

**MINUTES OF THE 42ND SLBC MEETING, SIKKIM HELD ON 20TH AUGUST 2014,
AT MAYFAIR RESORT, RANIPOL, GANGTOK**

The 42nd State Level Bankers' Committee (SLBC) Meeting for the State of Sikkim was held at Mayfair Resort, Gangtok on 20th August 2014.

The meeting was chaired by Shri S. Patwardhan, DGM (B&O), SBI Zonal Office Siliguri.

The meeting was honored by the presence of Smt. R. Ongmu IAS, the Chief Secretary of Govt. of Sikkim.

Shri Manish Kumar, Officail of the Deptt. of Financial Services, Ministry of Finance, Govt. of India, Sri M.G. Kiran, IAS, Principal Secretary(Finance), Govt. of Sikkim, Shri Manabendra Misra, General Manager, Reserve Bank of India, Gangtok, Shri R.P. Bhargava, General Manager, NABARD Gangtok, were the dignitaries on the dais. The Controllers and Officials from member Banks and the high level representatives from the State Govt. Departments also attended the meeting.

2. Shri Biswanath Sen, Regional Manager, State Bank of India, Gangtok and Convener of SLBC for the State of Sikkim, heartily welcomed the Chief Guest Smt. R. Ongmu IAS along with the Secretaries of various Departments of Govt. of Sikkim, He also warmly welcomed the Controllers of the member Banks, High Level State Govt. functionaries and other dignitaries present and invited all to participate in the meeting with their valued observations.

3. At the outset the Chairman of the 42nd Meeting of the SLBC Sikkim, Shri S. Patwardhan, DGM (B&O), State Bank of India apprised the House on the responsible role played by the Lead Bank and informed about the performance and achievement of Lead bank in Sikkim regarding Financial Literacy Campaign, Financial Inclusion Programme, DBT/DCT, Aadhaar seeding etc.

He also appraised the performance of SBI R-SETI for conducting numerous training programmes on Self-employment/livelihood generation related activities successfully. He extended his best compliments to the member Banks for their active participation in development of the State despite topographical and logistic challenges. He sensitized the member Banks on low CD Ratio in the state, which is to be improved without reckoning credit from outside in Sikkim. He also raised concern on the low recovery of debts. Being a commercial entity, recovery of Bank's fund is one of the important issues although Banks cannot deny its financing responsibility. Inviting State level co-operation for timely initiation of SARFAESI Act etc will be one of the supportive mechanisms to recover the dues. Bank also should extend its own machinery apart from Govt. support. He expressed his concern towards those Banks, whose performance in retail advances and Govt. sponsored schemes were still lagging behind. The responsibility of the Banks should not be only deposit accumulating centre but to participate in extending finance as commitment to the State development.

5. Sri Manabendra Misra, General Manager, Reserve Bank of India, Gangtok, welcomed Shri Biswanath Sen, Regional Manager, State Bank of India who was attending the SLBC Meeting for the first time. He expressed his satisfaction towards the dedicated activity of the Banks in Sikkim despite hurdles. He also mentioned the smooth conduct of Clearing Operations in mid July. Regarding establishment of Currency Chest in Mangan, he appreciated the recent initiative of State Bank of India and informed that the issue will be sorted out soon.

He then requested the Bankers to take necessary initiative for installation of more rural ATM. Regarding FLC he advised to organize more camps by all Banks for more effective results. But he expressed his dissatisfaction regarding progress of Financial Inclusion Programme in the State. He also pointed out to amend as RBI's dissatisfaction on Financial Inclusion which was erroneously printed as RBI's

satisfaction on FI Programme in the minutes of 41st SLBC Meeting. Lead Bank Office, Gangtok acknowledged the error for rectification. Sri Misra informed the house the activity already taken to guard general public against the fraudulent offers through electronic platform and were sensitizing the people against this menace through electronic media coverage. RBI is also organizing awareness programme against the influx and detection of Forged Indian Currency Notes (FICN) for awareness of Sikkim citizens.

Sri Misra then appreciated State Bank of India, who is serving the state since 1954 and actively leading for development of the state.

He congratulated the State Govt. functionaries and the people of Sikkim in achieving the award for “Nirmal Bharat Aviyan” for 100% public sanitation in this state. He congratulated the State Govt. for receiving the award for Best Rural Tourism Project and SAMDONG GPU for Rastriya Gourav Gramin Puraskar for its unique activity.

Regarding sanction power of some Bank branches in Sikkim, RBI expressed their dissatisfaction in delay in sanctioning process. He advised the same is to be sorted out and credit proposals to be disposed off within minimum time.

6. The General Manager of NABARD Sri R. P. Bhargava congratulated all the bankers towards following the guidelines of NABARD and expressed his satisfaction for participation of Controller of the Banks and high level Executives from Govt. of Sikkim. Sri Bhargava expressed his concern on the low CD Ratio of the state and requested all the Controllers for their effective support towards Agriculture Sector, where Banks can identify the gap for micro credit in DEDs, WSHG, Small and Marginal Farmers etc. to achieve the targeted goal. He then informed development activities conducted by them with statistics, which was appreciated by the house.

Sri Bhargava expressed his displeasure on the performance of Private Banks operating in Sikkim as till date they are unable to come out of their NIL performance in many respects. He also expressed his dissatisfaction on the no. of participation of Bankers and other departments in DLCC Meeting on 16.08.2014 for the West District. He advised the Controllers of the Banks operating in West District for participation of their branches positively, henceforth.

Then with the permission of the dais the discussion of the Agenda started in seriatim as follows:

Discussion held on Agenda seriatim and resolved that:

Agenda No.1 Confirmation of the proceedings of the 41st. State Level Banker's Committee (SLBC) Meeting held at Gangtok (Sikkim) on 14.05.2014 at Mayfair Resort, Gangtok

As there were no suggestions/queries on the minutes of the 41st. SLBC meeting, since circulated to the members, the minutes of the said meeting was considered unanimously accepted and confirmed. The Chief Secretary advised all the stake holders to go through the minutes meticulously for the spirit of the meeting henceforth.

Agenda No.2

Follow-up of the Action Points that emerged from the 41st SLBC Meeting held on 14th. May 2014 at Gangtok

1. Ensure Regular holding of BLBC, DLCC and DLRC Meeting

- The DLCC Meeting for the District Level at the end of the each quarter since done for all the 4 (four) districts. DLRC Meeting scheduled to be conducted during December 2014 in all four(4) districts. Regarding BLBC Meeting, all the Nodal branches were informed to organise the same as per schedule forwarded by Lead

Bank Office. However, as per advice from NABARD the same will be conducted during January 2015 after the quarter ending December/2014.

2. Preparation and circulation of ACP for the year 2014-15 immediately.

- Since complied with by Lead Bank Office, Gangtok

3. Initiation by Lead Bank to extend the recovery enactment in Sikkim for Commercial Banks.

- The matter was further discussed in the Meeting. Request letter from Lead Bank Office forwarded to the Govt. of Sikkim.

4. Ensuring submission of error free LBR and other reports for Data compilation within 7(seven) days from end of quarter with data integrity.

- We recommend continuing the action point for the branches.

5. All Bank should conduct outdoor Financial Literacy Camp regularly with the coordination of RBI, NABARD and Lead Bank Office.

- We recommend continuing the action point for the branches.

6. Quarterly submission of GPU-wise defaulters list (in hard copy) pertaining to AGL sector and Govt. Sponsored Scheme to Lead Bank Office for onward submission to Govt. Department.

- The action point recommended for continuing.

7. Strategic Plan by the Banks to achieve the target to be allotted in ACP for 2014-15 to improve CD ratio.

- All the Dignitaries on dais advised Banks to have a specific strategy to improve the CD Ratio in the state without Credit and Investment in Sikkim from outside. Throughout the meeting the dignitaries discussed the sectors where scope persists for improvement.

Agenda No.3

Credit: Deposit Ratio / Credit + Investment: Deposit Ratio as on 30.06.2014

The agenda item was already discussed earlier, however, banks having low CD ratio were advised to make efforts to increase their CD ratio during the remaining period of 2014-15 through credit flow from within the State. Lead Bank once again requested Banks to furnish the data on credit from outside state exclusively for separate computation. Lead Bank office already advised the member Banks branches. The Chairman (SLBC) urged upon the member Banks, having appreciable CD Ratio, to share their good practices with other Banks. However, it is to be ensured that the improvement is achieved without credit from outside the State.

Agenda No.4

Recovery of Bank's dues:

Bankers requested the Govt. of Sikkim to explore the possibilities for extension of the benefits of the Public Debt Recovery Act to all Commercial Banks operating in Sikkim. A communication in this regard with Govt. of Sikkim will be initiated from the Lead Bank Office.

Agenda No. 5

Review of Performance under Annual Credit Plan 2014-15 including NPS for the quarter ended 30.06.2014.

The dignitaries on the dais expressed their displeasure towards the poor achievement of the Banks. The Chief Secretary categorically expressed her dissatisfaction towards the Banks whose performance is still showing NIL. She instructed the Banks to come out from this inertia with proactive attitude and show performance in all sectors in the coming quarter.

Agenda No.6

Review of other Priority Sector Advances and other Spl Programmes as on 30.06.2014

1. Swarnajayanti Gram Swarozgar Yojana (SGSY):

The scheme has been re-christened as NRLM and no target for the same was allotted by the concerned department.

2. Swarna Jayanti Sahari Rojgar Yojana (SJSRY):

The Official from the concerned department informed that the existing scheme has been changed to NULM and the targets would increase as compared to the previous scheme. (The guidelines of NULM received from RBI already circulated to the branches from Lead Bank Office.)

Agenda No.7

Promotion of Self Help Groups:

During the discussion, The GM NABARD Gangtok Office, requested Banks to go for more credit linkage for WSHGs. For promotion of women SHGs in North and East districts – The authorized Bank, NABARD and the NGO has to work in close coordination.

Agenda No.8
Kisan Credit Card(KCC):

The House decided to skip the agenda item as it was already discussed. The convenor of the SLBC asked all the Bank branches to provide the list of proposals received from the farmers and its status in progressive manner during financial year 2014-15 to Lead Bank Office, Gangtok. Bank branches were also advised to source the scrutinized KCC proposals through the office of Gram Vikash Adhikay (BDO)/ GPU , action point of which are to be approved in the BLBC Meetings.

Agenda No.9
Housing Loan

The Dignitaries in the dais once again expressed their displeasure on the low level of achievement during this financial year under this sector. The House expressed concern over the performances of Banks reporting “NIL” on achievement in the current financial year. Even the Secretaries from different departments of Govt. of Sikkim furnished their feedback which is against the Banks. The Chairman, SLBC Sikkim suggested for wide publicity, awareness and sympathetic attitude from the Bankers in this regard. He urged for extra bit of effort from Bankers to improve the achievement.

Agenda No.10
Education Loan

During the discussion it was revealed that achievement under Education Loan is low due to sponsorships as also simultaneous financial assistance by the State Govt. to meritorious students for higher studies within and outside the country. However, the Chief Secretary, Govt of Sikkim expressed her dissatisfaction on the performance of the Banks. A large no. of Banks has not financed a single proposal during the quarter. She then asked the HRDD to take necessary steps

with Lead Bank Officials to improve the position. The Director of Technical Education, GoS assured for the same.

The Chairman expressed serious concern on the zero performance of all the Private Banks (5 nos.) and other Commercial Banks showing “**NIL**” performance during the quarter. Banks were suggested for serious marketing, effective awareness programme and close coordination with the professional Institution in Sikkim. Banks are advised to adopt the marketing strategy as made applicable in other sector.

Agenda No.11

Performance under MSE

The House appreciated the performance of the Banks with satisfactory performance but expressed concern for those Banks, whose performance were reported “**NIL**” during this financial year. The Chairman of the meeting urged upon the Banks for their participation in this sector as per target.

Agenda No.12

Artisan Credit Card:

It was found that the concerned Line Department was yet to furnish information with respect to sponsoring cases under the scheme and sanction of loan by Banks.

Agenda No.13

Financial Inclusion by Extension of Banking Services with opening of “BSB” account

While discussing this issue, it was revealed that some of the banks did not report their data as a result of which correctness of the report could not be ascertained. RBI advised that such banks should confirm their data integrity prior to attending the meeting and confirm to the Lead bank.

Agenda No.14

Weavers Credit Card Scheme

It was found that the concerned Line Department is yet to sponsor cases under the scheme. However they informed that the issuance of Card is under process.

Agenda No.15

Dairy Entrepreneurship Development Scheme (DEDs)

The GM NABARD, Gangtok informed the house in this regard. He expressed his satisfaction for implementation of the scheme in the state and said that there is huge scope in this sector. Bankers were requested to tap this sector where a substantial amount of subsidy has been earmarked for Sikkim.

Agenda No.16

MISCELLANEOUS:

1. Sampoon Vittiyea Samavesan :

Shri S. Patwardhan, Chaiman of SLBC Sikkim shared his experience of the meeting held on 14.08.2014 with Department of Financial Services, Ministry of Finance, Gol. The main object of the scheme is to cover the entire household in the country through Banking Services through mission mode. The Scheme renamed as Pradhan Mantri Jan Dhan Yojana (PMJDY) and will be launched on 28.08.2014. For the same 4/5 nos. of MEGA CAMP will be organized in all the 4(four) districts. For successful completion of the scheme a detailed survey work has to be carried out to identify the households having no account in the Banks, which are able to render all Banking Services through CBS platform. He then requested Govt. of Sikkim to extend full support and cooperation for successful implementation of the scheme. The Govt of Sikkim assured their full support in this regard.

2. Direct Cash Transfer:

The Chairman (SLBC), already informed the House regarding the performance of Banks during his inaugural remarks.

3. Recovery of Banks dues

The mater was already discussed during meeting vide Agenda item no.4.

4. Target Allocation

The mater was already discussed during the meeting in different occasion.

5. District wise, Agency wise and Bank Branch wise target allocation under PMEGP for the year 2014-15

The target was approved by the house. The Chairman of the meeting advised all the Bankers to abide by the guidelines and instructions in this regard. The sponsoring Agencies were advised to create effective awareness for sensitization of the entrepreneur.

6. Workshop with CSP and Controllers of the concern Banks

The Reserve Bank of India, Gangtok had conducted a workshop as per action point of Special SLBC, Sikkim on 05.08.2014 with the CSPs and the Controllers of the concerned Banks on 19.08.2014. The outcome of the proceedings was informed by Sri Anil K Yadav, DGM, RBI, Gangtok. He expressed that local people has to be appointed as CSP, Banker has to be more proactive and sympathetic towards the customer/visitors, Stable connectivity for smooth Banking operation and regular State Level meeting to be conducted with stake holders. The House appreciated the initiative taken by the RBI, Gangtok Office.

The Secretary, RMDD, Govt. of Sikkim expressed his concern for a permanent establishment of SBI RSETI for which Govt. of Sikkim had already allotted the required land 3 (three) years back. He asked for attention from the Controller in this regard. He also advised for modification of training schedule and periodicity. He expressed his concern on poor credit linkage of the entrepreneur.

The Secretary, Food and Civil Supplies & Consumer Affair Department, Govt. of Sikkim also expressed his displeasure on the services rendered by the Banks especially to the villagers coming from far flung areas. He advised the Bankers to provide good services to them, effectively minimize their frequent travelling to the Branch. He also reminded that awareness activity by the Bankers is very much required to build up the relationship.

Sri Manish Kumar, representing Nodal Officer from DFS, MoF, Gol, New Delhi besides his active participation during the meeting, informed the importance, priority and justification of the PMJDY. He expressed that the task is challenging but very much achievable within the timeline of Govt. of India. He advised to the Bankers to make the mission successful with whole hearted self motivated attitude. He also reminded that Financial Literacy Campaign is very much essential for Comprehensive Financial Inclusion under PMJDY.

The Chairman of the meeting then thanked the Hon'ble Chief Guest, the Chief Secretary, Govt. of Sikkim for her valued deliberation, guidance and suggestion in all the Agenda items and requested again to guide and suggest the Bankers towards development of the State through banking sector.

The Chief Guest asked the Bankers to recall the suggestions she had made during the discussion of Agenda items. She acknowledged the activities of Bankers towards development but asked for an in-depth study by the Bankers to

improve their achievement. The services rendered by the Bankers have to be improved specially for the villagers. A bit of extra effort and sympathetic attitude towards customer is required by the Bankers. The Bankers activity must be duty bound towards performance in the priority sector. Effective awareness and sensitization activity has to be ensured by the Bankers. At last she reminded the Bankers that there should not be any "0" (ZERO) in the achievement column.

The Meeting ended with Vote of Thanks to all by Sri Rajesh Chaturvedi, Official from SBI Zonal Office.

ACTION POINT THAT EMERGED FROM THE 42nd SLBC MEETING

- 1. Bank Branches having NIL performance to improve their performance in the coming quarter especially under priority sector.**
- 2. Bank Branches to conduct outdoor Financial Literacy Campaign regularly in coordination with RBI, NABARD and Lead Bank Office.**
- 3. Bank Branches and Line Department to conduct awareness camp.**
- 4. Lead Bank to provide information for availing Education Loan to DTE & HRDD.**

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