

**MINUTES OF THE STATE LEVEL BANKERS' COMMITTEE (SLBC) MEETING FOR
THE QUARTER ENDING MARCH 2023, HELD ON 21ST JUNE, 2023 AT 4:00 P.M.**

The State Level Bankers Committee (SLBC) Meeting for the quarter ending March 2023 was held on 21.06.2023 in the Conference room, Main Secretariat Building Shillong under the Chairmanship of Dr Vijay Kumar D., IAS & Commissioner-Secretary, Finance, Government of Meghalaya. The Meeting was also attended by General Manager, SBI, General Manager, RBI, General Manager, NABARD, Senior officials from State Government, and Member Institutions.

2. Shri Anindya Deb, AGM SBI & SLBC Convener, welcomed all the dignitaries present in the meeting and requested Shri Dhruba Chndra Bal, General Manager, SBI for his welcome address.

(a) Shri Dhruba Chndra Bal in his address informed the house that Meghalaya with a population of around 40 lakh is served by 32 banks with 434 branches, 497 ATMs and 1377 BCs. He expressed his concern over the State's CD ratio which is only 45.82%. He requested all Banks to prioritize in advancing more loans in priority sectors and improve the State's CD ratio in the financial year 2023-24. He also reiterated that the primary economic activity in Meghalaya is Agriculture and requested the banks to accomplish the allotted target under Agriculture sectors with focus in KCC especially those Banks with less than 25% CD ratio. Meghalaya with many tourist spots, can be tapped and promoted under different Schemes for employment and income generation. He appreciated the initiatives of the State Government to cover Home-stay activities under PMEGP scheme and assured banks' active role to help improve employment generation to entrepreneurs in the State.

(b) He also informed that the Department of Financial Services (DFS), Ministry of Finance has launched a three months campaign from 1st April 2023 to 30th June 2023 with the aim to cover 100% penetration under Social Security scheme i.e PMJJBY, PMSBY and APY. He requested the bankers and the LDMs to cover all the allotted Blocks/villages/VECs within 30.06.2023.

(Action - All banks)

3. The Chairman in his address informed the State Government's mission to make Meghalaya a 10 Billion-dollar economy by 2027-28 for which the bank's flow of credit SHGs, KCC, Agriculture and allied activities, Mudra loans, Street vendors, PMEGP and Cooperative societies plays a vital role in order to boost up the State economy.

(Action - LDMs and All banks)

(a) He requested the banks to help in financing the entrepreneurs of the State to start their own business. He lauded the steps taken by North East Small Finance bank (NESFB) in creating **bespoke Projects** for the entrepreneurs in food processing and different ranges of other sectors and extending finance to unemployed youths. He requested all other banks to contribute and collaborate with the Government by initiating such projects.

(Action - All banks)

(b) The State Government is funding and creating strong Cooperatives which acts as aggregators to buy produce from farmers. The banks are requested to extend loans to these cooperatives so that they can buy maximum produce from the farmers and create a larger value chain. He requested the banks to come out with an exclusive loan instrument in Agriculture sector in partnership with the State Government.

(Action - All banks)

4. DISCUSSION ON ATR COMPLIANCE AND AGENDA:

(a) The minutes of the last SLBC meeting held on 24.03.2023 was adopted in the meeting.

(b) All the banks with less than 25% CD ratio (Jana Small Finance Bank, South Indian Bank, IDFC Bank, Union Bank, Axis Bank and Indian Bank) are advised to submit the action points to improve their CD ratio. Based on the CD ratio as on 30th June, 2023, the Chairman instructed Finance Department to re-issue the order to all the Government Departments not to deposit government funds in the banks with CD ration less the 25%. Further, the Departments are advised to withdraw government funds parked in banks whose quarterly CD ratio has not crossed 25% even once in the past four quarters.

(Action –Banks with CDR less than 25% and Finance Department)

(c) On low priority sectors in the districts, Dr Prabhudatta Sahoo, General Manager, NABARD suggested that SLBC should monitor the LDMs to conduct BLBC meeting and report the Block-wise data on the number, date of BLBC meetings and Circulation of minutes & ATR to all stakeholders.

(Action - SLBC Convener and LDM with low priority sectors lending districts)

(d) Shri Sahoo, further informed that Aadhar card is made mandatory for interest subvention in Agriculture loans and emphasis for 100% Aadhar enrolment in the State. Agriculture Department to call for a review meeting to discuss the issue with the banks. On the issue of KCC status in the State, the Chairman instructed Finance Department to collect detailed bank wise data on KCC from the banks and submit to Agriculture Department.

(Action - Agriculture department, Finance Department and banks)

(e) Opening of new bank branches: List of the bank branches targeted to be opened during 2023-24, will be shared by the Finance Department to SLBC and SLBC will share the same to all the concerned banks.

(Action - Finance Department and SLBC Convener)

(f) Shri Prabhudatta Sahoo, GM NABARD requested the Government to continue the compensated remuneration to the BCs to make them viable. Since branch opening is not possible everywhere, hence the deployment of BCs plays a very important role. Shri Dhruba Charan Bal, GM SBI suggested to continue the BC operation in the State with a condition to meet a minimum number of transactions by each BC. The Chairman suggested for a separate meeting to review the performance of BCs in the State.

(Action - State Government)

(g) PMEGP Performance— Banks have sanctioned 893 PMEGP loan proposals against the target of 1151, achieving 77.65% during 2022-23. Shri Mange Ram, Director KVIC pointed out that out of Rs.24.35 crore margin money, banks have claimed Rs.6.67 crore margin money. The banks informed that margin money claim is delayed because EDP training were not conducted in time and requested the implementing agency to facilitate more training to PMEGP beneficiary. DCIC and KVIC to maintain close coordination and conduct review meetings regularly and ensure EDP trainings are imparted to the

beneficiaries. The Chairman suggested KVIC to prepare the PMEGP target for 2023-24 at the earliest and requested to furnish the number of fresh proposals submitted to the banks in the next SLBC meeting. All banks are requested to sanction PMEGP proposals within December-2023, so that margin money claims can be completed within March, 2024. He also requested Commerce & Industries Department to conduct review meeting regularly on the Progress of PMEGP loans proposals.

(Action - KVIC, DCIC and Banks)

(h) SHG Credit Linkage—Shri R Chitturi, CEO MSRLS informed that 6702 SHG loan proposals were sanctioned during 2022-23. He also informed that as per the Government of India's direction, the loan application has to be submitted through online mode. However, due to connectivity issues, especially in rural areas some applicants could not submit their applications, resulting in low performance in SHG credit-linkage. He informed that the target for the FY 2023-24 is fixed for 18,000 SHGs amounting to Rs. 210 crore.

(Action - MSRLS and Banks)

(i) RSETI – Setting up of new RSETI in Jaintia Hills district was allotted to PNB which has been pending for more than two years. Shri R.K Singh, PNB Regional Manager is requested to speed up the process of opening the RSETI in Jaintia Hills and submit the progress of opening process in the next SLBC meeting. Shri R Chitturi, CEO MSRLS pointed out that the banks which are running RSETIs should follow all the guidelines and ensure that their RSETI's grading is not less than 'A' 'A' grade, failing which the Government will not be able to disburse funds for the expenditure incurred on their RSETIs.

(Action – PNB & all RSETI)

(j) Standard Operating Procedure (SOP) for providing armed Security to the Cash transportation activities by Cash-In-Transit Companies/ Financial Institutions/ Banks as directed by Ministry of Home Affairs - The matter is to be discussed in the SLBC Sub-committee meeting with officials from Finance, Police Department and concerned agencies to come up with a draft SOP so that the same can be discussed and approved in the next SLBC meeting

(Action - SLBC Convener & Finance Department)

(k) Adoption of FinTech Sector by Banks – Chairman requested RBI, Finance Department and Agriculture department to coordinate and organize a workshop for adoption of FinTech in the State for the benefit of farmers.

(Action - RBI, SLBC Convener, Finance and Agriculture department)

(l) SLBC Resolution on Crop season and duration to arrive at the NPA norms in Agriculture- After deliberate discussion the Chairman suggested that the subject matter be discussed in the SLBC Sub-Steering Committee meeting and come up with a resolution by fixing a time frame to consider loans as NPA. The same is to be presented and discussed in the next SLBC meeting.

(Action – SLBC Convener)

(m) Shri Hemant Gadge, Deputy General Manager SLBC, pointed out the need to step up and saturate the enrolment of Social Security schemes like PMJJBY, PMSBY and APY by all stakeholders, especially private banks. In this regard, the Chairman suggested that a Sub-Committee may be formed under the Chairmanship of Shri R.Chitturi, IAS, Joint Secretary, Finance to review and find out the reasons for low progress and how to overcome the challenge. The meeting with all stakeholders may be conducted on a monthly basis.

(Action - Finance Department, GoM)

The meeting ended with a vote of thanks by **Shri Parabat Singh Naorem, Cluster Head Axis Bank**



Dr Vijay Kumar D., IAS
Commissioner & Secretary Finance
Government of Meghalaya