

Minutes of the State Level Bankers' Committee Meeting of Meghalaya for the quarter ended September, 2021 held on 20.12.2021 At 11:00 am through V.C

The SLBC Meeting of Meghalaya for the quarter ended September, 2021 was held on 20.12.2021 via VC. The meeting was presided by Mrs. R.V. Suchiang, IAS, Chief Secretary, Government of Meghalaya. The Meeting was also attended by, Shri Ramesh RS, Chief General Manager SBI, LHO Guwahati, Shri Lunkim Thangboi, General Manager from SBI, Local Head Office, Guwahati, Shri P. Gangte, General Manager of RBI and Shri James P George, Deputy General Manager of NABARD and other senior officials from the State Government and Banks.

2. The Meeting started with a welcome address by Shri R.S. Ramesh, Chief General Manager SBI, Local Head Office, Guwahati. In his keynote address he welcomed all the dignitaries and participants to the SLBC Meeting for the quarter ended September 2021. He noted with appreciation that this SLBC meeting is conducted in the midst of critical times caused by Covid-19 pandemic which has impacted the socio-economic conditions of the State of Meghalaya. He noted that, in this trying time, banks can play an important role to rejuvenate the economic growth in the State. He called upon the member banks to focus on extending finance to Industries, Traders, Agriculturist, Dairy Farmers in coordination with line Departments of Government of Meghalaya and NABARD.

3. Shri P Gangte, GM (OIC) of RBI in his address welcomed all the dignitaries present in the meeting. He expressed with concern over the decreasing CD ratio during the quarter, and attributed it to decreasing loan and advances and increasing deposits. He appreciated the performance of banks in Meghalaya for being the third performer in deposit and advance amongst the NE states and called upon the banks to strive harder for better performance. He called upon the banks to focus especially on the handloom and handicraft sectors of the State which have suffered due to affect of Covid-19 pandemic, by giving support on the credit needs of these sectors.

4. In regulatory and operational developments, RBI have integrated three ombudsman scheme, namely the bank Ombudsman scheme 2016, the ombudsman scheme for NBFC and the Ombudsman for digital transactions into RBI Integrated Ombudsman Scheme 2021 on 12th November 2021, to facilitate redressal of customers complaint. The scheme covers all commercial banks, RRB, Urban Cooperative banks and NBFC but excludes Housing Finance Co. To deepen financial penetration and digital transactions, RBI decided to facilitate UPI-based digital payment solutions on basic feature mobile phones which will be launched shortly. He noted with concern the Coverage of remaining villages with less than 2000 population is not improved even after the number of BC have increased from 709 to 796 during the quarter.

5. Mrs. R.V Suchiang, IAS and Chief Secretary to the Government of Meghalaya in her address welcomed the dignitaries, the bankers and the Government officials to the SLBC meeting for the quarter ended September 2021. The chairman called upon the bankers to focus on the following issues:

(a). The low activation of Rupay cards compared to the number issued. The total number of accounts opened under PMJDY is 6,62,471 for which only 4,63,597 Rupay Cards were issued, out of which only 2,65,396 are activated. She requested the banks to report how many transactions have been made from these activated Rupay Cards. She also requested the banks to find out how

many of these PMJDY account holders have access to credit/loans from the banks, how many have availed loans from the banks as they are low income borrowers.

(Action: All Banks)

(b). Out of 118 crore mobile users in the country, only about 74 crore are smart phone users. Out of these smart phone users only 2% are using these smart phones for digital transactions. Similarly, only 22% and 17% of the account holders are using internet banking facilities in urban and rural areas respectively. Therefore, she urged the banks not only to hold FLC but also to hold Digital Literacy which can leverage to improve digital penetration in the State. RBI is requested to highlight the digital penetration in the State in the next SLBC meeting. All banks to report digital transactions made by using smart phones to SLBC and SLBC to compile the data received from the bank and send it to Finance Department.

(Action: All Banks)

(c). She also requested the Banks to provide information on the number of customers covered under social security schemes (PMJJBY, PMSBY and APY), how many claims have been made and settled in the State.

(Action: All Banks)

6. Agenda-Discussion and action points

i. The Minutes of the State Level Bankers' Committee meeting held on 29.10.2021 for the quarter ended June, 2021 was unanimously adopted by the House.

ii. Review of Action Taken Report on Minutes of last SLBC meeting dated 29.10.2021

a. ICICI bank is one of the major bank in the State with very low contribution in priority sector loans. ICICI Banks is requested to step up in sanction Priority sector advances.

(Action: ICICI Bank)

b. Non-Performing Assets (NPA)- The Banks requested the State Government to help in the recovery of Bakijai cases. The Chairman assured to take up the matter with all DCs to initiate action plan in collaboration with LDMs to recover bank dues under Bakijai cases. Mr Ramesh, CGM of SBI requested the district administrations to conduct credit awareness camps in the State and help banks in recovery of Government sponsored loans.

(Action: Finance Department and DCs)

c. Banks with less than 20% CD ratio - Kotak Mahindra Bank (KMB) to update on the present status of restriction for sanctioning of loan by the Branch Manager by the Bank's Controller. Finance Department had already taken up the issue with Area Manager/Vice President of the Bank for which reply is awaited. SLBC informed that they have also taken up the issue with the Chef Managing Director of the Bank. SLBC to send a copy of the letter addressed to Chef Managing Director of the Bank to Finance Department for taking up further with the Head Office. Shri Ramesh RS, CGM SBI assured to take up the matter from SBI, LHO Guwahati with CMD of KMB in this regard.

(Action: KMB and SLBC, SBI LHO, Guwahati and Finance Department)

d. BC transactions – It was pointed out by the Chairperson that out of around 800 BCs reported by banks around 536 BC have zero or nil transactions. AGM SBI informed that the banks have been requested to clarify why these BCs are not doing any transactions. Shri Ramesh RS, CGM SBI expressed with concern the high number of BC without any transactions. He highlighted that BC payment in SBI is paid based on the number of transactions conducted by each BC. Member banks are requested to provide substantive reasons why transactions are not flowing through these BC by 31st December, 2021. Chief Secretary pointed out that the major defaulters are IPPB, MRB and HDFC Banks. The IPPB and all the banks are to submit the report on the number of active BCs with NIL transactions along with the reasons to SLBC, and SLBC to compile the report and send to Finance Department.

(Action: IPPB, all the Banks and SLBC Convener)

e. IPPB have covered only 20 villages out of 101 allotted villages under Financial Inclusion plan - IPPB is requested to coordinate with RBI and to ensure that these uncovered villages are coverage through BC.

(Action: IPPB)

iii. Status of opening of banking outlets in unbanked villages, CBS-enabled banking outlets at the unbanked rural centres (URCs): General Manager RBI informed that the coverage of remaining villages with less than 2000 population has not improved during the quarter even after the number of BC have increased from 709 to 796. In reply, SLBC Convener informed that most of these unbanked villages are in West Garo Hills and East Garo Hills, where there are issues of power, connectivity and internet. Data will be collected on these issues faced by the banks and the same will be reported in the next meeting.

(Action: All Banks)

iv. Setting-up of Solar Powered V-SAT: DGM NABARD informed that eight Solar powered V-sat were sanctioned by NABARD with a reimbursed amount of Rs. 62.73 lakh. However, it was apprised that the banks do not prefer solar powered V-sat. He requested to replace this agenda with Farmers ID Cards items from next SLBC meeting.

(Action: SLBC Convener)

v. Review of Business Development and Credit Disbursement by Banks in FY 2021-22 – The CD ratio of the State has come down to 40.41% for September Quarter as compared to June Quarter which was 43.95%, mainly because the corporate advance of Rs.475 crore to NEEPCO by Canara bank, Meghalaya Branch has migrated to Canara Bank, Assam Branch. In reply, representative from Canara Bank informed that this is due to Bank's policy matter, where the accounts having more than Rs 100 crore is handled by their large Corporate Branch which is located in Guwahati Assam. Hence, for accounting purpose the account has been migrated to Assam where Corporate Office is located. Chief Secretary requested RBI to examine the matter and report in the next SLBC Meeting. Shri Ramesh R S, CGM, SBI requested Canara bank to report

the advanced amount within Meghalaya to be accounted under SLBC Meghalaya as per prevailing guidelines of Government from the next quarter. All Deposits and Advances made in the State of Meghalaya should be reported under SLBC Meghalaya in order to get the true picture of deposits and advances. SLBC convener to flag this issue to the State Government formally for taking up with DFS.

(Action: Canara Bank, SLBC and RBI)

vi. CD Ratio-Review of District with less than 40% and Working of Special Sub-Committee of DCC- Besides Special DCC/DLRC meeting to be conducted in the districts with less than 40%, the LDMs are also directed to conduct Block Level Bankers Committee meeting regularly in line with RBI, LBS guidelines. Shri P Gangte, GM RBI has pointed out that no Special DCC meeting was conducted in East and West Jaintia Hills district despite having CD ratio of less than 40% for many years. LDM is requested to report the status of conducting DCC/ DLRC meetings, Special DCC meetings in district with less than 40% and conduct of BLBC meeting regularly.

(Action: All LDM)

vii. Prime Minister Employment Generation Program (PMEGP): Representative from Industries informed that only 274 PMEGP proposals are sanctioned against sponsored 1490 applications. She requested all the Banks to inform to the Department the number of applications that have been rejected so that these rejected applications can be replaced/renewed. All the banks have been directed to dispose off the pending proposals within 15.01.2022.

(Action: All banks and Commerce & Industries Department)

viii. National Rural Livelihoods Mission Bank Linkage:- Representative from MSRLS informed that out of the total 7248 ACP targeted credit linkage for Self Help Groups, for the year 2021-2022, only 70% (i.e. around 5000) of the loan application have been processed and submitted to the banks. He assured that the targeted ACP credit linkage for SHG will be achieved by January 2022. He also requested that SHG accounts maintained with banks for more than six months and above should be considered for credit linkage by banks. On the appointment of BCs by MSRLS he informed that there are 185 BC with Meghalaya Rural Bank, out of which 121 BC are fully active with 1469 cash transactions conducted amounting to Rs. 1.66 lakh using Micro ATMs.

(Action: MSRLS and All Banks)

ix. Farmers ID Card in Meghalaya – The SOP on Farmers ID Card is prepared by National Informatic Centre (NIC) in coordination with Agriculture Department. This SOP is to be shared by NIC to SLBC and NABARD so that the programme can be implemented at the earliest.

(Action: NIC and SLBC convener)

x. Opening of Government accounts – Shri P Agrahari, IAS and Secretary Finance pointed out that for opening Government accounts Banks insisted on personal ID of Signatories despite

having submitted the ID Card issued by the State Government. RBI to examine on the matter and update accordingly.

(Action: RBI)

xi. Representative from National Housing Bank (NHB) requested SLBC to collect data on the number of beneficiaries and the amount of housing loans availed under PMAY by the beneficiaries from all the banks and from the concerned Government Departments.

(Action: SLBC convener)

xii. Banks have requested the State Government to declare Nongkrem dance Festival on 12th November every year as a Holiday under NI Act as the bank branches have been asked to close by NGO every year on this special occasion of the State.

(Action: Finance Department)


Chief Secretary
Government of Meghalaya

Copy to all Members.