**AGENDA OF MEGHALAYA STATE LEVEL BANKERS COMMITTEE (SLBC) MEETING FOR**

**THE QUARTER ENDED SEPTEMBER 2022**

**Adoption of minutes:**

The minutes of the State Level Bankers’ Committee (SLBC) meeting held on 29.09.2022 for the Quarter ending June 2022 was circulated to all the members. Since no request for amendment has been received, the house is requested to adopt the said minutes.

**Agenda No.1**

The Action points emerged out of SLBC meeting for June-2022 held on 29.09.2022 is furnished below.

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| **S. No.** | **PARTICULARS** | **Action to be taken by** | **Compliance Remarks/ ATR** |
| **1** | Kotak Mahindra Bank, Jana Small Finance Bank, ESAF Bank, South Indian Bank, IDFC Bank, Central Bank of India, UCO Bank and Union Bank with a CD ratio of less than 20% are directed to improve credit absorption and increase CD ratio.  Chief Secretary suggested to increase the benchmark of CD ratio for review to 25% with effect from the quarter ending September 2022 against the present benchmark of 20%.  He requested the Finance department to call for a review meeting with banks of less than 20% CD ratio with special focus on UCO, CBI, Union and Kotak Mahindra Bank. | KMB, Jana Small Fin Bank, ESAF, SIB, IDFC, CBI, Union Banks.  All Banks  Finance Department. | Banks assured to step up bank finance in priority and non-priority sectors to improve CD ratio. Initiatives like Pre-approved loan process; empanel of banks lawyers/ valuers and creation of loan hub in some centres was adopted by some banks to facilitate faster credit delivery. MRB has given special focus in PMEGP under Tourism sectors beside KCC, SHGs and Housing sectors.  There are eleven Banks with CD ratio of less than 25% as on 30.09.2022.  Review meeting for banks with CD ratio of less than 25% was held on 07/12/2022 in Secretariat building, Shillong. |
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| **2** | Shri U. Dinesh Shanbhag, DGM SLBC informed that 11 Banks have NIL disbursement report in Agriculture, 4 Banks NIL disbursement report in MSME and 13 Banks NIL disbursement in Other PS advances. He requested these banks to contribute in credit linkage to Priority Sector advances at least 40% of the total advance. | Bank of Maharashtra, Punjab & Sind Bank, ESAF Bank, IDFC Bank, IndusInd Bank, Jana Small Finance Bank, Kotak Mahindra Bank, Yes Bank, JUCB & SCUB, Bank of India, AXIS Bank, ESAF Bank, Federal Bank, IDBI, IDFC, IndusInd, Jana Small Finance Bank, KMB, NESFB, SIB and YES Bank. | Banks with NIL disbursement in Agri, MSME, Other Priority Sector advances have been advised again to sanction more loans in Agri and allied activities including MSME loans in the State with focus in Government sponsored schemes and priority sector advances. |
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| **3** | **State CD ratio** is much below the National average for the last many years. As on June-2022 PSB CD ratio is at 45.48% and Private Banks is at 29.33%. The Banks are advised to achieve at least 60 percent CD ratio with focus in priority sectors and Government sponsored schemes/ loans. | **All Banks** | To address the State CD ratio, districts with less than 40% CD ratio have been advised to conduct Special DCC/ DLRC meetings regularly with suitable strategies and planning in coordination with Government departments, NABARD and RBI for credit uptake by banks. MRB assured to improve bank CD ratio by 2% within December 2022. |
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| **4** | **Banking Service-** The Banks are requested to accord top priority in offering banking services at the branches to BPL customers and take as an opportunity to understand customer needs in a transparent and approachable manners. The Banks are requested to simplify account opening forms and exempt PAN Card against BPL and No frill accounts customers. | All Banks | Banks have been informed to deliver banking services in an approachable manner and understand the needs of BPL and under-privilege customers when they come to the branches.  The number of BC and Bank Sakhis have increased from 796 to 1154 Year-on-year as on 30.09.2022 to facilitate better banking services in rural areas. |
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| **5** | **Pension Payment** – Banks are requested to ensure that arrears payment and arrears calculation to pensioners are paid of what is due to them. Banks are advised that pensioners are Senior Citizens and no undue harassment and delay of pension payment is made to them. | All Banks | Banks have assured that no undue harassment is made to the pensioners and old age citizens.  Banks have noted to ensure pension payments/ arrears due to pensioners are paid in time. |
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| **6** | MRB to install the Management Information Systems (MIS) in collaboration with CSC to ensure proper monitoring, control and reporting of banking transactions by Business Correspondents (BC) | Meghalaya Rural Bank (MRB) & CSC | MRB have tested the MIS portal and it is in the final stages to make operational. |
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| **7** | Twenty-seven new bank branches were allotted to open by MCAB (7), NESFB (6), PNB (5), MRB (3), SBI (2) and CBI, BoI, Axis Bank and Canara Bank one branch each across the State. Chief Secretary requested the banks to start making arrangement for branch opening at the earliest.  The Chief Secretary requested the Commissioner & Secretary Finance department to call for a separate meeting between the Banks, Deputy Commissioners of the districts to resolve Branch opening issues. | MCAB, NESFB, PNB, MRB, SBI, CBI, BoI, Axis Bank and Canara Bank and Finance Department, GoM | The review meeting was held on 15.11.2022. The deputy commissioners of the districts have assured to help finding suitable premises to open new branches  During the first two quarters of 2022-23, two branches were opened by PNB and MCAB at Mawkyrwat and Tikrikilla. As branch opening at Rongara and Gasuapara are not feasible, MRB have deployed six BCs in Rongara with micro ATMs. SBI have considered to install two ATMs and one CSP at Hawakhana since Axis Bank and NESFB have opened branches in Hawakhana. Canara bank is advised to deploy at least two BCs in Gasuapara block as brick and mortar branch opening is not feasible. |
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| **8** | **PMEGP Loans :** Banks are advised to accord top priority to dispose the PMEGP loan proposals in time. | All Banks | Out of 1151 ACP target for PMEGP loans, 309 proposals were sanctioned up to 30.09.2022. |
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| **9** | Conduct of District Consultative Committee (DCC)/ DLRC and Block level Bankers Committee (BLBC) meetings in the Districts – Lead District Managers (LDMs) are expected to play a Leadership and pro-active role to regularly conduct DCC/ DLRC and BLBC meetings in time and coordinated with Government departments, Banks for implementation of various schemes under LBS | Lead District Managers (LDMs) | The DCC/ DLRC meetings was conducted upto June-2022 quarter. Proposals for the September-2022 quarter meetings were submitted to the chairman of the committee. |

**Agenda – 2: Review of Financial Inclusion Initiatives, Expansion of banking Network and Financial Literacy**

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

Twenty-Seven New bank branches were allotted to MCAB (7), NESFB (6), PNB (5), MRB (3), SBI (2) including CBI, BoI, Axis Bank and Canara Bank one branch each respectively for branch opening in 2022-23. In the review meeting held on 15.11.2022 chaired by Joint Secretary Finance, the deputy commissioners/ representatives of the districts have assured to help finding suitable branch premises for PNB and MCAB in Ampati, Baghmara, Tura, Resubelpara, and Purakhasia.

During September-2022 quarter, two branches were opened by PNB and MCAB at Mawkyrwat and Tikrikilla respectively.

Branch opening at Rongara, Hawakhana, Gasuapara and Chambilgre (Sibbari) :- MRB has deployed six BC agents with micro ATMs in Rongara block as branch opening is not feasible due to thin population and poor internet connectivity. Branch opening by SBI at Hawakhana is not feasible since two other bank branches of Axis Bank and NESFB was already present in Hawakhana. Moreover, SBI branches is already opened at Tura Bazar and Chandmari which is less than 3 Km from Hawakhana. Instead of branch opening, it was agreed to install two ATMs and CSP by SBI in and around Hawakhana, Branch opening Survey was conducted two times by Canara bank at Gasuapara but founded as not feasible since SBI branch is already established there and instead Canara Bank had assured to deploy with BC at Gasuapara. SBI has declined to open a branch at Chambilgre because the area is sparsely populated and poor internet connectivity for CBS. Instead SBI is ready to deploy more BC/ CSP at Chambilgre.

**(b). Review of Operations of Business Correspondents – hurdles/issues involved –BC/CSP:** The number of BC and Bank Sakhis have increased from 796 to 1154 Year-on-year as on 30.09.2022

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

The digital transactions involved several parties/ banks with the uses of Debit Cards, Internet banking, BHIM UPI, BHIM Adhaaar, QR Code, Mobile banking, NEFT, RTGS etc. in which million of transactions have been taking place. Transactions performed through digital payments systems are faster, convenient, cheaper and safe than traditional banking transactions.

In aspirational district Ribhoi out of 132635 Saving and Current accounts, 95.16% accounts is covered at least with one of the digital modes of payment (Debit/ Rupay Cards, Internet banking, Mobile banking, UPI, ASSD, AEPS). In East Jaintia hills district, the second aspirational district out of 85693 accounts 60.12% is covered at least with one of the digital modes of payment.

**Deposits:** The total deposits in the quarter ending September 2022 is ₹.33834.68 **Crores** against ₹.**30504.93 crores**  in September 2021 with a YoY growth of ₹.3329.75 Crores. (Bank-wise position is shown in page no 14).

**Advances:** The total Advances in the Quarter ending September-2022 is ₹. 15121.67 Crores as against ₹.12326.47 Crores in September 2021 with a growth of ₹.2795.20 Crores (Bank-wise position is shown in page no.14. The CD ratio at the end of September 2022 is 44.69% with an increase

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

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **Deposits** | **Advances** | **CD Ratio** |
| September-2021 (FY 2021-22) | 30504.93 | 12326.47 | 40.41% |
| December-2021 (FY 2021-22) | 31420.61 | 13745.78 | 43.75% |
| March-2022 (FY 2021-22) | 34228.56 | 14347.48 | 41.92% |
| June 2022 (FY 2022-23) | 33570.15 | 14595.44 | 43.48% |
| September 2022 (FY 2022-23) | 33834.68 | 15121.67 | 44369% |

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

**With effect from the quarter ending September 2022, a benchmark of 25% CD ratio has been decided for the banks to achieve in the State. As on September 2022 out of 32** Banks, 12 Banks are with CD ratio of less than 25. These banks are summerised below

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sl.** | **Bank Name** | **June 2022 (%)** | **Commitment** | **September 2022 (%)** |
| **1** | Janata Small Finance Bank | **0** | New Bank with one branch | **0** |
| 2 | KMB | 0 | Low CD ratio issue was taken up with the CEO of KMB Bank | 1.51 |
| 3 | Esaf Small Finance Bank | 2.20 | New open Bank with one branch | 4.26 |
| 4 | South Indian Bank | 4.03 | Submitted action taken Report and strategies to extend more loans particularly in PSA | 5.28 |
| 5 | IDFC Bank | 13.29 | -do- | 11.42 |
| 6 | Axis Bank | 22.18 | ATR yet to submit | 15.32 |
| 7 | UCO Bank | 18.35 | ATR yet to submit | 17.99 |
| 8 | Federal Bank | 21.03 | ATR yet to submit | 20.30 |
| 9 | CBI | 19.23 | ATR yet to submit | 21.96 |
| 10 | NESFB | 18.35 | ATR yet to submit | 22.39 |
| 11 | UNION Bank | 19.83 | ATR yet to submit | 22.73 |
| 12 | IOB | 23.27 | ATR yet to submit | 22.73 |

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

There are Six districts (East Jaintia, East Khasi, South West Khasi, West Jaintia & West Khasi Hills and Eastern West Khasi Hills) with C.D. Ratio below **40%** as on **30th September 2022**. LDMs have confirmed having conducted Special Sub-committee meetings to improve the CD ratio. (Details in Page15)

**Priority Sector Advances as on 30-09-2022:**

The total Priority Sector Advances is at **₹.6889.43** Crores against the total Advance of ₹.15121.68 Crores constituting **45.56%** during the quarter and is well above the benchmark of **40%** set by RBI. Bank wise position given in **page no 16-17.**

Agriculture outstanding advances as on September 2022 quarter is **₹.2947.66 Crores** against the total advance of  ₹.15121.68 Crores which is 19.49% of total advances against the benchmark of **18%**. Bank wise details furnished in **page No.20-21.**

**The Priority Sector Sub-Segment wise outstanding as on 30-06-2022:**

(Amt. in Crores)

|  |  |  |
| --- | --- | --- |
| **Sub-Segment** | **Outstanding as on 30-06-2022** | **% against Total Advance** |
| **Agriculture** | 2947.66 | 19.49 % |
| **MSME** | 3199.91 | 21.16 % |
| **Other PS** | 741.86 | 4.91 % |
| **TOTAL** | 6889.43 | 45.56 % |

**ACP Targets achievements for FY 2022-23 as on 30th September 2022 is furnished here under:**

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

(Amt. in Crores)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **As on 30th September 2022** | **Agriculture** | **MSME** | **Other PS** | **Total PSA** |
| **Yearly Target** | 724.50 | 972.45 | 165.09 | 1862.03 |
| **Achievement** | 111.76 | 513.79 | 68.00 | 693.55 |
| **Achievement %** | 15.43% | 52.83% | 41.20% | 37.25% |

**ACP Achievement in Agri Loans for the Quarter ending September 2022 (Bank wise details in page No.34-35 & 69-70)**

The Total Agriculture Loans sanctioned during the Quarter ending September 2022 is ₹.111.76 **Crores**, out of which 24477 numbers of KCC loans were sanctioned **for ₹.81.51 Crores**.

**Agenda: 4. Government Sponsored Scheme Implementation of PMEGP Scheme:**

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

PMEGP – Out of 1744 applications submitted to the Banks upto 30.09.2022, Banks have sanctioned 309 PMEGP proposals for a total Margin Money of Rs.7.71 Crores. PMEGP Review meeting was held on 24.11.2022 in MCAB Conference room, Shillong with the banks.Details are placed in page No.118 & 126 (**Director, KVIC is requested to appraise the house).** Out of 3437 PMEGP loan accounts, 1448 accounts are NPAs constituting 35.90% of the Total Outstanding.

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

The ACP target of SHG Bank credit linkage for FY 2022-23 under NRLM has been fixed for 14092 **SHGs**. As on 30th September 2022, out of 4638 applications submitted to bank branches 2058 SHG loans were sanctioned for is **₹28.84** crores. M**SRLS is requested to appraise the House**. (**Details in Page No-127**

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

PMMY:-The loans sanctioned under PMMY during the Quarter-2 of FY 2022-23 is as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Category** | **Sanctioned (Amt. in Crores)** | | **Outstanding (Amt. in Crores)** |
| **No.** | **Amt.** | **Amt.** |
| **Sishu** | 10198 | 32.47 | 46.56 |
| **Kishore** | 6633 | 111.37 | 180.72 |
| **Tarun** | 1005 | 67.61 | 130.93 |
| **Total** | **17836** | **211.45** | **358.19** |

**Details in page No.95 and 80-81****)**

**Agenda No.5 - Functioning of RSETIs**

The five RSETIs at Umran, Mawphlang, Nongstoin, Tura and William Nagar have conducted 39 training programs upto 30.09.2022, out of which 179 trainees were credit linked for Rs.74.16 lacs

**Agenda No.6 – Position of NPAs in respect of schematic lending, Certificate Cases and Recovery of NPAs**

Out of 19813 loan accounts under Government sponsored Schemes (NRLM, NULM, PMEGP, SHG, SUI) for Rs.267.55 crores, there are 2520 NPA loan accounts constituting 13.31% of the total GSS loan accounts. The matter was taken up by the Joint Director Institution Finance & Deputy Secretary, Govt of Meghalaya vide No.FIF.11/1998/754 dated 08.02.2022 with the District administrations to organize recovery drives along with LDMs

**Agenda No.7 – Any other Agenda**

1. **SVAMITVA (Survey of Villages Abadi and Mapping with Improvised Technology in Village Areas)** – SVAMITVA a Central Sector Scheme was launched by Government of India to provide an integrated property validation solution for rural India and would thereby provide the ‘Record of Rights’ to village household owners possessing houses in inhabited rural areas to bring financial stability to the citizens of rural India by enabling them to use their property as a financial asset for taking loans and other financial benefits.

1. Because of security issues, branch opening at Nongkhyllam Village, Ranikor Block, South West Khasi Hills is delayed. Government is requested to address the prevailing issues of security and internet connectivity in Ranikor Block of SW Khasi Hills.

1. Prudential norms on Income Recognition and Asset Classification of Short Term and Long Term Crop loans in the State.
2. Internet connectivity is a common issue in many rural bank branches across the State. The bank branches at Ranikor, Mawlong, Umkiang, Thangskai, Pomshutia, Pynursla, Riangdo, Kynshi, Markasa, Patharkhmah, Baghmara, Bhaitbari -Phulbari, Barengapara, Nangalbibra, Kalaishar (SWGH), Chokpot to name afew are regularly facing internet connectivity issues for account opening and bank related transactions making the customers to wait and affected the customer services of the bank. Requested the Government to address this pending issue of poor internet connectivity.