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अग्रणी बैंक प्रभाग : Lead Bank Division

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Ref : SLBC/Minutes/SHG/ 533 /2019

Dated, the 28<sup>th</sup> October, 2019

**Member Banks under SLBC, West Bengal**

Re : Minutes of the Special Committee meeting on SHG dated 24-10-2019

In terms of the decision taken in the 146<sup>th</sup> SLBC meeting on 17-09-2019, a Special Meeting under SLBC Sub Committee on SHG was held on 24-10-2019. The objective of the meeting was to resolve the impasse in clearing the pending proposals and resolve the operational issues in order to streamline the implementation process under NRLM & NULM. The meeting was chaired by Sri A K Agarwal, Principal Secretary (SHG & SE) with presence of Sri S Das, SMD & CEO (SRLM), Sri J Choudhury, Jt Secretary (SUDA), Sri M Dhar, Advisor (Institutional Finance), Sri P Chakraborty, AGM (RBI), Sri A Chakraborty, AGM (NABARD). As to the banks, there was participation by the designated 9 member banks as well as 9 other specially invited banks.

The major points of discussion and the Action Points emerging thereof with valuable suggestions from the dignitaries & inputs from the banks are listed below,

- While the sanction position has improved to 51% of the ACP, the disbursement position has remained low at 28% only. Member banks are to dispose of the pending proposals and intimate the sponsoring agencies regarding the updated position by 07-11-2019 for the Sub Committee to initiate necessary remedial measures. The pending position (branch-wise as submitted by WBSRLM & SUDA) must be reconciled with support from the field level functionaries of the sponsoring agencies.

(Action Point 1 : Member Banks)

- RBI Master Directive (latest dt 01-07-2019) stipulates that banks are to sanction minimum CC limit of Rs.5 lakh to each eligible SHGs for a period of 5 years with yearly drawing power . The drawing power may be enhanced annually based on the repayment performance of the SHG through grading exercise. Banks should initiate necessary measures to ensure that the eligible SHGs are provided with repeat dose of finance.

(Action Point 2 : Member Banks)

- The renewal with enhancement of limit is to be made by the banks after completion of the grading exercise without the requirement of re-sponsoring of proposals with entire sets of KYC & related one-time documents by SRLM. Banks are to ensure completion of the exercise with due diligence in co-ordination with SRLM and may execute fresh set of documents for enhanced limits only. ( Ref : Minutes of 146<sup>th</sup> SLBC meeting dt 17-09-2019)

(Action Point 3 : Member Banks . Nodal Officers should advise the branches suitably)

- While advising NRLM & NULM to re-examine the matter relating to re-sponsoring of proposals , Sri A Agarwal ,Principal Secretary suggested that the schedules for joint inspection w.r.t the grading exercises be mutually drawn to avoid delay & reduce the sanction & disbursement gap.

( Action Point 4 : WBSRLM and SUDA)



- Sri S Das, SMD & CEO, exhorted the bank to emulate the last year's performance in NRLM and opined that the challenging target of Rs.13679 would be achieved in time by the banks. He also informed that WBSRLM is organizing 2 camps (11-16<sup>th</sup> November and 24-30<sup>th</sup> November) for generation of applications from SHGs for onward sponsoring to the banks. The House decided that the banks will dispose of the same with sanction followed by disbursement in December, 19

(Action Point 5 : Member Banks)

- WBSRLM and SUDA informed of the delay in claim of subsidy by the banks through respective NRLM & NULM portals. Banks like UBI, CBI, PNB, Corporation Bank are to update the NRLM portal data on monthly basis which will enable the stakeholders to track the achievement on real time basis. Regarding the rejection of data with "Irrelevant" clause, WBSRLM is to obtain necessary clarification from NRLM and inform the concerned banks accordingly.

(Action Point 6 : Member Banks & WBSRLM)

- Sri J Chowdhury, Jt Secretary stated that a large number of banks are defaulting in uploading of data through PAiSA portal on regular basis for which beneficiaries are deprived of interest subsidy benefit in time. Banks are to clear the backlog at an early date. It was also informed that the list of pending proposals have already been communicated with individual banks and should be cleared by November, 19 for which banks can also enlist the support of field staff.

(Action Point 7 : Member Banks)

- Sri P Chakraborty, AGM, RBI emphasised on the correct & updated data submission at DCC forum and also observed that despite being informed of the meetings by LDMS, representatives from ULBs are not regularly participating in the meetings.

Sri K Chakraborty, AGM, NABARD informed that that the E-Shakti portal will be extended to 10 other districts in the State which will benefit the banks in SHG credit linkage. He also informed that NABARD is also inducting SHG/Sangha members for the role of Animators.

The following operational issues common to most of the branches were also flagged off during the discussion for resolution and necessary compliance by the bank branches.

- Cheque books are to be issued to the SHGs.
- Dual Authentication is to be ensured at BC points for enabling SHGs to withdraw cash.
- Receipt of proposals from sponsoring agencies must be acknowledged by the banks.
- Common Application Form (as prescribed by IBA) must be accepted by the banks.
- Term Deposit/ Insurance should not be insisted for sanction of loans to SHGs.
- Correct rate of interest is to be charged.
- There should not be delay in opening of accounts for KYC compliant SHGs.
- Sanctioned limit should be fully allowed to be drawn by the SHGs.
- CBRM mechanism is to be followed for recovery/regularisation of loans.

( Action Point 9. The above mentioned issues are to be brought under notice of the branches by Nodal Officers of the respective Banks for necessary compliance and avoiding recurrence thereof)

The meeting ended with vote of thanks to the dignitaries for their guidance/suggestion and the participating banks for providing feedback & active participation.

General Manager  
Prised-Agri & Convenor of SLBC, West Bengal

