

Minutes of the State Level Bankers' Committee Meeting for the Quarter ended March, 2017
held on the 29th, June 2017 at the Yojana Auditorium, Meghalaya Secretariat Building,
Shillong

The meeting was chaired by Shri Y. Tsering, IAS, Chief Secretary, Government of Meghalaya.

2. The list of participants is at Annexure "A"
3. The meeting started with felicitation of Shri. Y. Tsering, IAS, Chief Secretary, Govt. of Meghalaya & Chairman, SLBC by Shri. Rajeev Arora, DGM, SBI, Administrative Office, Shillong.
4. Shri. Rajeev Arora, Deputy General Manager, SBI, Administrative Office, Shillong, in his opening address welcomed Shri. Y. Tsering, IAS, Chief Secretary, for taking over as new Chairman of SLBC. He stated that because of the demonetization policy during last year, on the one hand there was an abnormal surge of deposits, and on the other hand, advance had gone down. This had impacted CD ratio for the March quarter 2017. In the deliberation on last SLBC meeting, the house had focused on Banks where CD ratio is less than 20% and these are yet to show improvement. He requested the state government to issue necessary directions to banks where the CD ratio is below 5%.
5. Shri Anurag Asthana, GM, RBI, in his address welcomed the new SLBC Chairman and stressed on CD ratio which has gone down from 38.17% as on December 2016 to 35.41% during March 2017. He particularly mentioned those 7 (seven) banks with CD ratio below 5%, (Kotak Mahindra Bank, Yes Bank, IDFC, South Indian Bank, Syndicate, ICICI and Punjab & Sind Bank). He requested banks to review their performance of their branches in the state and to take necessary steps to augment their credit flow. The Lead District Managers (LDMs) may discuss the problems of low CD ratio with all stakeholders in the DCC forum. Under ACP, the achievement by all Banks during the FY 2016-17 was 66.50% as against 43.08% during March 2016. The performance of some Banks is only 28.84%, which is dismal, viz; Bank of Maharashtra, Central Bank of India, Canara Bank, Corporation Bank, Dena Bank, Punjab & Sind Bank, Punjab National Bank, South Indian Bank & UCO Bank. He urged Banks to review and make special efforts to increase credit penetration in ACP to achieve the target set for 2017-18. On Financial inclusion, he stressed the need to achieve 100% coverage of all villages under

PMJDY through the BC mode and requested those banks with zero figures to ensure coverage of the remaining villages allotted to them. He also highlighted the importance of Financial Literacy Campaigns and pointed out that only 224 FLCs were conducted during March Quarter 2017. He requested the banks to actively participate and provide information on the various financial products available to the masses. Lastly, he stressed the importance of Rupay card activation wherein only 29% of total PMJDY accounts are activated in Meghalaya. This figure needs to be increased if the objective of DBT transaction through Digital mode is to be achieved.

6. Smt. A. Lyndem (DGM, Outreach) Guwahati, in her address dwelt on three parameters. Firstly, the various schemes and products formulated by the Government of India like Mudra, PMAY, SUI, doubling of farmers income by 2022, SHGs, MICRO Finance, etc which bankers are involving themselves in day to day activities. To increase CD Ratio, more synergy is required from all stakeholders to improve the economic activity. In this regard, she requested the Line Departments to provide technical support, sourcing and guidance to bankers. Secondly, while deliberating on FLC which is of utmost importance at this juncture, as the government is pushing forward the digitization of transactions, banks are to hold FLCs to create awareness among the rural masses on usage of digital products and mitigate the risk involve in digital products. Thirdly, on financial coverage, there is an urgent need to set up more BCs so that financial inclusion is fully committed by bankers so as to enable more Centres to provide banking facilities to unbanked areas. Further, SBI have installed 84 numbers of Micro ATMs in Meghalaya for activation of Rupay card, PIN generation, deposit/withdrawal/ transfer of money etc. The 2nd batch of micro ATMs will be rolled out in the next few months, thereby increasing the number of micro ATMs in Meghalaya. The 1st mobile ATM of North East was launched in Meghalaya on 23.06.2017. The position of activation of Rupay cards will improve as it comes with an accidental insurance coverage of Rs. 1 lakh, and to get benefit of Accidental Insurance Cover. However, RuPay Debit Card must be activated at least once in 90 days, and by not enabling activation, customers are being deprived of the benefits of insurance coverage.

7. Shri. Y. Tsering, IAS, Chief Secretary and Chairman SLBC, in his key note address welcomed all dignitaries from state government and banking representatives and expressed his appreciation to SLBC Convener for the warm welcome. He commended SBI and member banks for their

efforts to ensure smooth implementation during demonetization. He stated that the objective of the government and banks is the same, to provide services to the people. He narrated how the banks compete among themselves to get hold of government deposits, but when it comes to priority lending, they shy away. He mentioned that General Manager, RBI has clarified everything regarding the role of banks and suggested that concerned line Departments of the State Government will have to build up their own capacity to absorb this. He expressed dissatisfaction that CD Ratio has gone down from 37.26% during March 2016 to 35.41% as on March 2017. On Financial inclusion, he said that Prime Minister desires that each person should have a bank account, and as such he requested bankers to look into the issues faced by the people particularly in opening of bank accounts. He also emphasized on activation of Rupay cards for the benefits of the customers and made special mention on Prime Minister Social Security Schemes, i.e PMSBY, PMJJBY and APY and the decrease in numbers compared to December quarter, and requested bankers to cite the reasons for the decline. PMMY has improved considerably, and he advised bankers to sanction more loans under Mudra as collateral security is not required. He also urged banks especially private banks to appoint more BCs for coverage of unbanked villages, and to engage Fair Price shops as BC which can be trusted to provide services to the local area. He also emphasized opening of banks at Khrang village in East Khasi Hills, Purakhasia in West Garo Hills which is a business Centre, and more ATMs in South Garo Hills and requested Banks to undertake the responsibility for this benefit of the local people.

8. Discussion on the regular agenda items:

The Agenda wise discussion was initiated by Shri. Bimal Deb Roy, AGM & SLBC Convener

Agenda – 1: Adoption of minutes

The Committee approved the Minutes of the last SLBC Meeting

Agenda – 2: Progress of Financial Inclusion

a) Pradhan Mantri Social Security Scheme

The number of PMSBY enrollment is 97,875, PMJJBY is 45,890 and APY is only 5,064.

Action Points: Banks to improve the enrolment of APY.

b) Pradhan Mantri Jan Dhan Yojana:

Under the PMJDY, a total number of 4,16,326 accounts have been opened and 89,046 Rupay cards pin activated so far.

Action Points: All Banks to ensure activation of Rupay Cards issued to all account holders

c) b) Pradhan Mantri Mudra Yojana (PMMY)

During the FY 2016-17 the total amount sanctioned is Rs.169.82 crore and total disbursement is Rs.164.22 crore.

Action Points: All Banks to give more loans under Mudra.

d) Coverage of villages with population below 2000:

Out of 6459 villages allotted to Banks, 5389 villages are covered by branches and BCs.

Action Points: All Banks to cover the respective villages allotted to them

e) Organizing awareness Programs (FLC):

224 FLC camps were organized by the member banks in the state during the current quarter.

Shri. S Goyal, Secretary, Finance pointed out that the performance of Banks in FLCs for the March quarter is unacceptable. As decided in the SLBC meeting dated 07/04/2017, all rural bank branches to conduct one FLC per month, but it seemed only MRB, SBI and some banks only have conducted FLCs. He remarked that banks that have not conducted a single FLC, have to conduct at least one during the current quarter, failing which, the same will be taken up with Ministry of Finance.

The Chairman & Chief Secretary requested the banks that have conducted FLCs but not reported, to send the data to SLBC Convener for updation.

DGM, NABARD informed the house that for FY 2017-18, NABARD will reimburse FLCs for "Going Digital" only, upto a maximum Rs.5000/- per camp, and circular in this regard has been sent to SLBC Convener which was forwarded to all banks for information.

Action Points:-All banks to conduct one FLC per rural branch every month to build awareness among the rural people in the state and submit the report to SLBC Convener.

Agenda No. 3: Development in banking operation in the State

The Committee observed that the CD ratio for the Quarter ending March 2017 at 35.41 % is comparatively lower than was achieved in the last Quarter.

Action Points: All Banks to improve their CD ratio especially those banks less than 20 % to show better results in June Quarter 2017.

Agenda No.4: Review of Performance under ACP 2016-17

The Priority Sector Advances stood at Rs.4,309.75 Cr to total advance of Rs.8,353.03 Cr which is 51.59 % against the benchmark of 40%.

Action Points: All banks to give more emphasis on Priority Sector Advances by June 2017

Agenda No. 5: Agricultural Advances:

The total outstanding as on March 2017 stood at Rs 1,988.34 Cr. Agricultural advance under ACP is Rs 333.80 Cr during FY 2016-17.

Action Points: All banks to focus more.

Agenda No. 6: Review of progress of financing under MSME Sector-

The total outstanding for MSME sector is Rs 1,681.49 Cr. Out of the 2016-17, target of Rs 502.75 Cr, an amount of Rs.491.45 Cr has been disbursed up to March 2017, which is 97.75% of the target.

Action Points: All banks to coordinate with line Department to enable more credit linkage.

Agenda No. 7: Government Sponsored Schemes:

a) Implementation of PMEGP-

PMEGP Bank wise target for the State for FY 2016-17 has been fixed for 925 numbers, amounting to Rs.18.49 cr. So far total of 321 applications amounting to Rs.11.41 Crs has been sanctioned.

Action Points: All Banks to expedite the sanctioning of pending loans of eligible borrowers.

b) National Rural Livelihood Mission:

A target of Rs 1.06 Cr comprising of 205 SHGs for FY 2016-17 is fixed and 28 proposals amounting to Rs 10.70 lakhs have been sanctioned.

Shri. S Goyal, Secretary, Finance mentioned that Finance Department, had sent a letter to banks of concerned blocks for sanction of loans under NRLM, but still the performance has not improved and questioned the correctness of MSRLS data provided to SLBC.

MSRLS representative informed that data is correct, except in Mawkyrwat Block as the field functionaries of concerned block are not so confident. Another weakness is lack of rapport of block level staff with bank officials. Besides, FLCs are not given top priority by the field staff to address issues and create awareness amongst SHG members regarding loan defaulters. To overcome these problems, Delhi office has appointed one retired banker to look after Financial Inclusion. MSRLS also informed that banks can organize FLCs in collaboration with MSRLS, with sponsorship and requested banks for close co-ordination to ensure the scheme a success.

Action Points: All Banks to focus more on the scheme and maintain close coordination with the implementing agency.

c) Pradhan Mantri Awas Yojana (PMAY):

The Deputy Manager, HUDCO informed that 22 applications amounting to Rs.34.48 lakh already disbursed, total subsidy against 22 cases, MRB 11 nos. of Rs.17.54 lakh and MCAB 11 numbers of Rs.16.94 lakh, by CNA (Central Nodal Agency). All the above cases are of CLSS under PMAY.

Representative of State Nodal Agency, Urban affairs, informed that they have received 3,100 applications under CLSS, sent to HUDCO for sanction, out of which 105 applications are for Shillong, 89 for Tura and 419 for West Khasi Hills, Nongstoin. He had received a letter from DC Nongstoin, that Banks are not willing to entertain these applications.

Shri. S Goyal, Secretary, Finance enquired the reason for refusal and SLBC Convener requested the members present to come out with suggestion. Representative from HUDCO informed that

one case received by them has been sanctioned, but the problem is registered mortgage of property which is very costly as the stamp duty is to borne by the applicant and the area is within cantonment/European ward.

One Member bank suggested that Government should relax stamp duty, in which Secretary; Finance stated that it will be a notional loss to the State government and reiterated that the issue should have been taken care of by now since the scheme has been implemented since two years back.

The State Nodal Agency representative informed that in Garo Hills, Patta is issued by the District Autonomous Council and in West Khasi Hills Patta is issued by the Hima which is not accepted by Banks as land document. Moreover, he also informed that they have written a letter to NHB which is a Central Nodal Agency of Nationalized Banks to arrange for a sensitization program with banks who had signed MOU with NHB.

SLBC Convener also informed that Sale Deed, Gift Deed & Jamabandi are acceptable by Banks, but Deed of Declaration is not accepted in Meghalaya.

The Chairman, SLBC, suggested that since this is a legal issue, it has to be flagged separately at an appropriate forum.

Action Points: Banks to target the PMAY beneficiaries and provide loans under the above schemes.

Agenda No 8: Functioning of RSETIs – Development in RSETI upto March 2017

Out of the target of 92 programmes to be conducted, 90 programmes have been organized and a total of 2,243 candidates have been trained so far. A total of 251 trainees have been given financial assistance by banks amounting to Rs. 375.49 lakh.

DGM, FI & MF, LHO, Guwahati informed the Chairman that construction of RSETI building at Tura financed by MORD, is held up, as the Town Planning Officer of MUDA (Unit Tura) had insisted for Rs.84,444/- as labour cess and Rs.44,010/- as building fees. Construction of RSETI is on Pan India basis and in no other States the labour cess and building fees demanded by the State Govt., except Tura. She therefore, requested the Chairman to expedite the matter with concerned Departments for exemption so that construction will start, as the first installment of

Rs. 50.00 lakh has already been sanctioned, and the 2nd installment is due to be released by end of July 2017.

Agenda No. 9: National Urban Livelihood Mission:

A credit target of Rs.31.50 Crore covering 3,000 beneficiaries was fixed for banks under Self Employment Programme of NULM in 2016-17. Out of which 35 applications amounting to Rs. 43.00 lakhs have been sanctioned by banks.

The State Mission Manager informed that some banks in Shillong are reluctant to sanction the loan proposals forwarded by MUDA.

DGM/AGM SBI suggested sending the list to SLBC Convener to examine the viability of the proposals rejected.

The Secretary, Finance Department, Govt. of Meghalaya, Shri Sanjay Goyal advised Urban Affairs Department to send the list to SLBC Convener and copy to Finance Department for necessary action.

Action Points: Banks to sanction remaining proposals and Urban Affairs to send the list of proposals to SLBC Convener & Finance Department for follow up.

Agenda No. 10: Stand Up India

As on 31.03.2017, a total of 70 proposals have been sanctioned, amounting to Rs.14.85 Cr. The amount disbursed is Rs.11.95 Cr.

Action Point: All Banks to sanction more loans under SUI.

Agenda No: 11 Support from FIF for setting up of solar powered V-Sat connectivity - Monitoring mechanism in SLBC – progress in implementation.

As on 31.03.2017, the following Banks have applied for V-Sats and sanctioned by NABARD.

SBI-38, UBI-33, CBI-4 and Syndicate Bank-1

DGM, SBI informed that 3 VSATs have been installed in Dark areas and 1 is under process. For the Grey Areas, orders have been placed for 17 nos. of V-sats and will be installed within the next few months.

Action Points: SLBC Convener to take up the matter with UBI, CBI and Syndicate bank regarding installation of V-SATs.

Agenda 12: Additional Agendas

I) PMFBY: PRIME MINISTER FASAL BIMA YOJANA (Agriculture Department)

Nodal officer of Agriculture Department informed that Govt. of India has launched PMFBY for implementation of Khariff 2017 & Rabi 2017-18 seasons, and elaborated the importance of crop insurance to protect farmers from suffering due to crop loss/damage arising out of unforeseen events. The cutoff date for khariff will be 31st July 2017 for crops like paddy, maize, ginger, turmeric, cabbage, cauliflower etc and Notification for implementation of crop insurance scheme in Meghalaya will be circulated to all Banks by 1st week of July 2017.

II) Doubling of Farmers' income by 2022 (NABARD)

DGM, NABARD, highlighted the scheme as envisaged by our Prime Minister, Shri. Narendra Modi, which includes creating infrastructures across the country, streamlining farm credit facilities, crop insurance etc. Under the scheme, Central Govt assistance like minor irrigation will be made available through NABARD. As for banks in Meghalaya, she suggested that banks should focus more on KCC and Term loans and mitigate the risk of farmers through crop insurance.

One member present stated that in Meghalaya, 70% of population does not have land and recommended that state government should come up with some Acts to help farmers.

III) Convergence of SEP Component of Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY_NULM) with PMMY (MUDRA).

Mission state Manager, Urban affairs explained the convergence of Mudra loans with SEP (day-NULM) in which banks can claim interest subsidy for the beneficiaries after convergence.

IV) To invite Nationalized Banks to set up their branch offices in all the functioning LCS (Land Custom Station).

SLBC Convener informed that DFS New Delhi, vide their e mail dated 1st May 2017 has advised SLBC, Meghalaya to invite Nationalised banks to set up their branch office in all the functioning

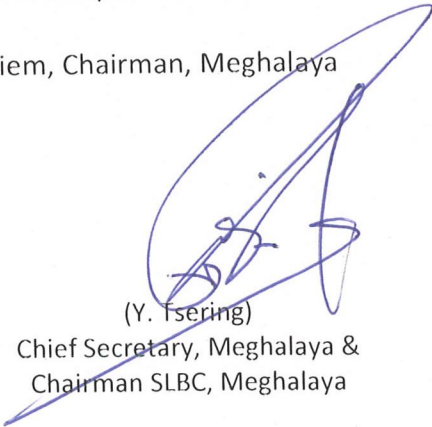
LCS (Land Custom Stations). As per list of LCS in Meghalaya, Borsora located in South West Khasi Hills District is functional but without any bank branch it is hindering the development of trading facilities in that area. In this regards, he requested banks to set up bank branch in Borsora and the same to be intimated to SLBC Convener immediately.

V) Opening of Bank branches & ATMs in South Garo Hills

The Secretary, Finance Deptt, GOM, Shri Sanjay Goyal stressed all Banks to open more branches & ATMs in South Garo Hills as requested by the DC of South Garo Hills, Baghmara and others. As of now there are 7 branches only (SBI-4, MRB-1 & MCAB-2) and 2 SBI ATMs in Baghmara which is not sufficient to cater to the people of the area.

DGM, SBI assured that the 1 more ATM will be installed and civil work is going on for the same at Gasuapara. He also urged private banks not only to concentrate in cities but as stakeholder to come up with bank branches & ATMs in remote areas for overall development of the state.

The meeting ended with a vote of thanks from Smt. R. A. Bina Khyriem, Chairman, Meghalaya Rural Bank.


(Y. Tsering)
Chief Secretary, Meghalaya &
Chairman SLBC, Meghalaya

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All concerned