

Minutes of the State Level Bankers Committee (SLBC) Meeting for the Quarter ending June 2018 held on the 28-09-2018 at the Yojana Auditorium, Meghalaya Secretariat Building, Shillong.

1. The SLBC Convener Shri Gangi Shetty Vijay Kumar in his opening address, welcomed all the SLBC members especially Shri. Y Tsering, IAS and Chief Secretary to the Govt. of Meghalaya, Shri P K Agrahari, Mission Director and Secretary Finance, Govt. of Meghalaya Shri Anurag Asthana, General Manager, RBI-Shillong, Shri Y K Rao, General Manager NABARD-Shillong, Shri Digmanu Gupta, General Manager, SBI, LHO Guwahati, Shri Subhas Das, DGM SBI A.O-Shillong. He also welcomed all Bankers and Government officials from all Departments to the first quarter of SLBC meeting for Financial Year 2018-19. He informed the house that there is an increase in advances and deposits by an absolute amount of Rs.74.95 Crores and Rs.371.68 crores respectively when compared to March quarter, 2018. However, the CD ratio has come down from 38.03% to 37.76%. During June-2018 quarter the total Priority Sector Achievement is 50.67% which is well above the benchmark of 40% set by RBI. Similarly, the Agriculture advances performance has slightly increased to 24.60% of the total advance against the benchmark of 18% set by RBI. He emphasized that the achievement in Agriculture advances particularly in crop loans left much to be desired and call upon the Bankers to do more so as to achieve better results and achieve the ACP target. He also welcomed the Government officials from SIDBI, MSME, Insurance Company and others. He then requested Shri Anurag Asthana, General Manager of RBI for his address.

2. Shri Anurag Asthana, GM RBI Shillong in his address extended his thanks and congratulated the State Government officials especially the Secretary of Education for incorporating financial education from the material prepared by RBI, SEBI, IRDAI, PFRDA in consultation with National Centre of Financial Education in the revised text book for Class-VI to Class-X. He also requested to include as and when there is revision of syllabus in future in the State. He also emphasized that due to the effort of the State Government especially the Finance and Law Department, the Meghalaya Protection of Interest of depositors (MPID) Bill 2018 was tabled in the just concluded Meghalaya Legislative Assembly Autumn session. The MPID Act once in force will empower sufficient power to the Administration and Law enforcing agency in protecting the depositors from fraudulent and unauthorized financial institutions operating in the State.

On August 18th 2018, RBI released its annual Report 2017-18, a statutory report of the Central Board of Directors on the working and accounts of RBI for the year ended June-2018. The major highlights include;

- i. Preparation of framework for credit delivery to tenant farmers by conducting survey on the issues faced by tenant farmers for smooth credit flow to tenant farmers. The General Manager pointed out that the major issues arise due to non-availability of recognized land records, Land holding ownership.
- ii. Integration of Financial inclusion Program with ADEPT (Automated Data Extraction Project) for timely extraction from Banks CBS within a timeframe of one (1) year.
- iii. Strengthening of BC model: - Reserve Bank wanted to strengthen the BC model by capacity building of BC through trainings. It is noted that the major challenge in retaining/continuing the BC is un-remunerative income and less number of transactions coupled with scattered population and poor network connectivity.

Shri Anurag Asthana, GM, RBI pointed out that the CD ratio of the State has marginally decreased to 37.76% against 38.03% as on March-2018. He also noted with concern that as on June-2018, there are 10 out of 11 districts whose CD ratio is less than 40%. **He emphasized to constitute a Special Sub Committee in DCC and to draw up an action plan for increasing the CD ratio.** He observed that out of collective efforts Banks could disburse only Rs. 371.75 Crores (i.e. 20.54% only) to priority sector during the reporting Quarter. He also instructed that MSME campaigns may be conducted in collaboration with Industries Department and Tourism Department to achieve the ACP targets which will help to improve the CD ratios of Banks.

He also informed the House that three clusters at Syntein, Selsella and Shangpung were formed under the guidance and support of IIT and IIE, Guwahati and 100 MSME Clusters were identified across the State for their formation. He urged upon the allotted Banks to be more proactive in providing basic banking services in villages with population less than 2000 as the exercise has started five years back and is yet to be finished. He noted with concern as the Re-Survey reports of villages by allotted Banks were not yet submitted by many Banks. He pointed out that a rural branch is required to conduct at least one FLC per month and Financial Literacy and Credit Counseling Centres (FLCCs) to conduct 2 FLCs on digital literacy and one each for the five target groups per month.

Further, he informed the House about few policy developments that RBI has notified on July 12th, 2018 - incorporation of the Purchaser's Name on the Face of the Demand Draft by the issuing bank w.e.f. September, 15th, 2018. The RBI Note refund rule was amended on September 07, 2018 to enable the public to exchange the mutilated notes in Mahatma Gandhi New series at Bank branches and RBI. These rules have come into force with immediate effect.

The Reserve bank has notified to facilitate opening of small accounts or regular SB accounts without any difficulty. He also informed the continuation of Interest Subvention Scheme for Short Term Crop Loans during 2018-19.

3. The Chief Secretary in his key note address expressed his appreciation to General Manager RBI for highlighting all the important issues in connection with banking related activities. He requested RBI to apprise the House on the latest developments in KYC in view of Supreme Court ruling on Aadhaar linkage to bank accounts. Regarding the banks performance whose CD ratio are less than 20%, the Chairman, SLBC emphasized that it is important for those banks to practically work-out meaningful strategies to achieve CD ratio more than 20%. He called upon the Bankers to increase their CD ratio before the December quarter SLBC Meeting. The Chief Secretary also informed the House that the Government deposits will be shared amongst the Banks with higher CD ratios. He advised Shri P K Agrahari, Secretary Finance to ensure and follow-up with the Departments in this regard. With regard to the 13 Banks whose CD ratio is less than 20%, the Chief Secretary emphasized the need to increase the same by the December 2018 quarter, failing which the SLBC will inform the Chief Secretary accordingly. The Chief Secretary apprised that the matter will be taken up with the Secretary, Department of Financial Services, Finance Ministry, Govt. of India and the Head Office/Chairman of the respective Banks. He urged that banks to focus more on covering Priority Sector on Agriculture advances.

4. He also stressed on the need to conduct DCC/DLRC and BCC regularly within the stipulated time. In order to achieve financial inclusion and for smooth implementation of Direct Benefit Transfer (DBT) in the State, he urged upon the Bankers to deploy more local BCs in all rural areas and engage SHGs from respective areas who are fluent in local language and having direct contact with the local population. He also requested to explore that more bank branches be opened in the State and to instruct the Deputy Commissioners/ SDO(c)/ BDOs of the districts to take up these issues in DCC/ BLBC meetings.

5. The General Manager, NABARD lamented on the poor CD ratio in the State, which is far below the National Level. He suggested banks to take the opportunity to improve the CD Ratio by giving loan to SHGs and farmers like term loan and crop loan without insisting on Land holding certificate in line with RBI instructions. He suggested bank members to be proactive, and if there are any issues, the same may be resolved with MSRLS and respective Departments. He informed the house that credit linkage and loan disbursement are at low pace. He also pointed out not to mobilize State deposits and give lending elsewhere.

Shri Y.K Rao pointed out that banks are expected to achieve minimum 65-70% CD ratio in the State at par with other State across the country.

6. SLBC Convener informed the House that PMEGP Bank-wise target has been fixed for 2018-19 at 1061 numbers with Margin Money portion of Rs.26.53 crore. KVIC Director Shri V.S Bagul, however, pointed out that SLBC has given a target of Rs.7586.00 Lakh, which is not matching with KVIC. SLBC informed that normally target is set projecting the amount in proportion to the subsidy recommended by KVIC.

7. Shri Shantanu Sharma, IAS, CEO of MSRLS informed the House that under NRLM a total Target credit linkage of 1966 SHGs for a total Limit of Rs.19.03 crore was circulated to allotted Banks. During the quarter ended June-2018, out of 144 proposals submitted to the Banks, only 37 proposals were sanctioned at a total amount of Rs.27.05 lakh. He also informed the house that there is a problem in opening of bank account for SHGs. He urged the SLBC to make any two (2) Identification cards viz; EPIC/ Job cards/ driving license be sufficient to open a bank account. The regional Head Office should give necessary instruction in this regard to the officers in-charge of their respective bank branches. Further, he also suggested the Banks to explore combining their FLCs with that of MSRLS to achieve the much desired results.

8. **Additional agendas :**

i. **Banks with CD ratio less than 20% are requested to workout achievable plan and strategies for improving CD ratio, particularly in priority Sector Advances :**

Banks with CD ratio of less than 20% has to improve their CD ratio to more than 20% within the next quarter. DCC required constituting a Special Sub-Committee and drawing up an action plan to improve credit linkage and CD ratio to more than 40% District wise. (ACTION POINTS- DCC/ LDMs and the 13 Banks with less than 20% CD ratio)

ii. **Progress of Shifting SBI, Samanda branch from William Nagar to Samanda Bazar**

Shifting of SBI Samanda branch from William Nagar is under arrangement for finding out suitable premises at Samanda Bazar. District administration is informed and requested to help in getting premises at Samanda. (ACTION POINT – SBI)

iii. Status of opening Jalaphet branch in East Jaintia Hills allotted to HDFC in the last SLBC Meeting.

HDFC informed the House that the process of survey is underway and it will be informed at the earliest. **(ACTION POINTS – HDFC BANK)**

iv. Progress of Financial Inclusion in opening of Banking outlet in villages having population less than 2000.

Sub-Committee on FI was conducted on 28-05-2018 and decided to conduct re-survey in the allotted villages under opening of banking outlets in villages with population less than 2000. Even though 31st July, 2018 was the last date to submit the report, most of the Bank are yet to submit the same. All the 19 allotted Banks are advised to submit the report by 10th October, 2018. **(ACTION POINTS – ALL ALLOTTED BANKS)**

v. Opening of Brick and Mortar branch in Aspirational District Ribhoi is identified at Jirang and allotted to PNB.

The SLBC decided that opening of Brick and mortar branch in Jirang under Aspirational district need to be opened at the earliest by the allotted Bank i.e PNB. If there is a need, the controller of the allotted Bank has to contact the Reserve Bank of India, Shillong. **(Action Points – PNB)**

vi. Proposals to re-allocate allotted villages to PNB and MRB in East Jaintia Hills and South West Khasi Hills under Ranikor Block was discussed but could not arrive at any conclusion. The same to be taken up in next SLBC

(Action Points – SBI)

vii. Opening of Bank Branch at Purakhasia: Finance Department had requested Meghalaya Co-operative Apex Bank (MCAB) to furnish the latest status as to the action taken on the matter and also to confirm whether or not it will be feasible to set up the said bank branch at the earliest possible, latest by December, 2018. **(Action Points: MCAB to submit the Status to SLBC and Finance Department at the earliest)**

viii. Opening of Bank Branch at Rongara along Indo Bangladesh Border Area: SBI informed that a branch at Rongara was closed due to non-viability of operations and infrastructure and security issue. Finance Department had then requested SBI, SLBC Convener & Lead Bank Co-ordinator, to inform the State Government whether the security

issue for opening of a bank branch still persists or not. If yes, then a report from the concerned Deputy Commissioner on the security issue to be submitted to Finance Department at the earliest. (**Action Points: SBI to submit the Status to Finance Department at the earliest**)

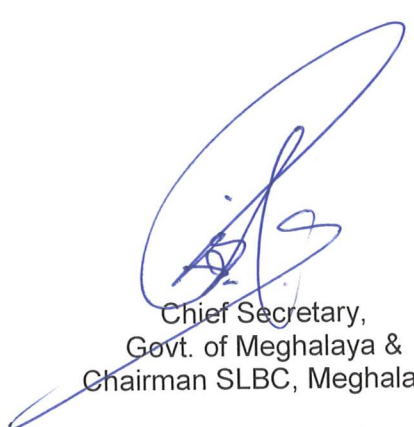
ix. **Opening of Bank Branch at Khonjoy:** Finance Department had requested State Bank of India to expedite the survey process on the matter and to furnish the action taken on the same. (**Action Points: SBI to submit the Status to Finance Department at the earliest**)

x. **Opening of Bank Branch at Khrang Village:** State Bank of India (SBI) had requested Meghalaya Rural Bank (MRB) to take appropriate action for opening of bank branch at Khrang Village since as per allotment of SSAs under PMJDY, Khrang (SSA 1) is allotted to MRB. (**Action Points: MRB to submit the Status to Finance Department at the earliest**)

xi. **Opening of Bank Branch at Umdohlun:** State Bank of India (SBI) had requested Meghalaya Rural Bank (MRB) to take appropriate action for opening of bank branch at Umdohlun since as per allotment of SSAs under PMJDY, Umdohlun (SSA 20) is allotted to MRB. Finance Department had requested MRB to furnish the status of action taken. (**Action Points: MRB to submit the Status to Finance Department at the earliest**)

The meeting ended with a vote of thanks from Shri. Diganta Talukdar, Assistant General Manager, Meghalaya Co-operative Apex Bank, Shillong.

Copy to All concerned.



Chief Secretary,
Govt. of Meghalaya &
Chairman SLBC, Meghalaya