

# Business Standard

## Loan camps by public sector banks, NBFCs in 200 districts from October 3

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Somesh Jha, Namrata Acharya & Abhijit Lele | New Delhi/Kolkata/Mumbai September 23, 2019 Last Updated at 02:16 IST



*Finance Minister Nirmala Sitharaman with Finance Secretary Rajiv Kumar at a review meeting with heads of public sector banks in New Delhi | Photo: PTI*

From October 3, loan camps are going to be held in 200 districts across the country for consumers who may want a loan. Public sector banks, non-banking financial companies (NBFCs) and micro-finance institutions are gearing up to act on Finance Minister Nirmala Sitharaman's promise to distribute loans.

The loan camps are being held later than the scheduled date of September 24-29 as lenders will be involved in finalising their balance sheets during this period for the second quarter of this financial

year — a period when public sector bank unions will also be on a two day protest.

Four bank unions have threatened to go on strike between September 25 and 27 to protest against the government’s decision last month to merge 10 public sector banks into four.

Each bank participating in the loan camps has been given a certain number of districts to cover. The State Bank of India is expected to hold the most — in 50 districts. Syndicate Bank will operate in 25 districts.

Bank executives prefer to refer to the exercise as a customer awareness programme rather than the public distribution of loans.

“This is different from a loan mela as it will involve harnessing the partnership of banks and NBFCs instead of them competing against each other to gain customers. The huge customer network of public sector banks will benefit from the superior collection and originating ground-level capabilities of NBFC field officers who use direct selling and other such models to reach customers,” said Syndicate Bank MD and CEO Mrutyunjay Mahapatra.

## HIGH ON LENDING

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Ashok Kumar Pradhan, managing director and chief executive officer of United Bank of India, said “The event is an effort to convey the message that banks continue to lend. The banks are not constrained by resources.”

The Kolkata-based bank is running a home and car loan campaign under which it has waived the processing fee. According to Pradhan, the bank has invited customers who have been sanctioned loans between September 20 and 30 to the event across districts in West Bengal to give them a surprise. The loans will be disbursed there and then.

Sitharaman has said that banks will look to give loans to five new borrowers for every customer they reach out to.

With Durga Puja festivities to start from October 4, banks in Kolkata are in a hurry to organise the loan camps beforehand because business transactions will grind to a standstill during the peak of festival time.

The Union Bank of India and Punjab National Bank executives said they are identifying the districts and the town halls (or tents depending on the scale) where the event can be held.

“Banks have lent to NBFCs in the past but post-IL&FS crisis, they have utilised the funds for correcting their balance sheets. New bank borrowing was affected which the programme intends to rejuvenate,” said Mahapatra.

Minister of State for Finance Anurag Thakur will be in charge of the loan camp programme and ministers and MPs will also participate.