

State Level Bankers' Committee Meghalaya

Minutes of the Meeting for the Quarter ended June and September 2015 held on the 26th November 2015 at the Conference Hall, Meghalaya Secretariat Building, Shillong

The SLBC meeting was held on the 26th November 2015 at the Conference Hall of Meghalaya Secretariat Building, Shillong at 11.00 a.m. under the Chairmanship of the Chief Secretary, Shri P. Barkos Warjri, Government of Meghalaya. A list of the participants in the meeting is attached in Annexure - "A"

At the outset Shri Bimal Debroy, Assistant General Manager, State Bank of India, Shillong welcomed Shri P. Barkos Warjri, IAS, Chief Secretary, Smti. R. V. Suchiang, Principal Secretary Finance, Shri M.S Rao, Principal Secretary of Research & Development, Shri Amarnath, General Manager, RBI, Senior Officials from State Government, representatives from insurance Companies, member Banks and all others present in the meeting.

Shri Debroy highlighted the performance and developmental activities that have taken place during the Financial Year 2015-16 upto the quarter ended September 2015.

He appraised the house that the State has 372 bank branches are operating while the 371 ATM are functioning in the state.

Deposits at the end of September, 2015 quarter stood at Rs. 18,189.53 Crores which marks an increase by Rs. 501.30 Crores over March, 2015 and advances stood at Rs. 7089.39 Crores, resulting an increase in advances by Rs. 228.67 Crores over March, 2015. The C.D. ratio of the State has marginally increased as compared to the last Financial Year. The C.D. ratio of the state as on Quarter ended March, 2015 was 37.93% while the CD ratio of the state as on September, 2015 stood at 38.14 %. Comparing the figures of September, 2015 quarter with that of March 2015 quarter, he informed that total agriculture advances as on September, 2015 was Rs.1105.89 Crores as against total agricultural advances of Rs. 1135.77 Crores as on March, 2015, thereby a decrease of Rs. 29.88 Crores. It means that agricultural advances are 15.60% 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. 322.98 Crores which is 18.93% of ACP Target of Rs.1715.00 Crores for the year 2015-16. Total Advances in Non-Priority sector stood at Rs. 393.19 Crores which marks an achievement of 30.40% against the target of Rs. 1293.20 Crores.

He also informed the house that the agricultural advances under ACP in the state was Rs. 73.51 Crores which marked an achievement of 12.78 % upto the quarter ended September, 2015, whereas the Education loan showed an achievement of Rs. 9.13 Crores in the state against a target of Rs. 13.00 Crores. The achievement in Housing loan was only 12.14% against the target of Rs. 302.94 Crores.

Under KCC, the total No of New Cards issued was 6878 in the F.Y 2014-15 involving an amount of Rs. 31.25 Crores against a target of 48690 cards which shows an achievement of 11.36% of the target for the year 2015-16.

He further informed the house that under PMEGP, the target for the state was 825 in numbers whereas the application received by the banks were 71, out of which 36 numbers were sanctioned by the banks amounting to Rs. 76.46 Lacs. He also requested the sponsoring agency to submit the application well in before so that Banks get adequate time implement and sanction of loans.

He also informed the house that there are 05 (five) RSETIs operating in the State.

He further informed the house that 172 nos. of awareness camps were organized in the State during the 2nd quarter in all the districts of Meghalaya.

He also mentioned that under FIP Coverage, out of 5785 villages in Meghalaya, 2275 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 number of accounts opened under PMJDY in Meghalaya is 194379.

Regarding the Insurance Schemes launched by the Hon'ble Prime Minister on 09th May 2015, he informed that the present position of PMSBY was 67197, PMJJBY- 28339 whereas the APY was 798 Nos.

Under the Pradhan Mantri Mudra Yojana, 4826 Nos of Loans were sanctioned to a tune of 12.64 Crores under Sishu category, 1402 Nos amounting to Rs. 29.32 Crores under Kishor and 153 nos. amounting to Rs. 12.47 Crores under Tarun Category.

Thereafter General Manager, RBI, Shillong interacted with the house and said that the SLBC is an important forum to measure all the developmental activities in the state. He informed the house that RBI in its Governmental role plays a very important role in measuring the developments in the Priority Sector Lending. He said that the National average of PSA is 40%, however the banks operating in the state should put an effort in improving the quantum of loans in the sector. Banks are to carry our Priority Sector Lending as a part of Normal Banking activity. Banks are to extend loans and small advances to marginalized farmers, micro entrepreneurs, students and poor section of the society so as to achieve their target. The Reserve Bank of India has taken initiative to review the Priority Sector Lending. Banks are to ensure that 8% of net Bank Credit is to be given to the marginalized farmers. This 8% is inclusive in the national benchmark of 18% under the agricultural advances.

In his deliberation, Shri Amarnath also informed that Reserve Banks will have Priority Sector Lending Certificates for the deficit Banks. The Banks who lack behind in achieving their target under PSA can purchase these certificates to achieve its target. He also informed that RBI has introduced Trade Disable Discounting System which is an electronic medium for Bills of Exchange that can be discounted for the MSME.

Regarding the coverage of households under PMJDY, he urged all the Financial Institutions to put efforts for ensuring that they serve the unserved areas in the state. He also informed that in order to ensure 100% Financial Inclusion, RBI has decided to issue license to micro Banks so as to ensure meaningful sustainable growth.

Further, the General Manager, RBI informed that there are some constrains in the accounts opened under PMJDY. First of all the Zero Balance accounts under PMJDY are to remain operative. He also said and requested Government department to route all Govt. Payments such as the LPG Subsidy, MNEGRA payments through these accounts.

Informing the house regarding the Financial Inclusion, Shri Amarnath said that there are many Banks who have not yet appointed any Business Correspondents(B.Cs). However the Banks who has B.Cs, their penetration is far from satisfactory. The role of B.Cs is not only opening Bank Accounts but also to provide Banking services at the doorstep of the customers. Therefore, he requested all the Bankers to cover all the villages under PMJDY either by BC or through any other mode.

Taking note on all the developmental activities, he said that the entire success depends on the viability of telecom connectivity. He therefore, urged BSNL and other service providers to provide a better service not only in the urban centres but also in the rural areas.

Thereafter, the Chief Secretary, Shri P.B.O Warjri in his deliberation welcomed everyone present in the meeting and informed the house that C.D. ratio of the state plays a major part in building economy in the State. The C.D Ratio of the state as on September, 2015 was 38.14% compared to the C.D. ratio as on March, 2015 was 37.72%.

He compared the C.D. Ratio of the Public Sector Banks, Private Sector banks, RRB and the Cooperative Banks and concluded that the Cooperatives are close to the national average. He advised the house that we are far behind the National Average of 60%. Therefore all Banks should be proactive in their work so as to increase the C.D. ratio of the State which is not at all good compared to the other States of the country.

He further mentioned that the performance of the banks under PMJDY was good, however banks are to cover the entire household which is still left to be covered and open Bank accounts who do not have any account and make them avail all the banking facilities.

Regarding the various Insurance Schemes launched by the Prime Minister, he said though there is some progress, the progress in this matter needs to be monitored and reviewed regularly.

He also said that the connectivity is a major problem in connecting the rural areas with the banking facilities, however the problem can be resolved if the BSNL and the other service providers provide a better internet connectivity in the respective areas.

In his deliberation, Shri Warjri informed the house that the Priority Sector Advances in the state is only 18.83% which is not satisfactory at all. All Banks needs to be more proactive in the fields like Agriculture, MSME, Education and housing to fill up the deficiency in the Priority Sector Lending.

Talking about Education Loan, he said that 347 nos. of loans amounting to Rs. 9.13 Crores have been achieved against a target of Rs. 13.00 Crores. He also mentioned that a major contribution in this sector has been done by State Bank of India.

Regarding the RSETI's operating in the state, he acknowledge that they are doing well as the institutes gives training to the unemployed youth so that they can generate self employment.

Regarding the Branch Network in Meghalaya, Shri Warjri informed the house that there is a need for opening of Bank branches in South West Khasi Hills i.e at Umdohlun market and at Rajasimla at Garo Hills. He insisted the banks to open a branch in these area as it would cover a lot of area which are remote and as it is very important to connect many villages in and around the area with Banking facilities.

He also showed a concern for shifting of State Bank of India, Chibinang Branch in Garo hills as the matter went upto the Chief Minister of the State. He therefore asked the Higher authorities of State Bank of India to look into the matter and not to shift the branch to a new premises on demand of the locals of that area.

The performance under PMEGP was not at all satisfactory, therefore Shri Warjri asked the different agencies and the banks to reconcile the performances and asked the Banks to give sufficient powers to the Bank Managers so that they can sanction the PMEGP loans to the beneficiaries without much of hassle, as one of the case from West Khasi Hills had come up during the DCC meeting.

Thereafter Shri M.S Rao, Principal Secretary, RD in his deliberation supported the points raised by Chief Secretary and on further discussion on Research and Development, he informed that the timely disbursement of MNGERA funds is a problem in the state. It is either because of the inaccessibility of banks in the area or because of less manpower in the bank branches. He also said that there are more than 4 lacs Jobcard holders in the state and only 30% of them have Bank account. So he urged the Banks to cover all those areas which are still to be covered under PMJDY.

Regarding the EBT, he informed that the Govt. has signed M.O.U. with 5 Banks for the BC model. He also asked the SLBC forum to link the MNREGA and Jan Dhan Accounts and also informed that

the Ministry of Finance had issued a circular where it said that the MNEGRA Cards can be used to fulfill the KYC norms.

Thereafter, Shri Bimal Debroy, AGM & Convener, SLBC initiated the proceedings of the meeting.

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

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

At the beginning Shri Debroy, informed the house that the minutes of the SLBC meeting dated 20.05.2015 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 Debroy informed the house that the programme PMJDY which aimed at enabling Financial Services and opening of accounts to all the households in the state .There were 5785 villages with population below 2000 as per 2011 census in the state. However 2275 villages have been so far covered either by branch or by BC outlet. A total number of 194379 accounts have been since been opened and 148411 Rupay Cards were issued under PMJDY.

Agenda No. 3: Financial Literacy Camps Conducted:

172 No. Of Camps were conducted during the quarter ended September 2015.

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

Shri Debroy, informed the house that were 14 banks with CD ratio less than 20% during the September, 2015 Quarter.

On interaction with the banks like Andhra Bank, HDFC & Axis, they assured that their CD ratio will increase in the next quarter.

Agenda No. 5: Development in Banking Operation in the state as on March, 2015

In his deliberation, he informed the house that the deposits as well as the Advances in the state has increased during the quarter ended September, 2015 over the quarters' in the F.Y 2014-15.

Total deposit as at the quarter ended September, 2015 was Rs. 18589 Crores whereas the advances stood at Rs. 7089 Crores.

He therefore requested the banks with C.D. ratio less than 20% to put in efforts to increase their advances so as to improve their portfolio.

Agenda No. 6: Agricultural Advances

Talking to the house, Shri Debroy, AGM, SBI informed that the Agricultural advances in the state as on 30.09.2015 is Rs. 1105.89 Crores which is 15.60% 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 September, 2015 (2nd Quarter) is Rs. 73.50 Crores against a yearly target of Rs. 575 Crores showing an achievement of **12.78%** up to the Current Quarter.

Kisan Credit Cards

Shri Debroy, on interaction with the house informed that 6878 Numbers of KCC were issued during the September, 2015 quarter with a tune of Rs. 31.25 Crores. The total number of Cards issued in the state was 107262 Cards with an amount of Rs. 407.91 Crores.(cumulative figure)

He therefore requested all the banks to extend KCC loans to all eligible non-defaulter borrowers.

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

She informed that the ACP target for Meghalaya is set at 575 Crores for the Financial Year.

NABARD has prepared and printed a book on it which has been circulated among the Banks. Any Bank can propose new Scheme which can be added in consultation with the tech team of NABARD.

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

AGM, SBI further informed the house that the Priority Sector advances stood at Rs.3567.79 Crores to total advances of Rs.7089.39 Crores stood at 50.32% which is well above the benchmark of 40%.

He gave a brief gist of the achievements of the priority sector, segment wise. He informed that the banks have achieved 12.78% in the field of Agriculture, 41.35% in MSE, 70.23% in the education segment and 12.14% in the housing segment.

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

Shri Debroy 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 2015-16 have been fixed at 825 Nos, which was allocated to the banks. The position of this scheme is not satisfactory after the end of the 2nd quarter. Only 36 proposals amounting to Rs. 76.46 Crores has been sanctioned by the bank branches.

Thereafter representative from KVIC informed that all Banks are to sanction or return the proposals by 31st of December. Sanction the PMEGP proposals, if it is viable or return back to the respective agencies.

Thereafter the house decided that the proposals are either to be sanctioned or returned within a period of 02 months from the date of receipt of the proposals and if the proposals are accepted, the trainees are to be given a 15 days training either bt DCIC or by the RSETIs.

Agenda No.10: Education Loan:

Target for Education loan for the year 2015-16 for Meghalaya is 431 Nos and Amount Rs. 13.00 Crores. However the achievement upto the quarter September, 2015 is 347 Nos amounting to Rs. 9.13 Crores.

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

In his deliberation, Shri Debroy advised the house that there are 05 RSETIs functioning in the state. 03 by SBI, 01 each by MCAB, MRB and PNB respectively.

He informed that a good no 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.

The opening of RUDSETI in Jaintia Hills is not possible due to low bank branch network of sponsoring bank viz. Syndicate Bank and Canara Bank as advised by MSRLS. However, MSRLS requested that a new sponsoring bank may be identified for setting up od RSETI in West Jaintia Hills District.

Agenda No. 12: Pending Bakijai Cases

AGM, SBI further informed the house that there are altogether 7248Certificate cases (Bakijai) pending involving an amount of Rs. 29.10 Crores. He requested Banks to keep in touch with the District Administration regarding any addition or settlement of any Bakijai cases.

Agenda – 13 Pradhan Mantri Social Security Schemes

Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, Atal Pension Yojana.

Shri Debroy informed that a total of 67197 policies have been registered under PMSBY, 28339 under PMJJBY and 1704 Nos of policies under the Atal Pension Yojana

Talking to the house, Shri Debroy advised that the above schemes were launched simultaneously in the state by Hon'ble Chief Minister, Meghalaya and Union Minister on 09th 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.

In the ongoing discussions, Banks were advised to issue Rupay cards to the account holders and provide them with Mobile Banking facility which is now one of the easiest medium for banking.

Agenda – 14: Opening of Branch at Umdohlun Market

As the Umdohlun area in South West Khasi Hills is in need of a Bank in the area, MRB proposed to open one depending upon the feasibility and potentiality of Business in the area.

The meeting ended with vote of thanks given by Shri Naba Kumar Bora, Assistant General Manager, State Bank of India, Region-VI (Shillong Rural).

Action Points which have been emerged in the State Level Bankers' Committee (SLBC) Meeting of Meghalaya State for the Quarter ended September 2015 held on 26.11.2015

No.	Action Point	Action by
1	Flow of Agricultural advances to achieve ACP target	All Banks.
2	Increase in CD ratio	Banks with CD ratio below 20%
3	Organizing awareness programmes in villages to familiarise Banks Product among the Villagers/Agriculturists	All Banks & Line Departments
4	Awareness Programmes in villages. Under FLC every month	All Rural and semi urban bank Branches.
5	Reporting of progress in FIP on monthly basis	All banks
6	KCC/ GCC	All Banks
7	PMEGP	Allotted banks/ DCIC,KVIC &MKVIB
8	BLBC, DCC, DLRC Meetings in Districts	All LDMs of the Lead bank
9	Rehabilitation of sick units	RBI & Department of Commerce & Industries.
10	Functioning of RSETI, RUDSETI	Banks.
11	Priority to Priority Sector Advances	All Banks
12	Opening of New Branch at Umdohlun & Rajasimla	MRB &SBI