**AGENDA OF MEGHALAYA STATE LEVEL BANKERS COMMITTEE (SLBC) MEETING FOR THE QUARTER ENDING SEPTEMBER 2023**

**Adoption of minutes:**

The minutes of the last State Level Bankers’ Committee (SLBC) meeting held on September 27th, 2023, for the Quarter ending June 2023 was circulated to all members and there was no suggestion for changes in the minutes. As no request for changes has been received, the minutes of the last SLBC meeting may be adopted.

**Agenda No.1**

The Action Taken Report (ATR) compliances pertain to the action points of the quarter ending June 2023 is mentioned below:

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| --- | --- | --- | --- |
| **S. No.** | **PARTICULARS** | **Action to be taken by** | **Compliance Remarks/ ATR** |
| **1** | Banks with less than 10% ACP achievement in the first quarter, is requested to Step up bank finance in priority sectors to accomplish the allotted Target quarter-on-Quarter. | KMB, SCUB, MCAB, MRB, CBI, SIB, UCO, IOB and JSF | Banks have assured to sanction more loans to achieve ACP Target with focus in Housing, MSME and  Agriculture besides other priority sector loans and Government sponsored loans. SBI, MRB, MCAB, CBI assured to achieve the allotted Target of priority sector loans and PMEGP scheme. |
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| **2** | Non-Performing Assets (NPA) of banks is increasing quarter-on-quarter, which indicated that the pace of settlement is slower than the in-flow. PMEGP constituted the highest NPA percentage of 25.16%. Banks are requested to lodge Bakijai certificate cases and the Government is requested to support in effective recovery of overdues loans, and to educate for regular repayment of Bank loans. | Banks, Government and Bakijai offices | The total Non-Performing Assets (NPA) under priority sector during the quarter ending September 2023 is Rs.502.63 Crores which constituted 7.73%  Banks and Government departments have been conducting Lokadalat for settlement of overdue NPA . |
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| **3** | Dr. Shakil P. Ahammed, IAS & Addl. Chief Secretary noted with concern the delay of branch opening. Banks are requested to open allotted branches and ensure that branch opening is made within given time frame. Banks with difficulties to find new premises are requested to inform respective Deputy Commissioners with a copy to State Finance department. | MCAB, PNB, NESFB, MRB, CBI, Axis Bank and ICICI Bank | MCAB has been looking for premises in Ranikor in consultation with the BDO of Ranikor. In Purakhasia the branch premises is identified. Adokgre branch opening is not feasible because of low population and absent of business potential. MRB has identified new branch premises at Nonghyllam, and branch opening process is in progress. PNB has written on 29.08.2023 to the DC of South Garo and South-West Garo hills districts to help identify new branch premises at Baghmara and Ampati. Details of branch opening is in the Agenda-2. |
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| **4** | The Government is committed for Tourism development by pitching a total Subsidy of 70% under PMEGP Scheme. All banks are requested to extend more Homestay loans under PMEGP scheme. | All Banks | The Banks assured to sanction more loans under priority sectors. MRB has sanctioned 51 PMEGP loans under Homestay upto September 2023 and assured to sanction all the eligible proposals under PMEGP Scheme. During the quarter ending September 2023 Banks have sanctioned Rs.1338.79 Crores under priority sector advances constituting 50.28% of the ACP Target |
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| **5** | The Banks are requested to circulate to branches the Government Schemes details like Homestay under PMEGP and the Chief Minister Elevate Scheme to coordinate with the potential customers and seize the opportunities, because the successful implementation of the Government flagship programs lie with the active participation at branch levels. | All Banks | Banks have confirmed that Government Schemes detail like Homestay under PMEGP and the Chief Minister Elevate Scheme and other flagship programs of the Government is circulated amongst Branch Managers and bank staffs to popularize amongst the general public. |
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| **6** | There are seven banks with CD ratio of less than 25% during the quarter ending June 2023. The Finance department, GoM is requested to provide the List of banks where Government funds is withdrawn. The Banks with less than 25% CD ratio are advised to submit **the action points** to improve their CD ratio. | Jana Small Finance Bank, South Indian Bank (SIB), Yes Bank, Indian bank, IDFC Bank, Axis Bank & Union Bank Finance department, Government of Meghalaya | In September 2023 quarter, there are five Banks with CD ratio of less than 25%.  The Finance department vide letter No.FIF012/2009/Pt2/94 dated 07.11.2023 have directed all departments to withdraw Government funds from Banks with less than 25% CD ratio. |
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| **7** | To arrive at the performance index of individual Banks in Government schemes, enrolment of SSS, a matrix method may be developed by Finance department in tandem with Reserve Bank of India and NABARD | Finance department, RBI and NABARD | The Finance department is requested vide letter No.AGM/ R-I/ SLBC/2023-24/05 dated 15/11/2023 to develop Matrix Calculation on Banks performance in Government Schemes |
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| **8** | Some banks CD ratio is more than 100%, but their priority Sector advances is less than 10%. Banks to give preference and focus in Priority sectors over Nonpriority sectors in line with LBS guidelines. | KMB, Indus and Ujjivan Bank | Banks have assured to extend at least 40% of the total loans in priority sectors and 18% in Agriculture sectors in line with RBI Lead Bank Scheme. The total priority sectors lending in September 2023 constituted 42.21% which is more than the RBI benchmark. |
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| **9** | Government is requested to extend the same incentives to all Banks BC which was extended only to the BC of Meghalaya Rural Bank only, to boost the moral of all BCs and make them earn sufficient income which ultimately help to increase BC transactions. | Finance department, Government of Meghalaya | The State Government is requested to confirm on the uniform incentives for all banks BCs in the State vide letter No. AGM/ R-I/ SLBC/2023-24/04 dated 15/11/2023 |
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| **10** | Shri Sevak Das, LDM of Jaintia Hills districts to submit a report on financial position of Industries located in Jaintia hills specially cement factories with focus on Credit availed from banks outside the State. The report should be submitted to SLBC to include in Credit utilization for calculation of CD ratio. | LDM of Jaintia Hills districts. | The LDM have visited eight Cement factories in East Jaintia Hills on 31.10.2023 to get the financial position with focus on credit availed by these companies. However, the companies are not disclosing the quantum of loan taken from various banks outside the State. |
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| **11** | Requested MSRLS to promote account opening by individual members, so that their CIF can be link to the loan accounts of the Group in CBS. | MSRLS | MSRLS has mobilized and facilitated opening Bank Account of 4,29,048 SHG members out of the total 4,57, 014 members which is 94% achievements  Through training and awareness, MSRLS effort is on to ensure 100% achievements in Bank Account saturation at SHGs and members level and utilization of Bank Account on a monthly basis |
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| **12** | RSETI report should also include Settlement cases in the Quarterly report. | RSETI Directors | RSETI directors have reported the Number of settlement cases wef September 2023. |
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| **13** | Banks to ensure that correct SLBC data is uploaded in the portal within the cut-off date in line with LBS guidelines | All Banks | Out of 34 banks, 11 Banks are not able to complete the SLBC uploading within the cut-off date of 16/10/2023. But all banks have completed uploading on 30/11/2023. |
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**Agenda – 2:**

**Review of Financial Inclusion Initiatives, Expansion of banking Network and Financial Literacy**

**(a) Status of opening of banking outlets in unbanked villages, CBS-enabled banking outlets at the unbanked rural centers (URCs)**

Seventeen branch opening were allotted during 2023-24. The Status of branch opening at the end of September 2023 quarter are

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| --- | --- | --- | --- | --- |
| **Sl No.** | **Bank Name** | **No of allotted branch opening in 2023-24** | **Area** | **Status Report** |
| 1 | CBI | 1 | Mallangkona, West Khasi | Tendering process for new branch premises was floated on 25.10.2023 |
| 2 | MRB | 3 | Nonghyllam, Tikrikilla and Selsella | Branch premises at Nonghyllam is identified and branch opening is expected within 21/12/2023. At Tikrikilla no branch premises available at present. Survey will be conducted within 31/12/2023 for new allotted branch opening at Selsella. |
| 3 | MCAB | 5 | Ranikor, Adokgre, Purakhasia, Raksamgre and Damalgre | In Ranikor BDO was Contacted to help identify a new branch premises. In Purakhasia the branch premises is identified and branch opening process will be initiated once the land owner is handing over the new premises. Branch opening at Raksamgre, Damalgre and Adokgre are pending and not feasible because of small population and absent of business potential, hence MCAB is requested to take up the issue with the Government. |
| 4 | NESFB | 3 | Laskein, Dadenggre, and Baghmara | Since NESFB branch opening at Laskein and Dadenggre are not feasible, they are requested to take up with the Government for approval. Instead of Dadenggre, NESFB is ready to open a new branch at Mendipathar. Baghmara branch is assured to open within 31.12.2023. |
| 5 | PNB | 3 | Baghmara, Ampati and William Nagar | PNB is ready to open the branches at Ampati and Baghmara but no suitable premises available for bank branch. A meeting was fixed on 24.11.2023 with the DCs to identify a new premise in Ampati and Williamnagar. |
| 6 | Axis Bank | 1 | Rongara, South Garo Hills | Survey is going to be conducted again within 30/11/2023 for branch opening at Rongara by Axis Bank. |
| 7 | ICICI Bank | 1 | Chambilgre (Sibbari), South Garo Hills | Branch opening survey will be conducted at Chimbalgre. |

As on 30.09.2023 there are 438 bank branches across the State, out of which 198 are located in rural areas, 122 in Semi-urban and 118 in Urban areas.

**(b) Review of Operations of Business Correspondents – hurdles/issues involved –BC/CSP:** The number of BC has increased from 1577 to 1894 quarter on quarter with an addition of 317 BCs during the quarter. The Yes Bank has deployed 278 new BCs in the State during the quarter ending September 2023. The Government is requested vide letter No.AGM/R-I/SLBC/ 2023-24/4 dated 15.11.2023 to confirm for equal incentives to all BCs in the State.

BCs are using various digital channels including mobile and internet facilities to deliver doorstep banking. However, because of poor internet and poor mobile connectivity banking services in rural areas are badly affected.

**(c) Progress in Increasing Digital modes of Payment in the State: Provision of Continuous Connectivity with sufficient Bandwidth/ Resolving connectivity Issues.**

The digital payment transactions through payment systems like UPI, Debit Cards, Credit Cards, Internet banking, BHIM, BHIM Adhaar, QR Code, Mobile banking, IMPS, NEFT, RTGS, PoS terminals etc. are faster, convenient, cheaper and safer than traditional banking transactions.

There are around 53.79 million digital transactions for Rs.25367.47 Crores as on 30.09.2023.

**Expanding and Deepening of Digital Payment Eco-system** :

The 1st Phase of Expanding and Deepening of Digital Payments Ecosystem for 100% Digitisation for RIBHOI district has covered 100% Coverage with digital payment systems.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2nd Phase Expanding and Deepening of Digital Payments Ecosystem for 100% Digitisation** **as on September, 2023** | | | | | | |
| **Identified District: EAST JAINTIA HILLS** | | | | | | |
| **Sl No** | **Total No. of individuals Operative SB Accounts** | **Total No. of Operative SB Accounts covered** **with at least one of the facilities - Debit/ RuPay cards/ Net Banking/ Mobile Banking/ UPI/ USSD** | **% of such Accounts out of total Operative Savings Accounts** | **Total No. of eligible Operative Current Accounts** | **Total No. of Operative Current Accounts covered with at least one of facilities - Net Banking/ POS/ QR/ Mobile banking etc.** | **% of such Accounts out of total Operative Current Accounts** |
| 1. | 93530 | 60604 | **64.80** | 2403 | 2053 | **85.43%** |

In the Subcommittee meeting held on 12.09.2023 all Districts in the State were allotted for 100% digitization in line with Reserve Bank of India FIDD.CO.LSB.No.S1416/ 02.01.014/ 2022-23 dated January 3rd 2023 to cover all the districts of he State and make it 100% digitally enabled

**Agenda.3:**

**Business development and Credit Disbursement by Banks in FY 2023-24**

**Deposits:** The total deposits in the quarter ending September 2023 is ₹.35777.38 Crores against the total deposits of ₹.33834.68 Crores in September 2022 with a Year-on-Year growth of ₹.1942.70 Crores. (Bank-wise position is shown in page no 14).

**Advances:** The total Advances in the Quarter ending September 2023 **₹.17688.74** against the total advances of **₹.15121.67** Crores as in September 2022, with a growth of **₹.2567.07 Crores** (Bank-wise position is shown in page no.14). The CD ratio at the end of September 2023 is 49.44% against the CD ratio of 44.69% in September 2022.

**Comparative position is as under: (Amt. in Crores)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **Deposits** | **Advances** | **CD Ratio** |
| September 2022 (FY 2022-23) | 33834.68 | 15121.67 | 44.69% |
| December 2022 (FY 2022-23) | 33689.18 | 15391.90 | 45.69% |
| March-2023 (FY 2022-23) | 35729.38 | 16372.18 | 45.82% |
| June 2023 (FY 2023-24) | 34738.14 | 17111.68 | 49.26% |
| September 2023 (FY 2023-24) | 35777.38 | 17688.74 | 49.44% |

**Banks with CD ratio of less than 25%**

As on 30.09.2023 there are FIVE Banks with less than 25% CD ratio. These banks are

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl.** | **Bank Name** | **June 2023 (%)** | **Remarks** | **September 2023 (%)** |
| **1** | Janata Small Finance Bank | **0** | One new branch opened, Loan disbursement will start soon. | **0** |
| 2 | South Indian Bank (SIB) | 4.36 | ATR compliance submitted. The pre-approved PL/CL/TL is under process to speed up loan disposals. Gold Loan valuer is empaneled by SIB in the State. | 4.07 |
| 3 | NESFB | 13.12 | Loan disbursement is delayed because the bank is under migration. There are more than 110 loan proposals under consideration. | 20.32 |
| 4 | TCUB | 25.25 | TCUB is yet to submit the ATR compliance. | 21.85 |
| 5 | Union Bank | 20.91 | Not Submitted action taken Report and strategies to increase CD ratio though there is little improvement over the last quarter. | 23.68 |

**CD Ratio-Review of District with less than 40% and Working of Special Sub-Committee of DCC**

Five districts in the State with less than 40% CD ratio are East Jaintia, West Jaintia, South West Khasi, Eastern West Khasi Hills & West Khasi Hills as on 30.09.2023. Lead District Managers have confirmed having conducted Special DCC meetings in districts with less than 40% CDR and include agenda in DCC meetings for implementation of bankable loan proposals and flagship programs of the Government to improve CD ratio in their districts.

**Priority Sector Advances as on 30-09-2023:**

The total Priority Sector Advances is at **₹.7466.79** Crores against the total Advance of ₹.17867.75 Crores constituting 41.79 % during the quarter and is well above the benchmark of 40% set by RBI. Bankwise position given in **page no 16-17.**

Agriculture outstanding advances as on September-2023 quarter is **₹.2856.33 Crores** against the total advance of ₹.17867.75 Crores constituting 15.99 % of total advances against the benchmark of 18%. Bank wise details are furnished in **page No.20.**

**The Priority Sector Sub-Segment wise outstanding as on 30-09-2023:**

(Amt. in Crores)

|  |  |  |
| --- | --- | --- |
| **Sub-Segment** | **Outstanding as on**  **30-09-2023** | **% against Total Advance** |
| **Agriculture** | 2856.33 | 15.99 % |
| **MSME** | 3836.74 | 21.47 % |
| **Other PS** | 773.71 | 4.33 % |
| **TOTAL** | 7466.79 | 41.79% |

**ACP Targets achievements for FY 2023-24 as on 30th September 2023 is furnished here under:**

**Priority Sector - Segment Wise Target & Achievement (Page 30-31)**

(Amt. in Crores)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **As on 30th September 2023** | **Agriculture** | **MSME** | **Other PS** | **Total PSA** |
| **Yearly Target** | 844.86 | 1451.55 | 366.22 | 2662.63 |
| **Achievement** | 172.15 | 1091.76 | 74.88 | 1338.79 |
| **Achievement %** | 20.38% | 75.21% | 20.45% | 50.28% |

**ACP Achievement in Agri Loans for the Quarter ending June 2023 (Bank wise details in page No.34-35 & 70-71)**

The Total Agriculture Loans sanctioned for the Quarter ending September 2023 is ₹.172.15 Crores, out of which 11687 KCC loans accounts were sanctioned for ₹.60.91 Crores.

**Agenda 4:**

**Government Sponsored Scheme Implementation of PMEGP Scheme:**

1. **Prime Minister Employment Generation Program (PMEGP**)

PMEGP – Banks have sanctioned 377 PMEGP loan proposals upto 30th September 2023 against the Target of 671 for different Banks for the FY 2023-24. The details is placed in page **No. 115-116 & 127-128.** (**Director, KVIC** is requested to appraise the house).

1. **National Rural Livelihoods Mission Bank Linkage:**

Banks have sanctioned 3061 SHG Loan proposals under MSRLS implementation against the Target of 18117 SHG. M**SRLS is requested to appraise the House**. (**Details in Page No-126)**

1. **Pradhan Mantri Mudra Yojana (PMMY):**

PMMY:- The loans sanctioned under PMMY during the Quarter-2 of FY 2023-24 is as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Sanctioned (Amt. in Crores)** | | **Outstanding (Amt. in Crores)** |
| **No.** | **Amt.** | **Amt.** |
| **Sishu** | 7462 | 26.19 | 57.49 |
| **Kishore** | 4337 | 71.54 | 219.36 |
| **Tarun** | 714 | 56.47 | 178.30 |
| **Total** | **12513** | **154.20** | **455.15** |

**Details in page No.95-96 and 80-8****1)**

**Agenda No.5:**

**Functioning of RSETIs**

Five RSETIs located at Umran, Mawphlang, Nongstoin, Tura and William Nagar have conducted 39 programs for 1019 participants as on 30.09.2023 for FY 2023-24. A total of 331 trainees were settled amongst the total participants. (**Details in Page No-126)**

**Agenda No.6:**

**Position of NPAs in respect of schematic lending, Certificate Cases and Recovery of NPAs**

**Status of NPA under Government Schemes**: -

Out of 26063 loan accounts under Government sponsored schemes, there are 3557 NPA loan accounts for **₹.45.98 crores**, constituting 13.64% as NPA on 30.09.2023.

PMEGP loan accounts constituted the highest NPA percentage at 24.23% in the quarter ending September 2023. This trend of increasing NPA will have a negative impact on the credit culture, especially of government sponsored schemes. The Government is requested to dispose the pending Bakijai cases and support the banks in effective recovery of bad loans accounts.

**Agenda No.7** -**Any Other Agenda:**

1. Expanding and Deepening of Digital Payments Ecosystem for 100% Digitisation in the St ate
2. Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) was launched by the Government of India to make available collateral free loans to the Micro and Small Enterprises sector. The eligible institutions are Public and Private sector banks, RRB, selected Co-operative banks, NEDFi, SIDBI. The guarantee cover is available in both Term loan and Working capital loans upto Rs.500 Lakhs per borrowing unit. SIDBI as an implementing agency may create awarenessabout its Guarantee scheme amongst banks, entrepreneurs through workshops/ seminars and through print and electronic media