

## **State Level Bankers' Committee (SLBC)**

### **Constitution of SLBC**

i) The State Level Bankers' Committee (SLBC) was constituted in April 1977, as an apex inter-institutional forum to create adequate coordination machinery in all States, on a uniform basis for development of the State. SLBC is chaired by the Chairman/ Managing Director/ Executive Director of the Convenor Bank. It comprises representatives of commercial banks including Small Finance Banks, RRBs, Payments Banks, State Cooperative Banks, RBI, NABARD, heads of Government departments including representatives from National Commission for Scheduled Castes/Tribes, National Horticulture Board, Khadi & Village Industries Commission etc. and representatives of financial institutions operating in a State, who come together and sort out coordination problems at the policy implementation level. Representatives of various organizations from different sectors of the economy like industry bodies, retail traders, exporters, farmers' unions, etc. are special invitees in the SLBC meetings for discussing their specific problems, if any. SLBC meetings are held on quarterly basis. The responsibility for convening the SLBC meetings would be of the SLBC Convenor Bank of the State.

ii) Recognising that SLBCs, primarily as a committee of bankers at the State level, play an important role in the development of the State, illustrative guidelines on the conduct of State Level Bankers' Committee meetings have been issued.

### **Conduct of SLBC Meetings**

i) SLBC meetings are required to be held regularly at quarterly intervals. The meetings are chaired by the Chairman/ Managing Director/ Executive Director of the Convenor Bank and co-chaired by the Additional Chief Secretary or Development Commissioner of the State concerned. In cases where the Managing Director/Chief Executive Officer/Executive Director of the SLBC Convenor Bank is unable to attend SLBC Meetings, the Regional Director of the RBI shall co-chair the meetings along with the Additional Chief Secretary/Development Commissioner of the State concerned. A High Level of participation in SLBC/UTLBC meetings ensures an effective and desired outcome with meaningful discussion on issues of public policy of both the Government of India and the Reserve Bank of India.

ii) The Chief Minister/Finance Minister and senior level officers of the State/RBI (of the rank of Deputy Governor / Executive Director) may be invited to attend the SLBC meetings. Further, the State Chief Ministers are encouraged to attend at least one SLBC meeting in a year.

iii) State Level Bankers' Committee meetings should primarily focus on policy issues with participation of only the senior functionaries of the banks/ Government Departments. All routine issues may be delegated to sub-committee(s) of the SLBC. A Steering Sub-committee may be constituted in the SLBC to deliberate on agenda

proposals from different stakeholders and finalise a compact agenda for the SLBC meetings. Typically, the Sub-Committee could consist of SLBC Convenor, RBI & NABARD representatives & senior State Government representative from the concerned department, e.g. Finance/ Institutional Finance and two to three banks having major presence.

iv) Other issue-specific sub-committees may be constituted as required. The sub committees may examine the specific issues relating to agriculture, micro, small/medium industries/enterprises, handloom finance, export promotion and financial inclusion, etc. in-depth and devise solutions/recommendations for adoption by the full committee. They are expected to meet more frequently than the SLBC. The composition of the sub-committees and subjects/ specific issues impeding/enabling financial inclusion to be deliberated upon, may vary from State to State depending on the specific problems/issues faced by the States.

v) The secretariat/offices of the SLBC should be sufficiently strengthened to enable the SLBC Convenor Bank to effectively discharge its functions.

vi) The various fora at lower levels may give adequate feedback to the SLBC on issues that need to be discussed on a wider platform.

vii) Several institutions and academicians are engaged in research, studies etc. that have implications for sustainable development in agriculture and MSME sector. Engaging with such research institutions and academicians would be useful in bringing in new ideas for furthering the objectives of the Lead Bank Scheme. The SLBCs may, therefore, identify such academicians and researchers and invite them as 'special invitees' to attend SLBC meetings occasionally both for adding value to the discussions and also associate them with studies appropriate to the State. Other 'special invitees' may be invited to attend SLBC meetings depending on the agenda items/issues to be discussed in the meetings.

viii) The activities of NGOs in facilitating and channelling credit to the low income households are expected to increase in the coming years. Several corporate houses are also engaged in corporate social responsibility activities for sustainable development. A linkage with such NGOs/Corporate houses operating in the area to ensure that the NGOs/corporates provide the necessary 'credit plus' services can help leverage bank credit for inclusive growth. Success stories could be presented in SLBC meetings to serve as models that could be replicated

### **Revised Agenda for SLBC Meetings**

1. Review of financial inclusion initiatives, expansion of banking network and Financial Literacy a. Status of opening of banking outlets in unbanked villages, CBS-enabled banking outlets at the unbanked rural centres (URCs) b. Review of Operations of Business Correspondents – hurdles/issues involved c. Progress in increasing digital modes of payment in the State, provision of continuous connectivity

with sufficient bandwidth, resolving connectivity issues/ connectivity options (Bharat Net, VSAT, etc.), installation of ATMs and PoS machines and status of implementation of e-receipts and e-payments in the State d. Status of rollout of Direct Benefit Transfer in the State, Aadhaar seeding and authentication e. Review of inclusion of Financial Education in the School Curriculum, financial literacy initiatives by banks (particularly digital financial literacy) f. Creating awareness about various schemes, subsidies, facilities e.g. crop insurance, renewable energy review of efforts towards end to end projects involving all stakeholders in the supply chain.

2. Review of credit disbursement by banks a. Achievement under ACP of the State, Priority Sector Lending b. Discussion on lending towards government sponsored schemes (DAY-NRLM, DAY-NULM, MUDRA, Stand-Up India, PMEGP, etc.) and impact of these schemes c. Flow of credit to MSMEs and for affordable housing d. KCC loan, crop insurance under PMFBY e. Grant of Education Loans f. Progress under SHG-bank linkage.

3. Doubling of Farmers' Income by 2022.

4. CD Ratio, Review of Districts with CD Ratio below 40% and working of Special Sub-Committees of the DCC (SSC).

5. Position of NPAs in respect of schematic lending, Certificate Cases and Recovery of NPAs.

6. Review of restructuring of loans in natural calamity affected districts in the State, if any.

7. Discussion on policy initiatives of the Central/State Government/RBI (Industrial Policy, MSME Policy, Agriculture Policy, Start-Up Policy, etc.), and expected involvement of banks.

8. Discussion on improving rural infrastructure/ credit absorption capacity a. Any large project conceived by the State Government to help improve C-D Ratio. b. Explore the scope of state-specific potential growth areas and the way forward – choosing partner banks. c. Discussion on findings of region-focused studies, if any, and implementing the suggested solutions . Identification of gaps in rural and agriculture infrastructure which need financing (rural godowns, solar power, agro processing, horticulture, allied activities, agri-marketing etc.) e. Implementation of Model Land Leasing Act 2016 (exploring possibility).

9. Efforts towards skill development on mission mode partnering with Krishi Vigyan Kendra (KVK), Horticulture Mission, National Skill Development Corporation, Agriculture Skill Council of India (ASCI), etc. including a review of functioning of RSETIs

10. Steps taken for improving land record, progress in digitization of land records and seamless loan disbursements.

11. Sharing of success stories and new initiatives at the district level that can be replicated in other districts or across the State.

12. Discussion on Market Intelligence Issues e.g. a. Ponzi Schemes/ Illegal Activities of Unincorporated Bodies/ Firms/ Companies Soliciting Deposits from the Public b. Banking Related Cyber Frauds, phishing, etc. c. Instances of usurious activities by lending entities in the area, cases of over indebtedness d. Credit related frauds by borrower groups, etc.

13. Issues remaining unresolved at DCC/DLRC meeting.

14. Timely submission of data by banks, adhering to the schedule of SLBC meeting.

15. Any other item, with the permission of the Chair.

The above list is illustrative and not exhaustive. SLBC Convenor Banks may include any other agenda item considered necessary.

### **SLBC - Yearly Calendar of Meetings**

i) To improve the effectiveness and streamline the functioning of SLBC/UTLBC meetings, SLBC Convenor Banks have been advised to prepare a yearly calendar of programmes (calendar year basis) in the beginning of the year itself, for conducting

the meetings. The calendar of programmes should clearly specify the cut off dates for data submission to SLBC and acceptance thereof by the SLBC Convenor. This yearly calendar should be circulated to all the concerned as an advance intimation for blocking of future dates of senior functionaries of various agencies like Central Government, State Governments, banks, RBI, etc. The SLBC/UTLBC meetings should be conducted as per the calendar under all circumstances. The agenda should also be circulated in advance without waiting for the data from defaulting banks. The matter should, however, be taken up with the defaulting banks in the SLBC meeting. In addition, the SLBC Convenor Bank should write a letter in this regard to the controlling office of the defaulting banks under advice to the Regional Office of RBI. The SLBC Convenor Bank will, however, continue to follow-up with banks for timely

data submission. Further, in case the Chief Minister, Finance Minister or other very senior functionaries are not able to attend the SLBC on some very rare occasion, then if so desired by them, a special SLBC meeting can be held. Following broad guidelines should be used for preparation of the calendar of programmes:

Activity to be completed by (Date) Preparation of calendar of SLBC/UTLBC meetings and intimation to all the concerned of the cut-off dates for submission of data and dates of meetings as per the dateline given below. 15th January every year Reminder regarding the exact date of meeting and submission of data by banks to SLBC 15 days before end of the quarter Dead line for receipt of information/data by SLBC Convenor Bank 15 days from the end of the quarter Distribution of agenda cum background papers 20 days from the end of the quarter Holding of the meeting

Within 45 days from the end of the quarter Forwarding the minutes of the meeting to all stakeholders Within 10 days from holding the meeting Follow-up of the action points emerged from the meeting To be completed within 30 days of forwarding the minutes (for review in the next meeting)

ii) The objective of preparing the calendar of meetings in the beginning of the year is to ensure adequate notice of these meetings and timely compilation and dispatch

of agenda papers to all stakeholders. It also ensures clear cut guidelines for the submission of data to SLBC Convenors by participating banks & Government Departments. It is expected to save precious time of SLBC Convenors otherwise spent in taking dates from various senior functionaries attending these SLBC meetings.

iii) SLBC Convenor Banks need to appreciate the advantages of ensuring adherence to the yearly calendars. SLBC Convenor Banks have therefore been advised to give wide publicity to the annual calendar at the beginning of the year and ensure that dates of senior functionaries expected to attend the meetings are blocked for all meetings by their offices. In case, despite blocking dates, if for some reason, the senior functionary is not able to attend the meeting, the meeting should be held as planned in the calendar. More importantly, the data for review in these meetings should be received as per deadlines set in the calendar and those who do not submit the data in time should be asked to explain the reasons for delay in sending the data that may be recorded in the minutes of the meeting. Under no circumstance, should the preparation of the agenda be delayed beyond the dates stipulated as per the calendar.