

UNITED BANK OF INDIA  
LEAD BANK DIVISION  
HEAD OFFICE

**Proceedings/Minutes of the 111<sup>th</sup> SLBC Meeting for the State of Tripura held on 06<sup>th</sup> December, 2014.**

The 111<sup>th</sup> SLBC meeting of Tripura State was held at the Conference Hall no.4, Pragna Bhawan, P.N. Complex, Agartala on December 06, 2014 where performance of Banks during the period from July 2014 to Sept, 2014 was reviewed. The meeting was **chaired by Shri Bhanu Lal Saha, Hon'ble Finance Minister, Govt. of Tripura.** Amongst other dignitaries, **Shri Sanjay Arya, Executive Director, United Bank of India, Sri G.K.Rao, Chief Secretary, Govt. of Tripura, Sri S.K. Rakesh, Principal Secretary, Rural Development, Dr. V.K. Bahuguna, Principal Secretary, Agriculture, 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 Sahadev Das, 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 111<sup>th</sup> meeting of SLBC Tripura and requested Shri Sanjay Arya, Executive Director, UBI to deliver his key note address.

**Shri Sanjay Arya, Executive Director, United Bank of India,** prior to delivering his welcome address warmly greeted the Finance Minister, Govt. of Tripura with flower bouquet. Shri Arya also extended hearty welcome to the Chief Secretary, Principal Secretaries, Secretaries and other executives from the Govt. of Tripura, RBI, NABARD, other Banks, & Insurance Companies.

**Shri Arya, Executive Director, UBI & Chairman, SLBC, Tripura** highlighted the following issues in his short address.

- 1 He applauded the Bankers in Tripura for their dedicated efforts in National Mission of PMJDY, apart from thanking the State Government for their support, which has made the State to achieve the distinction of recording 100% PMJDY coverage status, declared by the State Government in the meeting of State level Implementation Committee of Tripura held on 25<sup>th</sup> November,2014.
- 2 Sri Arya also pointed out that 623 Sub-Service Areas (SSAs) and 286 Wards in the urban areas are being serviced by 441 branches & 437 Business Correspondent Agent (BCA) in Tripura. About 2.6 lacs of accounts have been opened under PMJDY and after Puducherry, Goa, Kerala & Lakshadweep, Tripura became the 5<sup>th</sup> State in the country to achieve 100% PMJDY saturation. He applauded the efforts given by the Bankers in Tripura in this regard.
- 3 As regard to opening of 170 ATMs at the identified locations, since in certain locations either ATM has been installed or Brick & Mortar Branch or Fixed Point

Bank Mitra outlet has become operational, the list should be updated and the concerned Banks having allotted locations are to conduct fresh feasibility study for installation of ATMs in such locations through their own ATM Vendor.

- 4 Sri Arya expressed his deep concern over the size of NPA which stood at Rs.381.82 crore at the end of September 2014, at 6.19% of total Advance in the State. This is a matter of concern for the Banks in the State.

**Commented by Sri S.K.Rakesh, Principal Secretary, Rural Development, Govt. of Tripura :**

Sri S.K.Rakesh, Principal Secretary, Rural Development, GoT stressed that Bank Mitra model of banking outlets should run parallel to the banking system, not as a complementary to it. Customers under Bank Mitra model should be simultaneously served by the Base Branch also, and requested the Bankers for possible technical integration in this regard. Authentication of accounts opened by the Bank Mitras are getting late in the Bank's CBS system in some Banks, which should be looked into with priority.

**Reply by Shri Sanjay Arya, Executive Director:**

RuPay Card delivery to a huge number of account holders in a very short time is a real issue. He informed that enabling BC customers to transact in the branches will be explored. The issues of Bank Mitra management, implementation of efficient payment system through Bank Mitra channel, matter of RuPay Card issuance & its delivery, Pass Book issuance etc are being looked into by the Banks with priority. To serve each and every village in the State, Bank Mitra model has to be made efficient and effective, since brick & mortar branch banking cannot be the alternative to such mass banking at the doorstep of the villagers, which can be made available by the Bank Mitra only at the grassroot level. He also stressed on Cash Management issue pertaining to Bank Mitras and advised the Banks to exercise due caution on this score.

Thereafter, **the Hon'ble Finance Minister, Govt. of Tripura**, in his address expressed his concern citing limitation of Bank Mitras to become an efficient alternative to payment system of say MNREGA beneficiaries. Instead of BC model, the brick & mortar branch banking or even Ultra Small Branch (USB) system is more preferable and the Banks needs to deploy adequate number of staff to cater to the need of the rural mass. With the digitisation of State Govt. Pensions, implementation of DBT & DBTL, along with 237 rural bank branches, the State requires more USBs for establishing a proper network of banking outlets for the benefit of the rural population to get all Govt. aides, pension & wages through Bank account only.

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

Sri Rao, in his 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, though it may not be possible to open bank branch in every village.
- 2 Fixed point Bank Mitra centres should be subjected to regular review, inspection & audit to ensure that the rural population is getting banking services, prompt, accurate and free from any ambiguity, providing sufficient record to the customer for the transaction he made through the Bank Mitra. He also pointed out that,

Tripura Gramin Bank has been allocated a large number of SSAs & their BC management appears to be weak. 66% of the total beneficiaries of Govt. subsidy or grants are under the fold of Tripura Gramin Bank (TGB) for which the sponsor Bank should exercise proper care by establishing close monitoring of the performance of TGB in this regard.

**Sri Ashutosh Jindal, Secretary, Finance, Govt. of Tripura** pointed out that number of beneficiaries to receive subsidy payment from a Bank Mitra point to be fixed per day according to the capacity of the Bank Mitra to make cash payment. Banker and concerned State Govt. Deptt needs to work out the modality.

Thereafter, with the permission of **Sri Bhanulal Saha, Hon'ble Finance Minister, Govt. of Tripura, Shri Manas Dhar, General Manager, UBI & Convener of SLBC**, explained the online system of transactions by the Bank Mitra and the technical aspects of all banking activities of PMJDY in details to the House. He also explained how a fixed point Bank Mitra is acting as an alternative delivery channel of basic banking services. The cash management of the payments made by the Bank Mitra are also being reviewed very critically and improvement would be made available at the ground level by all the Banks.

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 110<sup>th</sup> SLBC meeting for Tripura held on 10.09.2014** : Confirmed by the House.

The details of implementation of PMJDY in the State of Tripura and its achieving 100% saturated status declared in the State Level Implementation Committee on PMJDY in the meeting held on 25.09.2014, Connectivity Issue & its importance for functioning of PMJDY, modified DBTL (PAHAL) along with its different types of Forms to be used by the Consumers have been dealt with through few slides by the Convener for the knowledge of 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 40% as on Sept 2014, against 39% as on Sept 2013, registering Y-o-Y growth of 1%. Out of 8 districts, 4 districts have reported positive growth in CD ratio on yearly basis. Thrust was given on improved credit delivery and CD ratio is being reviewed in all DCC meetings.

**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 30.09.2014, covering 51 locations. This issue has been discussed in the SLBC Sub-Committee meeting held on 19.09.2014 and Banks have been urged to complete the opening of the Banking Outlets in remaining 31 locations without any further delay. As per decision of 110<sup>th</sup> SLBC meeting, the

Controlling Authority of the concerned banks have once again been communicated/requested to complete the process of opening of branches/USBs in the remaining centres immediately.

**iii. TSCB to open the branches in remaining 4 identified centres allocated in 2009-10 and 2010-11 by December 2014 without any further delay.**

Tripura State Co-operative Bank (TSCB) is yet to open the remaining 4 branches, viz, (i) Tuichindrai, (ii) BhatarBazar, (iii) Bagan Bazar & (iv) Morachera. SLBC vide their letter dated 24.10.2014 requested the Bank, TSCB to complete the process of branch opening latest by December 2014.

**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 108<sup>th</sup> SLBC meeting.**

The Secretary, Finance, Govt. of Tripura has taken up the matter with Joint Secretary, Deptt. of Financial Services, Ministry of Finance for installation of 170 ATMs in Tripura and sought their intervention for resolving the issue. The Joint Secretary, DFS, MoF, GoI vide his letter no.10/207/2014-(FI) dated 08.10.2014 confirmed that the Central Government would call a meeting with FIS to sort out the matter. Accordingly, a meeting was arranged on 02.12.2014 between FIS and Govt. of Tripura to discuss various issues.

In this meeting it has been decided that the list of 170 locations needs to be updated since in certain locations either ATM has been installed or brick & mortar branch or Fixed Point BC Agent has become operational. The Small Committee of SLBC may examine the aspect of coverage of 170 locations through ATM, Brick & Mortar Branch & also Fixed Point BC Agents. The Committee may also examine putting up of Mobile ATM in use with requisite State Govt. support like, Vehicle, Driver, Fuel & Security.

Since FIS has already completed MoF project roll out, the concerned Banks having allotted locations out of said 170 sites are to conduct fresh feasibility study for installation of ATMs in such locations through their own ATM Vendor. The FIS representative may also be requested to submit fresh feasibility study report for all locations to expedite the process.

**v. LDMs should collect segment wise list of Defaulters under Agricultural sector from each Bank and forward a copy to the Agricultural Office, Panchayat Office, & NABARD with a request to help recovery.**

Banks have directly sent scheme wise defaulter List to the concerned Govt. Line Departments with a request to help in recovery.

All the LDMs have been urged upon to collect NPA List from different Banks and send a copy to SLBC for onward submission to the Secretary, Finance Deptt. Govt. of Tripura for administrative support in regard to recovery of bad loans.

**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. 286 Urban Wards in Tripura have also been allocated to Banks by the SLBC and the wards are covered mostly by branches.

From the date of announcement of PMJDY since 15<sup>th</sup> August 2014, 30.11.2014 a total of 2.06 lac accounts have been opened under PMJDY, by holding Account Opening Camps in different areas and the details of the accounts opened is as under;  
Rural:1,57,252, Urban : 48,318, Total : 2,05,568. Pursuant to all out efforts by the stake holders, Tripura has achieved the record of 100% PMJDY coverage, announced in the meeting of the State Level Implementation Committee of Tripura held on 25<sup>th</sup> November,2014.

#### **Agenda 4 : Implementation of Annual Credit Plan.**

House reviewed the overall achievement under ACP 2014-15 as on Sept 2014 (2<sup>nd</sup> quarter). Overall achievement under ACP was 51% with a disbursement of Rs.1309.44 crore against the target plan of Rs.2564.53 crore. Achievement under Agriculture sector remained to be 29%. 41% of the target under Priority sector has been achieved while achievement in non-priority sector was 108%. House noted the achievement in ACP for the year 2014-15 in the 2<sup>nd</sup> quarter with an observation that credit disbursement in the Agriculture sector requires immediate push since most of the Banks are falling behind the target in this sector.

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

House reviewed the performance of the Banks as on Sept 2014. The overall Advance in the State has witnessed y-o-y growth of 13% from Rs.5449.86 crore as on Sept 2013 to Rs.6173.25 crore as on Sept 2014. Similarly, y-o-y growth of 11% has been registered in Deposits which stood at Rs.15514.93 crore as on Sept 2014, from Rs.14007.74 crore as on Sept 2013.

The House also noted the y-o-y growth of 5% in lending to Weaker Section,6% growth in lending to SC/ST borrowers, 21% growth was registered in lending to Minority community.

Overall y-o-y growth of 2% was registered in Agri & Agri Allied activities, 30% y-o-y growth was witnessed in MSME sector and total Priority Sector achieved a y-o-y growth of 15%.

#### **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 Sept 2014 stood at 53%, against the same at 43% as on Sept 2013. There was no sign of any improvement in recovery under Schematic lending. Recovery in SJSRY was 21%, SGSY was 19%,PMRY was 6%, 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 6.19 % as on Sept 2014. Amount in absolute terms increased from Rs.251.92 crore as on March 2013 to Rs.381.82 crore at the end of Sept 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.468.69 crore which was 7.59% 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. Almost 4 district have registered a very nominal growth in CD ratio y-o-y basis, while at least three districts have registered negative growth in CD ratio. Depending upon the CD ratio of Gomati District, the State CD ratio has reached 40%. The lowest CD ration of 31% is registered in West Tripura District. Hence, special efforts should be taken by all Banks to improve the CD ratio of this district for equitable allocation of credit in terms of deposit mobilised in the district.

**Agenda 9: Flow of Credit to Agricultural sector.**

Outstanding Advance to Agriculture of all Banks as on Sept 2014 was Rs.1290.58 crore which was 22% of the ANBC (National target is 18%). Against a target of Rs.964.48 crore under ACP for 2014-15, disbursement in Agriculture sector as on Sept 2014 was Rs.282.06 crore which stood at 29% of the target.

For fresh KCC issuance in the year 2014-15 as against target of 1 lac, 33808 proposals have been sanctioned and disbursed Rs.107.28 crore upto Sept.2014. Average per ticket KCC remains to be at a lower side of Rs.31,800/- KCC outstanding as on Sept 2014 stood at Rs.438.95 crore with 2,50,968 nos. of KCC issued by all Banks.

**Commented by Dr. V.K.Bahuguna, Principal Secretary, Agriculture:**

Dr. Bahuguna pointed out that 200 numbers of fresh KCC loan applications are still pending with TGB, Khowai Branch. In some other bank branches also KCC proposals are lying pending which should be cleared with utmost priority.

**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 for the year 2014-15, out of 2800 nos. of proposals sponsored, no proposal has yet been sanctioned by the Banks. This requires immediate attention by all the member Banks.

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

Disbursement made during the year 2014-15 under Education loans upto Sept 2014 was for 189 accounts involving an aggregate amount of Rs.4.32 crore. The outstanding balance in Education Loans as on Sept 2014 stood at Rs.84.77 crore in 3340 accounts against a yearly target of Rs.89.00 crore.

Under Housing Loans, outstanding balance as on Sept 2014 stood at Rs.1059.44 crore in 30485 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.410.92 crore, registering an achievement of 55% upto September 2014.

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

- Stabilisation of Bank Mitra outlets of Tripura Gramin Bank (TGB) to offer online transaction and seamless banking facility to its customers enrolled by the Bank Mitras should be ensured.

**(Action : TGB/Sponsor Bank)**

- Technical integration needs to be explored by all Banks to enable customers enrolled by Bank Mitras to transact at the Bank Branch as well.

**(Action : All Banks)**

- Prudent Cash Management at Bank Mitra outlets especially on the day of payment of Govt. subsidies. Phase wise payment to the beneficiaries of the Govt. subsidies at Bank Mitra points to avoid rush and number of beneficiaries to receive such subsidy benefit on a single day to be limited according to capability of the Bank Mitra to make cash payment.

**(Action : All Banks)**

- All Banks are to make concerted efforts to raise the CD ratio of the State beyond the level of 40%. The District Administration should review the CD ratio 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. Extra efforts should be initiated for West Tripura District to improve its CD ratio with high ticket loan accounts.

**(Action : All Banks)**

- As decided in the meeting of the Sub-Committee on Agriculture held on 19.09.2014, all existing KCC holders should be given the effect of new scale of finance revised for the year 2014-15 to give a definite push to the average size of KCC loans in the State. All pending KCC proposals and new proposals under Ravi seasons should be disposed off with highest priority. No deviation from scale of finance and strict adherence of new KCC Scheme should be ensured by all member Banks.

**(Action : All Banks/SLBC.)**

- The Small Committee of bankers with Govt. of Tripura may take up a complete review of the 170 locations for installation of ATMs. Considering the branch network, engagement of Fixed Point Bank Mitras in these locations, the list may be modified and all Banks should conduct fresh feasibility study of these modified locations and place a roadmap to the SLBC for installation of ATMs in these locations. Since FIS Financial Services Ltd. has already completed MoF project roll out, member Banks should take the initiative for providing ATM services in the State. The proceedings of the Small Committee meeting may be placed in the next SLBC meeting for ratification.

**(Action: Govt. of Tripura & Banks)**

- NRLM Sub-Committee of SLBC should hold meeting to discuss the ground level issues of SHGs and to operationalise the NRLM programme, the action points should be finalised.

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

#### **Vote of Thanks.**

Thereafter, Sri Tapan Patra, Chief Regional Manager, United Bank of India, Tripura Region extended vote of Thanks to all the dignitaries present in the meeting. He heartily thanked Hon'ble Finance Minister of the State, Chief Secretary, Govt. of Tripura for their 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 participation in the discussion in various matters including 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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