

MINUTES OF 163rd MEETING OF STATE LEVEL BANKERS' COMMITTEE, PUNJAB Held on 21.02.2023.

CONVENER:PUNJAB NATIONAL BANK

The **163rd Meeting** of the **State Level Bankers' Committee, Punjab** to review the performance of banking system in the State of Punjab for the quarter ended **December 2022** was held on **21.02.2023 at Hotel Hyatt Centric, Chandigarh** from **11:00 A.M onwards**. The meeting was held under the **Co-Chairmanship** of **Chief Guest Madam Garima Singh, IRS, Secretary Finance cum Director, Institutional Finance & Banking, Government of Punjab** and **Shri Kanwaljit Shorey, General Manager, Corporate Office, Punjab National Bank** in the presence of **Madam Mandakini Balodhi, Director, Department of Financial Services, New Delhi**.

Besides, the meeting was attended by the following dignitaries-

- Shri Pronobesh Barua, DGM, Reserve Bank of India, Chandigarh
- Shri Puskar Tarai, General Manager & Convenor, SLBC Punjab
- Shri H K Sablania, General Manager, NABARD, Chandigarh

Also, the Senior Officers from RBI, State Government, Banks, Financial Institutions and various Corporations participated in the meeting.

The list of participants is as per **Annexure-I**.

At the outset, Shri Puskar Tarai, Convenor-SLBC Punjab & General Manager, Punjab National Bank in his welcome address extended a warm & hearty welcome to **Chief Guest Madam Garima Singh, IRS, Secretary Finance cum Director, Institutional Finance & Banking, Government of Punjab; Madam Mandakini Balodhi, Director, Department of Financial Services, New Delhi; Sh. Pronobesh Barua, DGM, RBI; Shri Kanwaljit Shorey, General Manager, Corporate Office, Punjab National Bank; Shri H K Sablania, General Manager, NABARD,** LDMs, Senior Officers from RBI, State Government, Banks, various Corporations.

He told that SLBC will deliberate & review the progress of Banks for the quarter ended December, 2022 along with the policy, financial & other issues related to progress & economic conditions of state of Punjab. As per RBI's Revamped Lead Bank Scheme, SLBC-Punjab conducted meeting of five Sub-committees to SLBC on 10.02.2023 to deliberate statistical data and other routine issues. Action points emerged during the meetings were circulated to the steering sub-committee to finalize the agenda for the

SLBC meeting. He requested all member banks to ensure data sanctity and timely submission of SLBC data.

Speaking about the progress of Banks in the Punjab state for the period ended December 2022, he said the YOY deposit growth in state remained at 9.46% with SCBs growing at 9.68%. Deposits of major banks as on December 2022 are SBI :127718 Cr, PNB: 114845 Cr & HDFC: 64655 Cr. Further, the YOY credit growth is 7.08% with SCBs growing at 7.30%. Position of major banks in advances as on December 2022 is SBI: 75663 Cr, HDFC: 59726 Cr & PNB: 46924 Cr.

Commenting on Agriculture growth in the state, he said the same is 5.49% as on 31.12.2022. The PSBs' share in Agriculture advances is 38.29% and Pvt. Banks' share is 35%. The term loan component under agriculture credit is only 23.58% which is a major area of concern and there is a need for Infrastructure financing or Capital formation in rural areas which will ultimately increase agriculture/ rural income of farmers in the state.

Further, In MSME the state is growing at 19.59% as on 31.12.2022. PSB banks share in MSME advances is 47.18% and Pvt. Banks Share in MSME advances is 51.78%.

While deliberating on the progress of banks under National Goals, he apprised the house that the Share of Priority Sector Advances to NBC is 54%. Share of Agriculture Advances to NBC is 25% and Share of Weaker Section Advances to NBC is 20%.

He further urged upon all the state government departments /agencies /machinery involved in the development / upliftment of the society to come to the forefront to drive the state on the path of sustainable of economic growth and extended his best wishes for fruitful & conclusive deliberations on all the agenda issues of the meeting.

Shri Kanwaljit Shorey, General Manager, Punjab National Bank in his Keynote address extended a warm and hearty welcome to distinguished guests **Madam Garima Singh, IRS, Secretary Finance cum Director, Institutional Finance & Banking, GoP; Madam Mandakini Balodhi, Director, Department of Financial Services, New Delhi; Sh. Pronobesh Barua, DGM, Reserve Bank of India; Shri H K Sablania, General Manager, NABARD** along with senior executives from State Government, Banks, Financial Institutions, RBI, NABARD and other offices.

He said that discussions will be held on road map for attaining the targets for FY 2022-23 set forth by Regulatory & other Authorities so as to fill up the gap before the end of Financial Year and requested all member banks to strive hard to achieve the goals.

Apprising the house on the Macro economic conditions, he told that the Global economic activity was weakening under the impact of the protracted conflict in Ukraine and aggressive monetary actions & stances across the world. As financial conditions tighten, global financial markets are experiencing surges in volatility, with sporadic sell-offs in equity and bond markets and the US dollar strengthening to a 20-year high.

To reassess the evolving inflation-growth dynamics, it was decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.50 per cent with immediate effect. Consequently, the standing deposit facility (SDF) rate stands adjusted to 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Speaking about the performance of banks, he said the banks in the state of Punjab have been putting in concentrated efforts for effective implementation of various Government led schemes and contributing to economic well-being & financial inclusion in the state of Punjab.

Under ACP during FY2022-23, the banks in the state of Punjab have disbursed Rs.138074 Crore i.e. 79% of the December 2022 target. The achievement under Agriculture and MSME segment was 68% and 133% respectively during this period.

He congratulated the member banks and LDMs of Amritsar and Patiala district for achieving more than 100% of their allocated targets of total Priority Sector under Annual Credit Plan.

Raising his concern over CD Ratio, he said, although the achievement under CD Ratio in the state as on 31.12.2022 is 59% which is only slightly below the benchmark, still the member banks are requested to keep up the momentum and further improve CD Ratio to justify the achievement as per the available potential.

He further added that the state has performed exceptionally well under the schemes PMJJBY and PMSBY during the financial year 2022-23, however the member banks to improve performance under APY scheme.

Talking about the achievements under Mudra Loans, he said that Credit facilities to the tune of Rs.3125 Crore has been sanctioned to more than 2.72 Lakh beneficiaries under Pradhan Mantri Mudra Yojana (PMMY) during FY2022-23 and 80% of the target for the Financial Year has been achieved.

To augment off-take in MUDRA loans, he requested all member banks to source as many PMMY loan applications via digital modes as possible and also explore the involvement of BCs in sourcing of loan applications. Under PMEGP, 952 projects involving margin money of Rs.45cr have been sanctioned. Member Banks were requested to work hard towards clearing the pendency under the scheme.

As the Nationwide AHDF KCC Campaign has been resumed, he requested all member banks to source and sanction as many applications as possible.

Informing the house regarding digital coverage in Saving & Current Bank accounts in districts of Kapurthala, SAS Nagar and Malerkotla, he urged upon banks to focus on increasing the share of digital transactions vis-à-vis the total transactions through adoption of new age technologies and on-boarding of more and more customers/merchants on digital platforms.

While concluding, he conveyed his best wishes to all member banks for achievement of targets in this Financial Year and thanked the State Government and its various departments, RBI and NABARD for their excellent support, guidance and co-operation rendered to the banking sector in the State over the years. He assured full cooperation

from banking fraternity towards strengthening and uplifting the socio-economic conditions of the people of the State.

The Agenda Items were discussed as under: -

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| Agenda Item No. 1 | Confirmation of minutes of 162nd Meeting of State Level Bankers' Committee (Punjab) |
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The House confirmed the e-mailed/circulated minutes of above meeting after submission of action taken report by HDFC Bank with regard to convening special programs for clearing pendency under PM- SVANidhi scheme and no other comments/suggestions were received.

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| Item No. 2.1 | PM Street Vendors Atma Nirbhar Nidhi (PM- SVANidhi) a special Micro Credit Facility Scheme |
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Bank/ Branch wise total 120271 applications were received under the 1st Tranche loan, out of which Banks have sanctioned 45972 applications and 42121 applications have been disbursed so far i.e. 92% of total sanctioned applications.

Out of 23103 applications received under 2nd Tranche loan, 8761 applications have been sanctioned and 6883 applications have been disbursed so far. Further, Total 3311 applications are still pending for disbursement under the scheme.

DGM, SLBC requested the banks who have not performed as per the expectations of Govt. of India and have maximum pendency, to dispose off the pending applications especially which are more than 15 days old now. The bottom performing banks i.e. YES Bank, Bandhan Bank, AXIS Bank, ICICI & HDFC & Kotak Mahindra Bank to immediately disburse the sanctioned cases.

Madam Garima Singh, IRS, Chief Guest asked the Nodal Officers of Kotak Mahindra Bank & HDFC Bank with maximum number of pending applications under the 1st Tranche loan to give a timeline to clear the pendency. She said that the Bank Specific Action Taken Report on the assurance given by respective banks shall be discussed in the forthcoming SLBC Meeting.

Shri Kanwaljit Shorey, General Manager, PNB also stressed upon inclusion of action points emerged during the meeting as a part of next SLBC meeting agenda.

Madam Mandakini Balodhi, Director, DFS, New Delhi then enquired from the Nodal Officers of major Private Banks the reasons for the poor performance and asked them to prioritize & take necessary steps for promotion of Govt. of India flagship schemes. The concerned banks were asked to give a timeline for clearing the pendency.

The HDFC Bank representative informed that the beneficiaries are not turning up in the special camps being organized and to clear the pendency, more such camps will be organized in future with the help of ULBs for disbursement to these applicants.

Shri Pronobesh Barua, DGM, Reserve Bank of India, Chandigarh expressed his concern that under the 1st tranche loans, although sanctioning has been done but the

disbursement is pending. There is a need to mark off the pending/rejected applications from portal for which he advised the Local Body Deptt. to take decision on pending applications at the earliest as the financial year is coming to an end.

He further said that despite the repayment of 1st tranche loans, most of the banks are having high pendency under the 2nd tranche loan and asked to apprise of the operational issues if any being faced, to which the representative from Local Govt. informed that the rejection rate by banks is very high which is a matter of concern.

Madam Garima Singh, IRS, Chief Guest also observed that most of the Pvt. Banks have Zero performance under the 2nd Tranche Loans and asked the concerned banks the reasons for non-performance.

The Axis Bank representative informed that they have not received any applications under the 2nd Tranche Loans.

Madam Mandakini Balodhi, Director, DFS advised all the Pvt. Sector Banks to fix their procedural lapses and should not be lagging behind not only under PM Svanidhi but all other Flagship schemes i.e. PMJJBY, PMSBY, PMMY & SHISHU MUDRA as well.

DGM, SLBC took note of the concerns and requested all member banks to ensure that applications under the 2nd & 3rd Tranche are disposed of immediately as out of 8761 applications, as many as 1878 applications are pending for disbursement. Further, in cases of beneficiaries not being available, ULBs help can be taken to achieve the targets of Govt. of India.

Action: All Banks/LDMs& ULBs

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| Item No. 2.2 | Nationwide AHDF KCC Campaign for providing Kisan Credit Card facility to all eligible Animal Husbandry and Fishery Farmers announced by Ministry of Fisheries, Animal Husbandry & Dairying |
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Under the campaign, a total of 54245 applications have been received so far for KCC to Animal Husbandry & Dairy out of which 42025 have been sanctioned and 361 applications are pending with banks out of which 301 applications are pending for more than 15 days.

Further, for KCC to Fisheries, out of total 386 applications received, only 51 applications have been sanctioned, 17 applications are pending with banks and as many as 318 applications have been rejected.

DGM, SLBC requested the Line Dept. to immediately remove all the difficulties which the bankers are facing so that applications can be sanctioned.

Shri H K Sablania, General Manager, NABARD observed that Punjab Gramin Bank is performing well under the KCC Campaign, however the same is not being reflected separately. He then enquired from Pb. State Coop. Bank the reasons for pending applications and asked to clear the same at the earliest.

Madam Garima Singh, IRS, Chief Guest expressed her concern that despite Animal Husbandry and Fisheries being traditional activities, the same has not really taken off in the state and asked the concerned Dept. to specify the issues if any faced with the banks.

The representative from the Line Dept. informed that they are not receiving adequate response from the Pvt. Banks. to which she said that the Pvt. Sector Banks need to come forth as only then they will start receiving good number of applications.

The Lead District Manager, Hoshiarpur also raised the issue of non-participation of Pvt. Sector Banks in the weekly camps being organized.

Madam Mandakini Balodhi, Director, DFS asked the Pvt. Banks i.e. Axis, HDFC, YES Bank & Indusind Bank as to why despite having very high CD Ratio, they are finding it challenging to implement the Govt. schemes. She advised the Pvt. Sector Banks to be in touch with the District administration and ensure to submit the weekly disbursement progress & disposal pendency. She said that only with the better synergy between the banks & Local administration and by aligning their priorities with the Govt. of India, these banks can improve their performance and achieve the targets better.

Sh. Pronobesh Barua, DGM, Reserve Bank of India, Chandigarh enquired from the Nodal officers of Pvt. Banks that whether they are having product code in their CBS System for the Animal Husbandry or not as No Data is there for these banks.

DGM, SLBC apprised the house that the Pvt. Sector banks are not participating in the camps and the applications are scrutinized & distributed only between the banks present in the camps. He requested the LDMs to distribute the applications amongst all banks and suggested that special targets under PMJDY should also be given to Pvt. Banks.

Madam Garima Singh, IRS, Chief Guest said the LDMs to provide district wise data of camps organized under the campaign so that an analysis of data of all such banks not participating in camps can be done. Only after receipt of correct feedback from the LDMs, the issues can be identified and necessary action can be taken in the matter.

DGM, SLBC requested all the Lead District Managers to provide the requisite data to SLBC.

Action: Banks/ LDMs

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| Item No. 2.3 | CENTRAL SECTOR SCHEME FOR "FINANCING FACILITY UNDER AGRICULTURE INFRASTRUCTURE FUND" |
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The Hon'ble Finance Minister launched this special scheme in 2020 for the provision of Infrastructure Financing to farmers and Rs.4713 crores were allocated for Punjab State.

Banks have received 1147 applications under the scheme and have sanctioned 772 applications. Out of these, 668 have been disbursed and 203 applications are still under process.

DGM, SLBC apprised the house that the top performing banks under the scheme are PNB, SBI, PGB, Union Bank & Canara Bank. However, the maximum pendency is with HDFC(99), Pb. State Coop. Bank(56) and SBI(36) .

Shri H K Sablania, General Manager, NABARD observed that most of the banks have zero performance under the scheme.

Shri Pronobesh Barua, DGM, RBI informed that this is a very good scheme and most of the banks are very much keen to finance under the scheme. There are banks who are willing to accept even the rejected applications from other banks, so such applications can always be diverted to these banks. Further, there is a need to create awareness amongst branches of banks having zero performance under the scheme.

Expressing dissatisfaction over the performance of most of the Pvt. Sector Banks, **Madam Garima Singh, IRS, Chief Guest** enquired from Indusind Bank, the reasons for zero performance. It was informed by the Banks that they have not yet received any applications under the scheme.

She then asked the Nodal Dept. for AIF Scheme to apprise the steps being taken for improving the performance of Private sector banks. The Dept. was further advised to submit a report of the awareness programs conducted before the next SLBC meeting to see which Banks came forward for the purpose as that could be the reason for non-receipt of applications by the banks.

Madam Mandakini Balodhi, Director, DFS requested the concerned banks to examine the issue & take necessary steps for creation of Awareness among their customers and at the same time, ensure to align their priorities with the priorities of GOI.

DGM, SLBC suggested that to create awareness about the scheme, the Nodal Dept. for AIF Scheme should be present in all DCC/DLRC Meetings and the member banks should ensure their participation in Financial Awareness programs at all levels.

Apprising the house of the strategies being adopted for good performance under the scheme, **DGM SBI** said that they are sourcing the applications and at the same time marketing & processing them in portal at their own level. Also, the awareness programs are being conducted at regular intervals at the Local Head Office level itself for all relationship managers to further increase awareness.

Shri H K Sablania said that banks should mobilize the applications on their own and organize camps at the ground level to create awareness amongst branches.

DGM, SLBC further added that the target for Punjab state under Term Loan Financing is 25% and at present the achievement is 23%. Thus, with financing under this scheme, besides Infrastructure creation, banks will also be able to achieve the targets under Term Loan Component and at the same time improve their CD ratio as well.

Action: Banks & Horticulture Dept.

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| Item No. 2.4 | PM Formalisation of Micro Food Processing Enterprises Scheme (PM FME Scheme) |
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The scheme envisages an outlay of Rs. 10,000 crores over a period of five years from 2020-21 to 2024-25. Govt. of India has targeted that 2,00,000 Micro food processing units will be directly assisted with credit linked subsidy under the scheme. As on 31.12.2022, Banks have received 1457 applications, out of which 751 have been sanctioned. 227 applications are still pending with banks.

The maximum sanctions under the scheme has been done by HDFC (151), SBI (146) and PNB (119). However, the maximum pendency is again with HDFC Bank only with 109 applications which is a matter of concern.

Sh. Rajnish Tuli, GM, Punjab Agro informed that out of the total pending 227 applications with various banks, 94 have been sanctioned and 88 applications are still lying pending. Out of these, 67 are pending with HDFC Bank only for more than 2 months now. He requested for expeditious disposal of pending applications.

The Nodal Officer from HDFC Bank assured to clear the pendency within 15 days and the house took note of the same.

Sh. Rajnish Tuli further requested for display of banners regarding the scheme in all the branches as the scheme has received good response in the state and the scheme will pick up further also.

Sh. Pronobesh Barua, DGM, RBI said that as there are some limitations with regard to display of banners in the branches, the awareness can directly be created amongst the persons availing the loan facilities and other useful forums can be considered for more penetration. He further expressed his satisfaction over the performance of banks in the state under the scheme.

Action: LDMs & Banks

| Item No. 3 | Overall CD Ratio |
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During the period under review overall CD Ratio of Commercial Banks in the State of Punjab has decreased from 60.24% as at Dec 2021 to 58.93% as at Dec 2022 thereby showing decrease of 1.31 PPs. The same has decreased by 0.65 PPs on QoQ basis during the quarter ended Dec 2022.

The CD Ratio of Public sector banks have come down by 3.61%, while that of Pvt. Sector banks have improved by 2.54% and of RRBs by 0.75% on YoY Basis.

The major decline is in the Indian Overseas Bank (-40.65%) and UCO Bank (-15.47%).

Madam Mandakini Balodhi, Director, DFS enquired from the Indian Overseas Bank representative the reasons for such major decline. She expressed her concern regarding declining CD ratio of all Public sector Banks and advised them to act immediately & take necessary steps for improvement to arrest the decline by growth in the required areas.

Action: All Banks& LDMs

| Item No. 3.1 | CD Ratio - Rural Areas |
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During the review period, the CD Ratio of Rural areas has declined by 9.09 PPS from 63.89% as at Dec 2021 to 54.80% as at Dec 2022. Further it has increased by 6.65 PPs during the quarter.

DGM, SLBC said that although there is improvement on QoQ basis but the 9% YoY decline in CD Ratio which forms the basis of Punjab State economy is a matter of great concern.

Madam Garima Singh, IRS, Chief Guest observed that the overall CD ratio of all Public sector banks is very low and asked the banks to apprise of the steps being taken by them for improving the same. She advised that a special meeting with PSBs should be held to chalk out the strategies for increasing the CD ratio of these banks as this is a particular area that needs focused attention.

Addressing the concern, **DGM SLBC** said that the main reason for such dip in CD Ratio of Public sector banks is due to Takeover of Loans by the Pvt. Sector Banks.

Madam Salina Goyal, GM, Canara Bank also added that when it comes to pricing, the Public Sector banks are lagging far behind Pvt. Sector Banks which plays a big role in quantum of Corporate Financing.

Shri Pronobesh Barua, DGM, RBI said that the overall advances of the state have grown. So there is an urgent need for introspection at the level of PSBs to re-examine their business processes and strategies for improvement in the CD ratio.

Action: All Banks& LDMs

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| Item No. 4 | Credit Deposit Ratio – Implementation of the Recommendations of Expert Group on CD Ratio |
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CD Ratio of 5 districts i.e. Hoshiarpur, Jalandhar, Kapurthala, SBS Nagar and Pathankot was below 40% and for monitoring the same, Special Sub Committees (SSCs) of District Level Consultative Committee (DLCC) were constituted in these districts.

DGM, SLBC informed the house that a timeline was fixed for all these districts under the Monitor able Action Plan for achieving the level of 60%. Although the CD Ratio of 3 districts Jalandhar, Kapurthala and SBS Nagar has improved but the same has declined for Hoshiarpur & Pathankot districts which is a matter of concern. Both the LDMs were requested to share the action taken in this regard during the last quarter.

LDM Hoshiarpur stated that earlier the Branch Managers were regularly attending the BLBC meetings wherein special focus was given on CD ratio and as a result, upward trend was observed from last 3 quarters. However, during the current quarter, the same has declined due to decrease in NRI Deposits and non-participation of major banks in BLBC meeting for which matter has been taken up with all member banks. Also steps are being taken to promote Govt. of India's new scheme National Livestock Mission.

He further raised the issue of non-availability of guidance for Pig Farming Financing in Punjab which has the potential to be one of the most profitable projects. The Line Dept. informed that due to AIF scheme, currently they are not

Putting light on Rupnagar Districts' achievement of 40% CD ratio target as per Monitor able Action plan, **Shri Pronobesh Barua, DGM, RBI** said that all these five districts should strive hard for strengthening of DCC/Block Level meetings, arrange camps and be in regular touch with DCOs for improvement of CD Ratio.

DGM, SLBC requested the Bank Heads to issue an advisory to all DCOs for ensuring 100% participation of Branch heads in BLBC Meetings.

Action: Concerned LDMs/Banks

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| Item No. 5 | Review of National Goals |
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The state has surpassed the targets under all parameters of National Goals except the CD Ratio & Export Credit. The Priority Sector Advances achievement to Net Bank Credit as on 31.12.2022 is 54.34%, well above the target of 40%. Under agriculture, the state has achieved 25.71% against the target of 18%, the achievement of National goal under small & marginal farmers is 10.72% against the target of 10%.

Shri H K Sablania, GM, NABARD observed that the Net Bank Credit has decreased from 58.78% to 54.34% on YoY basis. Further, Agriculture Adv. to Net Bank Credit has also decreased and the banks have very low share to Total advances i.e. SBI (8.89%), Bank of Maharashtra (6.07%) & IOB (9.27%) which is matter of concern.

DGM, SLBC requested the member Banks to take concrete steps to improve the achievement under National goals for Agriculture, Priority Sector & Micro enterprises advances so that the CD ratio can also be improved.

Action: All Banks

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| Item No. 6 | Priority Sector Advances |
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During the period under review, overall Priority Sector Advances of state have increased by Rs. 12346 crores, from Rs.161143 crores as at Dec 2021 to Rs.173489 crores as at Dec 2022 thus showing a growth of 7.66%. However, the same has declined in case of Public Sector Banks.

The concerned banks were requested to give special attention during March Quarter to improve their position.

Action: All Banks

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| Item No. 7 | Agriculture Advances |
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The Agriculture Advances in the State during the period under review witnessed an increase of Rs.4570 crores from Rs.83178 crores as at Dec 2021 to Rs.87748 crores as at Dec 2022 thus showing increase of 5.49%.

However, again there is a dip in case of Public sector Banks. The Indian Overseas Bank & UCO Bank were advised to check the veracity of the data as there is major decline in percentage achievement and mismatch in number of accounts.

Action: All Banks

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| Item No. 7.1 | NPA in Agriculture Sector |
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NPA under Agriculture sector have increased by Rs.740 crores during the last one year. As on December 2022, NPAs are to the tune of Rs.10733 crores which is 3.22% of total advances and needs to be curbed.

Action: All Banks/ Agriculture Dept.

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| Item No. 7.2 | Agriculture Advances through Term Loan. |
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DGM, SLBC said that as on 31.12.2022, the Achievement under Term loan component is 23.58%. As envisaged by NABARD, minimum 25% achievement should be there for which Rs.1250cr more financing is required to be done by the banks. Thus, there is a need for Infrastructure Financing and Capital formation in agriculture sector.

The below average performance banks are IDBI, Bank of Maharashtra, P&SB, UCO Bank & Kotak Mahindra Bank. He requested the member banks to focus on AIF scheme which will also enhance the Term loan component and said that the next year targets will be fixed keeping in view the NABARD focus paper.

Action: All Banks/ Agriculture Dept.

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| Item No. 8.1 | KCC-ATM cum Debit Cards position |
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The overall percentage of cards issued as on 31.12.2022 is only 66% and more than 8 lakh KCC holders still do not have Debit cards which is a matter of concern. During the last SLBC meeting, it was advised by RBI that all member to cover 100% of old accounts with Debit cards and ensure to issue cards in all new accounts in future. However, some of the banks i.e. Kotak Mahindra, YES Bank & Capital Small Finance Bank still have zero percentage of cards issuance.

Madam Garima Singh, IRS, Chief Guest discussed with the concerned banks about the reasons for non-issuance and instructed them to remove this gap at the earliest.

DGM, SLBC requested the banks for immediate issuance of Debit cards to all KCC holders as only then DBT will be possible.

Action: Concerned Banks

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| Item No. 9 | Farmers Produce Organization |
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67 FPOs have been promoted under Government of India PRODUCE Fund, 16 FPOs under Farm Sector Promotion Fund and 28 FPOs under Produce Organization Dev. Fund (PODF). Amritsar, Gurdaspur, Hoshiarpur and Tarn Taran are the leading districts under the scheme.

Shri H K Sablania said that the credit linkage of FPOs in State is very less. So the Banks should visit FPOs to fulfill their requirements and also allocate District wise targets to branches to get good progress. As mobilization of 300 members is a problem in formation of FPOs, so NABARD is supporting FPOs with 100 plus members also instead of waiting for 300 members. He further apprised that the JAGRITI FPO of Punjab state was selected as one of the best FPOs by Govt. of India.

Shri Pronobesh Barua, DGM, RBI said that the State Govt. in Haryana is actively promoting and providing support in the form of subsidy for formation of FPOs.

Madam Garima Singh, IRS, Chief Guest asked the NABARD to provide necessary guidance to the banks in Punjab on lines of other well performing states to which Sh. Sablania assured that they will have cluster wise meeting with Banks & FPOs for the purpose.

Action: All Banks, LDMs & NABARD

Item No.10**Pradhan Mantri MUDRA Yojana (PMMY)**

With sanction of Rs.3125cr under the scheme, 80% of the targets of the state have already been achieved. The Top performing banks under the scheme are Bank of Baroda, HDFC, PGB, UBI and Indusind Bank.

DGM, SLBC further assured that the Banks in Punjab are performing well and can surpass the targets by the end of Financial Year which will further contribute towards achievement of CD Ratio also.

Action: All Banks & LDMs

Item No. 10.1**NPA under Pradhan Mantri MUDRA Yojana (PMMY)**

The NPA under MUDRA increased by 420 cr during last one year from 9.02% to 10.95% which is a matter of concern. So there is a need to check that wherever the loans are given, sufficient assets are there to avoid issue of NPA. Further the Guarantee fund is also there under the scheme which guarantees these loans.

Action: All Banks

Item No. 11**Prime Minister Employment Generation Programme (PMEGP)**

The Banks in the state of Punjab have achieved 129% of targets under PMEGP scheme as on 31.12.2022 with up to 90% disbursement. However, some of the banks have not yet claimed the margin money. Member Banks were requested to claim the same at the earliest from the concerned Department in cases where the disbursement is complete.

Informing the house about satisfactory performance of banks under the scheme, the KVIC Representative Thanked DGM, SLBC for the support rendered as a result of which Bank wise targets were allocated and the achievement as on date is 134%. The highest number of applications were sanctioned by the Banks PNB(1407), SBI(1110), PGB(701), Canara Bank(469) and P&SB(657).

Further, Bathinda, Hoshiarpur, Sangrur, Mansa and Patiala are the Top performing districts under the scheme.

Action: All Banks & KVIC Dept.

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| Item No. 12 | Stand-up India Programme of Ministry of Finance |
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Expressing concern over the performance of Banks under Stand-Up India Programme, **DGM SLBC** said that only 8 Banks participated in the scheme. Out of total 6265 Branches, only 189 branches have participated and sanctioned 241 loans amounting to Rs.35 crores. The cumulative sanction since inception is 6984 accounts amounting to Rs.1282 cr.

Further, apprising the house about the outstanding balance of 3517 accounts of amount Rs.523 cr. under the scheme, he said that as the repayment is good under the scheme, so the banks to make concerted efforts to sanction at least 2 cases per branch.

Madam Mandakini Balodhi, Director, DFS advised all the member banks to set ambitious targets and start performing under this Govt. of India scheme.

Action: All Banks

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| Item No. 13 | Annual Credit Plan 2022-23 Achievements up to 31.12.2022 |
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ACP achievement of the Banks for the F.Y 2022-23 is 79%. Banks have achieved 68% in agriculture, 133% in MSME and 47% in other priority sector.

DGM, SLBC said that 100% targets can be achieved under ACP if focused attention is given towards Agriculture and other priority sector. As the overall performance under ACP is satisfactory, so with little efforts on the part of Bottom performing banks i.e. IOB, J&K Bank, Bank of Maharashtra, Bandhan Bank and LDMs of districts Rupnagar, Kapurthala, Muktsar & Malerkotla, the state will be in a position to surpass 100% targets.

Action: All Banks& LDMs

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| Item No. 14 | Pradhan Mantri Suraksha BimaYojana (PMSBY) and Pradhan MantriJeevanJyotiBimaYojana (PMJJBY). |
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Under these Social Security Schemes, the state has performed exceptionally well. As on 31.12.2022, the achievement under PMSBY is 370% against the targets given for state and except IOB, the achievement of all Public sector banks is more than 100%. The performance of Pvt. Sector Banks & Pb. State Coop. Bank however is not up to the mark.

Madam Garima Singh, IRS, Secretary Finance said that despite the targets being low, the performance of most of the Pvt. Banks is not satisfactory.

Discussing about an important aspect of claim servicing under these flagship programmes, **Madam Mandakini Balodhi, Director, DFS** said that the SOPs for the purpose have been laid off in a very simple manner and the documentation also has been simplified. So the banks were requested to sensitize their work force to handle expeditiously and without much hassle.

Action: All Banks

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| Item No. 20 | Atal Pension Yojana (APY) |
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The overall achievement under the scheme as on 31.12.2022 is only 73%. The Private sector banks are lagging behind with 28% achievement.

DGM, SLBC raised the concern that Rs.5000 per month Pension amount is very low and the waiting period is very long due to which many people are not interested in opting for the scheme. The issue was escalated by SLBC, Punjab to PFRDA who took note of the same.

Madam Garima Singh, IRS said that the position of the Private Banks is again the same in this scheme as well and they need to make efforts for better performance of state.

Action: Concerned Banks

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| Item No. 16 | National Rural Livelihood Mission (NRLM)- Implementation in the State of Punjab |
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The performance of Self Help Groups under NRLM 2022-23 was reviewed. The target for credit linkage of SHGs is 14000 applications of amount Rs.190cr. Out of total 8264 applications received during the Q.E December 2022, Member Banks sanctioned and disbursed 7554 Loan Applications amounting to Rs.76 crores.

Action: Banks & NRLM Dept.

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| Item No. 16.1 | Position of Women Self Help Groups under NRLM |
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During the Q.E December 2022, Saving Linkage has been done in 960 accounts, 3207 have been credit linked and Rs.23 crores have been disbursed.

Shri Pronobesh Barua, DGM, RBI expressed satisfaction over progress of banks under credit linkage and said that the gap between Savings and Credit Linkage is gradually decreasing. The banks and the concerned Dept. to make more efforts to bring this gap to minimum possible.

Action: Banks & NRLM Dept.

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| Item No.17 | Micro Financing – Self Help Groups/JLGs |
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While reviewing the performance, **Shri H K Sablania** informed that as NRLM has covered most of the districts in Punjab state, NABARD has now stopped making new formations under SHGs in those districts and the same can be dispensed with from SLBC agenda.

Shri Pronobesh Barua, DGM, RBI advised to combine the progress of SHGs under NRLM & NABARD.

DGM, SLBC apprised the house that in every SLBC meeting, updated data is not received from NABARD due to which it will be difficult to review their progress jointly.

Shri H K Sablania raised the concern that the member banks are not updating the data at national level. So he requested the LDMs to start taking progress from banks at district level.

Acting upon the issue, **DGM, SLBC** requested the Lead District Managers to include the same as an agenda item in DLRC meetings so that progress can be reviewed.

Action: LDMs & NABARD

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| Item No. 18 | EXPANDING AND DEEPENING THE DIGITAL PAYMENT ECO-SYSTEM IN IDENTIFIED DISTRICTS- KAPURTHALA, SAS NAGAR(MOHALI) & MALERKOTLA |
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The overall Digital coverage as on 31.12.2022 for Kapurthala, SAS Nagar(MOHALI) & Malerkotla districts in Savings accounts is 87%, 90% & 81% respectively. However, the progress under Current Accounts is not satisfactory and the achievement is 69%, 75% and 69% only.

The Concerned LDMs were asked to apprise of the issues being faced, so that same can be dealt with to achieve the target of digitalization.

Further, All the Bank Heads were requested to pass specific instructions to the branches in these 3 districts to focus on Savings and Current accounts and cover at least one parameter with digital mode so that 100% digitalization can be achieved.

Shri Pronobesh Barua, DGM, RBI said that the major 5-6 banks who are having adequate infrastructure in place should come forward and make concerted efforts for digitalization of operational accounts first. The controlling offices of banks to provide branch wise list of all such accounts to their branches so that the progress can be monitored.

Action: All Banks & Concerned LDMs

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| Item No. 18.1 | EXPANDING AND DEEPENING THE DIGITAL PAYMENT ECO-SYSTEM -INCLUSION OF FARIDKOT & FAZILKA DISTRICTS FOR 100% DIGITALISATION |
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As per Reserve Bank of India letter FIDD.CO.LBS.No. S1416/02.01.014/2022-23 dated January 3, 2023, SLBC was advised to identify more districts to scale up the digitalization programme in the State. Accordingly, two more districts i.e. Faridkot & Fazilka have been identified.

LDM Faridkot & LDM Fazilka were requested to formulize strategies and Fix Timeline as the monitoring mechanism will start from March/June 2023.

Action: All Banks & Concerned LDMs

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| Item No.20 | Scale of Finance in Agriculture Advances |
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The SLBC approved the committee comprising RBI Chair, experts from NABARD & State Revenue Department and SLBC as members.

The recommendations of the committee were placed in 162nd SLBC meeting and were further submitted to Department of Institutional Finance & Banking, Govt. of Punjab to consider for implementation.

Madam Garima Singh, IRS, Secretary Finance advised that the committee should revisit the issue and come up with some practical recommendations so that the same can be implemented.

Further, as all the members of the committee have been transferred/retired, it was suggested to form a new committee to deal with the issue.

Action: SLBC

Item No. 25**Opening of Brick & Mortar Branch at Village Dona Mattar, Ferozpur allocated by DFS**

Out of 363 villages, one village Dona Matter in District Ferozpur was identified and In-principle approval was given to the circle for opening of brick & mortar branch at Village Dona Mattar.

However, it was informed that Village Dona Mattar is situated very close to the International border of India and Pakistan in a remote area. To run the branch, connectivity is required and BSNL has informed that they are unable to provide Lease and ISDN line link due to non-availability of network in the village Dona Mattar. Village Dona Mattar is very close to Satluj River and is under flood effected zone. Required infrastructure is not available and even after continuous efforts for 3 months, suitable premises could not be found. BCA of State Bank of India and Punjab National Bank are already providing their services in the village itself.

Therefore, as per instructions received from DFS for considering an alternate location, Village Pindi which has been identified which is stated to be within a radius of 5KM of Village Dona Mattar as informed by the concerned LDM.

The issue was placed before the house and in Principal approval was given subject to fulfilment of following conditions –

- The population of Village Dona Mattar is more than 3000
- The alternate location suggested for opening of branch in Village Pindi is within 5Km radius of village Dona Mattar.

The Lead District Manager, Ferozpur was advised to take necessary action in the matter and proceed for formal approval in the matter in the DCC Meeting.

Action: LDM Ferozpur

Item No. 26**SVAMITVA Scheme for extending loans against the security of property cards issued**

The SVAMITVA (Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas), a Central Sector Scheme was launched by Government of India. The scheme aims to provide an integrated property validation solution for rural India and would thereby provide the 'Record of Rights' to village household owners possessing houses in inhabited rural areas.

DGM, SLBC suggested for writing to the Line Departments under the scheme i.e. State Panchayati Raj Dept, Revenue Dept. and Survey of India as the work of identification survey is yet not complete.

Madam Garima Singh, IRS, Secretary Finance accord approval for same and said that as regular meetings are being held with Revenue Department, the issue can be included as an agenda in these meetings.

Action:Revenue Dept./Panchayati Raj Dept.

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| Item No. 27 | Special 6 months campaign at Gram Panchayat Level from 15.02.2023 to 15.08.2023 in 112 aspirational Districts |
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DFS, Ministry of Finance, GOI launched Special 6 months campaign at Gram Panchayat Level from 15.02.2023 to 15.08.2023 in 112 aspirational Districts in India.

DGM, SLBC informed the house that in Punjab, two aspirational Districts namely Ferozepur and Moga are there and it is a matter of great pleasure that in the last meeting of SLBC Heads organised by the Dept. of Financial Services, MoF, Punjab was the only SLBC at PAN India basis with 100% achievement of targets.

Further, as some more new performance parameters has been added by GOI, the LDMs of both aspirational districts were requested to chalk out schedule for organising programmes to achieve targets under this special campaign and provide the same to SLBC.

Action: Concerned LDMs

Madam Mandakini Balodhi, Director, DFS, New Delhi in her concluding remarks appreciated the progress of the state and requested all member banks to take a step forward in aligning their goals with GOI. She said that it can be witnessed that tremendous support is available to the banks from the Govt. of Punjab, so it is the duty of the banks to metamorphise their efforts and let the numbers show the results.

She further said that for the meetings to be more fruitful, the data should be duly sanitized and the Action Taken Report of previous meeting must form a part of Current Quarter Meeting.

Commenting on the Table Agenda Item regarding ACP Targets for F.Y. 2023-24, **Shri Pronobesh Barua, DGM, RBI** advised all the banks and LDMs to check the same and inform SLBC within 7 days of discrepancy, if any.

Madam Garima Singh, IRS, Chief Guest said that the State is doing really well in a lot of parameters. As Banks & LDMs are the medium to reach the unprivileged strata of society, they were requested to contribute towards the society and the progress of state by proactively participating in all flagship schemes of Govt. of India and state.

Thereafter the meeting ended with Vote of thanks proposed by Sh. Sumit Phaka, General Manager, State Bank of India.

Annexure - I

List of Participants

**163rd Meeting of SLBC (Punjab)
Held on 21.02.2023 at 11.00 A.M**

| S. No. | Name of participant (Shri/Smt) | Designation/Bank/Department |
|---------------|---|---|
| 1 | Garima Singh, I.R.S | Secretary, Finance cum Director, Institutional Finance & Banking Government of Punjab |
| 2 | Pronobesh Barua | DGM, RBI |
| 3 | Mandakini Balodhi | Director, DFS, MOF, GOI |
| 4 | H K Sablania | General Manager, NABARD |
| | Reserve Bank of India | |
| 5 | Vikram Dhanda, AGM | RBI |
| | Punjab National Bank | |
| 6 | Kanwaljit Shorey, GM | Punjab National Bank |
| 7 | Puskar Tarai, GM | Punjab National Bank |
| 8 | Parveen Kumar Guglani, DGM | Punjab National Bank |
| 9 | Tulsi Dass Dhiman, Chief Manager | Punjab National Bank |
| 10 | Kamal Taneja, Senior Manager | Punjab National Bank |
| 11 | Shaveta, Manager | Punjab National Bank |
| 12 | Ishan Mehra, Dy. Manager | Punjab National Bank |
| | State Government Departments/Boards/Corporations(Shri/Madam) | |
| 13 | Sanjeev Aggarwal, Deputy Director | Department of Institutional Finance & Banking |
| 14 | Kamal Goyal | Department of Institutional Finance & Banking |
| 15 | Sushil Kumar, DGM | NABARD |
| 16 | Rajneesh Tuli, GM | Punjab Agro |
| 17 | Sanjeev Mahajan, Director | UIDAI |

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| 18 | Ankush Thakur, AM | UIDAI |
| 19 | Dr Rajesh Kumar Aggarwal | RBI Chair |
| 20 | Dr. Sukhwinder Singh | RBI Chair |
| 21 | Dr. Raminderpal Singh, Assistant Director | Animal Husbandry(Punjab) |
| 22 | Surat Singh | KVIC |
| 23 | Jaswinder Pal Kaur | Revenue Department |
| 24 | Jawinder Singh, Assistant Director | Department of Fisheries(Punjab) |
| 25 | Charanjit Singh, Director | RSETI |
| 26 | Baldeep Singh, Technical Director | Local Govt. Deptt./SUDA/NULM |
| 27 | Vijay Partap, Assistant Director | Horticulture Department |
| 28 | Ravdeep Kaur, Team Leader AIF | Horticulture Department |
| 29 | Ramandeep | Rural Development |
| 30 | Surinder Pal Angra | Rural Development |
| 31 | Rajnish Sharma, Additional RCS | Registrar Coops. Pb |
| 32 | Jaswinder Singh, Asstt Directoe | Fisheries |
| 33 | K S Jassowal, Director | Dairy Deptt |
| 34 | Dr S K Dubey, Centre Incharge | National Horticulture Board |
| | Banks (Shri/Madam) | |
| 35 | Sumit Phakka ,GM | STATE BANK OF INDIA |
| 36 | Anil Dewani, DGM | STATE BANK OF INDIA |
| 37 | Parveen Nagpal, AGM | STATE BANK OF INDIA |
| 38 | Dev Raj Barnwal, Regional Head | BANK OF BARODA |
| 39 | Navin Kumar, AGM | BANK OF INDIA |
| 40 | Amit Goyal, Zonal Manager | BANK OF MAHARASHTRA |
| 41 | Salina Goyal ,GM | CANARA BANK |
| 42 | S K Arora, Div. Manager | CANARA BANK |
| 43 | Ghanshyam Parmar, DGM | UCO BANK |
| 44 | Karamjit Singh, DGM | PUNJAB & SIND BANK |
| 45 | Joginder Sandhu, DGM | INDIAN BANK |

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| 46 | Sunil Kumar Gupta, AGM | INDIAN OVERSEAS BANK |
| 47 | Arvind Kumar, DGM | CENTRAL BANK OF INDIA |
| 48 | Archana, Manager | CENTRAL BANK OF INDIA |
| 49 | Arun Kumar , GM | UNION BANK OF INDIA |
| 50 | Arvinder Pal Singh, DGM | PB. STATE COOPERATIVE BANK |
| 51 | Sanjeev Kumar Dubey, Chairman | PB. GRAMIN BANK |
| 52 | Harvinder Kapoor, Regional Head GSP | HDFC BANK |
| 53 | Prabhjeet Singh Purba , Zonal Coordinator | ICICI BANK |
| 54 | Charanjit Singh Parmar ,SVP | AXIS BANK |
| 55 | Charu Bakshi, AVP | AXIS BANK |
| 56 | Swaran Singh, DGM | IDBI BANK |
| 57 | Gagandeep Kaur Walia,DVP | INDUSIND BANK |
| 58 | Swaraj Chauhan | FEDERAL BANK |
| 59 | Varun Sharma, AVP | KOTAK MAHINDRA BANK |
| 60 | Vivek Dasson, Branch Head | BANDHAN BANK |
| 61 | Vishal Singla , SVP | AU SMALL FINANCE BANK |
| 62 | Amit Gupta, AVP | AU SMALL FINANCE BANK |
| 63 | Pooja Pahuja, Chief Manager | IDFC FIRST BANK |
| 64 | Pankaj Kaushik, EVP | YES BANK |
| 65 | Anuraj Kumar | CAPITAL SMALL FINANCE BANK |
| 66 | Shishir Aggarwal | DCB Bank |
| 67 | Deepak Garg | Equitas Small Finance Bank |
| | Lead District Manager(Shri/Madam) | |
| 68 | Pritam Singh | Amritsar |
| 69 | Mohinder Pal Garg | Barnala |

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| 70 | Manju Galhotra | Bathinda |
| 71 | Gurvinder Singh | Faridkot |
| 72 | Mukesh Saini | Fatehgarh Sahib |
| 73 | Manish Kumar | Fazilka |
| 74 | Kewal Kishan | Gurdaspur |
| 75 | Tarsem Singh | Hoshiarpur |
| 76 | Ram Kumar Gupta | Ferozpur |
| 77 | Sanjay Gupta | Ludhiana |
| 78 | Kamal Garg | Mansa |
| 79 | Savita Jaiswal | Moga |
| 80 | Gurcharan Singh | Sri Muktsar Sahib |
| 81 | Lalit Kumar Mehra | Pathankot |
| 82 | Davinder Kumar | Patiala |
| 83 | Amish Nath Ojha | Rupnagar |
| 84 | Manisha Mittal | SAS Nagar |
| 85 | Harmesh Lal | SBS Nagar |
| 86 | Nirmal Roy | Tarn Taran |
| 87 | Parwinder Kumar Chopra | Malerkotla |
| 88 | Sanjeev Aggarwal | Sangrur |