

MINUTES OF THE COMBINED 73rd and 74th SLBC MEETING FOR DECEMBER 2022 AND MARCH 2023 QUARTERS HELD ON 9th JUNE 2023.

The combined SLBC meeting for the quarters ended December, 2022 and March, 2023 was held on 9th June 2023, in the Conference Hall, South Block secretariat Imphal under the Chairmanship of Dr Vineet Joshi, Chief Secretary, Government of Manipur and Chairman SLBC Manipur.

Ms. Anna Arambam, Director, Institutional Finance, Government of Manipur welcomed the members and introduced Dr Vineet Joshi, the new Chief Secretary, Government of Manipur and Chairman, SLBC Manipur. Thereafter, Shri Namkoi Kangba, State Co-ordinator SLBC presented the agenda items for discussion/deliberations of the House.

List of participants is in **Annexure**.

Agenda No. 1: Adoption of the minutes of the 71st and 72nd SLBC meeting held on 13.12.2022.

The minute of the 71st and 72nd SLBC meeting was adopted by the House.

Agenda No 2: Opening of Bank Branches at Unbanked Blocks, Unbanked Urban Local Bodies.

A. OLD UNBANKED BLOCKS: Out of 27 Blocks which were identified, bank branches are yet to be opened in the following 11Blocks:

- 1) **Chingai TD** (Allotted to BOB): No representative of the bank was present to give the present status. Absence from the SLBC meeting was viewed seriously by the House. The Bank shall furnish a status report to DIF and SLBC Convenor by 30th June, 2023.
(Action Point: BOB)
- 2) **Kasom Khullen TD** (Allotted to PSB): No representative of the bank was present to give the present status. Absence from the SLBC meeting was viewed seriously by the House. The Bank shall furnish a status report to DIF and SLBC Convenor by 30th June, 2023.
(Action Point: PSB)
- 3) **Willong TD** (Allotted to BOB): No representative of the bank was present to give the present status. Absence from the SLBC meeting was viewed seriously by the House. The Bank shall furnish a status report to DIF and SLBC Convenor by 30th June, 2023.
(Action Point: BOB)
- 4) **Purul TD** (Allotted to Indian Bank): Deputy Commissioner, Senapati stated that the Bank has informed to send their engineer for survey of the building but till now no such exercise has been undertaken. The Bank was advised to undertake the survey and to furnish a status report by 30th June, 2023.
(Action Point: Indian Bank)
- 5) **Paomata TD** (Allotted to SBI): SBI has informed that survey is yet to be conducted for opening of branch till now and they will conduct the survey soon. The Bank was advised to expedite the matter.
(Action Point: SBI)



- 6) **T. Waichung TD** (Allotted to PSB): No representative of the bank was present to give the present status. Absence from the SLBC meeting was viewed seriously by the House. The Bank shall furnish a status report to DIF and SLBC Convenor by 30th June, 2023.

(Action Point: PSB)

- 7) **Tousem TD** (Allotted to PNB): Circle Head, PNB informed that they have not found a suitable building and lack of Police Station. Chairman has advised Deputy Commissioner, Tamenglong to look into the matter.

(Action Point: PNB)

- 8) **Henglep TD** (Allotted to ICICI): ICICI bank submitted that they are going for CSP model and will go for branch later. As discussed in several SLBC meetings earlier, the Bank was informed that while CSP can be a temporary solution, the Bank must open its branch at the earliest. The Bank was advised to take the assistance of the District Administration on the matter.

(Action Point: ICICI Bank)

- 9) **Sangaikot TD** (Allotted to Axis Bank): The Bank informed the House that the branch will be opened soon and will intimate the date for opening of branch shortly.

(Action Point: Axis Bank)

- 10) **Vangai Range TD** (Allotted to HDFC): HDFC bank has submitted that they have not found a suitable building and the Bank has requested for allotment in another Block. DIF informed that the same matter was discussed in the last SLBC meeting and it was decided that even if the location is to be shifted, it has to be within the Block as shifting to another Block would defeat the purpose of allotment of bank to this Unbanked Block. The Bank was advised to consult Deputy Commissioner, Churachandpur regarding the location and its suitability.

(Action Point: HDFC Bank)

- 11) **Tipaimukh TD** (Allotted to SBI): Survey has been conducted for opening of branch. The proposal has been submitted for approval. The Bank was advised to follow up on the matter so that it is expedited.

(Action Point: SBI)

B. NEW UNBANKED BLOCKS: Out of 12 Blocks which were identified, Bank branches are yet to be opened in the following 10 Blocks:

1. Borobekra (allotted to HDFC)
2. Champhai (allotted to PNB)
3. Lhungtin (allotted to PNB)
4. Bungte Chiru (allotted to PSB)
5. Jessami (allotted to SBI)
6. Shahanphung (allotted to BOI)
7. Khangbarol (allotted to Canara Bank)
8. Mualnuam (allotted to Axis Bank)
9. Kangvai (allotted to ICICI)
10. Suangdoh (allotted to PNB)



The Chairman was informed that the opening of bank branches was discussed in detail in the meeting of SLBC Sub-committee on Unbanked Blocks, Financial Inclusion, Digitalization and Financial Literacy. He advised all banks to adhere to the decisions taken therein and to expedite in taking approval for opening of the branches wherever it is pending; in this regard, RBI was requested to assist in obtaining the approval. The Chairman also asked the District Administrations to draw a timeline for opening of bank branches in their respective districts.

PNB Circle Head informed that there are no infrastructures like building and security available in many centres and requested the Government to provide at least minimum infrastructure like building. He also informed that they obtained approval for opening of a branch at Lilong NP but is not able to find a ground floor as per RBI instructions to open a branch.

The Chief General Manager, RBI also informed that he has conducted meetings with individual banks for opening of bank branches in unbanked blocks. He suggested drawing short, medium and long term timeline plans depending on the centre. In the meeting with the banks, 6-7 centres have been identified where branches can be opened in the short term. In the blocks where banks have difficulty to open branches due to non-availability of building, dual connectivity network, police security, etc. medium and long term plans can be drawn up. He also highlighted the need of the Government to assist the banks in creating infrastructure in these centres.

(Action Point – All concerned banks)

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

The CD Ratio of Manipur state is 77% vis-a-vis National benchmark of 60%. MSCB Ltd. is having the least CD Ratio at 40.40% whereas BOI is having the highest CD Ratio of 180.80%. There are 7 banks, viz., MSCB Ltd., IndusInd Bank, PSB, CBI, BOB, CAN and PNB which have CD Ratio below 60%. BOI has stated that their CD Ratio is high due to low deposit.

CGM, RBI advised the bank to maintain asset quality. Sri Hemant Gadge, DGM, SLBC, appreciated the banks for maintaining a healthy CD Ratio. However, major banks like BOB, CBI, PNB, and PSB whose CD ratio is below 60% were urged to achieve CD Ratio of 60%.

(Action Point – BOB, CBI, PNB, and PSB)

Agenda 4: Review of Credit Disbursement

The overall ACP achievement is 128% of the target. However, Other Priority Sector ACP achievement is only 54%.

The Chairman asked the reasons for low performance in Other Priority Sector and if applications are being rejected by the Banks. The Regional Manager, SBI informed that loan applications are not rejected without valid reasons. The applications for education loan are very low in the State and urged all stakeholders to create awareness for education loan. CGM, RBI also urged all banks not to insist for collateral and not to reject loan applications on flimsy grounds. Amit Kumar, DGM (B&O), SBI, Shillong also informed the House that SBI offers education loan upto Rs 50.00 lakh free of collateral for studies in IITs and IIMs.

(Action Point – All Banks)



Priority Sector lending Outstanding as on 31.03.2023

The percentage of priority sector outstanding against total loan outstanding is only 29.43%. The Chairman advised SLBC to provide district-wise information in the next meeting. DGM, SLBC, mentioned that in Manipur, Priority Sector Lending is much below stipulated benchmark of 40%. In the State, apart from Imphal West and Jiribam districts, all others districts come under Credit-deficit district as per Reserve Bank Master Directions- Priority Sector Lending (PSL) - Targets and Classification, vide Circular No- FIDD.CO.PLAN. BC.5/04.09.01/2020-21 dated Sept 04, 2020, wherein a higher weight (125%) would be assigned to the incremental priority sector credit in the identified districts where the credit flow is comparatively lower (per capital PSL less than Rs 6000), and lower weight (90%) would be assigned to incremental priority sector credit in the identified districts where the credit flow is comparatively higher (per capita PSL greater than Rs 25,000). He advised the Banks to lend in these districts and increase State PSL ratio and decrease their own Banks capital burden.

(Action Point – All Banks)

Agenda 5: Review of KCC-Performance and issues.

The KCC performance is 58.07% against the target. The Chairman asked the reasons for low performance regarding KCC, especially the low number of KCC issued. Director, Institutional Finance also asked the banks with zero performance to provide the reasons.

Some banks have reported that approval of their Head Offices are required, as they have not been given the authority to issue/sanction KCC loans. CGM, RBI enquired as to specific instructions have been received in this regard and that he would take up the matter with their Head Offices.

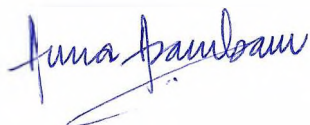
ICICI has achieved 642.98% and the House enquired as to how this has been achieved so that other poor-performing banks can replicate. ICICI bank representative stated that there may be misclassification. DGM, SLBC, SBI, Guwahati pointed out in that case, the Bank should have submitted the correct picture to the House. All banks were advised to check their figures before the meeting and report any discrepancies to the SLBC Convenor before the meeting, from next meeting onwards.

Traditionally the performance in agriculture by the banks in the State is low and the need to find the reasons for this was discussed. The Agriculture Department officials was advised to coordinate with the banks for conducting awareness programmes which will be beneficial to both the banks and the people. The Chairman advised all banks to work on this on priority so as to increase finance under KCC.

(Action Point - ICICI Bank to provide the correct data, Agriculture Dept., all Banks)

In respect of wrong data uploading, Coordinator SLBC Manipur informed the banks that every quarter an online workshop is conducted for uploading of data on SLBC portal and requested all bank officials uploading the data to join the same. DGM, SLBC added that private sector Banks upload their data from their Corporate Offices and requested them to join the meeting so that correct data is uploaded in the portal.

(Action Point – All Banks)



Agenda 6: Review of Government Scheme- PMJDY, PMJJBY, PMSBY, APY, KCC (Fisheries), KCC (A&H), PMSVANidhi, PMEGP**(i) PMJDY, PMJJBY, PMSBY, APY**

The State has achieved only 20% of the total eligibility for PMJJBY and 37% of total eligibility for PMSBY. DFS has started a 3-months campaign for saturation of PMJJBY and PMSBY at Gram Panchayat/village level from 01.04.2023 to 30.06.2023. Targets have been allotted to districts and banks. Weekly camps were organized during the month of April 2023. However, due to the prevailing law and order situation, no camps could be held by the banks during the month of May and June 2023.

In APY registration, the State could achieve 94% of the target given by PFRDA during the year.

(ii) KCC (Fisheries & Animal Husbandry)

The performance in KCC (Fisheries) is very poor in the State. Secretary (Fisheries), Govt. of Manipur mentioned that performance is low due to high rejection of applications. CGM, RBI advised that genuine reasons for rejection of applications should be provided. DGM, SBLC observed that all Private Banks have shown **NIL** performance and except for SBI, many of the banks have negligible numbers. Similar is the case of KCC (A&H). The Chairman advised that banks should take it more seriously and reach out to the farmers.

(Action: All banks)**Agenda 7: Doubling of Farmers' income: Issues and Challenges faced by FPOs**

Agriculture Department, Government of Manipur submitted the following issues and challenges faced by FPOs:

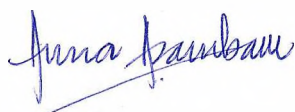
- (i) Majority of the FPOs lack business plan, thereby limiting their activity to merely bulk buying and selling of the inputs or farms produces.
- (ii) There is a need of strong market linkage for the farm produce or its value-added products for long term sustainability of the FPOs.
- (iii) Farmers losing interest in participating in the business of the FPOs due to poor governance.
- (iv) Non availability of financial assistance leads to huge challenge in managing their working capital requirements.

Shri M.H. Khan, Addl. Chief Secretary advised the banks to proactively provide KCC (Fisheries and A&H) to farmers, as unless loans are provided, farmers cannot increase their income.

(Action: All banks)**Agenda 8: Inclusion of Pledge financing for agriculture commodities through electronic Negotiable Warehouse Receipts (e-NWR).**

Agriculture Department, Government of Manipur submitted the following on the agenda:

- (i) Inclusion of Pledge financing for agriculture commodities through electronic Negotiable Warehouse Receipts (e-NWR) require establishment



of APMC (Agriculture Produces Market Committee) in the identified market yard.

- (ii) The Manipur Agriculture Produce and Livestock Marketing (Promotion and Facilitator) Bill 2020 passed in the Manipur Legislative Assembly and enacted in the State, whereas, identification of market yard, constitution of various Market Committee, Establishment of APMC is pending.

Shri M.H. Khan, Addl. Chief Secretary advised the Agriculture Department to expedite and submit the progress in the next meeting.

Agenda 9: Review of opening of RSETIs in 7 Districts of Manipur

Out of 7 allotted districts, except Imphal West, there has not been much progress in the status of opening of RSETIs in 6 districts of Bishnupur, Chandel, Imphal East, Senapati, Tamenglong and Ukhrul. In Imphal West, SBI has posted Director for RSETI and the Centre will start running soon.

SMD, MSLRM, Government of Manipur requested the sponsoring banks for posting of RSETI Directors at the earliest. Shri M.H. Khan, Addl. Chief Secretary reiterated that separate approval is not required from MoRD for opening RSETIs as SLBC has approved it and the same was informed in the last meeting. He also advised the Deputy Commissioners to provide alternative premises where huge repairing of the building is required as there is no provision for repair works.

Deputy Commissioner, Thoubal requested for a RSETI in Thoubal district as the RSETI for the district which was set up in Kakching is now in Kakching district, after bifurcation of the districts. SMD, MSLRM advised DC/Thoubal to submit an application in this regard so that the matter may be taken up with MoRD.

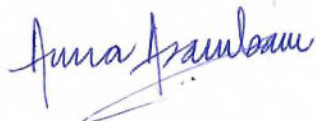
DGM, NARBARD informed that NABARD is maintaining Financial Inclusion Fund (FIF) under which Rs. 4.50 lakhs can be provided to RSETIs for training, training equipment and maintenance. Addl. Chief Secretary advised the SMD/MSRLM to tie up with NABARD.

Agenda 10: Miscellaneous (if any), with the permission of the Chairman.

- 1. Need for Relief measures related to the stressed assets due to the ongoing law and order situation in the state in the form of restructuring/rehabilitation under RBI Resolution Frameworks.**

The House was informed that several Deputy Commissioners have reported that due to the present law and order situation in the State, many properties and businesses have been affected either directly or indirectly. Due to this, the borrowers who had taken loans are not in a position to repay them thereby requesting for the extension of relief to the affected persons.

The ongoing social disturbance since 03.05.2023 has adversely affected all section of the society and economy. Economic activities and businesses have been disrupted and supply chain and delivery chain has been broken down. Since there is no cash flow in the businesses, the prospect of loan default is looming large which will affect both banks and customers. Therefore, there is a need to devise a framework for



rehabilitation/restructuring of bank borrowers of MSME and Agri sectors in line with relief given under COVID-19 pandemic and as per RBI guidelines.

The provisions of the Master Directions issued by RBI, namely **Reserve Bank of India (Relief Measures by Banks in Areas affected by Natural Calamities) Directions, 2018** was also discussed. RBI pointed out that in the present case, chapter VII, Riots and Disturbances: Applicability of the Guidelines would be applicable.

The State Government was requested to take up necessary measures including issuing of the mandated Notification under the Master Directions, and to further take up the matter with RBI/DFS for issue of framework for providing relief measures.

- 2. Functional status of bank branches and ATMS (District-Wise):** The Chairman asked the Banks to submit district-wise details of number of branches and ATMs functioning. The reasons for non-opening of any bank branch/ATM may also be furnished so that Government can provide necessary support.

The meeting ended with thanks to the Chair.


(Dr. Vineet Joshi)
Chief Secretary
Government of Manipur

