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**Minutes of the State level Bankers Committee Meeting for the State of Arunachal Pradesh for the Quarter ended June 2019 on 22.10.2019**

The State Level Bankers' Committee Meeting for the State of Arunachal Pradesh for the Quarter ended June 2019 was held under the Co-chairmanship of Shri Naresh Kumar, IAS Chief Secretary, Govt. of Arunachal Pradesh and Shri Ramesh Babu Boddu, Dy. Managing Director & COO, State Bank of India, Corporate Office, Mumbai at Dorjee Khandu State Convention Centre, Itanagar, Arunachal Pradesh.

The meeting started with a welcome speech and keynote address by Shri Ramesh Babu Boddu, DMD & COO, Corporate Centre, State Bank of India, Mumbai. He expressed his concern for delay in SLBC meeting for June 2019 and hoped for the next meeting to be convened in time. He informed the house that the total deposit of the State was Rs.15,493 crores and total advances was Rs. 4,925 crores with Rs. 2,155 crores as priority sector advances as on 30.06.2019. Thus, priority sector advances constituted 43.73% of the total advances. Banks had disbursed Rs.78.53 crores under Annual Credit Plan (ACP) in the first quarter and the CD ratio of the state stands at 36.16%. Further, his major observations were as follows:

1. He suggested for owning up area specific programmes by Banks, especially Agriculture, wherever the water and irrigation facility remains available. The greeneries in the State implies the scope for Agriculture.

2. He observed that NABARD was presenting area specific many model schemes even in SLBCs also. But the execution had not happened properly. Therefore, he hoped that all the stakeholders Banks, State Govt., NABARD and other agriculture agencies to come forward and work together to scout for progressive farmers with handholding, forward backward linkages. He suggested it to be coordinated at DCC level. **(ACTION POINT\_ LDMs)**

3. Whereas NPA was a concern in the Agriculture sector, support from the Government for recovery through Bakijai process etc. would ensure the confidence level of Branch Managers for more financing in the sector. Banks to submit the detailed Report.

 **(ACTION POINT\_ All Banks)**

4. In SME, he mentioned that there was immense scope in eco-tourism and food processing in the State and Banks were ready to step in there.

5. Financial inclusion had become a necessity to ensure long term inclusive growth. Banks should step in and finance in place of indigenous money lenders who were charging exorbitant rates of interest.

6. He informed the house that SBI would be opening some more branches shortly and requested other Banks to follow the suit. In the light of high dependence of the Banks on BC/ CSP model for financial inclusion in the State, he welcomed State Govt. initiative to encourage CSPs by providing financial assistance.

7. He also informed that SBI would roll out simple passbook printing machine shortly to be used by CSPs. He also talked about providing handheld devices with biometric access facility to kiosk operators or sub-kiosk operators who could visit the customers in the remote villages to deliver services at their doorstep.

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8. He also informed that SLBC had identified Papumpare district in the State for 100% digitisation under the recent drive by RBI.

9. He expressed his hope for commitment to contribute and achieve the ACP target and added that prosperity of the State means prosperity of Banks.

Shri Manoranjan Dash, Regional Director, Reserve Bank of India, Guwahati while addressing the meeting mentioned that:

1. The State lacked in almost all the economic indicators with CD ratio at 36%. To improve the CD ratio upto 60% would be a great challenge. All the stake holders are required to tap the potential available in the Agriculture sector. In SME sector, Banks should finance in handloom handicraft, eco-tourism, food preservation etc. Cluster approach and channelising of credit to production sector would ensure quick CD ratio improvement.

2. Most of the unbanked villages with population above 2000 had been covered with Banking touch points. He hoped that the coverage of the remaining villages would also happen very soon as around 50 IPPB branches would be CBS enabled in addition to opening of more Branches and CSPs. **(Action Point:- SLBC to produce the road map)**

3. More thrust was found to be required in priority sector. With the help from NABARD, more finance should happen in Agriculture on need based basis.

 **(Action Point:- NABARD)**

Shri Naresh Kumar, IAS Chief Secretary, Govt. of Arunachal Pradesh while addressing the meeting said that he would like to put into perspective of the State Government how Financial Institutions could help in the development of the State which was at the cusp of becoming one of the leading States. He observed that:

1. The State has vast land and natural resources.

2. Whereas Financial Institutions were expected to play an active part in the history of this development, credit disbursements from some Banks were found to be meagre. Both the Public and Private Sector Banks should own up responsibility and become responsible partners. The present system would not go unchecked.

3. The risk of delinquency and bad debts was lower compared with national scenario on account of difference in exposure pattern.

4. The Govt. would be investing heavily in Tourism and Horticulture. Cluster approach financing by identified Banks could be adopted. **(Action Point:- Dept. of Commerce and Industries and Department of Agriculture to apprise the existence/ proposed Clusters.)**

5. Availability of cash in ATMs should be looked into by all the Banks.

 **(Action point:- All Banks)**

6. Liaison with the respective Deputy Commissioners should be done so that CSPs were incentivised for starting their function as per Govt. scheme.

 **(Action Point:- SLBC to Coordinate)**

7. The State Government would come out with a Subsidy Scheme for students who were availing Education loan from the Banks.

8. A scheme for employees of the State Government who were availing Housing loans and vehicle loans from Banks could be worked out for providing them some relief or incentives.

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This was followed by presentation of Agenda items by Shri Satyabrata Mishra, AGM (SLBC), State Bank of India, LHO, Guwahati.

The minutes of the previous SLBC meeting were approved by the House. Further, the Action Taken Report was put up for discussion and observations were made as under:

**Agenda. 1**.

ATR (1):

1. DMD & COO, SBI expressed his concern that none of the 5 Banks i.e. Axis Bank, Bandhan Bank, IndusInd Bank, NESFB and Yes Bank had sanctioned any Mudra loan. Axis Bank gave a commitment that they would sanction a minimum of 5 Mudra loans to which the Chief Secretary expressed his displeasure. **(Action Point:- The above 5 Banks)**

ATR (2):

2. It was found that 9 Banks had not sanctioned any crop loan since inception. The Chief Secretary remarked that the State Government through the Agriculture and Horticulture Departments would be sourcing loan applications of farmers from different areas of the State to these Banks for sanction by the end of November 2019.

 **(Action Point:- Dept. of Agriculture and concerned Banks)**

3. Principal Secretary (Finance) mentioned that there were entrepreneurs in Agriculture and Horticulture who would be getting financial assistance from the Government. Banks should finance these progressive farmers as there would be lower risk involved.

 **(Action Point:- All Banks)**

ATR (3):

4. Canara Bank had not opened its Branches at Sagalee and Chayangtajo as directed by the Chief Secretary during the last SLBC meeting. Canara Bank was advised to open immediately. **(Action Point:- Canara Bank)**

5. Chief Secretary advised all Banks to come forward and open Branches at Anini, Daporijo and Roing as payment of land compensation for a Hydro Project at Dibang Valley was underway**. (SBI has branches at all the 3 centres)**

 **Agenda 2: CD ratio:**

6. The CD ratio of the State was at 36.16% as on 30.06.2019 with the 10 Banks having CD ratio less than 20%. Therefore it was advised to form a sub-committee for increasing the CD ratio of the State. **(Action Point:- SLBC)**

7. Principal Secretary (Finance) suggested that while preparing the Annual Credit Plan, area-wise and scheme-wise detail should be incorporated for effective implementation.

 **(Action Point:- LDMs and DDMs)**

**Agenda 3. Review of Credit Disbursement of Banks:**

8. Improvement was observed in Y-O-Y credit disbursement under the Annual Credit Plan 2019-20. Whereas Rs.78.52 crores were disbursed i.e. 12.55% of the target as on 30.06.2019 as compared to Rs. 33.78 crores (6.48%) disbursed during the corresponding period last year.

9. Priority sector lending also increased from 41.58% as on 31.03.2019 to 43.75% as on 30.06.2019

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**Agenda 4. Financial Inclusion**

10. The Chief Secretary remarked that the roadmap to bringing the unbanked villages within the banking fold was opening of more Branches, deployment of CSPs and CBS enabled the IPPB Branches in the remote areas.

11. DMD&COO advised other Banks to deploy more BCs/CSPs.

 **(Action Point:- SLBC to produce the status and road map)**

**Agenda 5. Position of NPA**

12. DMD &COO expressed his displeasure that Banks were not approaching the Government for recovery of overdue loans by following up Bakijai cases. (**Action point:- All Banks)**

**Agenga 6. DCC/DLRC Meeting**

13. After close monitoring by the SLBC, improvement was observed in the regular conduct of DCC/DLRC meeting in the Districts.

**Agenda 7. District Digitisation**

14. Papumpare district had been identified for 100% digitisation within a period of one year. DMD advised to form a sub-committee to monitor the progress made in this regard.

15. Further, he advised to form another sub-committee to monitor the commitment made by the member Banks in the SLBC meeting. **(Action Point:- SLBC)**

16. The meeting ended with vote of Thanks by Shri Sudhir Sharma, General Manager (NW-I), State Bank of India, LHO Guwahati. While giving the vote of Thanks he remarked that:

1. Banks should ensure credit linkage of SHGs formed under NRLM.

 (**Action point:- NRLM and All Banks)**

2. State Bank of India was in the process of opening 4 more Branches in the State of Arunachal Pradesh including a Branch at Sonapur.

3. Banks should finance in the Allied Sector to increase Agriculture lending as well as to increase the income of the farmers

4. A sub-committee should be formed to provide specific loan targets to the Banks.

 **(Action Point:- SLBC)**

The meeting was attended by

1. Shri Naresh Kumar, IAS, Chief Secretary, Govt. of Arunachal Pradesh

2.Shri Ashish Chandra Verma,IAS, Principal Secretary, Finance,Planning & Investment, Govt. of Arunachal Pradesh

3. Smt. Yeshi Ringu, IAS, Secretary, Finance

4. Shri Manoranjan Dash, Regional Director, RBI, Guwahati

5. Shri Gopal Kumaran Nair, General Manager, NABARD

6. Smt. Binita Topno, DGM,RBI Guwahati

7. Shri Ramesh Babu Boddu, DMD&COO, SBI, Corporatee Centre Mumbai

8. Shri Sudhir Sharma, GM, NW1,SBI, NE Circle,

9. Shri Uttam Hazra Choudhury, DGM(B&O), SBI, Dibrugarh

10. Shri Sushanta Kumar Sahoo, DGM,SLBC, LHO. Guwahati

11.Shri Styabrata Mishra, AGM, SBI,SLBC, Guwahati

12. Shri Anup Dutta, Regional Manager, SBI, Itanagar

13. Officials from State Governments

14. Branch Managers/Officials from various Banks in Arunachal Pradesh including LDMs.

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