

# **State Level Bankers' Committee Meghalaya**

**Minutes of the Meeting No. 18 for the Quarter ended December 2014 and March 2015 held on the 20th May 2015 at Yojana Auditorium, Meghalaya Secretariat, Shillong**

The SLBC meeting was held on the 20<sup>th</sup> May, 2015 at the Yojana Auditorium, Meghalaya Secretariat, Shillong at 2.00 p.m. under the Chairmanship of the Chief Secretary, Shri P. BarkosWarjri, Government of Meghalaya. A list of the participants in the meeting is attached in Annexure - "A"

At the outset Shri Deepak Kumar Lalla, Deputy General Manager, State Bank of India, Shillong welcomed Shri P. BarkosWarjri, IAS, Chief Secretary, Smti D.T Kharshiing, DIF & Secy Finance(EA) Deptt., Shri Amarnath, General Manager, Reserve Bank of India,, Senior Officials from State Government & Banks and all others present in the meeting.

Shri D. K. Lalla highlighted the performance and developmental activities that have been taken place during the Financial Year 2014-15. He first congratulated all the Bankers for successfully completing the task and the first phase of PMJDY given by our honorable Prime Minister.

He appraised the house that the State has 368 bank branches operating in all the districts. He informed the house that 09 (Nine) New Bank Branch have been opened in the State since March 2014. The total number of ATMs in the State stood at 317.

Deposits at the end of the F. Y. 2014-15 stood at Rs.18,088.47 Crores which marks an increase by Rs.2445.44 Crores over March, 2014 and advances stood at Rs.6860.72 Crores , resulting an increase in advances by 128.63 Crores over March 2014. The CD ratio has drastically dropped down compares to the last F. Y. The Credit Deposit ratio of the State as on quarter ended March, 2015 stood at 37.93%. Comparing the figures of March, 2015 quarter with that of March 2014 quarter, he informed that total agriculture advances as on March, 2015 was Rs.1135.77 Crores against total agricultural advances of Rs.1164.11 Crores as on March 2014, thereby a decrease of Rs.28.34 Crores. It means that agricultural advances are 16.55% of the total advances in the State against a benchmark of 18%.

Under Annual Credit Plan, the total Loans disbursed under Priority Sector stood at Rs.927.54 Crores which is 58.72% of ACP Target for the year 2014-15. Total Advances in Non-Priority sector stood at Rs.1049.91 Crores which marks an achievement of 59.74% against the target.

He also informed the house that the agricultural advances in the State was Rs.259.15 Crores which marked an achievement of 46.87 % in the F. Y. 2014-15, whereas the Education loan showed an achievement of Rs. 14.72 Crores in the State which stood at

104.405 in the State. The achievement in Housing loan was only 18.08% against the target of 297.39 Crores.

Under KCC, the total No of New Cards issued was 25602 in the F.Y 2014-15 involving an amount of Rs.118.01 Crores against a target of 48575 cards which shows an achievement of 38.89% of the target for the year 2014-15.

He further informed the house that under PMEGP, the target for the State was 1133 in numbers whereas the application received by the banks were 949, out of which 670 numbers were sanctioned by the banks amounting to Rs.20.13 Crores.

He also informed the house that there are 05 (five) RSETIs operating in the State. PNB has opened its RSETI in Mawphlang block in East Khasi Hills District on 20.05.2015.

He further informed the house that 134 Nos. of awareness camps were organized in the State during the 4<sup>th</sup> quarter. A Total of 516 camps were held during the F. Y 2014-15 in all the districts of Meghalaya.

He also mentioned that under FIP Coverage, out of 5785 villages in Meghalaya, 996 villages have been covered either by Branch or by the BC.

Out of 538299 households in all the districts of Meghalaya (2011 Census), every household has been covered with atleast one bank account. The total No. of accounts opened under PMJDY in Meghalaya is 155862.

He also informed the house that the social security schemes launched by the Hon'ble Prime Minister are received good response. 36000 applications have since been processed.

Thereafter General Manager, RBI, Shillong interacted with the house and said that the Credit Deposit ratio, the achievement of ACP is far from satisfactory in the State of Meghalaya. However, implementation of PMJDY scheme is recommendable. He pointed out that 1<sup>st</sup> phase of the PMJDY has been completed. Role of Banks in 2<sup>nd</sup> phase would be more crucial. Banks have to ensure to keep these accounts live and should not become dormant.

He also urged upon the State Government to identify some of the social welfare Schemes whereby some transactions can be routed through PMJDY zero Balance Accounts.

Another issue flagged before the house is the flow of credit to MSME Sector. It is one of the factor of economic growth, it contribute to the exports, manufacturing outputs, employment generation. He urged upon the Bankers to look at this sector positively and provide credit needs of Small & Micro Enterprises.

He informed the house that the Agricultural Advances under ACP is not satisfactory. Banks were asked to put stress on the Agricultural Advances as it is the most important sector in the economy. He asked the bankers to give credit to small and marginal farmers for agriculture as it would count as a priority sector advances. He also informed the house that the target for financing the small and marginal farmers is set to 8%.

Regarding the Financial Inclusion, he informed the house that the achievement is to be

provided in the Roadmap.

Thereafter General Manager, NABARD, Shillong interacted with the house and said that the State of Meghalaya has lot of potential in Agriculture, only it needs to be explored. Investment and capital formation in Agriculture and allied activities is declining trend. He informed the house that the huge amount of RIDF can be utilized in the State by channelizing it to the agricultural workers.

In regard to SHG Bank linkage programme, he said, this model is very cost effective for the banks. This will be part of the Financial Inclusion in the State.

Thereafter, Chief Secretary, Shri P.B.O Warjri in his deliberation informed the house that Credit Deposit ratio of the State plays a major role in building nation. Therefore all Banks should work to increase the Credit Deposit ratio of the State which is not at all good compared to the other States in the Country.

He mentioned that the banks are to ensure that the Accounts opened under PMJDY should be functional.

He further informed the house about the Insurance Schemes launched by our Hon'ble Prime Minister on 09<sup>th</sup> May 2015 at Kolkata. He said the Schemes viz. Accidental Insurance and Life Insurance Scheme should come up well in the State.

Regarding the Agricultural Sector, he advised the house that our State is lagging behind the benchmark of 18%. However, with the combined efforts of Banks in the State, the agricultural advances/portfolio will definitely go up. He further mentioned that the Agriculture and Rural sector of the State should also be focused upon.

In the Education Sector, Shri Warjri, informed the house that the students are the future of the country. People are equipped to take charge of various profession where we have shortage of man power. Public sector banks are doing well but private sector banks have not played enough role in sanctioning Education loan. He has requested the Banks to give stress in this sector and encourage Education loan. Loans are to be given in priority basis to students who go for higher education within the country as well as abroad.

In his deliberation , he urged the house to give the priority to the Priority Sector Advances as the Annual Credit Plan is segregated into Priority as well as non-Priority. He expressed that Priority sector has not done well enough. He requested each of the Banks to look into the matter.

He also informed that the State has 4 RSETIs functional and 5<sup>th</sup> RSETI is opened today. RUDSETI which the Government is setting up in rural areas for providing training, awareness and so on. He also remarked that the State have atleast one RUDSETI in all the 11 districts.

7628 number of Bakijai cases amounting to Rs.31.00 Crores is pending in the State. He

informed the house that the member banks can seek help from the district Administration to settle the Bakijai cases in the State.

He also informed that the PMEGP target is achieved is only more than 50%. He requested the Bank to ensure the employment generation programme.

He further informed the house that All Banks are to ensure that branches remain open during the bundh called by the different pressure groups in the State. The banks can remain closed only or according to the list in the N.I Act. He impressed upon all banks to remain fully functional during the bundh days. He also suggested that actions must be taken against the employees who remain absent during bundh days.

Thereafter, Shri KJV Nagaraja, AGM & Convener, SLBC initiated the proceedings of the meeting.

Shri Nagaraja then asked Shri B. R. Mandal, SLBC Coordinator, to start with the Power Point presentation where the details for the quarter ended March 2015 was depicted.

**Agenda No. 1: Confirmation of minutes of last meeting:**

At the beginning Shri Nagaraja, informed the house that the minutes of the SLBC meeting dated 28.01.2015 was circulated to all the members. Since no communication was received for any change, the minutes may be taken as confirmed.

**Agenda No. 2: Financial Inclusion: PMJDY**

Shri Nagaraja informed the house that with the help of State and District administration, we have completed the survey work and able to open at least one account in every household in the State under which was completed on 26.01.2015. A total number of 155862 accounts have been since been opened and 131625 Rupay Cards were issued under PMJDY.

However, Shri D. K. Lalla, DGM, SBI told that we have captured the data from the website where some banks have shown a good number in ADHAR seeding Accounts, the figure may be wrong. Banks are requested to correct the data. He also remarked that there is a growth in deposit amounting to Rs.12500 Crores on these accounts opened under PMJDY. Activation of these accounts is our priority now through CSP mode or branch mode.

**Agenda No. 3: Financial Literacy Camps Conducted:**

134 No. Of Camps were conducted during the quarter ended March 2015. Therefore, a total of 516 camps were held in the F.Y 2014-15.

Shri Nagaraja, Convener told that some banks do not conduct the FLC at all, where bankers can create awareness amongst the villages about the bankable schemes including the current social security schemes. Government of Meghalaya wanted to have linkage of PMJDY accounts with Women Empowerment programme.

General Manager, RBI requested the Convener, SLBC to devise a format indicating for reporting of BC/CSP operating in the Villages so as to monitor the progress of Financial

Inclusion.

The official of HDFC highlighted a critical part of PMJDY where insurance of Rs. 1 lac on RupayCard with the condition that there should be a transaction in the account within 45 days. People are not aware of this. We the bankers highlighted this critical part in the FLC meetings to make the beneficiaries aware but we would request DIPR or Government agencies should also take part to educate the beneficiaries in this regard.

**Action Point No. 4: Review of Bankd with less than 20% Credit Deposit Ratio**

Shri Nagaraja, informed the house that were 11 banks with CD ratio less than 20% during the September, 2014 Quarter. However, the no. of banks in the same list rose up to 14 in the quarter ended March 2015. He also informed that a review meeting with banks having below 20% C D ratio was held at RBI, Shillong on 16.02.2015.

The matter was discussed one to one with those banks having below 20% C D ratio. The officials of those banks have assured to increase their C D ratio by increasing advances. RIDF investment has also come down due to recovery of loan amount. However, all the banks are requested to submit their action plan for improving the C D ratio.

**Agenda No. 5: Development in Banking Operation in the State as on Mar'15**

In his deliberation, he informed the house that the deposits as well as the Advances in the State has increased during the quarter ended March 2015 over the quarter ended March 2015. Total deposit as at the quarter ended March 2015 was Rs.18,088 Crores whereas the advances stood at 6,561 Crores. He therefore requested the banks with C D ratio less than 20% to put in efforts to increase their advances portfolio so as to improve their C D ratio.

**Agenda No. 6: Agricultural Advances**

Shri Nagaraja, AGM, SBI informed the house that the Agricultural advances in the State as on 31.03.2015 is Rs.1135.77 Crores which is 16.55% of total advances against the benchmark of 18% (inclusive of RIDF investment taken as indirect agriculture).

He further informed that the Agricultural advances under ACP as on March, 2015 (4<sup>th</sup> Quarter) is Rs.259.15 Crores against a yearly target of Rs. 552.81 Crores showing an achievement of 46.87 % up to the Current Quarter.

NABARD has formulated Area Development Scheme which covers Dairy Entrepreneur Development Scheme. RIDF investment may be made to increase the indirect Agricultural and allied advances in the State.

**Kisan Credit Cards**

Shri Nagaraja, on interaction with the house informed that 6418 Numbers of KCC were issued during the March 2015 quarter with a tune of Rs.30.00 Crores. The total number of Cards issued during the Financial Year was 25602 Cards with an amount of Rs. 108 Crores. There is a need to increase loan portfolio under KCC. He therefore requested all the banks to extend KCC loans to all eligible non-defaulter borrowers.

Thereafter, DGM,NABARD, Shri Prabhakar informed the house that KCC can be given to any marginal farmers. Banks are to ensure the quantum of loan that is to be given.

In this connection, an important issue has come up for discussion. KCC loan is purely based on land holding certificate issued by the Headman and countersigned by the BDO. But now the Headman is not allowed to issue the certificate. Neither the Headman nor the BDOs is issuing the land holding certificate. It is now become practically difficult to sanction the loan under KCC.

Shri Akashdeep, Director, C & RD questioned that no document as collateral security is required for sanctioning loan below Rs.50,000.00

In reply to Shri Akashdeep, Shri Nagaraja clarified that the landholding certificate is required to assess the quantum of loan.

Then, Akashdeep, Director, C & RD told the house that the matter will be discussed internally with the concerned Department as well as with the Deputy Commissioners concerned to sort out the problems/mechanism.

#### **Agenda No.7: Review of progress of financing under ACP 2014-15**

Shri Nagaraja, further informed the house that the Priority Sector advances stood at Rs.3508.00 Crores to total advances of Rs. 6861.00 Crores i.e. 51.14 % which is well above the benchmark of 40%.

The reason behind low performance under Priority sector advances was discussed in the forum. There is a mortgage problem in the State. Deed of Declaration is not a proper Title Deed as advised by the Law Department. Equitable mortgage cannot be created in absence of proper Title Deed.

#### **Agenda No.8: Review of progress of financing under MSME Sector**

Shri Nagaraja informed the house that the performance under MSME is not satisfactory. The progress of MSME is reviewed by RBI every quarter.

Shri Amarnath, GM, RBI, advised the house that Meghalaya has a lot of potential for progress under MSME. Banks are to invest in this sector apart from advancing only secured loans.

#### **Agenda No.9: Government Sponsored Scheme**

AGM, SBI, informed the house that the PMEGP target for the year 2014-15 have been fixed at 1133, which was allocated to the different Banks in the State. The progress under the scheme is not satisfactory after the end of the 4<sup>th</sup> quarter. Only 697 proposals amounting to Rs.29.67Cr has been sanctioned and 670 Nos amounting to Rs.20.13 Crores have since been disbursed.

#### **Agenda No.10: Education Loan:**

Target for Education loan for the Financial Year 2014-15 was fixed with an amount of Rs. 14.10 Crores numbering 412 applicants. However the achievement upto the quarter March, 2015 is 665 nos. amounting to Rs.17.83 Crores.

**Agenda No.11: Position of Opening of RSETI/RUDSETI:**

In his deliberation, Shri Nagaraja advised the house that 5<sup>th</sup> RSETI is functional in Mawphlang block of East Khasi Hills district of the State from 20.05.2015. RUDSETI in Jaintia Hills District is yet to be in operation.

He informed that a good number of trainees have been trained in these RSETIs and advances to the eligible trainees have also been provided by the banks to carry out their projects. The RSETIs are giving training to the rural population to generate self-employment.

**Agenda No. 12: Pending Bakijai Cases**

AGM, SBI further informed the house that there are altogether 7607 Certificate cases (Bakijai) pending involving an amount of Rs.30.80 Crores. He requested Banks to keep in touch with the District Administration regarding any addition or settlement of any Bakijai cases as advised by the Chair.

**Agenda – 13: Women Economic Empowerment:**

Speaking on Women Economic Empowerment, it was informed that a total of 11019 nos. of beneficiaries have been given benefit with an amount of Rs.61.45 Crores in the State.

However, State Government authorities have advised the bankers to link this scheme with PMJDY accounts.

**Agenda – 14: Target on Financing Joint Liability Groups (JLG) for 2014-15**

Total amount sanctioned under JLG during the financial year is Rs.1.99 Crores and number is 113. Outstanding in this segment is Rs.3.74 Crores comprising 371 numbers.

Thereafter DGM, NABARD, informed the house that a target of 200 units is given to banks. He said that Rs.2000.00 per JLG as a grant will be given. The advances to JLG can also be given through SHGs also.

**Agenda – 15: Orange Cultivation Scheme**

Shri Nagaraja, advised all the member bank to submit data on LOAN for Orange Cultivation Scheme under National Horticulture Board.

Shri C. S. Vaiphei, AGM, RBI informed the house that the data on Orange Cultivation is important as the State produces a good quantity of Oranges and requested all the member banks to submit their data on Advances sanctioned and disbursed under this Scheme.

**Agenda – 16: Indefinite Closure of Bank Branches in Garo Hills**

AGM, SBI informed the house that the law and order situation of Garo Hills was not stable for a long time. However, now all the bank branches operating in Garo hills.

**Agenda - 17: Implementation of National Crop Insurance Programme (NCIP)& National Agricultural Insurance Scheme (NAIS) will continue during the F.Y 2015-16**

Representatives from NAIS informed the house that the Scale of Finance for Kharif Crop for Financial Year 2015-16 will be circulated to all the member banks shortly.

**Agenda - 18: Timely Submission of SLBC data**

Further, Shri KJV Nagaraja, AGM, SBI requested all the banks to ensure correctness of the data and timely submission of their data to SLBC so that the meetings could be conducted in time.

**Agenda - 19: Launch of Annual Credit Plan for the Financial Year 2015-16**

Thereafter, Shri Nagaraja launched the Annual Credit Plan for the State for the Financial Year 2015-16.

While going through the ACP for FY 2015-16, it has been observed that the target fixed is very high side. The issue was discussed in details and it was decided by the house to review the ACP considering the achievement for the Financial Year 2014-15.

**Agenda - 20: Miscellaneous**

In his deliberation Shri Nagaraja informed the members that banks are to ensure that at least 35% of Annual Credit Plan of the State for 2015-16 is allocated for agriculture term loan.

**Agenda - 20(a): Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana**

Shri Nagaraja advised that the above schemes were launched simultaneously in the State by Hon'ble Chief Minister, Meghalaya and Union Minister on 09<sup>th</sup> May 2015. He requested all the Banks in the State to source and register application under the Schemes and to send the report to SLBC.

The meeting ended with vote of thanks given by Shri Nixon Josheph, Assistant general Manager, State Bank of India.

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