

UNITED BANK OF INDIA
LEAD BANK DIVISION
HEAD OFFICE

Proceedings/Minutes of the 110th SLBC Meeting for the State of Tripura held on 10th September, 2014.

The 110th SLBC meeting of Tripura State was held at the Conference Hall no.4, Pragna Bhawan, P.N. Complex, Agartala on September 10, 2014 where performance of Banks during the period from April 2014 to June 2014 was reviewed. The meeting was **chaired by Shri G.K.Rao, Chief Secretary, Govt of Tripura.** Amongst other dignitaries, **Shri S.K. Rakesh, Principal Secretary, Rural Development, Shri Ashutosh Jindal, Secretary, Finance Deptt. Govt. of Tripura, Shri A.K.Dogra, Dy. Secretary, DFS, Ministry of Finance, Govt. Of India & Nodal Officer for SLBC Tripura, Shri L.N. Rokhum, Director of Institutional Finance, Govt. of Tripura, Shri Anil K. Sharma, General Manager, RBI, Agartala, Shri R.K.Deb- Barman, General Manager, NABARD, Shri Manas Dhar, General Manager, UBI & Convener, SLBC (Tripura) were also present.** Top Executives of State Government, RBI, NABARD and Banks also participated in the meeting. **A list of participants of the meeting is enclosed.**

At the outset **Sri Manas Dhar, General Manager, United Bank of India & Convener** SLBC of Tripura welcomed all the participants to the 110th meeting of SLBC Tripura and informed the House that **Shri Sanjay Arya, Executive Director, United Bank of India & Chairman SLBC, Tripura** had to cancel his journey due to sudden illness and was unable to attend the meeting. The House noted his leave of absence.

Shri Manas Dhar, General Manager, UBI & Convener SLBC Tripura, in his welcome address heartily welcomed Sri G. K Rao, Chief Secretary, Govt. of Tripura with flower bouquet, who graced the occasion with his presence in the SLBC meeting for the first time after assuming his office very recently.

Sri Dhar highlighted the following issues in his key note address.

- 1 With the launching of National Mission for Financial Inclusion on 28th August 2014, to commemorate the programme, SLBC Tripura organised inaugural function of PMJDY in Tripura, simultaneously with the national launching at Delhi on the same date with two Mega Camps, one at the State Capital Agartala and another at Udaipur.

Agartala Camp at Rabindra Satabarshiki Bhawan was graced by Shri Manik Sarkar, Hon'ble Chief Minister, Govt. of Tripura with his kind presence as Chief Guest. Sri Bhanulal Saha, Hon'ble Finance Minister, Govt. of Tripura was the Guest of Honour. Sri Sanjay Arya, Executive Director as Head of SLBC Tripura and other top executives of different Banks, Insurance Companies, BSNL, UIDAI attended this Camp. About 800 customers visited Agartala Camp and participated in account opening campaign.

Other than Udaipur, in the district Head Quarters of all the 8 districts, account opening camps were organised by the Lead Bank with active participation of other Banks operating in the districts. These Camps invoke great aspiration & enthusiasm among the Bankers as well as common people of Tripura.

- 2 Sri Dhar also outlined that the national mission is to provide at least one account to every household, both in rural & urban areas, with one RuPay Debit Card embedded with an inbuilt accident insurance cover upto Rs.1.00 lac & life insurance coverage of Rs.30,000/- provided the account is opened before 26th January 2015. Sri Dhar also announced that Tripura has already achieved an enviable distinction in financial inclusion and expectedly on the brink of declaring as fully included state.

Before we declare the State as saturated, a gap analysis has to be carried out by the State Implementation Committee,(SIC) which is headed by the Mission Director (Finance Secretary Govt. of Tripura) and consisting of GM RBI, GM NABARD, DGM, United Bank of India, Tripura Region, Chairman TGB, Local Heads of SBI, UCO Bank, Canara Bank and Chairman TSCB. SIC may call a meeting to assess the achievement position of coverage of household with one Bank A/c across the state before finally arriving at the decision to declare that Tripura is the First Financially Included State in the country.

- 3 While focusing on the progress made on the banking sector, Shri Dhar highlighted that at the end of June 2014, the CD ratio of the State has reached 38%, registering a Y-O-Y growth of 3 %. Now all the Banks should try hard to achieve the targeted level of 40% CD ratio, as desired by the Hon'ble Chief Minister of Tripura.

- 4 Shri Dhar also pointed out the importance of lending in Agricultural sector in the State. All farming households should be provided with KCC under revised Scheme with enhanced limit to give a push to the fresh KCC issuance which will provide the platform to boost the CD ratio also. It is heartening to note that the Govt. functionaries have provided the list of cultivators, those who have not yet been covered with KCC and it is now the turn of the Bankers to ensure issuance of KCC to all the famers including the fish farmers under the same Scheme. RuPay Kisan Credit Card should be issued to all KCC holders at the earliest.

Shri Dhar also pointed out that the Sub-Committee of SLBC on Agriculture may raise the limit of per ticket KCC to a reasonable extent covering the cost of cultivation in full to push the average lending per KCC.

Thereafter, Shri Dhar requested **Shri G.K.Rao, Chief Secretary, Govt. of Tripura** to deliver his key note address to the House.

Respected Chief Secretary, Govt. of Tripura in his initial address mentioned the following points.

- 1 It was desirable and needed that one brick & mortar branch or alternatively a stable banking outlet should be available in every Panchayat or ADC village Council, covering all 1118 Panchayats, though it may not be possible to open bank branch in every villages. It would ensure total financial inclusion.
- 2 Target for KCC was for fresh 1 lac farmers to be covered by this year. Out of which till now only 13000 KCC has been distributed with a financial outlay of Rs.34.49 crore which should be treated as very low. State Government desires accelerated growth in this sector. Livelihood in Tripura depends predominantly on Agriculture and hence more importance & thrust has to be given by the Banks in Agricultural Loans, renewals of dormant KCCs at a faster pace.

- 3 CD ratio of the State though steadily increasing, but not upto the mark. As Tripura remained far below the national average of CD ratio, delivery of credit is to be ensured in such a manner, so that the CD ratio is improved to at least to 40% within this fiscal.

Thereafter, with the permission of Chief Secretary, **Shri Manas Dhar, General Manager, UBI & Convener of SLBC**, explained the pillars of PMJDY in details to the House. In Tripura all the Sub-Service Areas, covering all 1038 villages are covered by deployment of BCAs. BCAs are capable of online transactions and account opening under PMJDY is still going on to cover any individual if left out till now.

Sri A.K.Dogra, Dy. Secretary, DFS, MoF, Gol & Nodal Officer SLBC Tripura pointed out those existing account holders should approach Banks to get RuPay Cards from Banks. The time taken by the Banks for providing RuPay Cards has to be curtailed and steps should be taken by the Banks to provide the Cards to the existing account holders, if desired by them, within shortest possible time. However, it has been mentioned that it would depend on the vendor's capability to produce cards. For the new accounts opened under PMJDY, RuPay Debit Cards should be issued within 4 weeks with highest priority.

However, General Manager, RBI informed that considering the capability of the Banks, it is apprehended that at least 3 to 4 months would be required to complete the task of issuing RuPay Card to all beneficiaries under PMJDY.

As regard survey of uncovered households, Sri A.K. Dogra, Nodal Officer, SLBC Tripura pointed out that Banks should decide to complete the survey in a systematic way to cover all the uncovered families in all SSAs. Principal Secretary, Rural Development, Govt. of Tripura, Sri S.K. Rakesh informed that mapping of families with Bank account can be easily completed with the help of Panchayat Officials, through Register of Residents(ROR), considering the huge coverage under MNAREGA and other govt. subsidy beneficiaries.

Thereafter, **Shri Manas Dhar, General Manager, UBI & Convener of SLBC, Tripura** undertook the following Agenda wise discussion through Power Point Presentation and requested the members to interact on the issues.

Agenda 1 : Confirmation of proceedings of 109th SLBC meeting for Tripura held on 27.05.2014 : Confirmed by the House.

Agenda 2 : Compliance of Action Points on major decisions of previous SLBC meeting.

i. Banks to make efforts to achieve CD ratio of 40% for the State.

The CD ratio of the State increased to 38% as on June 2014, against 35% as on June 2013, registering Y-o-Y growth of 3%. Thrust was given on improved credit delivery in Agriculture and Allied Activities, including crop loan, Fishery, Animal Husbandry & Horticulture and SHG, MSME etc. Special Sub Committee of DCC in West Tripura district drew up Action Plan, to increase the CD ratio of West Tripura which generally pulls down the CD ratio of the State eventually. Yearly growth of the CD ratio of West Tripura district increased to 29% as on June 2014 from 26% as on June 2013.

Comment of General Manager, RBI.

General Manager, RBI suggested that Banks & Govt. should identify big ticket loan proposals under industrial sector to give a real push to the CD ratio. He stressed to have a detailed analysis by the Banks, considering the present trend in growth of deposit, how much advance should be increased to reach the level of 40% CD ratio for the State. To achieve the targeted level of CD ratio the incremental push in advance required should be shared by the Banks. Otherwise the CD ratio is not going to have a rapid growth as desired.

ii. Banks were to expedite opening of brick & mortar branch/USBs in 82 identified locations according to the allotment made by the SLBC.

Out of 82 identified centres, Banks have so far opened 11 nos. of brick & mortar branches and 40 nos. of USBs up to 31.03.2014, covering 51 locations. Remaining 31 locations, allocated to different Banks were requested to attach due priority in opening either branch or USB in those locations without any further delay.

The Small Committee formed in the last SLBC meeting held its follow up meeting on 23.06.2014 and observed that existing 82 locations identified for opening either brick & mortar branches or USB should be completed by all Banks as per allocation without any more delay.

As decided, the Banks with lesser network in the State should increase their presence. RBI may hold a meeting with other Banks operating in Tripura for increasing their network to help financial inclusion in better way.

iii. TGB & TSCB to open the branches in remaining 5 identified centres allocated in 2009-10 and 2010-11 by March 2014 without any further delay.

TGB has opened Paschim Hmunpui Branch but Tripura State Co-operative Bank (TSCB) is yet to open the remaining 4 branches. During discussion, Chairman, TSCB has assured that 2 branches in village Tuichindrai & Bhatar Bazar will be opened by September 2014.

Comment by Principal Secretary, Rural Development, Govt. of Tripura.

Principal Secretary, Rural Development, urged the BSNL representative to upgrade the equipments for better connectivity in the rural areas and particularly in the newly opened Branches. BSNL informed that the list of locations with poor connectivity may be forwarded to them for upgrading/ solving the connectivity issues.

iv. For opening of 170 ATMs at the selected locations, Banks should go by the findings of the Small Committee of SLBC constituted for this purpose in 108th SLBC meeting.

Against 170 identified locations, 20 ATMs have been opened so far. While SBI has opened 11 ATMs, UBI & UCO have opened 7 & 2 ATMs respectively in the said locations. UBI have 5 more ATMs in the pipeline for installation in these locations.

Secretary, Finance, Govt. of Tripura has advised FIS Financial Services Ltd to express their views regarding installation of ATMs and FIS responded that installation of rural ATMs in Tripura is not cost effective as they cannot realise the cost of electricity, rent of the premises and other monthly recurring expenses. FIS sought letter of guarantee from the concerned Banks, ensuring business, throughout the life cycle of the ATM, but the Bank's policy does not permit to provide such guarantee.

Comment by the Principal Secretary, Rural Development, Govt. of Tripura.

Principal Secretary, Rural Development, GoT has commented that the viability for installation of ATMs can be reworked and FIS Financial Services may be retold to come out with a solution, as some overheads may be shared by the State Govt. by providing space at the Panchayat Offices for installing such ATMs. Further discussion should be initiated with the FIS Financial Services Ltd.

v. Seeding of Aadhaar Number should continue side by side. Banks should take care to seed all the Aadhaar numbers meticulously received from drop box/district authorities or from the beneficiaries.

All measures of publicity for Aadhaar number seeding has been adopted by the Banks. As on 31.03.2014 accounts of all 45657 beneficiaries under DBT in 4 districts, details of whom has been received from the District Authorities, have been opened by the Banks, thus ensuring 100% compliance in this regard.

Out of 45657 beneficiaries, Aadhaar number is seeded in 33827 accounts, registering 74.08% achievement in seeding.

vi. All eligible farmers should be covered under KCC. Per KCC credit should be increased as per new KCC scheme.

Upto June 2014, against the target of 1 lac, fresh KCC have been issued to 13808 nos. of farmers with an amount sanctioned of Rs.47.05 crore. (14% Of the target). Banks have received the CD of uncovered farmers/Patta Holders from Agriculture Deptt. Govt. of Tripura. All Banks should take pro-active steps for covering the uncovered farmers with issuance of fresh KCC.

Comment by the Chief Secretary, Govt. of Tripura.

Chief Secretary, Govt. of Tripura desired to have a meeting with the Chairman, SLBC Tripura, Sri Sanjay Arya, Executive Director, United Bank very shortly to discuss the issues relating to low average of KCC/ KCC to fish farmers/ PMEGP loans sanctioned by the Banks.

vii. The micro issues are to be discussed in all Sub-Committees of SLBC in details.

All the Sub-Committee meetings have been conducted on different dates as under and discussed the micro issues to remove the bottleneck and identified the action points.

Sub-Committee	Date of meeting
Sub-Committee on Agriculture	13.06.2014
Sub Committee on RSETI	07.05.2014
Sub Committee on FI	23.06.2014
Sub Committee on Export Promotion	27.06.2014
Sub Committee on Recovery	23.06.2014
Sub Committee on SHG	20.06.2014

Comments by the General Manager, RBI.

General Manager, RBI pointed out that the proceedings of the Sub-Committee meetings should be incorporated in the Agenda Note Book of the SLBC meeting for discussion and ratification.

Agenda 3 : Financial Inclusion Plan

Out of 619 villages with population less than 2000, 619 villages have been covered by providing Banking Outlets, out of which 35 are covered by Brick & Mortar Branches and 584 are covered by Business Correspondents. House noted the achievement.

Total no. Of Sub-service area in Tripura stands at 623 and all the SSAs are covered with Banking outlets. Allocation of 286 Urban Wards in Tripura has been completed by the SLBC and the wards are covered mostly by branches.

Agenda 4 : Implementation of Annual Credit Plan.

House reviewed the overall achievement under ACP 2014-15 as on June 2014 (1st quarter). Overall achievement under ACP was 16% with a disbursement of Rs.405.25 crore against the target plan of Rs.2564.53 crore. Achievement under Agriculture sector remained to be 10%. 14% of the target under Priority sector has been achieved while achievement in non-priority sector was 27%. House noted the achievement in ACP for the year 2014-15 in the 1st quarter which was on a lower side but expected to get an impetus in the next quarter.

Agenda 5 : Performance of Banks in key areas in Tripura as on June 2014.

House reviewed the performance of the Banks as on June 2014. The overall Advance in the State has witnessed y-o-y growth of 22% from Rs.4786.61 crore as on June 2013 to Rs.5848.82 crore as on June 2014. Similarly, y-o-y growth of 11% has been registered in Deposits which stood at Rs.15222.31 crore as on June 2014, from Rs.13754.65 crore as on June 2013.

The House also noted the y-o-y growth of 17% in lending to Weaker Section, 5% growth in lending to SC/ST borrowers, 22% growth was registered in lending to Minority community.

Overall y-o-y growth of 24% was registered in Agri & Agri Allied activities, 49% y-o-y growth was witnessed in MSME sector and total Priority Sector achieved a y-o-y growth of 26%.

Agenda 6 : Recovery of Loans.

The House reviewed sector-wise and also Government Sponsored Scheme wise recovery of loan position. Overall recovery percentage in respect of three broad sectors, viz Agriculture, MSME and Other Prisec as on June 2014 stood at 52%, against the same at 39% as on June 2013. There was no sign of any improvement in recovery under Schematic lending. Recovery in SJSRY was 20%, SGSY was 16%, PMRY was 5%, while recovery in PMEGP was 30% only.

Agenda 7 : NPA position of Banks in Tripura.

Percentage of gross NPA increased from 5.48% as on March 2013 to 6.26 % as on June 2014. Amount in absolute terms increased from Rs.251.92 crore as on March 2013 to Rs.366.18 crore at the end of June 2014. The outstanding amount under technically written off accounts was around Rs.86.88 crore, which if added with the outstanding NPA, the amount of NPA would be Rs.453.06 crore which was 7.75% of the gross advance and became a matter of deep concern for the Bankers.

Agenda 8 : CD ratio of the Banks.

Already discussed. Noted by the House. Commented by the General Manager, RBI that CD ratio should be monitored at the DCC meetings in all districts and definite strategic plan should be adopted for each district. CD ratio of South Tripura has been declined by 18% Y-o-Y basis which has to be looked into by the Banks and district administration for immediate improvement.

Agenda 9: Flow of Credit to Agricultural sector.

Outstanding Advance to Agriculture of all Banks as on June 2014 was Rs.1260.11 crore which was 22% of the ANBC (National target is 18%). Status of KCC had already been discussed. Against a target of Rs.964.48 crore under ACP for 2014-15, disbursement in Agriculture sector as on June 2014 was Rs.96.87 crore which stood at 10% of the target.

Agenda 10 : Performance under Employment Generation Schemes.

House noted the performance of the Banks and noted the progress on SHG, Swavalamban, PMEGP, SJSRY Scheme. Again PMEGP, out of 4276 nos. of proposals sponsored, 1572 proposals have been sanctioned and 1476 proposals had been disbursed so far.

Agenda 11 : Financing Education Loan & Housing Loans in Tripura.

Disbursement made during the year 2014-15 under Education loans upto June 2014 was for 81 accounts involving an aggregate amount of Rs.1.52 crore. The outstanding balance in Education Loans as on June 2014 was Rs.141.26 crore in 3104 accounts against a yearly target of Rs.89.00 crore.

Under Housing Loans, outstanding balance as on March 2014 stood at Rs.1010.10 crore in 30499 accounts. House noted the progress.

Agenda 12 : SME financing & bottleneck thereof.

Some of the problems faced by the entrepreneurs in the State have been discussed and the remedial measures also have been suggested, which was considered by the House.

However, under MSE against ACP target of Rs.747.82 crore, all Banks had disbursed Rs.117.02 crore, registering an achievement of 16%. In the 1st quarter.

After threadbare discussion the following major Action Points emerged from the meeting.

- All Banks are to make concerted efforts to raise the CD ratio of the State at the level of 40%. Special thrust should be given to Agriculture, KCC, SHG and MSME proposals in all districts. The District Administration should review the CD ration in all DCC meetings and Action points should be decided for all districts to push up the CD ratio. Industry Deptt./DIC should scout big ticket viable loan proposal and forward them to the Banks.

(Action : All Banks)

- Meeting of Sub-Committee of SLBC on Agriculture is to be held shortly and the Committee should fix up a minimum limit for KCC/ KCC to Fish farmer to boost up the average ticket size of KCC loans, which would also contribute to boost up CD ratio.

(Action : All Banks/SLBC.

- Out of 82 identified locations, all Banks as per allotment made by the SLBC are to establish either brick & mortar branch or USB in the remaining 31 locations positively within December 2014 without any fail. PSU Banks having low presence in the state require to increase their Branch Network in the State.

(Action : Banks allotted 31 centres).

- In the 4 leftover centres, out of 52 centres, allotted for establishing Brick & mortar branches, Tripura State Co-operative Bank (TSCB) should open two branches at Tuichindrai & Bhatar Bazar by September 2014 and another two branches within December 2014.

(Action:TSCB)

- FIS Financial Services Ltd. may be called by the State Government to review the position for installation of left over locations of 170 ATMs and a decision may be taken for finalising the best locations/ helping in sharing overheads etc. For taking a final view in this matter, local major Banks also should be invited in the meeting to finalise the future plan for installation of ATMs. The plan may be placed in the next SLBC meeting for ratification.

(Action: Govt. of Tripura & Banks)

- State Government has collected data for updating Register of Residents (ROR) in all Panchayats/ ADC Council incorporating Bank account number, Aadhaar Number and other details of the residents. So far as the uncovered families under PMJDY are concerned, the State Govt. has assured that the Rural Development Department and Urban Development Deptt. of Govt. of Tripura would identify the left over families from the ROR (Register of Residents) and make it available Panchayat wise to the Banks for 100% coverage under PMJDY. With the authentic documentary evidence from Govt. Authority, the survey of uncovered households would be completed in time.

(Action: Govt. of Tripura/Banks)

- LDMs should collect segment wise list of Defaulter from each Bank in the district and forward one copy to District Agriculture Office, Panchayats, ADC Council, SDO office and one copy to NABARD with a request for help in recovery.

(Action: LDMs/Banks)

- LDMs should collect segment wise list of NPA accounts from each Banks in the District and forward one copy to the SLBC convener Bank. SLBC should send a copy to the Secretary, Finance Department, Govt. of Tripura with a request for according administrative support for recovery.

(Action: LDMs/Banks)

- All Banks should take proactive steps for holding regular Recovery Camps and Lok-Adalat, covering all the districts with wide publicity & serving of due notices to the defaulting NPA borrowers including shadow register also.

(Action: All Banks/Govt. of Tripura.)

Vote of Thanks.

Thereafter, Sri Janardan Bose, CM,SLBC & FI, United Bank of India, Tripura Region extended vote of Thanks to all the dignitaries present in the meeting. He heartily thanked Respected Chief Secretary, Govt. of Tripura for his valuable guidance & observations, which would have a deep impact on the functioning of Banks in Tripura. He specially thanked Dy. Secretary, DFS, Ministry of Finance & Nodal Officer for SLBC Tripura for his presence and valuable inputs to enrich the discussion in regards to implementation of PMJDY. He also thanked all the dignitaries from Govt. of Tripura and Bankers present for their valuable inputs which enriched the deliberations.

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