

State Level Bankers' Committee, Tamil Nadu

Convenor: Indian Overseas Bank

Minutes of the 149th Meetings of SLBC

Held on 23.03.2017

The 149th meeting of SLBC, Tamil Nadu was held at Chennai on 23rd March, 2017. List of participants is furnished in the Annexure. The meeting was chaired by Shri.R.Subramania Kumar, ED with Addl. Charge MD & CEO, Indian Overseas Bank.

Welcome Address:-

Shri.M.M.Sarangi, General Manager, Indian Overseas Bank and Convenor, SLBC, Tamil Nadu, welcomed the participants to the 149th meeting of SLBC, Tamil Nadu. He has highlighted the various special SLBC meetings and Sub committee meetings organised by SLBC after the 148th meeting.

He briefed the forum about the various measures taken for providing relief to the farmers affected by drought in terms of RBI's Master Circular. He informed that SLBC has conducted special meeting to discuss the various relief measures to be provided in the drought affected areas. He advised the banks to instruct their branches in the state to ensure that necessary relief is provided to all the eligible accounts within the stipulated time of 3 months as per RBI guidelines.

He informed the forum that Government of Tamil Nadu has issued necessary notification of area / crops for Rabi season 2016. He informed that the notification has already been circulated to all the member banks. He appealed to the member banks to advise all their branches in the State to ensure that all loans extended for cultivation of the notified crops in the notified areas are covered under PMFBY.

Convenor, SLBC advised Public sector Banks to advise their branches to participate actively in disbursement of MUDRA loans and achieve the annual target given to each bank under the three MUDRA schemes namely "Shishu, Kishore, and Tarun". The present level of achievement is only 59.83% of the target of Rs 6817 crores for the year 2016-17.

He informed the forum that Ministry of Finance, Government of India has launched a special campaign for Mobile Seeding / AADHAAR seeding of PMJDY, MGNREGS and other accounts, distribution of Rupay cards which are pending with the branches, activation of Rupay cards and enrolment of AADHAAR numbers.

Convenor SLBC informed the forum that, Government of Tamil Nadu and the District Administration are organising special camps in all districts to complete Mobile Seeding / AADHAAR seeding of PMJDY, MGNREGS and other accounts, distribution of Rupay cards and activation. The camps were organised from 20.03.2017 upto 24.03.2017. He advised the member banks to utilise the opportunity and the support provided by the State Government to seed mobile numbers and voluntary seeding of AADHAAR numbers in all accounts before 31.03.2017.

Inaugural Address:-

Shri.R.Subramania Kumar, ED with Addl. Charge, MD & CEO, Indian Overseas Bank and Chairman of SLBC, Tamil Nadu welcomed the participants in his inaugural address and informed the forum that the performance of the quarter ended December 2016 was to be reviewed in the 149th meeting of SLBC.

Chairman, SLBC requested the State Government Officials to provide Annewari Certificates by the districts which are yet to issue the same to enable bankers to expedite the process of relief to drought affected farmers.

Chairman, SLBC appreciated the performance done by banks under various parameters of Annual Credit Plan and also under various Government sponsored schemes. He also informed that, there is a slight decline in the CD ratio from 111.45% as at end of September, 2016 to 102.11% as at end of December, 2016. This may due to recovery and on account of demonetization with lesser credit flow.

Chairman, SLBC listed the performance highlights of the banks in Tamil Nadu during the third quarter of 2016-17:

1. CD ratio of the State continues to be above 100 percent. The present level is **102.11%**.
2. Deposits have increased by **14.53 percent** (Year on Year).
3. Credit has grown by **2.99 percent** (Year on Year).
4. Priority Credit stands at **44.36 percent** (against the norm of 40%)
5. Agricultural Advance stands at **19.11 percent** (against the norm of 18%)

Chairman, SLBC informed the forum that banks have achieved 105 % of the proportionate target under Annual Credit Plan 2016-17 in three quarters up to December, 2016 under select parameters. He also informed the forum that banks have achieved 101 % under Farm sector, 101 % under MSME, 106%, 94% & 90 % under Education, Housing and Export credit respectively. He advised the member banks to endeavour to reach 100 % under each sector.

Chairman, SLBC indicated that the performance under Renewable Energy is not up to the mark and requested the member banks to concentrate more on this area.

Chairman, SLBC appealed to State Government and District administration to extend the support to banks to facilitate and enable them to recover the loan dues.

Financial Inclusion:

Chairman, SLBC advised that 88.54 Lac accounts were enrolled in the State under PMSBY, PMJJBY and APY. He also informed that Rs. 9399 crores was disbursed under Pradhan Mantri Mudra Yojana during the year.

Chairman informed that Mobile seeding / voluntary AADHAAR seeding into the Bank accounts is given lot of importance by the Government. Mobile No and voluntary AADHAR seeding of the accounts of Central and State Government pensioners, MGNREGS beneficiaries, Old age pension beneficiaries and also in all the SB accounts are to be completed before 31.03.2017.

He expressed his sincere thanks on behalf of SLBC to the Principal Secretary (Rural Development and Panchayat Raj), Government of Tamil Nadu who is also the State Mission Director for having extended all support to SLBC and member banks in organising the special camps.

Agriculture

Chairman SLBC informed the forum that the state has experienced very less rainfall during both South West Monsoon and North East monsoon which forced the State Government to declare drought in all the 32 districts of the state. He appealed to Banks to ensure that relief in terms of RBI Master Circular on Natural Calamities dated 01.07.2016 is provided to all the eligible accounts in the affected areas. The relief should be provided within three months from the date of declaration of drought. The credit flow to investment credit activities in Agriculture like Poultry and Dairy will help the farmer to have a regular income when the crop cultivation is not taken up to the required level.

Chairman advised banks also to ensure that all the crop loans extended by their branches in the state to notified crops in notified areas are covered under PMFBY (Crop insurance) compulsorily.

MSME:

Chairman, SLBC informed the forum that Rs.58, 819.97 crores was disbursed to MSME sector during the first three quarters of 2016-17. The NPA level under MSME is at 8.54% which is on the increase when compared to 8.15% as of September, 2016.

Chairman informed the forum that the state has shown very good progress under MUDRA loans. Banks have disbursed Rs.9399.04 crores under MUDRA up to December, 2016. The achievement is mainly due to the contribution of other financial institutions. Government of India has fixed a target of Rs.6817 crores under MUDRA scheme for Public Sector banks in Tamil Nadu. He expressed his concern that the achievement level is only 59.83%. He appealed to all the Public Sector banks to process all the pending applications immediately.

Educational Loans:-

Chairman, SLBC advised the member banks to take active part in helping the deserving students. Tamil Nadu continues to be the first among the States having sanctioned and disbursed maximum Educational Loans. The percentage of NPA continues to be high at 15.37 %.

Stand up India Scheme:-

Chairman, SLBC advised the forum that Government of India's flagship scheme of "Stand up India" needs more focus and attention to achieve the target. The scheme intends to support one SC/ST borrower and one woman borrower per branch. There are certain subsidy linked schemes like PMEGP, UYEGP, NEEDS & TAHDCO which can be dovetailed with "Stand up India" scheme.

Chairman SLBC advised that performance under Stand Up India is not encouraging. Many agencies are available to provide skill development training to candidates. He appealed the bankers to identify suitable borrowers among the trained and provide credit to them under the scheme.

Chairman appealed to the bankers to provide correct data at district level as well as state level data on time. He also advised that banks should ensure the correctness of data.

He also thanked the Central and State Governments, RBI and NABARD, for their good support and guidance extended to SLBC at the State level and to the LDMs at the district level.

Keynote Address:-

By Dr.P.Senthilkumar,I.A.S., Secretary (Expenditure) Government of Tamil Nadu:

Secretary (Expenditure), Govt of Tamil Nadu congratulated the bankers for their excellent support during demonetization. He also states that Tamil Nadu has faced various Natural Disasters for the past one year. He urged the bankers to support MSME sector affected by Flood 2015. He also advised that 32 districts have been declared as Drought affected, so banks should consider restructure of agriculture advances to the extent possible.

He also informed the forum that Tamil Nadu records highest in area covered under Pradhan Mantri Fasal Bima Yojana. He also informed the forum that, Agriculture Department, Government of Tamil Nadu has taken various steps to increase coverage under PMFBY.

He also informed that Social Security schemes especially Old Age Pension is getting disbursed through Business Correspondents. He advised the banks to provide the Old Age Pension without any complaints.

Government of Tamil Nadu has taken various steps to use of Aadhaar number under various Government sponsored Schemes. He also expressed that State Government and District Collectors will help the bankers for Aadhaar seeding. He requests the bankers to use this opportunity.

Secretary (expenditure), Govt of Tamil Nadu requests the bankers to extend maximum support in sanction of Educational Loans.

Keynote Address:-

Shri A.K.Dogra, Deputy Secretary, DFS, Ministry of Finance observed the following in his keynote address:-

1. Government of India pushing for Digital Payments among public, for which Government of India has given specific target to Bankers regarding PMJDY accounts, Aadhaar Seeding, Mobile Seeding, Rupay Card activation.
2. Specific target and weekly milestones have been fixed for banks such as delivery of undelivered Rupay Cards and PINs, availability of live PINs with the customers, facilitation for swiping of cards by the customers at branch level, ATM, Micro ATM and PoS machines.
3. Financial Literacy to customers regarding usage of Cards, to encourage digital payment, bankers are requested to hold camps in coordination with District Administration.
4. Special DCC meetings were conducted in the all the Districts to complete 100% seeding of Aadhaar and mobile number in all operative, individual savings bank accounts in all the districts.
5. He also advised that performance under Pradhan Mantri Mudra Yojana and Stand Up India is not encouraging. Deputy Secretary, advised the bankers to sanction more loans under PMMY as well as Stand Up India scheme.
6. Banks should give more focus on Minority sector. Only three banks have achieved more than 15 % as prescribed by RBI. He advised all the banks

should provide loans to Minority Community to achieve the prescribed Norms.

7. Banks should give more loans to Self Help Groups, Renewable Energy, and Social Infrastructure. He appealed the member banks to coordinate with necessary departments to achieve the Target.
8. CD ratio, advances under Priority Sector is less when compared with September 2016.
9. Performance under Opening of Bank branches is only 60 locations whereas 926 locations were identified by Lead District Managers.

Smt. Arundhati Mech, Regional Director, Reserve Bank of India in her special address observed the following:

1. The bankers in Tamil Nadu have managed the demonetisation issue very well.
2. Regional Director thanked the Government of Tamil Nadu for excellent support provided during the demonetisation.
3. The reason for reduction in CD ratio is due to demonetisation activities which will pick up henceforth.
4. Tamil Nadu Government declared entire state as drought affected. Banks should consider restructure of all eligible loan accounts in terms of RBI's Master Circular on Providing Relief in the areas affected by Natural Calamities.
5. The performance under Stand Up India scheme should be improved. All Banks should endeavour to achieve the targets.
6. The Government has to support all the developmental activities taken up by the banks. The schemes and other activities cannot be implemented without the active support of the Government.

Shri.S.N.A Jinnah, Chief General Manager, NABARD in his special address observed the following:

1. The bankers have done very good work during the demonetisation crisis.
2. Government of Tamil Nadu in its budget has taken several steps for farming community particularly "Kudimaramathu" i.e. strengthening of water irrigation systems.
3. Tamil Nadu farmers will get unified National Agriculture Market along with E Trading including forward contract.
4. Dry land farming Mission along with FPO announced in Tamil Nadu budget.
5. NABARD is giving Rs 18,000 crores to Tamil Nadu for various sponsored schemes.
6. Long time Irrigation Fund, Dairy Development schemes introduced in Union Budget.
7. Deposit in Tamil Nadu has grown 15% but advance growth 2.9 % only. Banks should lend more.
8. To improve Digital Literacy, NABARD provided 1000 d FLAPs through RRBs and Co operatives. The camps were conducted all over the state.
9. NABARD will support FLC camps conducted by sponsor banks. Sponsor banks of FLC should utilise the opportunity.
10. Chip based Rupay KCC cards are to be issued for all KCC loans.

Shri.M.M.Sarangi, General Manager, Convenor, SLBC took up the review of the agenda items:-

Action Taken Report for the 148th SLBC Meeting:-

1. RBI - Credit flow to MSME clusters :-

Convenor, SLBC advised the forum that RBI has instructed the 4 sponsor banks of RSETIs to identify one MSME cluster by each RSETI for skill development/enhancement. He further advised that IOB-RSETI, Tirunelveli has identified a pottery cluster at Alwarkurichi in Tirunelveli district and skill

development / enhancement training programme were conducted for the artisans.

Convenor SLBC requested Indian Bank, Canara Bank and State Bank of India to identify MSME cluster for the RSETIs sponsored by their banks. Chairman, SLBC advised the sponsor banks to provide the latest update on identification of clusters.

AGM, Canara Bank advised that their RSETI at Coimbatore will conduct the programme during the next quarter.

DGM, Indian Bank informed that their RSETI at Cuddalore identified mat weaving cluster and the programme will be completed during this quarter.

2. RBI-Credit Flow to MSME Clusters- Study on the credit flow by LDMs :-

RBI advised SLBC to conduct a study through the LDMs on the credit flow in the identified ITT MSME clusters in Tamil Nadu to enable a focussed monitoring of the credit linkage. The Lead District Managers were advised by SLBC to conduct the study of the clusters in their respective districts and to send the report by 27.02.2017.

Convenor, SLBC advised the 4 Lead Banks to instruct their LDMs to complete the study at the earliest.

3. Roadmap for opening brick and mortar branches in villages with population more than 5000, without a bank branch of a scheduled Commercial Bank.

Convenor, SLBC requested the member banks to complete opening of branches in their allotted villages by 31.03.2017 as per RBI directives. He also said that the progress is very slow and only 60 branches have been opened so far in the state against the identified 926 locations.

Convenor also said that the contention of SBI on the "RBI internal working group" was already discussed in the last meeting and GM, RBI has clarified that the branches have to be opened at the identified locations.

DGM, SBI informed that they have already opened 21 branches and also conveyed the decision of their Corporate office to SLBC. GM, FIDD, RBI reiterated that it is a mandatory requirement of RBI and the question of

viability does not arise here. Banks have to open branches in their allotted centres. This target should be completed within a month's time from now.

GM, RBI further said that as per the recent guidelines the census data of 2011 to be used for categorisation of branches. Many rural branches would have already migrated to the Semi Urban or Urban status, bringing down the no. of rural branches. Banks to use the opportunity to open rural branches in the identified locations as 25% of the branches should be in rural area as per the Annual Branch expansion policy.

Chairman, Pandyan Grama Bank informed the forum that out of the 30 locations identified for them, 21 branches have been opened already.

Deputy Secretary, DFS advised SLBC to place the list in the next SLBC meeting.

AGENDA NO. 1

Confirmation of the minutes of the earlier meeting:-

The forum confirmed the minutes of the 148th meeting of the State Level Bankers' Committee, Tamil Nadu held on 16.12.2016.

AGENDA NO. 2

Drought- failure of North East Monsoon 2016-Declaration of 32 districts of Tamil Nadu as drought affected and sanction of relief assistance:

Convenor, SLBC informed the forum that 16 out of the 32 LDMs have forwarded the copies of Annewari certificates issued by the administration of their respective districts. He said that some of the districts are yet to issue the certificate. The last date for getting the application by the banks from the affected farmers for relief is 10/04/2017 as per RBI norms. Convenor, informed the forum that a special meeting of SLBC was held on 20.01.2017 to discuss drought. He requested the State Government to instruct the District Collectors suitably.

Chairman, SLBC advised that as the time is short, extension of time by another 3 months for providing relief to be requested with RBI. He requested RBI to take up with their Central Office and do the needful.

Action: State Govt/ SLBC

AGENDA NO.3

Drought- failure of North East Monsoon 2016-Declaration of 32 districts of Tamil Nadu as drought affected and sanction of relief assistance-issuance of Annewari Certificates:

Convenor, SLBC requested the State Government to issue necessary instructions to all the District Collectors to issue Annewari Certificates at the earliest to enable banks to provide relief in terms of RBI's master circular on Natural Calamities dt.01.07.2016.

He also advised that so far only 16 LDMs have forwarded the copies of Annewari certificates issued by their respective districts. He advised the remaining LDMs to approach the District Administration of their districts to issue the certificates at the earliest.

Action: State Govt/LDMs

AGENDA NO.4

NABARD- Doubling of Farmer's income by 2022-Developing benchmarks for monitoring at different levels:

Convenor, SLBC informed the forum that NABARD has developed certain indicators for the purpose of monitoring of Doubling of Farmer's income by 2022. They have also developed certain bench marks for this purpose and requested the forum to discuss and suggest changes if any required.

The forum discussed the format provided by NABARD and suggested that many of the columns in the format do not represent details on farmer's income and there are some repetitions also. NABARD was requested to provide a revised format.

Joint Director, Department of Agriculture, Govt of Tamil Nadu advised the forum that Tamil Nadu Government has been implementing a scheme since 2011 to double the productivity and triple the farmer's income.

He also said that State has almost reached the double productivity. However the tripling of farmer's income could not be achieved due to fluctuation of price of agricultural produce.

CGM, NABARD said that the format contains Objectively Verifiable Indicators (OVI) which has been done in consultation with FIDD, RBI. One among the

indicators is risk coverage. Though the State tops in the Insurance Coverage, the loanee farmers are less than the non-loanee farmers. He wanted the member banks to discuss the format and suggest changes if any required.

Action: Banks

AGENDA No: 5

RBI-Population group wise classification of branches in Tamil Nadu as per Census 2011:

Convenor, SLBC advised the forum that RBI has directed the banks to follow Census 2011 population data for categorisation of their branches. They have provided the details of classification of centres (tier wise) and population-group wise classification of centres, which has been circulated by SLBC, with a request to send the revised classification of branches in the State.

The details have been received from only a few banks. Convenor advised the member banks to send the details to SLBC for consolidation and submission to RBI.

Action: Banks

AGENDA NO. 6

RBI- Financial Literacy by FLCs (Financial Literacy Centres) and rural branches- policy Review:

Convenor, SLBC advised the forum that RBI has recently reviewed the policy on Financial Literacy Centres and has come out with certain changes in the conduct of Financial Literacy Programmes both by FLCs and rural branches.

1. The Financial Literacy Centres are to conduct special camps for a period of one year beginning April, 2017 on "Going digital" through UPI and USSD. The necessary training materials are made available in the RBI website.
2. The rural branches of banks are henceforth required to conduct only one camp per month on the above two digital platforms.

GM, FIDD, RBI informed that recently a special training programme was conducted at RBI for the FLC counsellors in the State on Digital payments.

Action: Sponsor Banks of FLCs/Banks

AGENDA NO.7

Government of India's Campaign on "Compost Banao, Compost Apnao":

Deputy Director, National Horticulture Board, Chennai informed the forum that the waste horticultural produce can be converted into compost. Horticulture Division, Govt. of India and National Horticulture Board will provide additional support in the form of subsidy. He requested the banks to make use of the scheme to finance compost units.

Action: Banks

AGENDA NO.8

Government of India's Digi Dhan Mela Campaign - Revised list of cities and allocation of Ministers:

Convenor SLBC informed the forum that Ministry of Finance, Government of India has been organising Digi Dhan Melas in 100 select cities across the country to facilitate,

- a) Seeding of AADHAAR and mobile numbers with bank accounts.
- b) Opening of bank accounts
- c) Registration of merchants for POS machines/sale of POS or AEPS devices.
- d) Distribution of RuPay debit cards/prepaid cards.
- e) Assistance and training in the installation/usage of AEPS, USSD, BHIM app etc.
- f) Involving Bank Mitras in adequate numbers during the mela.

He also informed that two Digi Dhan Melas have been conducted at Kanyakumari and Madurai on 28.01.2017 and 12.03.2017 respectively. The mela scheduled at Chennai on 17.03.2017 could not be conducted as model code of election conduct is in force due to assembly bye election.

AGENDA NO.9

Government of India's campaign on mobile seeding and voluntary AADHAAR seeding of all Bank accounts:

Convenor, SLBC informed the forum that all the districts in Tamil Nadu have conducted special DLCC meetings as per the directives of Government of India. The district level plans of action have been drawn.

He also said that based on the request of SLBC, the Rural Development Department of Government of Tamil Nadu have organised special camps between 20th and 24th of March 2017 throughout the state for seeding of mobile numbers/voluntary seeding of AADHAAR numbers in all savings bank accounts.

He advised member banks to participate in the camps organised and ensure that all the savings accounts are seeded with mobile and AADHAAR numbers by 31.03.2017.

Action: Banks.

AGENDA NO.10

Representation by MSME Association to Hon'ble Prime Minister on certain demands:

Convenor, SLBC informed the forum that additional Chief Secretary/Industries Commissioner, Govt. of Tamil Nadu has forwarded a copy of a representation submitted by TANSTIA to Hon'ble Prime Minister of India regarding fees charged by rating agencies. The forum discussed the issue. Additional Chief Secretary/Industries Commissioner suggested that the representation may be referred to RBI as the demands are made to them.

GM, FIDD, RBI informed that as per RBI norms any exposure above Rs.5.00 Crores is to be rated to assign risk weight, by an external credit rating agency. The issue of fees was discussed at RBI by the standing Advisory Committee on MSME. RBI has requested IBA to come out with some rating model for MSMEs.

GM, RBI also advised that it is not mandatory at this stage that the rating is to be done by an external agency, Banks are free to adopt their internal rating model. However as the request has been made specifically to PMO, RBI will examine the same.

Action: RBI.

AGENDA NO.11

Issuance of Acknowledgement Receipt under Pradhan Mantri Fasal Bima Yojana:

Convenor, SLBC advised the forum that Government of India issued a circular that all insured under PMFBY are to be issued with an acknowledgement receipt, both to loanee and non loanee farmers. The receipt can be used as evidence of having insured their crops and to serve as a policy document.

As advised by Govt. of India, SLBC is contemplating to print the folios in regional language and requested the member banks to provide their indent before 28.02.2017.

Convenor, advised that only few banks have so far submitted their indent. Chairman, SLBC advised SLBC to print the folio only for those who have given the indent and the other banks have to print the folios on their own if the indents are not sent to SLBC by 31.03.2017.

Action: Banks.

AGENDA No: 12

Review of Banking Developments in Tamil Nadu in key parameters as of December, 2016:

The forum noted that the year on year incremental deposits & credit growth as of December, 2016 was 14.53 % and 2.99 % respectively over December 2015. The CD Ratio has slightly decreased from 113.56% as of December 2015 to 102.11 % as of December 2016. The share of Priority sector advances and agricultural advances was 44.36% & 19.11 % as against the national norm of 40% and 18% respectively. The forum also noted that the growth in the Housing sector is slightly reduced.

The forum also noted that the growth of Weaker Section advances over December 2015 is 7.15%.

The forum also noted that in Co-operative banks there is a reduction in CD Ratio from 98.13% as of December 2015 to 78.68 % as of December 2016. The main reason for reduction of CD ratio may be due to recent debt waiver scheme implemented in Co operative banks in Tamil Nadu.

Convenor SLBC advised all the member banks to submit the correct data under the newly included priority sector advances namely Incremental Export credit, Renewable Energy, Social Infrastructure.

Action: Banks

AGENDA No 13

Review of performance under Annual Credit Plan 2016-17 (April 2016 to December 2016):

The forum took on record, the achievements from April 2016 to December 2016 under ACP 2016-17. The banks in Tamil Nadu have achieved 101% under agriculture, 101% under MSME, 106% under Education, 94% under housing, 90% under Export Credit, 30% under Renewable Energy, 57% under social Infrastructure, 109% under Other Priority Sector and 125 % under Non Priority Sector against the proportionate targets.

AGENDA No. 14

Micro, Small and Medium Enterprises (MSME) sector:

The Convenor, SLBC informed the forum that a sum of Rs. 58,819.97 crores was disbursed from April 2016 to December 2016 to Micro, Small and Medium Enterprises. The Convenor advised the member banks to improve their lending to Micro Sector.

Action: Banks

AGENDA No. 15

Prime Minister's Employment Generation Programme (PMEGP):

The Convenor, SLBC informed the forum that banks in the State have disbursed 1291 projects with a margin money assistance of Rs.35.81 crores and employment was generated for 14326 persons.

Convenor SLBC advised member banks to process the pending loan applications under PMEGP scheme.

Assistant Director, KVIC thanked SLBC & all the bankers for their active help, because of which they have achieved 80% of target. He also informed that five banks namely Indian Bank, Canara Bank, Indian Overseas Bank, Bank of India and

State Bank of India are having pending applications to the tune of about Rs. 73 crores.

KVIC is having two Regions namely Chennai and Madurai. He also appealed that though Madurai region is having 10 districts they are able to achieve only 26% since most of the proposals are pending majorly with Canara Bank and Indian Bank.

Additional Chief Secretary/ Industries Commissioner has informed that they are now maintaining new online portal system through which applications should be loaded and other procedures to be carried out. Initially they had some technical problems in the portal. Hence they tried to co-ordinate with the banks by conducting GM level committee and allotted one coordinator to interact with banks. He also informed that when we look at the margin money claims through online portal system, margin money claim is around Rs.17.26 Crores by banks and adjustment/disbursement is around Rs.14.90 Crores. This shows that there is gap of Rs.2.36 Crores for disbursement. He also informed that there is gap of 4-5 Crores in offline also.

Convenor SLBC, has advised all the major Banks to clear the application and complete the processing of the pending applications before 31.03.2017.

Action: Banks

AGENDA No. 16

PERFORMANCE UNDER NEW ENTREPRENEUR-CUM-ENTERPRISE DEVELOPMENT SCHEME (NEEDS) & UNEMPLOYED YOUTH EMPLOYMENT GENERATION PROGRAMME (UYEP) 2016-17.

Additional Chief Secretary/ Industries Commissioner informed that in NEEDS, they have recommended applications for Rs.108 crores whereas the target is Rs.100 crores. He also advised Banks to take more cases to achieve the target. Out of Rs. 108 Crores recommended, Rs.72 crores were provisionally sanctioned, and Rs. 48 crores is actually sanctioned.

He also stated that it is a unique scheme where state government have put in lot of money in the belief that really new entrepreneurs will be benefitted by the scheme to set up a business.

AGENDA No. 17

Setting up of Rural Self-Employment Training Institutes (RSETIs):

Convenor, SLBC informed the forum that 31 RSETIs in Tamil Nadu have conducted 632 training programmes during April 2016 to December 2016, wherein 17407 persons were trained of which 7026 persons secured employment and 2427 persons have availed credit from banks to set up their own enterprises.

Convenor SLBC has advised the Indian Bank, Canara Bank and State Bank of India to complete the identification of cluster for all their RSETIs. AGM Canara Bank has informed that they have identified a cluster in Coimbatore and will complete the task during the coming quarter.

DGM Indian Bank has informed that they have identified a mat weaving cluster in Cuddalore district and will complete the task during the quarter.

Convenor SLBC has advised the above Banks to advise their LDMs once again to conduct the study of 177 unorganised clusters and submit report to SLBC.

The monitoring cell of National Academy of RUDSETIs has advised certain parameters to all the RSETIs for grading them. The RSETIs should comply with the requirements to get A/AA grade.

Action: RSETIs/ Sponsor Banks of RSETI

AGENDA No.18

Financial Literacy & Credit Counselling Centres (FLCCC):

Convenor, SLBC informed the forum that 63 FLCCCs are functioning in the state and they have undertaken 470 Special Financial Literacy Camps from October 2016 to December 2016. FLCs in the state had organized 529 target specific camps in the state.

He has advised that as per recent guidelines of Reserve Bank of India, FLCs are expected to conduct special camps for a period of one year on digital payments and Rural Branches should conduct one literacy camp per month on digital platforms.

Action: Sponsor banks of FLCs/ Banks

AGENDA No. 19

Details of Educational Loan disbursement from April 2016 to December 2016:

The forum noted that 49026 loans to the tune of Rs.1252.80 crores have been granted during April 2016 to December 2016 by the banks, of which loans for Engineering/Medical courses account for 30214 loans amounting to Rs 678.42 Cr, 2548 loans for study abroad amounting to Rs.245.10 Cr and 16274 loans to others, to the tune of Rs. 329.28 Cr.

AGENDA No 20

Bank finance under Housing Scheme:

The forum noted that banks in Tamil Nadu have disbursed 55657 housing loans (up to a limit of Rs.28.00 lacs) to the tune of Rs.4464.22 Crores to the Housing Sector during April 2016 to December 2016.

AGENDA No.21

Golden Jubilee Rural Housing Finance Scheme (GJRHFS):

The forum noted that banks in Tamil Nadu have disbursed 61 loans amounting to Rs. 111.68 lacs during the quarter ended December 2016 under the above scheme.

AGENDA No. 22

Credit Flow to Women:

The forum noted that as of December 2016 the share of credit flow to women in the State constitutes 14.42 % of total Bank credit against the national norm of 5 %

AGENDA No. 23

Credit flow to Minority Communities:

The forum noted that the achievement was to the tune of Rs.2442.94 Crores for the quarter ended December 2016, under credit flow to Minority Communities.

Convenor, SLBC informed the forum that achievement is 13.17 % against national norm of 15 % of the Priority sector advances.

Mr. Vallalar, IAS, Director, Department of Minority Welfare informed that they are disbursing loans to various beneficiaries of minority communities through district co-operative banks at concessional interest rates. The Department will identify the minority beneficiary and loan is disbursed through DCB. They also have a MoU with Co-op. Bank to repay the amount back to corporation. The Director advised that the corporation is willing to channelize the loan amount through commercial Banks also.

Chairman SLBC advised the Department to discuss the modalities of the scheme with a subcommittee for channelizing the scheme through commercial banks

Action: Banks/ Minorities Welfare Department

AGENDA No. 24

Kisan Credit Card Scheme (KCC):

Convenor, SLBC informed the forum that banks in Tamil Nadu have issued 636923 Kisan Credit Cards to the tune of Rs.11481.53 Crores for the quarter ended December 2016. The total number of ATM enabled Kisan Credit Cards issued is 3,58,672.

Convenor SLBC informed that Ministry of Finance, Government of India advised all banks to issue Rupay ATM card to all the KCC account holders. He also advised the banks to ensure activation of KCC cards to avail insurance benefit under Rupay Card. He also pointed out that there may be some reporting error which needs to be verified as the number of ATM enabled KCC cards reported to SLBC is very low when compared to the claims by most of their Head Office that they have achieved more than 90% for the Banks.

Deputy Secretary, DFS has appreciated Regional Rural Banks for achieving 100% for ATM enabled KCC cards.

Convenor SLBC advised all the member banks to submit the correct data on Kisan Credit card and Rupay enabled KCC cards.

Convenor SLBC, requested banks to cover all the crop loans extended by the Banks for all the notified crops in the notified areas under crop insurance scheme (PMFBY).

Action: Banks

AGENDA No. 25

Self Help Groups (SHG / NRLM):

Joint Director, Tamil Nadu Corporation for Development of Women informed the forum that banks in Tamil Nadu have disbursed loans to SHGs to the tune of Rs.4221.62 Crores against the target of Rs 6000 Crores as on 31st December 2016. Achievement percentage is 70%.

He also informed that Rs.6028 Cr has been achieved as on 18.03.2017.

Representative from TNCDW thanked all the bankers for achieving the SHG target. He also conveyed that Principal Secretary, Rural Development & Panchayat Raj has advised to revise the SHG linkage target to higher level as SHG target remains the same for the past three years. He also advised that among the banks, SBI has achieved only 25 % of the target allotted to them. Canara Bank and RRB have also achieved lesser in terms of percentage.

He also informed about interest subvention scheme of Government of India, for this financial year though they have fixed Rs. 10 crore as fund for interest subvention they are able to achieve only Rs. 2 crore. He requested all the bankers to claim the interest subvention for all the eligible loans extended to women SHGs. Chairman, Pandyan Grama Bank has informed that during 2015-16 they have financed Rs. 725 lakhs for 830 groups as on February 2017.

Chairman, Pallavan Grama Bank has advised that there should be introspection in TNCDW Departments' view, because before introduction of NRLM scheme where the group is formed by NGO, when the group was credit linked they are able to avail interest subvention and incentive very quickly. Whereas, after NRLM, there seems to be a delay in restructuring, certifying and provision of subsidy. In fact the individual bankers who have sanctioned the loan are not able to know that which of the groups financed by them had received subvention through TNSRLM. Now as NGOs are not in the field only the state government

plays role in restructuring, PLF formation, certification, verification and provision of interest subvention. It is felt that there is lot of delay in process.

Convenor, SLBC has advised that all the above said issues will be addressed in the ensuing SLBC subcommittee meeting on SHG Bank Linkage.

Action: TNSRLM / Banks

AGENDA No. 26

DEENDAYAL ANTYODAYA NULM

Convenor SLBC informed the forum that up to December 2016, 21561 applications were sanctioned by the banks to the tune of Rs 943 Crores under NULM, SEP (I), SEP (G), SEP (BL) schemes.

Representative from NULM requested to speed up the disbursements of the loans.

State Director, RSETI has informed that in respect of NRLM, reimbursement is given to RSETI for the training provided to the rural candidates. The trainees from rural areas are less in number. Hence, RSETIs are giving training to Urban and semi urban based BPL candidates. He has informed that they are not able to get reimbursement of expenses from NULM for the funds invested during training. Representative from NULM assured that they can give reimbursement from NULM for conduct of training for the BPL candidates from semi-urban and urban areas.

Action: NULM

AGENDA No. 27

Tamil Nadu Government's Scheme for Poultry Development:

Additional Director Animal Husbandry, Government of Tamil Nadu has informed that 45 loan applications are pending with PACB Dharmapuri and 12 applications were pending with Nationalized Banks in two districts namely Tirunelveli & Madurai.

Convenor, SLBC advised member Banks of the above districts to look into the matter and dispose of the pending applications.

Action: LDMs

AGENDA No. 28

PROGRESS REPORT ON ECONOMIC DEVELOPMENT SCHEMES IMPLEMENTED BY TAHDCO

Managing Director, TAHDCO informed the forum to clear the pending applications throughout the state at various branches of various banks relating to the years 2012-13 to 2016-17. He requested the member banks to clear the applications immediately where subsidy has already been received,

He also requested the banks to Co-ordinate with DM, TAHDCO wherever Utilization Certificate is pending with the Banks.

He also advised that reconciliation in the no of pending applications should be proper i.e. If beneficiaries are not given loans then it should not reflect in the sanctioned report. They have recently released fund so that all banks who have submitted Utilization Certificate will receive the fund immediately.

Convenor SLBC advised the member banks to look into the issues pending for 2012-13, 2013-14, 2014-15 and 2015-16 and dispose of pending applications/ return the application with reason.

Action: Banks/ LDMs/ TAHDCO

AGENDA No. 29

Progress Report on Stand Up India Scheme.

The forum noted that the achievement was to the tune of Rs.213.14 Crores as on 10.03.2017, under Stand Up India Scheme.

Convenor SLBC, requested all the Member Banks to actively involve themselves in the implementation of Stand Up India Scheme and dispose off all the pending applications immediately.

Action :Banks

AGENDA No. 30

Review of NPA Accounts in Priority Sector Lending- December 2016

Convenor, SLBC informed the forum that NPA percentage under Education loans is very high (15.37%). He also informed that NPA percentage under MSME is

8.54% which is also reasonably high. Convenor SLBC requested State Government to provide necessary support for NPA recovery.

Action: Banks / State Govt.

TABLE AGENDA NO 1

Weaver Mudra scheme in Tamil Nadu Handloom and Textiles Department

Joint director, Handlooms & Textiles, Government of Tamil Nadu has thanked all the bankers and SLBC for their support. He informed that after the 6th meeting, 14925 loans were disbursed against the target level of 15000. Out of the 16568 applications sent to banks, 5458 applications are pending. He requested all the banks to clear the pending applications.

Convenor, SLBC has advised Banks to clear up the pending applications.

TABLE AGENDA NO 2

Letter from State Bank of India - Challenges in recovery of Education loans

DGM, SBI LHO Chennai, has informed that their soft recovery efforts often fail though they are regularly sending reminders to the borrowers with a request to repay the loan.

In turn they are receiving a response/request to postpone the repayment due to unemployment/under employment of the candidate. They have also come out with many OTS scheme to help the borrowers to settle these loans. They have considered OTS for the borrowers with genuine difficulties i.e. poor family income, deceased parents/guardians etc.

Chairman SLBC has informed that there will be a guarantee scheme for all the education loans in future up to Rs.7.5 lakh. He advised that Banks should convince the borrowers to repay the loan account. Chairman SLBC informed that CIBIL reporting done by some of the banks has yielded better results.

He also requested State Government to facilitate a meeting to bring out the fact that education loan has to be repaid. It needs multiple discussions at district level all over the state. He also advised SLBC to advise LDMS to conduct meeting with stakeholders to draw action plan for recovery of such loans.

Chairman SLBC requested Government to give suitable instruction to District Collector to facilitate the meeting.

TABLE AGENDA NO 3

Atal Pension Yojana - Performance of Banks in Tamil Nadu.

The forum has noted that our achievement is 1, 31,000 against the target of 6,19,000 which constitute 21.26% of yearly target. Convenor SLBC has advised all member Banks to achieve the target committed by them to DFS, Ministry of Finance.

Chairman, SLBC has informed that Co-operative Banks are not included for APY. The target should also be given to them.

Success Story:

Convenor, SLBC appreciated Indian Overseas Bank RSETI, Tirunelveli and Indian Bank INDSETI, Tiruvannamalai for sharing success stories with SLBC. He requested the member banks to share their success stories with SLBC.

Assistant Director, MSME DI has informed about the reimbursement scheme for MSME for participating in domestic exhibition. He requested all the banks to kindly inform about the availability of reimbursement scheme in MSME DI to their borrowers about such exhibition.

Chairman SLBC has advised them to send the details and related papers of the said scheme to be shared among the member Banks.

The meeting ended with vote of thanks by Shr.S.Suresh Kumar, Chairman Pallavan Grama Bank,