the notable observations in the deliberations were as under:-

### **1- CD RATIO HOVERING AROUND 52% UNABLE TO CROSS 60%:**

**Shri Samir Sinha**, IAS, Principal Secretary, Finance Department asked the Banks to improve the CD Ratio by 31<sup>st</sup> March 2020 where it is below 30%. He also mentioned that with a plethora of schemes launched in the State, the CD Ratio is expected to be at a higher level.

**(Action point- ANB, CB, PSB, UNI, JSF, KMB, SIB)**

Principal Secretary, Finance Department informed the house that Apon Ghar was eligible to all Grade-III & IV employees of State Government with an interest subvention up to 4% of the loan amount and 4.05% in case of women employees. In 2019-20, under Aponar Apon Ghar scheme, any home loan borrower with a composite family income of up to Rs. 20.00 lakhs, can avail loans up to Rs.40 lakhs and Government provides a subsidy of up to Rs. 2.50 lakhs to give boost to the home construction and real estate sector.

**Shri S.S. Saha**, CGM, NABARD pointed out that in agricultural area and the Government sponsored schemes like NABARD's Dairy Entrepreneurship Development Scheme (DEDS) also has not been much fruitful. A special meeting was convened on 3<sup>rd</sup> of February 2020 along with Agriculture & Veterinary Officer, where all the Banks were also invited. In the present context he requested the Banks to emphasise on:

- (1) Clearance of pending loan applications
  - (2) Financing Self Help Groups (SHGs) through NRLM and NULM schemes
  - (3) Proper reporting on MSME to SLBC.
- (Action point- All Banks)**



**PMEGP:** It was reported that a workshop on PMEGP for all the LDMs was conducted by KVIC on 18<sup>th</sup> & 19<sup>th</sup> Nov'19. As per decision therein, in districts where the NPA/overdue level is above 50% and PMEGP loans are not picking up, meetings with DIC, DC, LDM & affected Banks are required to be convened by DCs urgently to find out suitable solution for promotion of PMEGP. DCs and DICs to be informed for initiating actions. In addition to above, Sub-committee on GSS has also suggested for a coordination meeting at Block level.

**(Action point- DCs, DICs, LDMs & affected Banks- LDMs to submit report)**

**KCC:** CGM, NABARD urged the APEX and AGVB banks to submit an actionable plan for improving KCC and PMFBY. It was discussed that considering the maximum turnaround time for KCC being 14 days, the Agriculture Dept., Revenue Dept., Lead District Managers, DCs should meet to chalk out plans to achieve the targets set by the Government of India.

**(Action point- Agri. Dept., Revenue Dept., LDMs, DCs)**

CGM, NABARD also advised that "One page loan application form" is suggested by DFS and Government may put up the same in the portal after circulating among the Banks. KCC can also be given for animal husbandry and fisheries. Issue of AADHAAR Card is a stumbling block for uploading the data in the Government portal.

Shri Samir Sinha, IAS, Principal Secretary, Finance Department, estimated that out of 27 Lakhs farmers in the State, 9 lakhs farmers are yet to be issued a KCC. This needs an action plan. He observed that another 9 lakhs KCC are dormant because of overdues etc. for which two Farmers Schemes are targeted towards KCC activation. He requested the SLBC to update the information on KCC on regular basis.

**(Action Point-SLBC)**

Shri Sudhir Kumar Sharma, GM (NW-1), SBI, SLBC pointed out that farmers don't have enough resources to regularise their loan accounts or to repay their debts to get fresh lending from the Banks. This is a pan-India issue for the KCC account holders.

The meeting discussed that the State is giving 25% of the amount deposited by farmers subject to a cap of Rs. 25,000/-. The sensitisation of such large contributions of the Government for the activation of KCC can be taken up at regular DCC/DLRC Meetings and through organising Melas.

**(Action Points- SLBC, Banks, LDMs, DCs)**

It was pointed out that 3% of the total corpus fund which comes to around Rs. 20 to 25 Crores are there with SLBC for meeting any administrative exigencies which they can pass on to the districts for organising such sensitisation and awareness Melas. The status of Credit Camps held by the Banks has to be reported to the Finance Department.

**(Action Points- All Banks to report SLBC)**

**Pradhan Mantri Fasal Bima Yojana (PMFBY):** The representative from Agriculture Department, Government of Assam informed the house that as per the extant RBI guideline, every eligible borrower farmer has to be covered under this scheme. However, he revealed that coverage of non-loanee farmers has outnumbered the loanee ones. He requested the Banks to rely on figures from the Government's PMFBY portal only. He also requested SBI to circulate/ share the data on PM Kisan beneficiaries' scheme among the member Banks as well as to the concerned Government Department to ease in fixing the targets for coverage under KCC.

**(Action Point-SLBC)**

**ASRLM:** Representative from ASRLM informed the house that ASRLM has a credit linkage target of 63,000 applicants during current year. In all, 71,597 applications have been submitted by ASRLM. However, the disbursement is only 25,952 and 38,147 applications are pending with the Banks. Out of these pending applications, nearly 10,000 applications are more than 6 months old and around 20,000 applications are more than 3 months old. A meeting held in November 2019 with the Banks in this regard was not that fruitful. Banks are required to dispose of the SHG loan proposals that ASRLM sent on 9<sup>th</sup> Sept'19 to different Banks. As per the list provided by ASRLM, 26 Banks are yet to dispose of the proposals (Sanction should be Rs. 1 lakh and above as per RBI guidelines).

**(Action Points- All Banks)**



**Digitisation:** SLBC presented the names of the Banks who have submitted the data for Digitisation. Chief Secretary advised SLBC to present the defaulters' name instead.  
(Action point: SLBC)

**Assam Farmers' Incentive Scheme (AFIS):** The Banks urged for extension of Assam Farmers' Incentive Scheme (AFIS) till March 2020 and release of subsidy to 238,000 farmers who have already applied for the same beforehand. As per the scheme, the beneficiaries under these Agricultural Subsidy Schemes are to be felicitated in the Branch. Banks were advised to share the Photographs of felicitation programme to SLBC. The photographs from most of the Banks are yet to reach SLBC.

**Financial Inclusion:** Banks to instruct their CSPS to submit a report to SLBC, on the availability of network (2G/3G/4G) at their locations and the nearby villages. Since no Bank other than UCO Bank has submitted the list, SLBC has taken up with DoT and circulated the List among the Banks for confirmation.

Principal Secretary, Finance Department, proposed that DoT, AIRTEL, RELIANCE, IDEA, BSNL, JIO to be henceforth, included as associate SLBC Members for future invitations.  
(Action Point-SLBC)

**Baksa District for 100% digitisation** within a time frame of one year: SLBC had circulated an EXCEL format for submission of data by the Banks to draw a roadmap to achieve 100% digitization. Banks other than SBI, Union Bank of India, PNB and UBI are yet to respond the need for the activity, out of 14 Banks operating in Baksa. A format to assess the share of **Digital Transaction** to the total transaction in identified districts had been circulated among all the banks. The deadline for reverting to SLBC was 15<sup>th</sup> October 2019.

(Action Point for Defaulter Banks:- APEX, AGVB, ALB, Axis, Bandhan, BOB, BOI, BOM, CANARA, CB, CBI, HDFC, ICICI, IDBI, IND, IndusInd, IOB, NESFB, OBC, PSB, Syndicate, UCO, Ujjivan to submit the data)

**Non-Performing Assets (NPA):** The Banks were requested to submit the data on NPA in Government Sponsored Schemes and write off figures for last three years under different sectors.

**(Action Point for Defaulter Banks:- APEX, AGVB, ALB, ANB, AXIS, BANDHAN, BOB, BOI, BOM, CAN, CB, CBI, HDFC, ICICI, IDBI, IND, INDUS, JSF, KBL, KMB, NESFB, OBC, PSB, SIB, UJJIVAN, YES.)**

**ACP PERFORMANCE:** Disbursements under ACP has improved from 12,516 Cr. in Dec'18 quarter to 13,611 Cr. in Dec'19 with 32% achievement in Agriculture (crop-14%), 128% in MSME and 43% in other priority sector i.e. the total achievement is around 57% of the target up to 3<sup>rd</sup> quarter for FY(2019-20).

#### **KISHAN CREDIT CARD (KCC) & PM KISHAN BENEFICIARIES:**

GM (NW-I), SBI, SLBC expressed hope that the campaign for **Saturation of PM Kisan Beneficiaries with KCC** will improve the crop loan sector.

**Shri Sunil Kumar Tandon**, CGM, SBI, Northeast Circle, SLBC convener, appreciated the wonderful schemes initiated by the Govt. of Assam by bringing 25% interest subvention in Farmers Schemes, helping in bringing the credit discipline among the farmers. He however, shared some of the challenges faced by the Banks. NABARD and RBI have instructed the Banks that up to Rs. 1.60 lakhs of KCC loan, it is not required to mortgage the land. However, delay in getting land ownership records is a little time consuming which can be sorted out. The land details of the PM Kisan Beneficiaries have to be certified by the Government if they are to be saturated with the KCC, which is a necessary condition for calculations with the scale of finance. Principal Secretary, Finance Department suggested that a separate VC meeting would be arranged among the Revenue Dept., Agriculture Dept. and SLBC to sort out the KCC related issues very soon.

**(Action Point- Revenue, Agri Dept. & SLBC)**

**PRIORITY SECTOR ADVANCE** has increased from 45,156 Cr. as on Mar'19 to 48,887 Cr. at the end of Dec'19 i.e. a growth of Rs. 3,731 Cr. which depicts a YTD growth of 8% over Mar'19. The YTD growth in agriculture priority sector is 5%.



Priority sector advance stood at 63% of the total advances at the end of Dec'19 quarter vis-a-vis 61% in Mar'19 and 59% in Dec'18 quarters.

**PRIME MINISTER MUDRA YOJANA (PMMY):** GM (NW-I), SBI, SLBC said that there is a substantial amount of increase in MUDRA loan. However, on account of repayment and disbursement not taking place, the level has remained more or less the same. As on Dec'19 quarter, the outstanding amount is Rs. 6,205 Cr. However, the performance of Bandhan, YES, Kotak Mahindra Bank is NIL for the current year, which pulls down the MUDRA portfolio in the State.

**(Action Point- BAND, YES, KMB)**

**GOVERNMENT SPONSORED SCHEMES (GSS):** For PMEGP, the disbursement of 1532 applications with a disbursed amount of Rs. 15.97 Cr., NULM with 622 nos. and 6.79 crores, NRLM with 13921 nos. with 209.33 Crores. Principal Secretary, Finance Department, pointed out that there are large number of Banks with Nil achievement even in the 3<sup>rd</sup> quarter of the current year in PMEGP, which happens to be mostly private Banks which is not acceptable. All private sector Banks other than IDBI have NIL disbursement till date.

**(Action Point- BANDHAN, IndusInd, JSF, KBL, KMB, NESFB, SIB, UJJI, YES)**

Shri Mishra, AGM, SBI, SLBC suggested the Banks to follow up with the DIC regarding the status of Bank-wise pending applications on PMEGP.

**SWAMI VIVEKANANDA ASSAM YOUTH EMPOWERMENT YOJANA (SVAYEM):** Under SVAYEM, 14,186 nos. of applications have been sanctioned and 7,680 nos. of them have been settled. The difference in sanctioned and settled numbers mostly attributed to the non-availability of the margin money with the beneficiaries.

It was requested to the official representing the Industries and Commerce Department to consider some suitable modifications with respect to Margin Money requirements, Educational Qualifications, Online portal development with extension of the scheme to facilitate easy flow of disbursements and take a fresh drive to promote the Scheme. **(Action Point: Industries and Commerce Department)**



**FINANCIAL LITERACY CAMPS (FLCs):** Total No. of FLC Camps held during the FY (2019-20) till Dec'19 quarter was 2,004. The Banks are requested to comply with the RBI instructions of conducting one FLC meeting by each rural Branch on a monthly basis.

For villages which are financially uncovered owing to the connectivity related issues and absence of the bank branches, CGM, NABARD once again reminded the Banks of Financial Inclusion Fund (FIF) available with the NABARD, which can also be utilised for deployment of POS machines, V-sat connectivity etc to be utilised for the purpose of sensitising and enhancing Financial Inclusion in the State. GM (NW-1), SBI, SLBC assured to sensitise the information on use of FIF among the Banks.

**(Action Point-SLBC)**

#### **STATUS OF UNCOVERED VILLAGES WITHIN 5 KMS OF RADIUS AS PER DFS AND TEA GARDEN:**

There are 283 villages allotted among the Banks, out of which 28 are yet to be covered. SLBC has submitted the names of uncovered villages (as per DFS list) along with their census codes to the DoT to assess connectivity status in those areas.

Shri Samir Sinha, IAS, Principal Secretary, Finance Department, pointed out that there are large number of Tea Garden areas in upper, northern and riverine area of Assam which don't come under revenue villages category. The area under the Tea Garden constitute nearly 21% of the geographical area of Assam. There are no ATMs or nearby bank branches. He informed the house that post demonetisation, Government of Assam had attempted to transfer Rs.2,500/- each as an incentive to 8 lakhs Tea Garden workers' accounts in two tranches. However, 30% of the amount had not been credited to the beneficiaries' accounts on account of KYC non-compliance and other reasons.

**(Action Point: All Banks)**

GM (NW-I), SBI, SLBC pointed out that every Tea Garden has a principal banker where the Tea Garden maintains its accounts. If there are no branches, CSP or

ATMs nearby a Tea Garden, then the Principal Banker of the Tea Garden would be asked to serve such Tea Garden. In this way, the issues can be sorted out.

DGM, RBI, Guwahati informed that, in the case of village Bandardubi (Nagaon District), during the DCC/DLRC Meeting of Nagaon District on December 24, 2019 (for quarter ended September 2019), "the Chairperson informed the house that Bandardubi village has been evicted and there is no inhabitant in the said village hence this village should not be included in the roadmap under financial inclusion." The same has been incorporated into the minutes of DCC/DLRC Meeting of Nagaon District held on December 24, 2019. Thereby one village, viz Bandardubi, may be excluded roadmap of provision of banking services in villages having population less than 2000 for the state of Assam. Further, the DCC/DLRC Meeting of Lakhimpur District has not been held and the matter of inclusion/exclusion of village Dhal No. 1 Chapori will be discussed as and when the meeting is held.

#### **SOCIAL SECURITY SCHEMES:**

GM (NW-I), SBI, SLBC expressed his hope that enrolment under four Social Security schemes i.e. PMJDY, PMJJBY, PMSBY and APY will further improve during the campaign period of saturation of PM Kissan Beneficiaries with KCC.

**In case of Bakijai & KCC Cases,** it was decided in the Sub-committee meeting to request the State Govt. for waiver of stamp duty and the fees collected by the State Government on the recovery amount under Bakijai @ 6.25%.

**RSETI:** There are 26 RSETIs in Assam. There is concern, over the low credit linkages of the trained candidates and their settlement ratio. GM (NW-1), SBI, SLBC, requested the sponsoring Banks to explore the possibilities for providing employment to the trained candidates. The approaches of RSETIs in districts like Barpeta, Chirang, Dhemaji and Kamrup (M) where there is 100% credit settlement can be emulated by the other RSETIs.

**(Action Point: LDMs and SLBC)**

**Aspirational District (AD) Programme** in 7 districts of Assam: Chief Secretary, Assam, informed the house that that AD programme is an important flagship



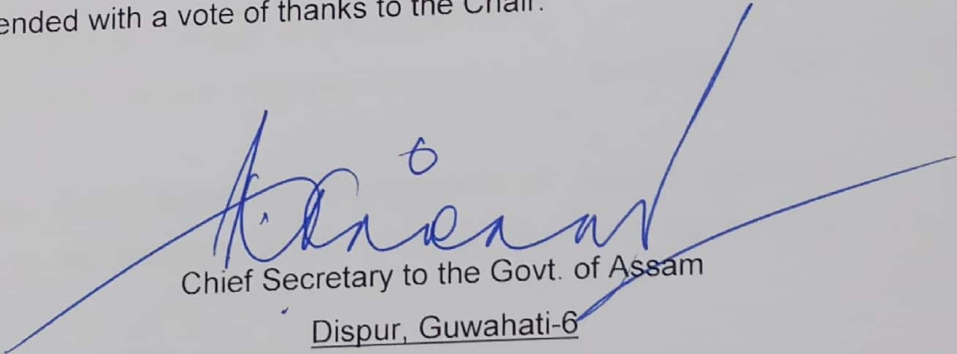
programme which is directly monitored **NITI Aayog** and Banks should focus on realising the mission objective.

**MICRO FINANCE INSTITUTIONS (MFIs), NON BANKING FINANCE CORPORATIONS (NBFCs):** Principal Secretary, Finance Department, informed the house that NBFCs and MFIs were not earlier a part of SLBC. This is the first time that they have been invited to this platform to build a structured dialogue with the Government. There are nearly 33 MFIs operating in Assam. There was no formal communication between the MFIs, NBFCs and State Government entities. However, some of the RBI guidelines have been flouted and limits have been breached in some cases giving rise to over-financing, multiple lending and issues of higher rate of interest.

**(Action Point: MFIN)**

**Chief Secretary, Assam** in his concluding remarks, asked the Banks to zero in on two things i.e. Financial Inclusion and Disbursements under Govt. Sponsored Schemes. He informed the house that, the performance of Banks will be taken into account while giving deposits from the Government.

The meeting ended with a vote of thanks to the Chair.



Chief Secretary to the Govt. of Assam  
Dispur, Guwahati-6