

**Minutes of the State Level Bankers Committee (SLBC) Meeting for the Quarter ended March, 2019 held on 16.07.2019 at the Yojana Auditorium, Meghalaya Secretariat Building, Shillong.**

The meeting was chaired by Shri P.S Thangkhiew, IAS, Chief Secretary to the Govt. of Meghalaya, and attended by the senior officials from the Government, RBI, NABARD, Banks and Financial Institutions.

The SLBC Convenor Shri Deepak Choudhury after welcoming the members, requested Shri Digmanu Gupta, GM Network II, State Bank of India, LHO Guwahati to deliver his keynote address. Shri Digmanu Gupta apprised the house that the CD ratio as on March, 2019 was 34.79%. The Priority Sector Lending (PSL) of ₹ 4652.08 crore stands at 49.86% of the total advances, which is well above the benchmark of 40%. The total achievement in Priority Sector Advances during the year is ₹ 1394.81 Crore against the target of ₹ 1810.00 Crore, with an overall achievement of 77.06%.

The total Agriculture portfolio of the State is ₹ 2321.33 Crore as against the total advances of ₹ 9329.96 Crore, constituting 24.88% of the total advances which is well above the bench mark level of 18% mandated to the Banks. While analyzing the Annual Credit Plan 2018-19, he pointed out the commendable overall ACP achievement of 77.06% in the concluded Financial Year 2018-19.

Under **Prime Minister Mudra Yojana (PMMY)** Scheme, Banks as a whole sanctioned 11,855 proposals for an amount of ₹ 255.05 Crore in FY-2018-19 against 11,806 proposals for an amount of ₹ 168.16 Crore during last FY 2017-18 with a marginal growth of 0.51%. He lamented that Banks like, **Bank of Baroda, DENA Bank, AXIS Bank, BANDHAN Bank, Kotak Mahindra Bank, YES Bank** have not sanctioned a single loan under PMMY during the FY-2018-19.

He also informed the House that out of 775 **PMEGP** applications received, 388 applications were sanctioned for ₹ 5.83 Crore against the target of 1,061 numbers. He pointed out the poor recovery in PMEGP is one of the contributing factor for its poor performance. The increasing number of Bakijai cases from quarter to quarter, indicates that the pace of loan settlement is very slow. This trend will have a negative impact on the credit culture, especially of Government Sponsored Schemes.

The State Government is requested to expedite the disposal of Bakijai cases and support the banks in effective recovery of overdue and NPAs. In addition, awareness camps may be conducted by Banks in collaboration with District Administration to sensitize the people to maintain a good credit discipline for their own benefit.

He also informed that out of 2,571 **Self Help Group (SHG)** proposals recommended by the MSRLS, only 1,601 SHG proposals were sanctioned amounting to ₹ 12.44 Crore as compared to 260 proposals sanctioned for ₹ 1.69 Crore during the last financial year. He lauded the Banks for the aforesaid achievement which was attributed to close coordination between the Banks and Meghalaya State Rural Livelihood Society (MSRLS) under NRLM.

The major issue of low density of population, poor connectivity across the State was discussed. There was a need for full coordinated approach with BSNL, Department of Telecom (DoT), State Government and banks to tackle the challenges effectively at the earliest.

Shri Anurag Asthana, General Manager (GM), RBI, in his address informed the house that Financial literacy Week for the year 2019 was observed from 3<sup>rd</sup> June, 2019 to 7<sup>th</sup> June, 2019 on the theme of "Farmer". He also informed the members that based on the financial position of the Meghalaya Cooperative Apex Bank Ltd; the bank is included in the 2nd schedule of RBI Act, 1934.

However, he noted with concern the failure to achieve 100% under financial inclusion roadmap to provide basic banking services to villages with a population less than 2000 through Brick-Mortar branch or other modes prepared in 2012. A SLBC Sub-committee was constituted to assess the correct position of the remaining uncovered villages. He pointed out that as on 31.03.2019, about 5803 villages have been provided with basic banking services and about 656 villages are yet to be covered. He, therefore, requested the SLBC Convener to prepare a road map for providing banking services to achieve 100% coverage by reallocating the remaining 656 villages among the banks. **(Action point- SLBC)**

In his address the GM, RBI pointed out that that there are 5 RSETIs which were setup to provide skill training to an unemployed youth, but it is disheartening to see that out of 2035 numbers of candidates trained, only 99 candidates were credit

linked for an amount of ₹ 3.28 Crore, constituting only about 7.5 %. Taking note of the low credit-linkage, he requested concerned Banks and RSETI Directors to relook at the course content which can be upgraded to the latest requirements.

**(Action point-Concerned Banks, RSETI)**

He also informed the house that a special sub-committee on respective DCC/ DLRC on CD ratio Monitoring were preparing a road map to improve the low CD Ratio in the State. He also requested SLBC Convener to make an effort for **conducting SLBC meeting within 45 days after the end of the quarter** which is to be implemented in spirit. He called upon **LDMs to ensure regular DCC/ DLRC and BLBC meeting** to be meticulously followed.

**(Action point- SLBC, LDMs)**

He pointed out the low achievement of ACP in FY 2018-19 at 77.06% and expected the Banks to align and prepare the business plan along with the ACP Target on a quarterly basis to achieve not less than 25% of the ACP in the next quarterly review. He informed the house that a meeting was convened by RBI in March 2017 to resolve the connectivity issues in which DoTs had informed that Bharat net will be installed by BSNL in which optical fibre cables upto village panchayat will be completed in March 2019, but noted with regret that up to March, 2019 optical fabrication were able to be completed only in 87 villages out of 5,957 panchayats.

**(Action Point- BSNL)**

He also informed the house that RBI has raised the collateral-free loans in agriculture from ₹ 1.00 Lakh to ₹ 1.60 Lakh and also the benefit of KCC have been extended to Animal husbandry and Fisheries farmers. He also informed that Housing loan from Regional Rural Banks (RRBs) and small finance bank have been brought to ₹ 35 Lakh in metro centre and upto ₹ 25 lakh in other centre. He also informed about the Customer service online management system where a customer can give a complaint regarding any regulatory entity, commercial Banks, and cooperative banks.

Shri P S Thangkhiew, IAS, Chief Secretary & Chairman SLBC, in his keynote address informed that the Deputy Commissioners of many districts have been instructed by the Chief Minister to attend the SLBC meeting to raise the issues faced in their respective districts.

He reminded the Banks of the social obligation to improve the CD ratio. He also pointed out that Banks like IDBI, Oriental Bank of Commerce, Bank of Baroda and Indian Overseas Bank have gradually improved their CD ratio during Quarter ending 31<sup>st</sup> March 2019, and requested other Banks to follow suit to achieve the national average CD ratio of 60%. He also requested that banks must ensure that the CD ratio is above 20% by end of December quarter, 2019. He also suggested that a meeting between Agriculture Department and the Banks whose CD ratio is less than 20% should be conducted to take the opportunity of the different schemes provided by the Government Department, which can help in improving the CD ratio of the Banks. He further instructed to increase the DBT transfers by opening more accounts in the State and simultaneously requested all stakeholders to improve connectivity so as to achieve the objective of digital payment. He requested the SLBC Convener **to induct IPPB as a member Bank of SLBC.**

**(Action point- SLBC)**

**Discussion on the regular agenda items and few takeaways from the deliberations:**

The committee adopted the minutes of the last SLBC Meeting held on 29.03.2019.

1) **On branch expansion** - During the Quarter, HDFC has opened one Branch in Upper Shillong and the proposal for a new branch at Jalaphet, East Jaintia Hills is pending at the controlling office for approval. Opening of Brick and Mortar branch at Jirang, Ribhoi District (Aspirational District) by Punjab National Bank (PNB) remained pending due to unavailability of premises/ building.

**(Action point- HDFC & PNB)**

2) A total number of 239 BCs are deployed by the Banks as reported during the Quarter. GM, SBI Network-II requested all the banks that if suitable candidates are available, they can be appointed as CSP.

Regarding installation of V-SATS by the banks, representative from Union Bank of India informed that the owner of the land where the Anogre Branch is located is not allowing to install V-SAT.

The Chief Secretary suggested that any issue related to land and building/premises faced by the banks, the same should be addressed to the respective Deputy Commissioner of the district. **(Action point- UNI)**

- 3) Connectivity being the main issue, it was decided in the discussion to call a Sub-Committee meeting where BSNL and Tele-communication company will be asked to present feed-back regarding mobile coverage for review.

**(Action point- SLBC, DOTs, BSNL)**

- 4) The detailed address of the Bank branches with continuous poor connectivity along with contact number should be given to BSNL/ Telecom Agency. BSNL is requested to update the status of connectivity issues.

**(Action point- BSNL)**

- 5) 1,240 Financial Literacy Camps were conducted by the Banks during the FY 2018-19 upto the quarter in which awareness is created about various schemes.

- 6) The progress of enrolment under the three Social Security Schemes in the state of Meghalaya as on 31-03-2019 namely PMJJBY was 45,269, PMSBY was 84,216, APY was 10,135 and PMJDY was 4,99,046. GM, NABARD Shri Y.K Rao suggested bankers to take a lead in arranging village level camps with the help of the District Collector to increase the enrolment.

**(Action Point-Banks)**

- 7) There are about 14 banks with CD ratio less than 20% as on March-2019. These Banks should inform SLBC and the Director Institutional Finance, Government of Meghalaya on their strategies and actionable plan with commitment to enhance their PSA lending. Additional Chief Secretary, Smt. R.V Suchiang, IAS informed the house that a Sub-Committee has been constituted to review the progress of the Banks whose CD ratio is less than 20%, and 1<sup>st</sup> meeting of the Sub-Committee will be held shortly.

**(Action point- 14 Low CD Ratio Banks)**

- 8) Additional Chief Secretary, Smt. R.V Suchiang, IAS suggested that SLBC convener must write a letter to the Regional heads of the banks that they have to attend the SLBC meeting.

**(Action point-SLBC)**

*Sd/-*  
Chief Secretary  
Meghalaya.

9) GM, Network-II, SBI, appreciated the banks that have done very well in MSME. In order to improve agricultural performance, he suggested firstly for considering the NRLM-SHG credit linkage by coordinating with other line Departments, and secondly, by focussing on achieving the targets set for allied activities like piggery, beekeeping etc.

10) Shri Y.K Rao, GM, NABARD pointed out that the number of farmers in the state is about 5 lakh but the numbers of cards issued was only 85,993 which is very less compared to national standard. He also mentioned that Finance Department have issued a guideline on March 2019 that KCC should be saturated in every state.

Farmer Commission has been established in Meghalaya and it is the only State in the country to establish the Statutory Commission to look into the farmer's welfare. He also mentioned that MDDL is working closely with different schemes for market linkage. The Government has also set up the Integrated Village Cooperative Societies (IVCS). He also requested the Deputy Commissioners to conduct DCC meeting with fellow banker and put forward these initiatives of the Government like Fishery Mission, Dairy Mission etc. in DCC/DLRC. He also said that there are many good schemes like Asian Development Bank Projects, Piggery Development programme and Dairy programme and several other opportunities that the State offers which has a good scope for lending in agriculture sector.

**(Action Point- Deputy Commissioners and all the LDMS)**

11) Shri Digmanu Gupta, GM, SBI suggested that improvement in the credit culture by creating awareness in FLCs among the people about the benefit of timely repayment, which will make them eligible to get the next higher amount of loan through the Government Departments and Banks. **(Action Point: All DCs & LDMS)**

12) Official from KVIC congratulated SBI for doing very well in sanctioning PMEGP loan but was disheartened regarding commercial banks like DENA Bank, IDBI, Oriental Bank of Commerce and Syndicate Bank who have shown nil performance. He also mentioned that most of the private banks do not participate in giving the PMEGP loan except HDFC bank.

He also said that Ministry of MSME has given a 100 days target to KVIC which they have to complete within September 2019 and requested all the banks to co-operate so that the target is achieved and also requested banks to clear all the pending application.

**(Action Point-All the Banks)**

13) MSRLS Official pointed out that till date MSRLS have engaged about 113 Bank Mitras, out of which 29 are located in the bank branch premises. MSRLS have identified an additional 60 bank sakhis to be trained and hope to position more bank sakhi in the bank branches which are doing SHG financing. He also said that if bank required more bank sakhi they are ready to train them.

Till date 49 Community Base Recovery Mechanism (CBRM) have been constituted in 49 Bank Branches across the State. MSRLS requested banks to encourage their Branch Manager to constitute CBRM to ensure regular repayment of loan.

14) GM, NABARD reminded the banks that, denying SHG benefit to the farmers which the Govt of India is providing and the money lying unspent with the NRLM will not serve any good purpose. Further, he also requested **MSRLS to conduct Workshop at district level and to come out with a booklet** which will help in giving awareness to the people. **(Action point-MSRLS/ NRLM)**

15) There are 6 Districts with C.D. Ratio below 40%. The issue needs to be taken up in the DCC/DLRC meetings as these areas are being monitored by NITI AAYOG and PM Office. Out of SIX districts, East Jaintia and West Jaintia are yet to conduct the DCC/DLRC Special Sub-Committee for the Quarter ended March, 2019.

**(Action point- Concerned 6 LDMs)**

16) There are 10,921 pending Bakijai cases against the pending cases of 8,217 in the last Quarter of December, 2018 for a total amount of ₹4301.68 Lakh as on March, 2019 Quarter. It was pointed out that there is delay in registering Bakijai cases in many districts, which needs prompt action from the District authorities. Finance Department, Govt. Of Meghalaya has requested the Deputy Commissioners for speedy disposal of the cases.

**(Action Point-State Finance Department & DCs of all Districts)**

17) Shri A. Asthana, GM RBI informed that the Government is going to deploy the Priority Sector Lending shortfall to SIDBI in the line of RIDF fund of NABARD, so that SIDBI will also get some funds for utilization.

18) RSETI representative mentioned that though they have trained many candidates, some bank are not ready to sanction loan to them and second reason is that the trainee themselves are reluctant to take loan which are the main cause of low credit linkage. MSRLS/ NRLM have been requested to send the SHG members and get employment training from RSETI. GM, SBI requested fellow bankers to help in training the people in areas which are feasible and also request the bankers to provide loan according to the activities.

Chief Secretary also suggested that MIE may be invited so as to create synergy with RSETI for identifying the potential entrepreneurs as well as easing barriers of entry.

19) The representative of Land Records informed that Land record system is in the process and land record documentation is done with the involvement of District Councils. The Chief Secretary suggested forming a special Committee to convene a meeting with the concerned officers to resolve these issues.

**(Action point- Revenue & DM Deptt./ Directorate of Land Record.)**

20) Out of eight proposed branches for merger by Meghalaya Rural Bank, respective DCC-DLRC has got no objection for the merger of only three branches. Taking into consideration the proximity of these branches with an assurance from MRB to re-organise the merger, the three branches may be approved by SLBC for merger.

The house has approved the merger of the three bank branches of MRB.

21) Delay in getting registered land documents from Revenue Department hampers the flow and growth of advance against Housing Loan, Realty schemes and Asset Backed Loan. The Banks/ Revenue Dept to appraise the House on the status of issues, so as to improve delivery of register deeds.

**(Action point:- Banks/Revenue Department)**

22) Non –availability of insurance for live-stocks, resulting into hardship and limited the bank's ability to extend piggery/ poultry / animal Husbandry loan to farmer. GM SBI suggested that a strong letter must be handed to those insurance companies who were not present even after giving invitation to SLBC meeting.

**(Action point:- SLBC, Govt. Deptt. & Insurance Cos.)**



23) The Deputy Commissioner of South West Khasi Hills raised the issues faced by the people of the district like poor connectivity and power in the area, delay in opening of bank accounts, low cash retention limit in Ranikor branch, difficulty faced by the Government in making payment for various Govt. schemes as DBT.

GM, SBI assured DC, Mawkyrwat that the Regional Manager, SBI, Shillong will look into the matter related on account opening. Chief Secretary also informed that if there are any issues to be raised with SLBC, the same can be communicated to Shri Randal Rangad, Senior Research Officer, Finance (EA) Dept., Govt. of Meghalaya., designated as the nodal officer for such purposes.

**(Action point- SLBC, LDM- South West Khasi Hills)**

The SLBC convener concluded the meeting with a vote of thanks.



Chief Secretary &  
Chairman SLBC, Meghalaya

Chief Secretary  
Meghalaya.

Copy to:

All Members (as per Standard List).