

**THIRTY-SEVENTH REPORT
COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

**MINISTRY OF FINANCE
(DEPARTMENT OF FINANCIAL SERVICES)**

(Presented to Lok Sabha on 13.12.2022)



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2022/Agrahayana, 1944 (Saka)

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COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Harish Dwivedi - *Chairperson*

MEMBERS

2. Shri Anto Antony
3. Shri Hanuman Beniwal
4. Prof. Sanjay Sadashivrao Mandlik
5. Shri P. Ravindhranath
6. Dr. Jayanta Kumar Roy
7. Shri Arvind Ganpat Sawant
8. Shri Brijendra Singh
9. Shri Sunil Kumar Singh
10. Shri Sushil Kumar Singh
11. Shri Manoj Kumar Tiwari
12. Shri Prabhubhai Nagarbhai Vasava
13. Shri Rajan Baburao Vichare
14. *Vacant*
15. *Vacant*

SECRETARIAT

1. Shri T.G. Chandrasekhar - Additional Secretary
2. Shri Raju Srivastava - Director
3. Shri Anand Kumar Hansda - Assistant Executive Officer

(ii)

**THIRTY-SEVENTH REPORT OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Thirty-Seventh Report (Seventeenth Lok Sabha) of the Committee to the House on the representation of Shri Phani Dhar Das regarding customers' perception and effectiveness of Credit Schemes of State Bank of India, Punjab National bank and UCO Bank, especially in Guwahati and other important issues related therewith.

2. The Committee considered and adopted the draft Thirty-Seventh Report at their sitting held on 12 December, 2022.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

**HARISH DWIVEDI,
Chairperson,
Committee on Petitions.**

12 December, 2022

21 Agrahayana, 1944 (Saka)

REPORT

REPRESENTATION RECEIVED FROM SHRI PHANI DHAR DAS REGARDING CUSTOMERS' PERCEPTION AND EFFECTIVENESS OF CREDIT SCHEMES OF STATE BANK OF INDIA, PUNJAB NATIONAL BANK AND UCO BANK, ESPECIALLY IN GUWAHATI AND OTHER IMPORTANT ISSUES RELATED THEREWITH.

Shri Phani Dhar Das had submitted a representation dated 25.02.2022 before the Committee on Petitions regarding customers' perception and effectiveness of Credit Schemes of State Bank of India, Punjab National bank and UCO Bank, especially in Guwahati and other important issues related therewith.

2. The representationist, Shri Das, in his representation, *inter-alia* stated that Guwahati is one of the industrial hubs of Assam, wherein, a lot of small and medium scale Industrial Units are located which provide employment to the inhabitants and thus, play an important role in the economy of the region. He has further stated that for the last 4 to 5 years, the Union Government has launched various Schemes, on the basis of which a lot of employment opportunities are attempted to be generated in all the States of the Country. The Credit Schemes such as Pradhan Mantri Mudra Yojana, Stand-Up India and Prime Minister's Employment Generation Programme (PMEGP) have already been made operational in the Country including the State of Assam. Besides, Startup India initiative was launched by the Government of India on 16 January, 2016 consisting of 16 Action Points which act as a guiding document for the initiative. He has also stated that in the State of Assam, 21 Startups have already been recognised; however, it is matter of great disappointment that the erstwhile Assam Government had not formulated Startup policies in the State due to which these 21 Startups have not been provided with any required assistance resulting into investment of only a meager amount of funds in these Startups. In this sequel, he has further stated that the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank, which are considered to be the Lead Banks in Guwahati and in the North Eastern region, have lagged behind in implementing various Schemes of the Government, be it, the Pradhan Mantri Mudra Yojana, Stand Up India and Prime Minister's Employment Generation Programme (PMEGP) including Startup India Action Plan, which is evident from a study undertaken on the customers' perception and effectiveness of these Credit Schemes. The representationist has, therefore, requested the Committee on Petitions to take up these issues with the aforementioned Commercial Banks for effective implementation of various Credit Schemes in Guwahati and in the North Eastern region.

3. The Committee on Petitions took up the representation of Shri Phani Dhar Das for examination under Direction 95 of the Directions by the Speaker, Lok Sabha. Accordingly, the representation was referred to the Ministry of Finance (Department of Financial Services) for furnishing their comments on the issues raised therein.

4. In response thereto, the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank had furnished Background Note on the representation of Shri Phani Dhar Das, as under:-

State Bank of India

Micro, Small and Medium Enterprises (MSMEs) are amongst the strongest drivers of economic development, innovation and provide employment opportunities at comparatively lower capital cost and act as ancillary units for large enterprises to support the system in growth.

SBI is the pioneer in extending credit facilities for development and growth of MSMEs in the North-Eastern States and in the State of Assam in particular. Bank's focus has already been financing the various cross section of society under various Government Sponsored Schemes like PMEGP, MUDRA, Stand up India.

Towards implementation of such schemes in the right earnest and to ensure maximum penetration in North East and in particular state of Assam to provide the benefits to the unemployed youths, SBI has been constantly keeping close liaison with the Government mechanisms and has remained in the forefront.

Till date, SBI has been instrumental in providing credit facilities to 46,350 numbers of beneficiaries amounting to Rs. 838 crore through various employment generating schemes such as Pradhan Mantri Mudra Yojana (PMMY), Stand up India and PMEGP in the state of Assam.

In addition to allowing credit facilities through Bank's various regular schemes as well as Government Employment generation scheme, SBI has also formulated a plan known as "North-East Economic Revival Plan" across seven states including Assam with an objective to generate more employments and income under MSME and Agriculture.

Under North-East Economic Revival plan in the state of Assam under MSME and

Agriculture, SBI has sanctioned 24,333 Units under Agriculture Segment with total loan amount of Rs. 280.23 crore, with an employment generation of 93,083 resulting in income generation of Rs. 71.36 crore during the FY 2021-22.

Similarly, under MSME, 3772 Units were disbursed loans for Rs. 819.41 crore, which facilitated 8,988 numbers of youth to generate income of Rs. 81.94 crore during FY 2021-22.

SBI has always encouraged the SC/ST and Women entrepreneurs and never shied away from its responsibilities of extending credit facilities to all cross section of the society through various Bank's regular credit schemes as well as Government initiatives, viz., Pradhan Mantri Mudra Yojana, Prime Minister's Employment Generation Programme (PMEGP) and Stand-Up India, etc.

Moreover, SBI is actively involved in imparting comprehensive quality training in skill development of the rural youth to mitigate the unemployment problem through RSETIs (Rural Self-employment Training Institute) and after successful completion of the training, the youths are provided with credit linkage assistance by the Bank to start their own entrepreneurial ventures.

The Lead Banks in the Districts, in association with other Banks, conduct financial literacy camps among farmers, small entrepreneurs, Self-Help Groups to sensitize and create awareness about different Government Schemes and other banking services.

During the last two financial years, to promote entrepreneurs belonging to SC/ST and Women category, SBI has sanctioned total loans to 177 numbers of beneficiaries under the Stand-Up India Scheme in the state of Assam amounting to Rs 38.23 crore.

SBI is committed to the growth of MSME sector in the entire country and North East being no exception. We assure to step up our performance under MSME sector and Government sponsored Schemes, which is being regularly monitored during State Level Bankers' Committee discussions.

SBI has always been committed to serving the people of North-Eastern States and we stand by this commitment.

Punjab National Bank

Our Bank has bouquet of products/schemes for manufacturing, trading and services activities. The schemes are formulated to provide financial assistance to all the regions and sections of society including SC, ST and Weaker sections.

Bank has taken various steps to combat the challenges/losses suffered by the stressed MSMEs, in line with the directions of Ministry of MSME, such as launching various schemes and programmes to help MSMEs become globally competitive mentioned as below:-

- (i) Government led initiatives such as GECL, PM SVANidhi, PMMY, Stand Up India, PMEGP etc.
- (ii) Digital initiatives such as e- Renewal of Working Capital Loans, Loan Management System - PNB LenS, etc.
- (iii) Increased Customer Outreach through SMSes/ Publicity of MSME Schemes through various social media platforms such as Facebook, Twitter, LinkedIn & Instagram.
- (iv) Updating the Schemes on Corporate Website as ready reckoner for the customers.

Bank has favourable lending under Government led initiatives in the State of Assam detailed, as under:-

(Rs.in crore)

Scheme	Number of Accounts Sanctioned	Amount Sanctioned
GECL (Since inception)	7913	398
PM SVANidhi (Since inception)	8385	9
PMMY (FY 2021-22)	24052	584
PMEGP (FY 2021-22)	614	42
Stand Up India(FY 2021-22)	32	12

Loan to Weaker Section:

(Rs. in crore)

State	Disbursement during Financial Year 2021-22		Outstanding as on 31.03.2022	
	No. of Accounts	Amount	No. of Accounts	Amount

Arunachal Pradesh	104	8	3408	67
Assam	12540	141	200696	1395
Manipur	1758	77	19977	276
Meghalaya	536	21	3782	112
Mizoram	246	17	6191	104
Nagaland	197	6	2055	36
Sikkim	221	15	862	50
Tripura	5370	81	48007	356
Total NE States	20972	365	284978	2397
Bank as a whole	1441369	41879	4755612	81889

Loan to SC/ST & Women outstanding as on 31.03.2022:

(Rs. in crore)

STATE	SC		ST		Total (SC/ST)		Women Beneficiary	
	Account	Amount	Account	Amount	Account	Amount	No. of Accounts	Outstanding Amt.
Arunachal Pradesh	52	1	2647	83	2699	85	2147	53
Assam	16174	211	24539	316	40713	527	74607	1192
Manipur	966	20	13995	232	14961	252	13974	263
Meghalaya	91	3	3982	111	4073	114	3103	91
Mizoram	13	1	4158	98	4171	99	3557	55
Nagaland	25	1	3058	56	3083	57	1369	16
Sikkim	156	14	570	41	726	55	809	57
Tripura	8893	101	26972	183	35865	284	19232	205
Total NE States	26370	352	79921	1119	106291	1471	118798	1933
PNB (Pan India)	488777	9180	235546	3861	724323	13041	1828597	77933

UCO Bank

The Government has been giving a lot of emphasis on providing support to MSMEs and runs various credit Schemes to extend easy credit to upcoming MSMEs. Highlights of loans extended in State of Assam by our Bank in FY 21-22 in flagship Government Schemes are, as under:-

(Rs. in Lacs)

Sl. No.	Government Credit Scheme	Credit Extended	
		Account	Amount
1.	PMMY	9,719	29,667
2.	PMEGP	119	145
3.	Stand Up India	13	377
4.	GECL	9,928	10,628

In view of the foregoing, the respective Zonal Heads are requested to sensitize Branches about various credit schemes with special focus on Pradhan Mantri Mudra Yojana (PMMY), Pradhan Mantri Employment Generation Programme (PMEGP) and Stand Up India (SUI) and expedite sanction/disbursement under these Schemes.

5. In order to have realistic assessment of the issues/points raised in the representation of Shri Phani Dhar Das, the Committee also undertook an on-the-spot study visit to Guwahati on 2 June, 2022. During the said Study Visit the Committee held informal discussion with the representatives of the Ministry of Finance (Department of Financial Services), State Bank of India, Punjab National Bank and UCO Bank.

6. The Committee desired to know about the aggregate gross advances of State Bank of India, Punjab National Bank and UCO Bank as on 31.3.2022 based on the Reserve Bank of India data on global operations. The Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, in their written reply, submitted, as under:-

State Bank of India

Aggregate Gross Advances of State Bank of India as on 31.03.2022 was Rs. 28,18,671 crore.

Punjab National Bank

Global Aggregate Gross Advances of Punjab National Bank as on 31.03.2022 was Rs. 7,85,104 crore, whereas, for the State of Assam, it was Rs. 9,652 crore.

UCO Bank

Gross Advances of UCO Bank was Rs.1,29,777.34 crore as on 31.03.2022.

7. On being enquired by the Committee as to whether the spurt in stressed assets of State Bank of India, Punjab National Bank and UCO Bank in respect of North-Eastern States, especially Assam is attributable to aggressive lending practices, willful default/loan frauds/corruption in some cases and economic slowdown, the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank in their written reply, submitted as under:-

State Bank of India

The infrastructure space in the country witnessed high growth, especially in the Power Sector in the year 2008 onwards. As it was expected that rapid growth will continue further in view of the growing infrastructure needs of the country. Such growth expectations in infrastructure space in the country were in line with various independent reports by reputed domestic and international rating agencies. During the boom period of Indian economy, Banks lent extensively to Corporates as well as Retail borrowers to support the financing needs. However, demand projections for various projects declined amid global financial crisis. The profits of most of the Corporates dwindled due to slowdown in the global economy, ban in mining projects, and delay in environmental related approvals affecting power, iron and steel sector, volatility in prices of raw materials, demand supply gap and the shortage in availability of. This has affected their ability to pay back loans and it is the most important reason behind increase in NPA of public sector banks. Most big NPA accounts were from five sectors, viz., steel, power, telecom, infrastructure and textile. The stress in Corporate Sector also affected the repaying capacity of Retail borrowers leading to spurt in retail NPA levels throughout the country.

The NPA position of Bank has been improving except for some deterioration witnessed during the pandemic period on account of the impact of COVID-19 on repaying capacity of Corporate and Retail borrowers. However, we have been able to keep the momentum in recovery of stressed assets owing to consistent efforts through various available modes of resolution. Overall Gross NPA levels of the Bank has shown substantial improvement in recent years, with easing of COVID-19-stress levels.

North-Eastern Region:

On a year-to-year basis, there is only a marginal increase in absolute terms in NPA levels in the North Eastern Region, including Assam as on 31.03.2022. Despite increased lending during the FY 2021-22, the overall NPA percentage to advances has come down in retail portfolio. The increase in stress is mainly due to slow-down in economic activities due to Covid-19 disruption and resultant fall in income.

Bank has extended GECL facility to eligible borrowers and further Restructuring facility has been extended to all eligible accounts with extended moratorium and longer repayment period.

With the stringent sanctioning along with robust/proactive monitoring mechanisms already put in place and improvement in business activities with the opening of the economy, it is expected that the stress levels will be further eased in the ensuing months.

Data on Retail Loans:

(Rs. in crore)

CIRCLE/STATE	ADV	NPA	NPA%	ADV	NPA	NPA%
	31.03.2021			31.03.2022		
NORTH-EAST	49,278	1,730	3.51%	58,606	1,759	3.00%
ASSAM	-	1,119	-	-	1,159	-

Punjab National Bank

During the last three financial years, i.e., FY 2019-20, FY 2020-21 & FY 2021-22, borrowal fraud cases (loan frauds) have been reported to Reserve Bank of India, as under:-

(Rs. in crore)

Types of Frauds	FY 2019-20		FY 2020-21		FY 2021-22	
	No.	Amount	No.	Amount	No.	Amount
Borrowal Frauds (loan frauds)	402	23462	140	10010	142	9554

There is a declining trend in respect of amount of borrowal fraud cases (loan frauds) reported to RBI during the last three financial years. Further, borrowal fraud cases (loan frauds) in respect of North Eastern States, especially Assam, reported to RBI during the last three financial years are, as under:-

(Rs. in crore)

Borrowal fraud cases reported to RBI in respect of North Eastern States*						
State	FY 2019-20		FY 2020-21		FY 2021-22	
	No.	Amount	No.	Amount	No.	Amount
Assam	5	2.02	1	0.11	2	4.59

In Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim & Tripura, there was no borrowal fraud cases (loan frauds) during the last three Financial Years.

SMA (Special Mention Account) Position of North East States:

(Rs. in crore)

STATES	31.03.2021			31.03.2022		
	SMA-1	SMA-2	Total (SMA1+SMA2)	SMA-1	SMA-2	Total (SMA1+SMA2)
Assam	1256	656	1912	856	197	1053
Arunachal Pradesh	27	30	57	20	13	33
Manipur	198	73	271	151	11	162
Meghalaya	43	19	63	25	9	34
Mizoram	27	5	32	18	2	20
Nagaland	12	12	24	12	3	15
Tripura	269	82	351	175	34	208
Grand Total	1831	878	2709	1257	269	1526

Fresh Slippage Position- North East States:

(Rs. in crore)

STATES	Fresh Slippage FY 2020-21					Fresh Slippage FY 2021-22				
	Agriculture	MSME	Retail	Other	Grand Total	Agriculture	MSME	Retail	Other	Grand Total
Assam	133	82	390	11	616	85	158	32	3	278
Arunachal Pradesh	3	3	14	1	21	0	10	2	0	12
Manipur	8	8	25	1	42	5	21	8	0	34
Meghalaya	0	3	2	0	5	1	8	1	0	11
Mizoram	4	1	4	0	9	0	3	1	0	4
Nagaland	0	1	3	0	5	1	4	1	0	6
Tripura	11	9	50	1	71	22	18	3	0	43
Grand Total	159	106	489	15	769	115	222	48	4	389

The Stress levels have come down during the year ended 31.03.2022 as compared to previous year ended 31.03.2021. The Fresh NPA slippage for year ended 31.03.2021 which was Rs.769 crore has come down to Rs.389 crore for the year ended 31.03.2022. Also, the total SMA1+SMA2 has come down from Rs.2,709 crore as on 31.03.2021 to Rs.1,526 crore as on 31.03.2022.

UCO Bank

UCO Bank follows standard lending practices under the ambit of extant policy guidelines of Bank as well as Regulatory guidelines of RBI, among others. Due to

impact of COVID-19 pandemic and subsequent resurgence, the economic activity has witnessed a severe slowdown leading to erratic cash flow of the borrower because of which, the stress of the borrowal accounts have increased. However, the Government of India and the Reserve Bank of India have taken slew of measures such as introduction of COVID-19 regulatory package, implementation of Emergency Credit Line Guarantee (ECLGS) Scheme, Resolution Framework 1.0 (RF 1.0) and Resolution Framework 2.0 (RF 2.0) etc, due to which the stress of borrowal accounts have been under reducing trend.

The details under both Resolution frameworks in respect of North eastern States, especially Assam are, as under:-

(Rs. in crore)

<i>Position of accounts Restructured because of economic slowdown and dispensation provided by RBI</i>						
Particulars	Total Bank		North Eastern States		Guwahati	
	<i>Accounts</i>	<i>Amount</i>	<i>Accounts</i>	<i>Amount</i>	<i>Account</i>	<i>Amount</i>
RF 1.0	2044	1332.38	76	19.63	35	13.61
RF 2.0	50283	2834.80	6013	221.447	2982	119.08

8. The Committee, thereafter, desired to know as to what comprehensive measures are being taken by State Bank of India, Punjab National Bank and UCO Bank for improving their overall financial position, the Ministry of Finance (Department of Financial Services)/ SBI, PNB and UCO Bank in their written reply, submitted as under :-

State Bank of India

The Bank is investing significantly in Digital and are also leveraging analytics to reach out to the customers based on our analytical engines. It has helped in fulfilling the customers demand in a timely and most appropriate manner. We have already garnered major market share across multiple digital channels.

SBI is also planning to ramp up its co-lending business to scale up business and tap credit growth. The bank will enter into co-lending partnerships for loans to agriculture and small and medium enterprises and aims to bring down slippages in these sectors. We have seen that co-lending partners have got much better experience in terms of the quality of the book, and we will be riding on that. We expect that our agri-portfolio should also improve.

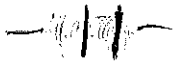
SBI has also significantly strengthened its own underwriting practices and the net result of that is that we are in a position to assess the risk much better. Apart from that, if at all there is any stress, the stress is provided for even before it really hits the balance sheet. This means that earlier sign of stress is also being very carefully monitored and appropriate actions are taken to insulate the balance sheet from any future shock.

Punjab National Bank

For overall growth in profitability and business the bank has taken many steps like ensuring Customer service and customer convenience, focus on lead generation, promoting digitization and containing fresh slippage and focus on recovery. Expansion of Numaligarh Refinery and setting up of ABPRL has opened opportunity in Agriculture (Bamboo Cultivation) and MSME financing. Apart from this, the following measures have been initiated:-

DEPOSIT:

- (i) Higher CASA growth being targeted through digital adoption such as TABs & Video KYC.
- (ii) Diversified Product Penetration to target various customer segment.
- (iii) Leverage existing vendors & suppliers for selling CASA products.
- (iv) Focus on micro-market segmentation to onboard retailers in existing geographies.
- (v) Garnering institutional business through Single Nodal Account (SNA).
- (vi) Opening of Corporate Salary Accounts & deepen relationships with Corporates, HNIs & NRIs through CACs.
- (vii) Tap opportunity by teaming with Corporates to target institutions like PSUs, Educational Institutions, Trusts, Clubs & Corporations.
- (viii) Activate inactive/lost customers to reduce DEAF remittance to RBI.



(Signature)

RAM ADVANCES:

- (i) Focus on RAM (Retail, Agriculture & MSME) through tie-ups & co-lending.
- (ii) Multi channel lead generation and analytics based offerings for top up loans.
- (iii) Emphasis on Agriculture infrastructure and Allied Agriculture Activities.
- (iv) Leverage BC network for extending Agriculture credit; SHG driven business.
- (v) Increase Agriculture Gold Loan Disbursements.
- (vi) Adoption of Cluster Based Approach.
- (vii) Focus on Value Chain Based Lending , Invoice based lending and Cash flow based lending.
- (viii) Effective disposal of Agriculture loan proposal under KCC (Crop), KCC (Dairy), KCC (Fisheries), Pradhan Mantri Formalisation of Micro food processing Enterprises (PMFME), Farm Mechanization, Warehouse/ cold storage, food processing unit, Self Help Groups(SHG), Joint Liability Group(JLG), Financing Farmer Producer Companies (FPC)/ Organization (FPO), special thrust to financing Tea grower to garner a good business in these sectors.
- (ix) Skill enhancement of employees on lending to these sectors.
- (x) Promote products for specific segments having low NPA.
- (xi) Process efficiency - Adopt rule-based digitalized credit underwriting.

ASSET QUALITY:

- (i) Recovery in NPA accounts with special focus on accounts of Rs. 1 crore & above.
- (ii) Mega Rin Mukti Shivir to clean up small NPA accounts and Increasing participation in Lok Adalats.

- (iii) *Timely implementation of SARFAESI and Transferring of NPA Accounts to NARCL.*
- (iv) *Timely addressing EWS and analyzing customer behavior, i.e., repayment parameter for better Collection efficiency.*
- (v) *Focus on Automation and using Technology by Use PNB Pride App for Better Recovery efforts.*
- (vi) *To Reduce Fresh slippages by improving underwriting standards in Credit and follow up and monitoring of stressed accounts.*
- (vii) *Reduction of Agricultural NPA up to Rs. 10 lakhs through special OTS Scheme.*
- (viii) *Adopting Nodal Officer at Circle SASTRA level for coordinating e-Bikray activities.*
- (ix) *Pro Active Customer Engagement with M-Touch Support.*

DIGITISATION:

- (i) *Emphasis given to promote PNB One through registration & activation of new customer's as well as educating & encouraging existing customers to transact digitally through PNB One app.*
- (ii) *Drive Debit Card Adoption & Activation in all new accounts with personalized Debit cards at door step.*
- (iii) *Launch of tokenization of Debit Cards & reward programs.*
- (iv) *Create pitch book for potential partners to highlight value proposition of partnering with PNB's cards offerings, PNB One.*
- (v) *Digitize STP and assisted lending journeys.*
- (vi) *Ensure Offering Buy Now Pay Later digital credit to customers through partnerships.*
- (vii) *Cross Functional Teams (CFT) for digitalization journey.*

(viii) Increase employee engagement for Digital skills and knowledge building.

UCO Bank

Major Key Reforms that have been instituted in UCO Bank includes the following:-

- (i) Corporate Budget has been prepared focusing on projected net profit of the Bank for FY 2022-23 and subsequent allocation of monthly profit budget to all branches for FY 2022-23. Monthly monitoring of profit of the branches will improve the profitability of the Bank.
- (ii) Special focus is given for increasing Non Interest Income. Bank has tied with multiple insurance organisations for various Third Party Insurance products to earn commission income.
- (iii) Continuous measures are being taken by Mumbai Treasury Branch to explore the opportunities for earning maximum yield from bank's investments.
- (iv) Bank has also allocated budget under Non Interest Expense so that effective monitoring of non interest expense, especially controllable expense, is to be followed to reduce operating expense.
- (v) Change in credit culture fundamentally improving the quality of assets. Priority for sanctioning RAM advances to increase Bank's yield on advances.
- (vi) To ensure timely and better realization in One Time Settlements, online end to end OTS platforms have been set up and utilised.
- (vii) Recognizing the critical importance of controlling NPAs to a sustainable level, the credit risk management tools and strategies are being strengthened. Exclusive monitoring of the assets through Early Warning System (EWS) to arrest fresh slippages.
- (viii) Enforcement of auditing standards and ensuring audit quality as per the standards of National Financial Reporting Authority."

9. When asked by the Committee as to what positive impact of various comprehensive measures have been witnessed, the Ministry of Finance (Department of Financial Services), SBI, PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

The Highlights of performance of SBI during Financial Year 2022 is as under:-

- Total Deposits grew at 10.06% YoY. Savings Bank Deposits grew by 10.45% YoY; while Term Deposits grew by 11.54% YoY.
- Whole Bank Advances grew by 11.00% YoY. Domestic Advances growth stood at 10.27% YoY, primarily driven by growth in Retail Personal Advances (15.11% YoY). Foreign Office Advances grew by 15.42% YoY.
- The Bank has registered highest ever Net Profit of Rs31,676 crores for FY 22 which is an increase of 55.19% over FY 21.
- The return on assets at 0.67% witnessed an increase of 19 basis points YoY, while ROE at 13.92% increased by 398 basis points YoY over the previous year.
- Gross NPA ratio was down by 101 bps YoY at 3.97%, while Net NPA ratio was down by 48 bps YoY at 1.02%.
- The slippage ratio for FY 22 is 0.99%, 19 bps lower than FY 21. Credit cost for FY 22 is at 0.55% as against 1.12% as on March, 2021.

Punjab National Bank

- During FY 21-22 due to our conscientious effort bank is able to show improved performance on business, asset quality and capitalization. As on 31.03.22, PNB has been able to improve CASA share by 195 bps to 47.43%, recorded growth of 6.18% in Gross Advances, reduce Gross NPA% by 234 bps to 11.78%, Net NPA% by 93 bps to 4.80%, increased CRAR by 18 bps to 14.50% over previous year.
- Special focus is being given by the bank to the development of the North-Eastern region covering seven States, i.e. Assam, Meghalaya, Nagaland, Manipur, Mizoram, Imphal and Arunachal Pradesh capturing the potentialities of the region. The total business of PNB in Assam state is around 10% of the SCB total.
- The region is having 1 Zone and 8 Circle Offices, mostly at the State Capitals and the liaisoning with Government Department is good, resulting in increase in

CASA share.

- As on 31.03.2022 PNB's share in MSME (PS) segments O/S is 14% in Assam State.

UCO Bank

- Our Bank achieved a Total Business of Rs. 3,53,850.24 crore as on 31 March, 2022.
- Bank has made Net Profit of Rs. 929.76 crore as on 31 March 2022 and Operating Profit of the Bank as on 31 March 2022 has increased to Rs. 4,797.43 crore registering a growth of 15.63%.
- Net Interest Income of the Bank as on 31 March 2022 has increased to Rs. 6,472.95 crore from Rs. 5479.70 crore for the year ended March 2021 registering a growth of 18.13%.
- The GNPA has reduced from 9.59% as on 31 March, 2021 to 7.89% as on 31 March, 2022 and Net NPA has reduced from 3.94% as on 31 March, 2021 to 2.70% as on 31 March, 2022.
- Provision Coverage Ratio (PCR) has increased to 91.44% as on 31.03.2022.
- The Capital Adequacy Ratio of our Bank is 13.74% and CET-I Ratio is 10.97% under Basel -III norms as on 31 March, 2022.

10. The Committee, then, desired to know the details of operating profit, provisioning and net profit/loss of State Bank of India, Punjab National Bank and UCO Bank for the FY 2020-21 and 2021-22. The Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

(Rs. in crore)

Particulars	Financial Year 2021	Financial Year 2022
Operating Profit	71,554	75,292
Provisions	51,144	36,198
Net Profit	20,410	31,676

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Punjab National Bank

Operating profit, provisioning and net profit of Punjab National Bank in FY 2020-21 and FY 2021-22 are, as under:-

(Rs. in crore)

Financial Year	Operating profit	Provisioning	Net Profit
2020-21	22,159	20,138	2,022
2021-22	20,761	17,304	3,457

UCO Bank

(Rs. in crore)

Particulars	Financial Year 2020-21	Financial Year 2021-22
Operating Profit	4149.06	4797.43
Provision	3982.03	3867.67
Net Profit	167.03	929.76

11. On being asked by the Committee to furnish the details of schemes run by State Bank of India, Punjab National Bank and UCO Bank in the North Eastern States, especially in Assam, for the purpose of providing credit, the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

- All Credit Schemes of State Bank of India are designed to meet the credit needs of the customers covering Pan India. There are various products and schemes under Agriculture, MSME, Corporate & Personal segment offered by State Bank of India covering all segments of society. These schemes and products are available to customers of North-eastern States including Assam, provided they meet the eligibility criteria.
- The details of the number of beneficiaries and loan amount sanctioned for last 3 years in the state of Assam and the North-eastern States are given below:-

Details of loan sanctioned during last 3 Financial Years (State of Assam):

(Rs. in crore)

Products	2019-20		2020-21		2021-22	
	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned

Asset Backed Loan (ABL)	29	30.67	48	44.37	61	55.85
E DFS	64	72.30	83	65.67	111	100.44
e Mudra	77	0.37	442	2.04	638	3.05
e Smart Score	55	17.58	125	28.70	174	42.82
Fleet Finance	3	3.55	2	5.70	10	11.65
GECL (ECLGS)	0	0.00	4978	302.20	101	36.14
NULM	9	0.13	15	0.23	26	0.40
PABL	0	0.00	48	1.51	236	10.51
PM SVANidhi	0	0.00	6454	6.45	9831	9.83
PMEGP	519	17.35	1027	40.30	986	40.15
SME Car Loan	5	0.40	8	2.46	10	1.19
SME Gold Loan	0	0.00	83	1.27	19	0.51
Standup India Loan	53	10.77	101	23.80	137	27.61
Balance Sheet Financing & Others	7,110	541.43	4,541	454.18	4386	918.90
Sub Total	7,924	694.55	17,955	978.88	16,726	1,259.05
KCC	19,315	144.24	18,790	140.96	13,761	114.90
SHG	3,290	58.73	7,062	106.16	6,618	80.64
Gold Loan	357	2.13	76	0.56	176	1.39
Dairy Loan	101	2.52	538	8.21	107	2.45
Poultry Loan	35	0.90	140	1.90	264	7.57
Fishery Loan	64	1.32	12	0.40	14	0.78
KCC (AH&F)	0	0.00	363	2.34	348	2.82
ACC	42	0.35	9	6.06	2	22.40
Other Agri Loans	753	89.81	1765	13.09	3043	47.28
Sub Total	23,957	300.00	28,755	279.68	24,333	280.23

(Rs. in crore)

Products	2019-20		2020-21		2021-22	
	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned
Home Loan (Suraksha A/c included)	7,584	872.10	5845	721.02	5998	979.40
Loan against property (LAP)	12	3.50	38	13.38	43	11.12
Top up HL	676	56.55	799	81.85	978	105.97
Sub Total	8,272	932.15	6,682	816.25	7,019	1,096.49

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Auto Loan	13,312	693.14	14,370	790.65	14,792	888.96
Education Loan	1,114	31.56	742	17.06	1043	27.44
Xpress Credit	1,08,632	4,472.96	1,35,286	6,321.87	1,39,343	7,754.98
Pension Loan	25,824	605.24	39,256	921.65	43,496	1,269.23
Gold Loan	178	1.91	1,893	19.79	1,381	15.93
Loan against deposit	4,458	120.33	5,241	131.24	5,404	143.47
Other Personal Loan	5,833	25.02	2,176	26.75	8,683	70.65
Sub Total	1,59,351	5,950.16	1,98,964	8,229.01	2,14,142	10,170.66
Total	199504	7876.86	2,52,356	10,303.82	2,62,220	12,806.43

Details of loan sanctioned during last 3 Financial Years (Guwahati Circle):

(Rs. in crore)

Products	2019-20		2020-21		2021-22	
	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned
Asset Backed Loan (ABL)	93	57.12	100	79.32	130	136.09
E DFS	71	95.01	111	101.83	163	153.86
e Mudra	260	0.98	3463	16.03	2,114	10.18
e Smart Score	123	34.12	258	56.14	338	79.88
Fleet Finance	3	3.95	2	5.70	11	12.56
GECL (ECLGS)	0	0.00	9618	507.28	169	56.62
NULM	113	1.85	148	2.36	187	3.13
PABL	0	0.00	75	2.38	379	17.17
PM SVANidhi	0	0.00	10,981	10.98	11,463	11.46
PMEGP	1,914	60.78	2,755	98.56	2,565	96.14
SME Car Loan	7	1.25	12	3.00	15	1.49
SME Gold Loan	0	0.00	109	1.67	40	1.00
Standup India Loan	135	26.88	305	69.78	429	94.72
Balance Sheet Financing & Others	10,403	978.24	9,464	1,058.68	9,014	2,707.30
Sub Total	13,122	1,260.18	37,401	2,013.71	27,017	3,381.60
KCC	30,872	231.63	31,695	240.12	24,009	204.13
SHG	3,472	62.27	7,919	118.53	7,888	99.49
Gold Loan	978	9.60	766	10.54	1,588	21.42

Dairy Loan	129	3.81	558	8.71	145	3.39
Poultry Loan	100	3.20	189	4.16	309	11.23
Fishery Loan	169	3.91	575	10.57	804	18.12
KCC (AH&F)	0	0.00	1,117	10.26	1,383	13.45
ACC	42	0.36	10	6.86	5	23.21
Other Agri Loans	1,312	127.00	2,295	18.58	7,040	114.58
Sub Total	37,074	441.78	45,124	428.33	43,171	509.02

(Rs. in crore)

Products	2019-20		2020-21		2021-22	
	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned
Home Loan (Suraksha A/c included)	10,180	1,359.60	8,384	1,225.45	8,843	1,645.05
Loan against property (LAP)	52	16.93	93	40.11	110	37.13
Top up HL	1,332	134.65	1,625	179.01	1,894	215.16
Sub Total	11,564	1,511.18	10,102	1,444.57	10,847	1,897.34
Auto Loan	21,627	1,175.17	23,374	1,344.55	22,690	1,408.99
Education Loan	1,634	45.30	1,149	32.09	1,528	47.64
Xpress Credit	2,04,842	8,877.97	2,51,905	12,214.27	2,54,090	14,806.04
Pension Loan	43,533	1,032.00	61,755	1,458.31	67,673	1,966.10
Gold Loan	364	3.88	2,768	31.97	2,149	28.54
Loan against deposit	7,077	228.35	7,482	229.25	7,653	258.41
Other Personal Loan	9,874	59.31	3,529	48.98	11,236	109.99
Sub Total	2,88,951	11,421.98	3,51,962	1,53,59.42	3,67,019	18,625.71
Total	3,50,711	14,635.12	4,44,589	19,246.03	4,48,054	24,413.67

Punjab National Bank

Punjab National Bank offers wide range of schemes/products which cater to the needs of borrowers on Pan India basis. Bank has taken various steps to combat the challenges/losses suffered by the stressed MSMEs in line with the directions of Ministry of MSME such as launching various schemes and programmes to help MSMEs become globally competitive mentioned as below:-

- Government led initiatives such as GECL, Credit Guarantee Scheme for Subordinate Debt, PM SVA Nidhi, PMMY, PMEGP, Stand Up India and

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Restructuring of Advances.

- *Digital initiatives such as e- Renewal of Working capital loans, Loan Management System PNB LenS, Psbloansin59minutes.com, e- Mudra (Shishu) Scheme.*
- *Simplification/Launching of new schemes/Sector specific schemes.*
- *Increased Customer Outreach through SMSs/ Publicity of MSME schemes through various social media platforms.*
- *The schemes are formulated to provide financial assistance to all the regions and sections of society including SC/ST/Weaker Section*
- *Adoption of different cluster for e.g., Bamboo Cluster, Handloom etc, Micro, small and medium enterprise in different manufacturing and service sector by GBBs, PLPs, MCCs and CBBs.*

UCO Bank

UCO Bank has implemented all Government Sponsored Schemes like PMMY, PMEGP, KCC, NRLM, NULM, PMFME and Stand-Up India etc., in the North Eastern States.

Apart from Government Schemes, Bank has also implemented other schemes to cater the specific need of business enterprises. Some of the major Schemes are as under:-

SI. No	Scheme	Purpose
1.	<i>Agriculture Term loan – other</i>	<i>Tea Garden financing, Cold Storage financing etc.</i>
2.	<i>UCO Trader</i>	<i>Financing Trading Activity</i>
3.	<i>UCO Udyog Bandhu</i>	<i>Financing Manufacturing and Service units</i>
4.	<i>UCO Commercial Vehicle</i>	<i>Financing Commercial Vehicles</i>

12. On being enquired by the Committee as to whether the State Bank of India, Punjab National Bank and UCO Bank also provide loans under various credit-linked schemes of the Government, viz., Prime Minister Employment Generation Program (PMEGP), Deendayal

Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM), Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM), Pradhan Mantri Mudra Yojana (PMMY) and Stand-up India in the North Eastern States, especially in Assam, the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

Loans are provided by State Bank of India under various Government Sponsored Schemes such as PMEGP, DAY-NULM, DAY-NRLM, PMMY and SUI in North-Eastern States in general and Assam in particular.

Punjab National Bank

Punjab National Bank has bouquet of products/schemes for manufacturing, trading and services activities including the Government sponsored schemes such as (a) Prime Minister Employment Generation Program (PMEGP), (b) Pradhan Mantri Mudra Yojana (PMMY) and (c) Stand Up India. The schemes are formulated to provide financial assistance to all the regions and sections of society including SC/ST/Weaker Section.

Bank has prominent credit underwriting under Government led initiatives in the North Eastern States, especially in Assam.

No. of accounts and amount sanction in FY 2021-22:

(Rs. in crore)

States	Micro		Small		Medium	
	No. of A/c	Sanctioned	No. of A/c	Sanctioned	No. of A/c	Sanctioned
Arunachal Pradesh	47	3	6	0	0	0
Assam	10744	245	541	126	113	52
Manipur	721	16	24	3	1	0
Meghalaya	217	6	42	1	2	1
Mizoram	89	5	4	0	0	0
Nagaland	128	7	19	2	0	0
Sikkim	190	13	30	4	4	0
Tripura	1905	70	273	23	39	15
Total North East (States)	14041	364	939	158	159	69
PNB as a whole	176963	9669	24147	9334	4106	9111

GECL Sanction, PM SVA Nidhi, PMEGP, PMMY and Stand-up India in FY 2021-22.

(Rs. in crore)

States	GECL Sanction		PM SVANidhi		PMMY (including RRB) (FY2021-22)		PMEGP (FY2021-22)		Stand Up India (FY2021-22)	
	No of A/c	Amt.	No of A/c	Amt.	No of A/c	Amt.	No of A/c	Amt.	No of A/c	Amt.
Arunachal Pradesh	61	433.16	18	0.02	107	5.98	9	0.89	1	0.32
Assam	7913	137.71	8385	9.00	27289	670.95	614	41.70	32	12.18
Manipur	224	7.50	873	0.88	4984	72.82	159	14.00	15	4.38
Meghalaya	225	7.04	17	0.02	618	10.76	4	0.25	15	2.48
Mizoram	65	4.59	0	0.00	208	10.06	13	1.21	6	1.00
Nagaland	73	1.86	21	0.02	160	8.10	55	5.92	3	0.49
Sikkim	156	6.73	0	0.00	329	17.52	8	0.69	1	0.12
Tripura	1143	38.35	799	0.85	19526	333.22	174	12.65	24	4.08
Total North East (States)	9860	637	10113	11	53221	1129	1036	77	97	25
PNB Bank as a Whole	240127	20616	234324	244	659508	16843	10040	914	285	58

Deendayal Antyodaya Yojana- National Urban Livelihoods Mission (Day-NULM) FY 2021-22: PNB's Position with reference to SHGs.

(Rs. in Lakh)

States	Disbursement (1)		Out of (1) Women SHGs		O/s as on 31.03.22		Out of Women SHGs	
	No. of A/c	Amt. disbursed during FY 2021-22	No. of A/c	Amt. disbursed during FY 2021-22	No. of A/c	Amt. o/s as on 31.03.2022	No. of A/c	Amt. o/s as on 31.03.2022
Arunachal Pradesh	Nil							
Assam	80	173	24	26	2211	1970	663	394
Manipur	57	20	17	3	94	41	28	8
Meghalaya	21	0	6	0	32	13	10	3
Mizoram	51	17	15	3	58	47	17	9
Nagaland	0	0	0	0	21	10	6	2
Sikkim	1	1	0	0	7	10	2	2
Tripura	200	35	60	5	1540	892	462	178
Total of North East (States)	410	246	122	37	3963	2983	1188	596

States	Disbursement (1)		Out of (1) Women SHGs		O/s as on 31.03.22		Out of Women SHGs	
	No. of A/c	Amt. disbursed during FY 2021-22	No. of A/c	Amt. disbursed during FY 2021-22	No. of A/c	Amt. o/s as on 31.03.2022	No. of A/c	Amt. o/s as on 31.03.2022
PNB as a whole-Pan India	28241	16792	8472	2519	38241	34658	11472	6932

Note: Data related to differently-abled SHGs, Street vender SHGs, Rag Picker SHGs and sanitation worker SHGs are not classified separately.

Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (Day-NRLM):
FY 2021-22: PNB's Position with reference to SHGs

(Rs. in Lakh)

States	Disbursement		O/s as on 31.03.22	
	No. of A/c	Amt. disbursed during FY 2021-22	No. of A/c	Amt. o/s as on 31.03.2022
Arunachal Pradesh	4	6	93	89
Assam	7978	12357	11813	15941
Manipur	40	60	278	148
Meghalaya	11	24	17	28
Mizoram	2	0	14	15
Nagaland	1	8	10	21
Sikkim	3	6	14	5
Tripura	1150	2925	3280	2260
Total of North East States	9189	15386	15519	18507
PNB as a whole-Pan India	208977	425638	362395	452248

UCO Bank

UCO Bank provides loans under various Government sponsored Schemes like PMEGP, DAY-NULM, DAY-NRLM, PMMY and Stand-Up India, etc., in the North Eastern States.

13. The Committee, thereafter, desired to know the number of total beneficiaries who have been provided loans under various schemes by the State Bank of India, Punjab National Bank and UCO Bank during the last three years, viz., FY 2019-20, FY 2020-21 and FY 2021-22 in the North Eastern States, especially in Assam. The Ministry of Finance

(Department of Financial Services)/SBI,PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

Details of loan sanctioned through various products/schemes during last 3 Financial Years (Assam State):

(Rs. in crore)

Financial Year 2019-20		Financial Year 2020-21		Financial Year 2021-22	
No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned
1,99,504	7,876.86	2,52,356	10,303.82	2,62,220	12,806.43

Details of loan sanctioned through various products/schemes during last 3 Financial Years (Guwahati Circle):

(Rs. in crore)

Financial Year 2019-20		Financial Year 2020-21		Financial Year 2021-22	
No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned	No of Accounts	Amount sanctioned
3,50,711	14,635.12	4,44,589	19,246.03	4,48,054	24,413.67

Punjab National Bank

The year-wise information is as under:-

Financial Year	No. of beneficiaries provided loans in North East Region	Assam State
2019-20	24,105	19,056
2020-21	21,002	15,599
2021-22	14,442	10,971

UCO Bank

(i) Performance under PMEGP Scheme:

(Rs. in crore)

State	2019-20		2020-21		2021-22	
	Account	Amount	Account	Amount	Account	Amount
Assam	206	3.07	182	2.82	119	1.45
Arunachal Pradesh	0	0.00	1	0.24	4	0.14

Manipur	8	0.16	18	0.49	6	0.10
Meghalaya	2	0.02	0	0.00	0	0.00
Mizoram	22	0.35	15	0.26	2	0.03
Nagaland	15	0.71	18	0.96	25	0.59
Tripura	22	0.42	17	0.35	20	0.23
Total	275	4.73	251	5.12	176	2.54

Reasons for low sanction:

- In some instances it has been observed that customers have applied loan on the same unit which has already financed by other lenders.
- CIBIL default/Poor CIBIL score.
- Beneficiaries not shared the required documents timely for processing of loans.

(ii) Performance under Standup India Scheme:

(Rs. in crore)

State	2019-20		2020-21		2021-22		Total Since Inception	
	A/C	Amt	A/C	Amt	A/C	Amt	A/C	Amt
Assam	26	6.24	33	6.99	13	3.77	143	32.75
Arunachal Pradesh	0	0.00	0	0.00	0	0.00	1	0.30
Manipur	6	1.19	0	0.00	1	0.15	22	4.54
Meghalaya	2	0.34	1	0.30	1	0.15	6	2.27
Mizoram	11	5.18	7	2.60	1	0.12	28	11.92
Nagaland	9	3.28	8	4.10	4	1.60	28	11.29
Tripura	4	0.80	6	1.00	3	1.16	28	5.63
Total	58	17.03	55	14.99	23	6.95	256	68.70

(iii) Performance under PMMY Scheme:

(Rs. in crore)

State	2019-20			2020-21			2021-22		
	Target	Sanction	% Acvd	Target	Sanction	% Acvd	Target	Sanction	% Acvd
Assam	149	239	160%	140	158.00	113%	152	297	195%
Arunachal Pradesh	2	0.42	21%	2	1.33	67%	2	0.31	16%
Manipur	14	10.00	71%	12	12	100%	12	11	92%
Meghalaya	8	4	50%	7	4	57%	8	4	50%
Mizoram	3	5	167%	2	7	350%	2	2.44	122%

Nagaland	7	7	100%	7	8	114%	6	7	117%
Tripura	31	18	58%	26	36	138%	24	29	121%
Total	214	283.42	132%	196	226.33	115%	206	350.75	170%

(iv) Performance under DAY-NRLM:

(Rs. in crore)

State	FY 2019-20		FY 2020-21		FY 2021 22	
	A/C Nos	Amt	A/C Nos.	Amt	A/C Nos.	Amt
Arunachal Pradesh			1	0.02	1	0.02
Assam	363	182	405	299.22	436	430.13
Manipur	12	1.17	13	1.36	18	1.86
Meghalaya	4	0.12	4	0.07	4	0.05
Mizoram	4	0.18	4	0.16	4	0.14
Nagaland	9	0.49	8	0.49	10	0.62
Sikkim	4	0.10	4	0.19	4	0.19
Tripura	26	4.02	38	5.79	52	7.75
Total	422	188.20	477	307.29	529	440.75

(v) Performance under DAY-NULM:

(Rs. in crore)

State	FY 2019-20		FY 2020-21		FY 2021 22	
	A/C Nos.	Amount	A/C Nos.	Amount	A/C Nos.	Amount
Arunachal Pradesh			1	0.02	1	0.02
Assam	19	1.04	43	6.38	62	12.35
Manipur					4	0.21
Meghalaya						
Mizoram						
Nagaland	2	0.09	2	0.15	4	0.30
Sikkim			1	0.02	1	0.02
Tripura	4	0.06	6	0.14	17	0.86
Total	25	1.19	53	6.71	89	13.76

14. While pointing out about the Emergency Credit Line Guarantee Scheme (ECLGS), which was announced by the Government as part of Atma Nirbhar Bharat Package in 2020 with the objective to helping businesses including MSMEs to meet their operational liabilities and resume business in view of the distress caused by the Covid-19 crisis, the Committee further desired to furnish a brief note on the performance of State Bank of India, Punjab National Bank and UCO Bank in the North Eastern States, especially in Assam. The Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank in their

(Signature)

written reply submitted, as under:-

State Bank of India

The performance under ECLGS Scheme in North-Eastern States from 01.05.2020 to 30.04.2022 is as under:-

(Rs. in crore)

	Numbers	Numbers	Amount	Amount
State	Cumulative Sanctioned	Cumulative Disbursement	Cumulative Sanctioned	Cumulative Disbursement
Arunachal Pradesh	858	358	28.40	21.86
Assam	10,832	5,709	814.84	557.99
Manipur	1,369	704	38.99	28.75
Meghalaya	2,571	1,640	140.06	96.74
Mizoram	1,724	1,405	29.55	29.27
Nagaland	1,365	1,014	35.82	20.81
Tripura	2,253	1,183	65.61	54.83
Total	20,972	12,013	1,153.26	810.24

Punjab National Bank

Bank has taken various steps to combat the challenges/losses suffered by the stressed MSMEs in line with the directions of Ministry of MSME such as launching various schemes and programmes to help MSMEs become globally competitive. For extending the benefit of GECL, SMSs and e-mails were sent to eligible borrowers for pre-approved loans, scheme was publicized through various social media platforms such as Facebook, Twitter, LinkedIn and Instagram along with updating the schemes on Corporate Website as ready reckoner for the customers.

The performance under the scheme is, as under:-

Financial Year	No. of beneficiaries sanctioned GECL in the North East Region	Assam State
2019-20*	NIL	NIL
2020-21	7,660	6,193
2021-22	2,199	1,719

*The scheme was launched on 27.05.2020.

UCO Bank

In the State of Assam, UCO Bank have extended benefits under Emergency Credit Line Guarantee Scheme (ECLGS) facility to 9,928 beneficiaries amounting to Rs. 106 crores to meet their operational liabilities and resume businesses in view of the distress caused by the Covid-19 crisis.

(Rs. in crore)

States	Sanctions	
	No. of Accounts	Amount
<i>Arunachal Pradesh</i>	84	0.70
Assam	9,928	106.28
<i>Manipur</i>	1,027	3.17
<i>Meghalaya</i>	159	1.56
<i>Mizoram</i>	305	5.88
<i>Nagaland</i>	440	3.10
<i>Tripura</i>	1,498	19.02
Total	13,441	139.71

15. On being categorically enquired by the Committee as to whether any discrimination is made by State Bank of India; Punjab National Bank and UCO Bank in providing various types of loans to people at large in the North Eastern States, especially in Assam along with details of information/complaint related thereto, if any, available with these Banks, the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, in their written reply submitted, as under:-

State Bank of India

No discrimination is made. State Bank of India prides itself on its wide reach and diverse offerings, covering every strata of the society.

Punjab National Bank

Punjab National Bank caters to the credit needs of the borrowers without discriminating on the basis of States/ regions. Bank has dedicated Customer Care Cell for dealing with customer grievances/ feedback and it is our high endeavor that any complaint or information pertaining to borrowers is dealt on timely basis and provide an optimal resolution.

UCO Bank

UCO Bank does not discriminate in providing various types of loans to people at large in North Eastern States including Assam. However, we have received five complaints in last three years which have been resolved.

OBSERVATIONS / RECOMMENDATIONS

Non-Performing Assets (NPA) in respect of the three leading Public Sector Banks, viz., State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank in the North Eastern Region

16. Upon undertaking a detailed examination of the representation of Shri Phani Dhar Das regarding Customers' perception and effectiveness of Credit Schemes of the three Public Sector Banks, viz., State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank, especially in Guwahati in light of the submissions made by the Ministry of Finance (Department of Financial Services)/SBI, PNB & UCO Bank, the Committee note that in the case of SBI, there is a marginal increase, in absolute terms, in NPA levels in the North Eastern Region, including Assam. As on 31.03.2022, the total NPA stood at Rs. 1759 crore which was Rs. 1730 crore as on 31.03.2021. However, despite increased lending during the Financial Year (FY) 2021-22, the overall NPA percentage to advances has come down from 3.51% to 3% in FY 2021-22, in the retail portfolio, whereas in the case of PNB, the total number of Special Mention Accounts (SMA-1 & SMA-2) has decreased from 2709 (as on 31.03.2021) to 1526 (as on 31.03.2022) in the North Eastern States. Furthermore, as regards the Bank's Fresh Slippage/NPA Slippage Position in Agriculture, MSME, Retail and other Sectors in respect to the North Eastern States, it is evident that the stress level has come down from Rs. 769 crore (for the year ended on 31.03.2021) to Rs. 389 crore (for the year ended on 31.03.2021). As regards the UCO Bank, the stress of the borrowal accounts had though increased on account of the impact of Covid-19 pandemic, is presently been under reducing trend due to a slew of measures taken by the Government of India and Reserve Bank of India such as introduction of COVID-19 regulatory package, implementation of ECLGS Scheme, Resolution Framework 1.0 (RF 1.0) and Resolution Framework 2.0 (RF 2.0), etc.

17. Based on the careful scrutiny of statistical details of NPA levels in respect to the three leading Public Sector Banks, viz., SBI, PNB and UCO Bank operating in the North Eastern Region, the Committee are given to understand that the increase in stress is mainly due to slow-down in the economic activities due to Covid-19 disruption and resultant fall in income which affected the repaying capacity of the borrowers. However, due to various policy measures initiated by the Government and Reserve Bank of India and operational efforts by the Management of these PSBs, NPA levels of the Banks have been showing improvement in recent times with easing of pandemic levels. Notwithstanding the above, the Committee would like to caution the management of these PSBs to professionally manage the sanctioning of loans and devise their own unique and innovative monitoring mechanisms to notice early signs of stress on the loans disbursed by them so that corrective measures could be taken at an appropriate time. In this sequel, the Committee are also of the opinion that there is a need for these PSBs, under reference, to reduce the volume of their bad loans/stressed assets while focusing on their resolution, thereby, freeing their balance sheets from negative impact and improve their financial position by putting in place a robust, proactive and effective supervisory mechanisms which would strengthen their overall capital position. The Committee, therefore, recommend that the Ministry of Finance (Department of Financial Services), in coordination with the Reserve Bank of India and the Management of these PSBs, should take all necessary and appropriate measures to keep the momentum on the reducing trend of NPAs which would allow these PSBs to focus on their core operations of providing credit for fresh investments and also improve their business activities with opening up of economy. The Committee would like to be apprised of the action taken/proposed to be taken in this regard within three months of the presentation of this Report to the House.

Measures initiated by the State Bank of India (SBI), Punjab National Bank(PNB) and UCO Bank for improving their overall financial position

18. During the course of examination of the instant representation, the Committee were informed by the Ministry of Finance (Department of Financial Services)/ SBI, PNB & UCO Bank that these three Public Sector Banks have been emphasizing on promotion of digitization, co-lending practices, early and effective assessment of assets and risks, etc., for overall growth in profitability and businesses, thereby improving their overall financial position. As regards SBI, the Bank has been investing significantly in Digitalization which enabled it to reach out to the customers based on their analytical engines garnering major market share across multiple digital channels. It has also helped in fulfilling the customers demand in a timely and appropriate manner. The Committee were further informed that SBI is also planning to ramp up its co-lending business to scale up business and tap credit growth while entering into co-lending partnerships for loans to agriculture and small and medium enterprises which aims to bring down slippages in these sectors. Besides, SBI has also been significantly strengthening its own underwriting practices which enabled it to assess and monitor the risk in a much better manner by taking appropriate actions for insulating the balance sheet from any future shock. The Punjab National Bank also has taken various steps, viz., ensuring customer service and customer convenience, focus on lead generation, promoting digitization and containing fresh slippage and focus on recovery for overall growth in profitability and businesses of the Bank. Apart from this, the Bank has also taken other initiatives for growth in deposits, improving position of RAM advances, monitoring of asset quality and digitization, etc. Similarly, the UCO Bank has instituted major key reforms such as preparation of Corporate Budget focusing on projected net profit of the Bank for FY 2022-23, focusing on increasing Non Interest Income, allocation of budget under Non-Interest Expense, change in credit culture, ensuring timely and better realisation in

One-Time Settlements, exclusive monitoring of the assets through Early Warning System (EWS) and enforcement of auditing standards and ensuring audit quality as per the standards of National Financial Reporting Authority.

19. While taking note of the above measures being taken by the three Public Sector Banks, viz., SBI, PNB & UCO Bank for improving their overall financial position, the Committee observe that the SBI has been able to increase its Total Deposits YoY, Whole Bank Advances, return on assets and equity YOY and Net Profit, whereas, the Gross & Net NPA ratio YOY have come down, as a result of aforesaid measures taken. As regards the PNB, during FY 21-22, the Bank has been able to show improved performance on business, asset quality and capitalization. As on 31.03.22, PNB has been able to improve its CASA share by 195 bps to 47.43%. It has recorded growth of 6.18% in Gross Advances and reduced Gross NPA% by 234 bps to 11.78% whereas, Net NPA% by 93 bps to 4.80%. It has also increased CRAR by 18 bps to 14.50% over previous year. The UCO Bank has also registered growth in its Net and Operating Profits and has also able to increase its Net Interest Income from 2021 to 2022 by 18.13%. Further, the Bank has been able to reduce its GNPA and Net NPA from 9.59% to 7.89% and from 3.94% to 2.70%, respectively, from FY 2021 to 2022. Besides, it has increased Provision Coverage Ratio (PCR) to 91.44% as on 31.03.2022.

20. The Committee are satisfied with the measures being taken by the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank for improving their overall financial position. However, keeping in view the dynamics of competitive financial market, the Banks should re-calibrate their overall financial activities in a competitive manner for which it is imperative that the Banks and other Financial Institutions should follow the best global practices. Notwithstanding this, there has always been

scope of improvisation in Public Sector Banks in terms of Asset Quality and Management Efficiency, besides extant strategies and measures for improving their overall financial position. In the opinion of the Committee, the Banking Institutions must adopt performance grid as the 'master technique' in accordance with the requirements of their customers which on one hand would optimally utilize the services and on the other hand, would encourage customers' retention while ensuring complete satisfaction with the services *vis-a-vis* technical formalities of the Banks. In order to achieve intended objectives, emphasis should be given by the Banks on the responsiveness, assurance and empathy while providing services to their customers. Besides, Banks should also ensure effective and efficient security systems in place for secured banking operations and to attract increased customers' perception regarding service quality. In this connection, the Committee desire that the Ministry of Finance (Department of Financial Services), in coordination with the Reserve Bank of India and the Management of the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank, should redraw their strategies to work on various measures and reforms for improving their financial position while considering all the above aspects related to customer service and convenience, so that their impact is visible in foreseeable future. The Committee would like to be apprised of the action taken/proposed to be taken in this regard within three months of the presentation of this Report to the House.

Performance of State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank in offering Credit-linked Schemes of the Government in the North Eastern Region

21. Based on the information furnished by the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, the Committee note that the State Bank of India (SBI) has been offering various types of Credit Schemes and products under Agriculture, MSME, Corporate and Personal segments, thereby, covering all sections

of the Society including the customers of all the North-Eastern States, provided they meet the eligibility criteria. In this connection, the Committee note that in case of SBI, the number of accounts under various types of Credit Schemes and products was 3,50,711 through which amount of Rs. 14,635.12 crore was sanctioned during FY 2019-20. During FY 2020-21, through 4,44,589 loan accounts, Rs. 19,246.03 crore was sanctioned and during FY 2021-22, through 4,48,054 loan accounts, Rs. 24,413.67 crore was sanctioned in the North-Eastern States (Guwahati Circle). In the State of Assam, the number of such loan accounts was 1,99,504 through which amount of Rs. 7,876.86 crore was sanctioned during FY 2019-20. During FY 2020-21, through 2,52,356 loan accounts, Rs. 10,303.82 crore was sanctioned and during FY 2021-22, through 2,62,220 loan accounts, Rs. 12,806.43 crore was sanctioned. As far as PNB is concerned, the Bank has taken various steps to combat the challenges/losses suffered by the stressed MSMEs in line with the directions of Ministry of MSME, viz., launching various Schemes and Programmes to help MSMEs for becoming globally competitive. PNB has been offering Government led initiatives like GECL, Credit Guarantee Scheme for Subordinate Debt, PM SVA Nidhi, PMMY, PMEGP, Stand Up India and Restructuring of Advances besides, digital initiatives like eRenewal of Working Capital Loans, Loan Management System PNB LenS, Psbloansin59minutes.com, eMudra (Shishu) Scheme. Apart from this, PNB has adopted different clusters, e.g., Bamboo Cluster, Handloom, etc., along with micro, small and medium enterprises involved in manufacturing and service sectors through GBBs, PLPs, MCCs and CBBs. During FY 2019-20, the PNB has provided loans to 24,105 beneficiaries in the North-Eastern Region whereas, in the State of Assam, the number of beneficiaries were 19,056. However, during FY 2020-2021, the number of beneficiaries were 21,002 in the North-Eastern Region and in Assam, it was 15,559 and during FY 2021-22, 14,442 beneficiaries of the North-Eastern Region and 10,971 beneficiaries of Assam were provided loan by the PNB. The Committee

further note that the UCO Bank has implemented various Government Sponsored Schemes like PMMY, PMEGP, KCC, NRLM, NULM, PMFME and Stand-Up India, etc., in the North-Eastern States. Besides, UCO Bank has also implemented other Schemes to cater the specific needs of business enterprises such as Agriculture Term Loan for Tea Garden and Cold Storage financing, etc., UCO Trader for financing Trading Activity, UCO Udyog Bandhu for financing Manufacturing and Service Units and UCO Commercial Vehicle for financing Commercial Vehicles.

22. While acknowledging the efforts of State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank in offering various Credit-linked Schemes and products in the North Eastern Region, the Committee would like to point out that the geographical, demographical, occupational and cultural factors should also be kept in view while devising the ways and means to create awareness among people about various Government Sponsored Schemes and products. The Management of these PSBs should explore the feasibility for expansion of the Bank Branches/Services to the remotest parts of the North Eastern Region for customers' convenience as part of financial inclusion, since a bank account is the primary requirement that enables access to any banking service or product and credit. Besides, as the services and products offered by the Banks might not be known to the customers residing in the remote areas, the Banks' Management should put in their consistent efforts to promote Government Schemes through various advertisement vehicles regularly so that the general public are aware about these Schemes. In this sequel, the Committee desire that the Ministry of Finance (Department of Financial Services) should ensure that all the Government Sponsored Schemes and products are offered by the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank to the people who are residing at remotest areas of the entire North Eastern Region so that they could be able to achieve the desired results with effective implementation. The Committee

would like to be apprised of the renewed strategy to be formulated in this regard within three months of the presentation of this Report to the House.

Performance of State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank in offering Credit-linked Schemes of the Government viz., Prime Minister Employment Generation Program (PMEGP), Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM), Deendayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM), Pradhan Mantri Mudra Yojana (PMMY) and Stand-up India in the North Eastern States, especially in Assam.

23. Based on the replies furnished by the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, the Committee note that the three PSBs, under reference, have been providing loans under various Government Sponsored Schemes such as PMEGP, DAY-NULM, DAY-NRLM, PMMY and Stand Up India in North-Eastern States, in general, and Assam, in particular.

24. The Committee would, however, like to highlight that the Government Schemes such as PMEGP, DAY-NULM, DAY-NRLM, PMMY and Stand Up India are flagship schemes to facilitate generation of large-scale employment for youth of the country and for the promotion and development of MSMEs which are involved in manufacturing, trading and service activities by improving access to finances. Further, these schemes have been formulated to provide financial assistance to all the regions and sections of society including SC, ST and Weaker Section. As a consequence of the Covid-19 pandemic, there was scarcity of employment in the country and the MSME sector, in particular, was badly hit resulting in number of people losing their livelihood. Moreover, the SC, ST and Weaker Section which are vulnerable segment of the society were marred by the financial distress due to the pandemic. In such a scenario, the Committee are of the considered view that effective implementation of aforesaid flagship schemes can usher the resurgence of MSME

sector, particularly in the North-Eastern Region, thereby fulfilling the Government's vision of 'Aatmanirbhar Bharat'. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services) to ensure that all the above Government's flagship schemes are effectively implemented by the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank so as to ensure the optimum utilisation of allocated funds under these schemes in order to create large-scale employment to the workforce of the country. The Committee would like to be apprised of the efforts made by these PSBs within three months of the presentation of this Report to the House.

Performance of State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank in offering Emergency Credit Line Guarantee Scheme (ECLGS) during Covid-19 Pandemic.

25. Based on the statistical details provided by the Ministry of Finance (Department of Financial Services)/SBI, PNB and UCO Bank, the Committee note that the three PSBs under reference, viz., SBI, PNB and UCO Bank have disbursed the loans under the ECLGS Scheme in North-Eastern States. SBI has sanctioned 20,972 accounts (Rs. 1,152.26 crore), whereby, disbursement of Rs. 810.24 crores had been made through 12,013 accounts, cumulatively from 01.05.2020 to 30.04.2022 in the North-Eastern States. As regards PNB, a total number of 7,660 beneficiaries (6,193 beneficiaries in Assam State) had been sanctioned GECL in the North East Region in the year 2020-21. Similarly, in the year 2021-22, PNB had sanctioned 2,199 beneficiaries (1,719 beneficiaries in Assam State) under GECL Scheme. Further, UCO Bank had extended benefits under ECLGS facility to 13,441 beneficiaries amounting to Rs. 139.71 crore (9,928 beneficiaries amounting to Rs. 106.28 crore in Assam) to meet their operational liabilities and resume businesses in view of the distress caused by the Covid-19 pandemic.

26. The Committee are constrained to note the poor ratio of the sanctioned amount and disbursement under the ECLGS Scheme in North-Eastern States, especially at the time when MSME sector was struggling to survive and then revive from the adverse impact of Covid-19 pandemic and remain in operation due to liquidity crunch. The Committee, therefore, recommend the Ministry of Finance (Department of Financial Services) to ensure that the State Bank of India (SBI), Punjab National Bank (PNB) and UCO Bank should optimally utilize the allocated funds through disbursement of loans under the ECLGS Scheme for the development and growth of MSME sector in the North-Eastern States through credit support to existing enterprises and encouraging creation of new ones. The Committee would like to be apprised of the action taken/proposed to be taken in this regard within three months of the presentation of this Report to the House.

NEW DELHI;

HARISH DWIVEDI,
Chairperson,
Committee on Petitions.

12 December, 2022

21 Agrahayana, 1944 (Saka)

CONFIDENTIAL

**MINUTES OF THE TWENTY-FIFTH SITTING OF THE COMMITTEE ON PETITIONS
(SEVENTEENTH LOK SABHA)**

The Committee met on Monday, 12 December, 2022 from 1500 hrs. to 1700 hrs. in Committee Room 3, Block A, Parliament House Annexe Extension, New Delhi.

PRESENT

Shri Harish Dwivedi - Chairperson

MEMBERS

2. Shri Anto Antony
3. Shri Hanuman Beniwal
4. Prof. Sanjay Sadashivrao Mandlik
5. Dr. Jayanta Kumar Roy
6. Shri Arvind Ganpat Sawant
7. Shri Brijendra Singh
8. Shri Sunil Kumar Singh

SECRETARIAT

1. Shri T. G. Chandrasekhar - Additional Secretary
2. Shri Raju Srivastava - Director

2. At the outset, the Hon'ble Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee, thereafter, took up for consideration the following Draft Reports :-

(i) *** *** *** *** *** ***

(ii) *** *** *** *** *** ***

(iii) Report on the representation of Shri Phani Dhar Das regarding customers' perception and effectiveness of Credit Schemes of State Bank of India, Punjab National bank and UCO Bank, especially in Guwahati and other important issues related therewith;

(iv) *** *** *** *** *** ***

- (v) *** *** *** *** *** ***
- (vi) *** *** *** *** *** ***
- (vii) *** *** *** *** *** ***

4. After discussing the above mentioned Draft Reports in detail, the Committee adopted all the seven Reports with minor modification(s). The Committee also authorised the Chairperson to finalise the Draft Reports and present the same to the House.

The Committee, then, adjourned.
