

Minutes of the 63rd SLBC meeting for quarter ended June 2020 held on 03rd September 2020 at Conference Hall, Manipur Secretariat.

The SLBC meeting started with a brief note by the Chairman, Dr. Rajesh Kumar, IAS, Chief Secretary, Government of Manipur emphasising on the need for the banks to take the matter of opening of new bank branches at different places in the State of Manipur, especially the Unbanked areas, very seriously. Thereafter, SLBC Convenor, Shri Ramesh R.S. CGM, SBI, NEC gave the welcome and Key Note address.

In his Key Note address, CGM, SBI highlighted the performance of all the banks in respect of CD ratio, Priority Sector Lending and Annual Credit Plan. He urged all the banks to achieve the bench mark CD ratio of 60%, PSL of 40% by the next quarter. In respect of Annual Credit Plan, he requested all the banks to finance KCC, Dairy, Fishery and Piggery farmers so that State can put up a good performance on agriculture front. The CGM also requested all the banks, the officials of Government Departments and District Administration to give their best efforts in this current FY-2020-21 to achieve a balanced portfolio of advances.

The SLBC Nodal Officer, Shri H. Poumai, started with the presentation of the agenda which was circulated to all the members.

Agenda 1 - Adoption of minutes of the 62nd SLBC meeting held on 19/06/2020.

The House was informed that RBI had requested a slight change in the Minutes which were circulated to all the members. The Amendment of the Minutes was not objected and it was adopted unanimously by the House.

Agenda 2 - Action Taken Report of the 62nd SLBC meeting.

- (i) The Commissioner, Trade & Commerce apprised the House that a Committee had been constituted to look into the issue of "NPA under Make in Manipur" and that preliminary meetings have already been held. Final decision/recommendation of the Committee is expected within this month, and that the report will be placed before the next SLBC.
- (ii) **Opening of RSETIs**
 - (a) **RSETI, Kakching:** Representative of the PNB informed the House that at the moment, the RSETI building in Kakching is being utilized as COVID-19 Centre and hence, it cannot be utilized by the Bank. He assured once the building ceases to be utilized as COVID Centre, it would start functioning at the original premises. The Chairman asked the Bank to ensure that it is made functional within 3(three) months.

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- (b) **RSETI, Ukhrul:** As per decision in the 58th SLBC meeting, SBI has already been allocated for opening of an RSETI in Ukhrul. During the last SLBC Meeting, the Nodal Officer, SLBC had informed that opening of RSETI at Ukhrul by SBI is under process. The Chairman asked the Bank to expedite the process.
- (c) **RSETIs in the remaining Districts:** SMD, MSRLM, in her letter addressed the SLBC Convenor, informed that only 1(one) RSETI at Churachandpur is functional and one in Kakching (Thoubal) is ready to start. As per guidelines of RSETI, Manipur can establish one RSETI each in of the 9(nine) old districts. It was further informed that an amount of Rs 1(one) crore is provided by the Ministry of Rural Development, Government of India as Capital Expenditure (CAPEX) for construction of RSETI Building covering minimum area of 8000 sq. ft. The State Government has to identify land of minimum 1(one) acre and provide free of cost to the Lead Bank of concerned districts. Operation Cost shall be re-imbursed by MoRD through MSRLM on quarterly basis once Annual Action Plan is approved by MoRD. After training, 70% should be certified and settled annually. Out of 70% settled, 90% should be self-employment and 10% should be wage employment as per new SOP of RSETI.

As per the RSETI guidelines issued by the Ministry of Rural Development (MoRD), Government of India, the State Government in consultation with the banks in SLBC, is to assign districts to a **Nationalized Bank, preferably to the respective Lead Banks** in the States to set up RSETIs.

The above being the position, the Chairman advised the SLBC Convenor to assign the Districts to the Lead Banks in r/o the 9(nine) old districts. For the new districts, SMD/MSRLM may approach the Ministry for approval to assign banks to the districts for opening RSETIs, and confirmation on providing assistance for these districts, too.

Accordingly, the allocation of Banks for opening of RSETI was made as given below:

| Sl. No. | District | Allotted Bank |
|---------|---|----------------------------------|
| 1 | Bishnupur | PNB (erst. UBI) |
| 2 | Thoubal (identified at Kakching prior to bifurcation) | PNB (erst. UBI) [ready to start] |
| 3 | Imphal East | PNB (erst. UBI) |
| 4 | Imphal West | SBI |

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|---|---------------|---------------------------------|
| 5 | Senapati | SBI |
| 6 | Tamenglong | PNB (erst. UBI) |
| 7 | Chandel | SBI |
| 8 | Ukhrul | SBI [already allocated earlier] |
| 9 | Churachandpur | SBI [already opened] |

Allocation/Assignment of banks for the new districts will be done after SMD, MSRLM obtains clarification on the matter from MoRD.

The Chairman advised the Lead Banks of the concerned District to coordinate with SMD, MSRLM.

Agenda 3 - Review of Deposit, Advances and CD Ratio:

The Chairman advised to all banks to achieve the target of CD ratio about 60% to 65% during the next two months, and that performance in the next quarter should be equal to or more than the performance during the same period in the last financial year.

Agenda 4 - Review of Credit Disbursement:

(i) **ACP performance during the year.**

The SLBC Nodal officer apprised the House that overall performance of 15% against the ACP target in June quarter 2020.

(ii) **Priority Sector lending.**

The Chairman stated that the Government of India has issued various instructions and mandates to boost Priority Sector Lending in order to revive the economy which has been affected due to the present pandemic and has even foregone the need for collateral by providing Government guarantee. In spite of these measures, the performance of the banks in these Sectors has gone down, which is a serious issue. He urged the banks to focus on these sectors and ensure that the performance targets are achieved.

(iii) **PMEGP:** Deputy Director, KVIC informed the House that out of the target of 2400, only 700 applications were sanctioned by the banks last year. He also informed that simplified new guidelines have been issued for the Scheme and it was available on the Scheme portal.

The Chairman expressed his concerns over the dismal performance of the banks and advised the LDMS of each District to arrange meetings with the Deputy Commissioner of the District and the concerned bank to review PMEGP as well as all other Priority Sector Schemes within a week's time. Commissioner/TC&I was advised to monitor the matter

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and it will be reviewed at the level of the Chief Secretary on the 25th of this month.

(iv) **Fishery loan:**

As on 31/08/2020, the status of sanction and disbursal of fishery loans is as follows:

| Target | Applications received | Sanctioned Number | Sanctioned Amount | Disbursed Amount | Rejected |
|--------|-----------------------|-------------------|-------------------|------------------|----------|
| 2871 | 1281 | 510 | Rs 1109.50 lakh | Rs 896.82 lakh | 562 |

The Additional Chief Secretary, Fishery put up before the House that there were many applicants who had applied for the loan but the banks have sanctioned very few and a majority of the applications have been rejected on certain grounds.

The Chairman asked the concerned banks to fulfill the target of 2871 by December, 2020. He also asked the banks to re-examine all the applications which have been rejected. In case the rejection was on the ground of default on the part of the applicant, then the rejection is valid. However, if it was on the grounds of incomplete documents, etc., the banks may counsel the applicants/beneficiaries and provide proper guidance so that applications are complete, and loans can be sanctioned.

The Chairman observed that out of the loans which have been sanctioned so far, about 60% has been done by MSCB alone, and expressed his appreciation for the Bank for its performance. He urged the remaining Banks to improve their performance in the coming months so that 100% target is achieved by December, 2020.

NABARD representative also requested the banks to come forward to provide this kind of loan to the beneficiaries, and suggested that if the banks are facing issues in lending to individuals, they may consider lending to JLGs.

Agenda 5 - Opening of Bank Branches at Unbanked Blocks,

Representatives from BOB, PSB, UCO, ALB, PNB, ICICI, etc. raised certain issues like poor connectivity of road, power, poor internet connectivity etc. as major bottlenecks to go ahead with the opening of the bank branches before the House. To address these issues, the Chairman advised them to put up their grievances to the concerned Deputy Commissioners and take up the matter on a war footing so as to make it possible to open the bank branches within 3 months.

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Regarding the submission of PSB that their Corporate office has written to them prohibiting opening of any new branches during 2019-20, the Chairman asked PSB to share a copy of the said letter so that the matter can be taken up at the appropriate level.

Regarding opening of bank branches at the 12 new unbanked blocks, the allotted banks were strictly directed by the Chairman to complete the process by the end of this financial year 2020-21. The matter is to be actively taken up and the concerned Deputy Commissioners may be contacted to resolve any issues.

Regarding opening of bank branches at Unbanked Urban Local Bodies, the Chairman stated that since these are all in urban areas with considerable population, the banks should not face any problems in opening their branches. Accordingly, the allotted banks were advised to complete the process by the end of December, 2020.

Agenda 6 - Doubling of Farmers' Income by 2022 (PM-Kisan)

Director, Agriculture apprised the House that integrated farming is being promoted to the farmers of Manipur. She further informed the House That with regard to financing under KCC, 8179 number of application forms have been submitted through the District Agriculture Officers (list enclosed as Annexure A); however, as per information received, the number of KCC loans sanctioned is dismal.

The Chairman expressed serious dissatisfaction with the poor performance of the Banks and advised that sanction of loans under KCC may be stepped up, especially keeping in view the hardships being faced by the farmers in the present situation.

Agenda 7 - Crop insurance under PMFBY

Director, Agriculture apprised the House that during the Kharif season, crop insurance under PMFVY had to be forgone as tender could not be finalized as the premium quoted were too high. For the Rabi season, Mustard plantation will be encouraged and tender process is on for crop insurance of the same.

The Chairman took serious note on the high premium rate quoted by certain insurance companies for this scheme and advised the Department to approach the LIC, if the Scheme guidelines permit.

Agenda 8 - Inclusion of Financial Education in School Curriculum

The Deputy Secretary, Education-S Department submitted a brief note on inclusion of financial education in School Curriculum.

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- (i) It has been stated that three resolutions were adopted in the State Level Curriculum and Syllabus Committee meeting which was held on 6th July 2020 at SCERT under the Chairmanship of Commissioner, SCERT, Govt. of Manipur. The three resolutions are:
- (a) Agreed in principle the introduction of the topics of Financial Education in school syllabus for classes VI to VIII in phase manner.
 - (b) To constitute a Subject Expert Committee to examine the feasibility, validity and relevance of the topics and modalities for development of lessons as extra brochure for integration in respective subjects.
 - (c) The Committee also suggested the need for preparation of training of school teachers on Financial Education.
- (ii) SCERT, accordingly, constituted a Subject Expert Committee for development of the lessons on Financial Inclusion based on the workbook shared by RBI. The prepared lessons were approved by the State Level Curriculum and Syllabus Committee, and these lessons have been handed over to the Secretary, BOSEM on 14th August, 2020.

Agenda 9 - 100% Digitalization of Kakching District.

Since this has been mandated by RBI and has to be strictly followed, the Chairman advised the LDM, Kakching to try to complete the process of 100% digitalization of Kakching District by 15th October, 2020. He further advised all the banks to cooperate on this matter.

Agenda 10 - Miscellaneous Agenda:

- (i) The House unanimously approved the re-allocation of bank branch opening at Lilong (IW) Nagar Panchayat to PNB, as IDBI is not in the position to open the Branch due to PCA.
- (ii) The Nodal Officer, SLBC requested the house to kindly consider the 25 villages as covered by IPPB even though their identified banking touch points are falling beyond the 5 kms radius criteria, as the IPPB Banking agents/Postal employees (GDS/BPM) within these banking touch points are servicing these villages and providing banking services. Accordingly, the House approved the proposal.
- (iii) NABARD informed the House that an amount of Rs 2.00 crore has been allocated for Manipur for providing assistance to the banks to take up activities for Financial Inclusion. However, only MRB has


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come forward and applied for assistance under this scheme. NABARD requested all the banks to come forward and apply for availing assistance to conduct Financial Inclusion programmes under this Scheme.

- (iv) Implementation of SVANidhi: The Chairman emphasized the importance of the Scheme in view of the hardships being faced by the vendors due to the lockdown, and that it was being strictly monitored at the highest level. Unwillingness or poor performance on the part of the banks would be viewed seriously. Director/MAHUD was advised to send a daily report in this regard to the Chief Secretary.

Shri Susanta Kumar Sahoo, DGM (SLBC) gave the Vote of Thanks.

The meeting ended with thanks from the Chair.


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(Dr. Rajesh Kumar)

Chief Secretary (Chairman, SLBC)
Government of Manipur
