

State Level Bankers' Committee, Tamil Nadu
Convenor: Indian Overseas Bank
Minutes of the 145th and 146th Meetings of SLBC
Held on 17.06.2016

The 145th meeting of SLBC, Tamil Nadu scheduled to be held on 18.03.2016 was postponed due to the Model Code of Conduct which was in force due to General Elections to Tamil Nadu Assembly held on 16.05.2016.

In view of the foregoing and as per RBI's directives, both 145th and 146th meetings of SLBC, Tamil Nadu were held together at Chennai on 17.06.2016. List of participants is furnished in the Annexure. The meeting was chaired by Shri.R.Koteeswaran, Managing Director & CEO, Indian Overseas Bank.

Welcome Address:-

Shri.Atul Agarwal, Executive Director, Indian Overseas Bank welcomed the participants to the 145th & 146th meetings of SLBC, Tamil Nadu. He has highlighted the various special SLBC meetings and Sub committee meetings organised by SLBC after the 144th meeting. He has also briefed the forum that the 145th meeting of SLBC, Tamil Nadu was postponed due to the model code of conduct which was in force w.e.f. 05.03.2016 due to General Elections for Tamil Nadu Assembly.

He briefed the forum about the declaration of Tamil Nadu State as flood affected vide T.N.Government's G.O. dated 20.12.2015 and the subsequent declaration by 7 District Collectors. At the request of SLBC, RBI has permitted extension of time limit for extending relief to the affected, by the banks upto 30.06.2016. He advised the member banks to utilise this opportunity and to provide relief to all the eligible persons/units.

He has appealed to all the bankers to advise their branches in the State to actively participate in disbursement of MUDRA loans and achieve the annual target given to each bank under the three MUDRA schemes.

He also requested the member banks to advise their branches in the State to extend the overdraft facility to the eligible PMJDY account holders. He also appreciated all the member banks for having submitted data regularly to Chief

Electoral Officer till the election to the Tamil Nadu Assembly was held on 16.05.2016.

Inaugural Address:-

Shri.R.Koteeswaran, Managing Director and CEO of Indian Overseas Bank and Chairman of SLBC, Tamil Nadu welcomed the participants in his inaugural address, and informed the forum that the performance upto the quarter ended December 2015 and also that of the year ended on 31.03.2016 was to be reviewed in the 145th and 146th meetings of SLBC.

Chairman, SLBC appreciated the good performance by banks under various parameters of Annual Credit Plan and also under various Government sponsored schemes. State has recorded good CD ratio, Agriculture Credit percentage and priority credit percentage. He advised the member banks to concentrate more on Education and Housing sectors to achieve 100 % under each individual sector.

Chairman, SLBC listed the performance highlights of the banks in Tamil Nadu during 2015-16:

1. CD ratio of the State continues to be above 100 percent. The present level is **114.42%**.
2. Deposits have increased by **9.69 %** (year on year).
3. Credit increased by **5.06 %** (year on year)
4. Priority Credit stands at **46.19 %**.
5. Agricultural Advance stands at **19.17%**

Chairman informed the forum that banks have achieved 105 % of the target under Annual Credit Plan during year 2015-16. He also informed the forum that banks have achieved 104 % under Farm sector, 101 % under MSME, 86, 88 and 109 % under Education, Housing & Others respectively.

Chairman, SLBC informed the forum that many of the banks are not reporting data under Incremental Export Credit, Social Infrastructure and Renewable Energy as a result of which the actual performance of the State is not able to be reported correctly.

He observed that banks must be having a reasonable portfolio under the above categories and advised the controlling offices to ensure that, the above data from all their branches in the State are reported without fail.

Financial Inclusion:

Chairman, SLBC informed the forum that, banks in Tamil Nadu have opened 88.94 lacs accounts so far under the three Jansuraksha schemes of Government of India, namely PMJJBY, PMSBY & APY. He also informed that the banks in the State have disbursed MUDRA loans to the tune of Rs. 16503.41 crores during 2015-16 against the target of Rs. 10545.07 crores which is 156.50 % of the target.

He advised the banks to ensure that the RuPay cards are issued to all BSBD account holders without delay. They should also endeavour to activate the RuPay cards distributed already so that the customers can get the insurance benefits.

Agriculture

Chairman, SLBC advised that the state was experiencing heavy rainfall during December 2015, which caused severe flood and water logging in many parts of the State. The State was declared as flood affected vide T.N. Government's G.O dated 20.12.2015.

He advised the member banks to ensure that relief is provided to the eligible affected farmers in terms of RBI Master Circular dated 01.07.2015 before the expiry of the extended time up to 30.06.2016, permitted by RBI.

Chairman, SLBC informed the forum that Government of India has allotted a target of Rs.78540 crores under Agricultural Credit for the State of Tamil Nadu for the year 2016-17. He also informed that banks in Tamil Nadu have projected a target of Rs.99644.40 Crores under Annual Credit Plan 2016-17 which is 26.87 % higher than the GOI target. He advised the banks to draw concrete plans to achieve their projected target with more focus on investment credit.

MSME Loans:

Chairman, SLBC informed the forum that due to the recent unprecedented floods, many MSME units in the State were affected. The affected units were not functioning for several days. He advised the member banks to provide relief to the affected units in terms of RBI's Master Circular dated 01.07.2015 as the Government has declared the State as flood affected vide G.O. dated 20.12.2015.

He expressed happiness that banks in the State have disbursed a sum of Rs.63372 crores to MSME sector during 2015-16. The worrying factor is that the NPA level under MSME is at 7.45% which is considerably high. He appealed to the MSME industry associations and the State Government to help the banks in recovery of NPA under MSME sector.

Educational Loans:-

Chairman, SLBC informed the forum that Tamil Nadu ranks first among the States in the amount outstanding under Education loans. He advised the member banks to address the needs of the eligible candidates who approach them for educational loans.

Chairman SLBC expressed his concern about the high level of NPA under Educational loans, which is 13.32 % as of March 2016.

Stand up India Scheme:-

Chairman, SLBC informed the forum that Hon'ble Prime Minister has launched the "Stand up India" scheme for the benefit of the SC/ST and women category of entrepreneurs, wherein each commercial bank branch is expected to disburse one loan to SC/ST category borrower and one loan to a woman. He advised the banks that many subsidy linked schemes like PMEGP, UYEGP, NEEDS are available in the State which may be dovetailed with the "Stand up India" scheme. He also advised that all loans above Rs.10.00 lacs extended under TAHDCO scheme can also be considered, as TAHDCO schemes are exclusively for SC/ST beneficiaries.

Pradhan Mantri Fasal Bima Yojana (PMFBY) :-

Chairman, SLBC advised the forum that Hon'ble Prime Minister has also launched the "Pradhan Mantri Fasal Bima Yojana" a new crop insurance scheme for the benefit of the farmers, with low premium rates, which replaced NAIS and MN AIS schemes. He advised the member banks to ensure that all crop loans extended to notified crops in the notified areas are compulsorily covered under PMFBY.

Before concluding his speech, Chairman once again congratulated all the bankers and Lead District Managers for their contribution and commendable support in recording excellent results under all fronts. 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:-

Shri.K.Shanmugam, I.A.S., Additional Chief Secretary (Finance) Government of Tamil Nadu observed the following in his keynote address:-

1. Monsoon prediction during the current year is very positive and the State will get above normal rainfall.
2. The Southern districts of the State adjacent to Kerala received more rainfall than the expected level in the last few days.
3. It is very good news for agriculture sector. The State has been maintaining the tradition of surpassing the target under all parameters. The bankers deserve appreciation and hope that they will continue the good work this year also.
4. As emphasised by the Chairman SLBC, the focus should be on investment credit to have a sustainable development and to produce incremental results in agriculture sector.
5. In the last few years, higher targets have been fixed year after year under investment credit and the flow of credit to that sector is also going high.

6. In the coming years, there will be new focus and thrust on some of the critical areas in the agriculture sector. The Government is very keen and this has been indicated in the Hon'ble Governor's speech also in the State Assembly.
7. Sectors like dryland agriculture, pulse production, Animal Husbandry, Farm Mechanisation, Market integration will get due focus this current year.
8. NABARD has extended their support to the Government in preparing a noteworthy scheme on supply chain management of perishables. The main focus is on 10 districts and on 5 important items. A fund of Rs. 300 crores has been tied up for this purpose.
9. The basic objective of this scheme is to carry the perishables starting from the farm till the market integration. Focus will be on reducing wastages, adding value, processing, packaging, grading.
10. Farm Mechanisation, Minor Irrigation and Water conservation will be the other focus areas. The Government is experimenting revival of the concept of Agro Service Centres under the private sector. Educated youth are trained in the rural areas and encouraged to put up this kind of Agro Service Centres.
11. The Government is encouraging the Farmers' Producer Companies also. NABARD is giving great emphasis on FPOs. The FPOs are the best link between the farm and the market.
12. More focus will be on pulse production. The farmer will get a crop in a short span of 60-70 days. At the present market rates of pulses, it is essentially a commercial crop which fetches a very good income and even sometimes better than cotton and sugarcane. The country relies on imports very heavily to meet the requirement of pulses.
13. Government is planning to give a big push for the poverty reduction programmes. Now both Rural and Urban Livelihood Missions are integrated in the State and brought under Tamil Nadu Corporation for Development of Women (TNCDW). The TNPVP model will be applied for implementation in all the blocks of the State.
14. The focus of the poverty reduction programme now shifts from Social Empowerment Programme to Economic Empowerment programme. A large number of Micro Enterprises are to be formed to achieve this purpose. The role of Bankers is very important to reach this goal.

15. There is another focus area namely Skill Building Mission. There are two aspects under this mission. One is on providing the skill training to make the people employable. A range of activities are planned under this mission, starting from establishing skill training centres in the educational institutions itself to enable the students to get skill training when they study. They should be employable when they come out.
16. The next area is developing entrepreneurship among the unemployed youth. They will get trained under institutions like EDI (Entrepreneurship Development Institute) and will start their own enterprise/business.

Dr.J.Sadakkadulla, Regional Director, Reserve Bank of India in his special address observed the following:

1. After the floods in the State in December 2015, the Banks have risen to the occasion which was very widely appreciated. As per Reserve Bank of India's guidelines on providing relief to the persons affected by Natural Calamities banks have been providing relief to the affected persons/units. The last date for providing relief has been extended to 30.06.2016 by RBI, on the request from SLBC.
2. The banks should complete providing relief to all their eligible customers before that date. Various MSME units in Guindy, Ambattur and other industrial estates were affected by floods severely. The role of bankers is important in reviving such industries.
3. Nowadays many are receiving fictitious e-mails, SMS etc. purported to have been issued by Reserve Bank of India, even in the name Governor of RBI, advising about the prize won in the lottery etc. To curb this menace, RBI Chennai with the help of Department of Posts in Tamil Nadu, lauched a direct post scheme to provide information to all the households in Tamil Nadu to educate the people about the dubious attempts.
4. To start with, some districts namely, Coimbatore, Erode, Madurai and Kanyakumari have been selected, where this direct post scheme was launched. A colour pamphlet issued by RBI giving information about the fictitious calls and emails, SMS and in case of problem the details of the officials to be contacted etc. has been circulated to all the members present in the meeting.

5. The bankers should also display the information in all their branches to make people aware of the information.
6. The scheme is being extended to all the districts of the State as already more than 1 lakh households have been covered in the initial four districts.
7. As directed by RBI Governor, RBI Chennai conducted a study on the impact of this direct post scheme. The study reveals that, now, more people are aware of the implications and they are now trying to cross check the truth whenever they get such messages.
8. The monetary policy announcement was made on 7th June 2016. The repo rates are kept at 6.50% unchanged.
9. Under Direct Benefit Transfer (DBT) scheme, seeding of AADHAR in bank accounts is now taken up in a big way.

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

1. There should be a four fold approach to bring about prosperity in the State. Take care of the people, take care of the planet and at the same time take care of the profits also.
2. The first approach is to take care of the natural resources. The water future of Tamil Nadu seems to be very difficult. Almost 95% of the surface water is tapped, 85 % of the ground water is tapped and water use efficiency in command areas is only 35 %. The future percapita water requirement will be very high as revealed by various studies.
3. This can be obviated in one way by increasing irrigation efficiency and application efficiency of water in command areas. This is already followed in the command area of Parambikulam project.
4. In Gujarat, in one of the irrigation projects, there are no canals and water is supplied only through pipelines to the farmers.
5. NABARD is working in close co-ordination with Government of Tamil Nadu in supply chain project and also in "Kudi Maramathu" project. There are 16000 tanks in Tamil Nadu. The tanks are to be maintained well to have more water holding, involving the local support.
6. The share of agricultural term loans should go up, without which, muscle building in agriculture cannot happen.

7. The All India average of term loans under agriculture is 24% whereas in Tamil Nadu, its only 17% which was 21% two years back.
8. The outstanding under agriculture in Co-operative Banks has come down by Rs.1200 crores, when compared to last year.
9. Conversion of KCC into ATM enabled RuPay cards is less than 1% in RRBs and Co-operative Banks, which should be improved considerably.

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

Action Taken Report for the action points of 144th SLBC meeting:-

1. Pending applications under Agriclincs & Agri Business Centres:

Convenor, SLBC advised the Member banks to review the pending applications with them and to clear them expeditiously.

Action: Banks

2. Bank Loans to Mobile Ration shops :

Financial Controller from TAHDCO, Head office informed the forum that out of the total 43 mobile ration shops they have released 37. The balance units will be released within the month. He also informed that the request from the banks to pay the delayed period interest has been placed before their Board.

Action: TAHDCO

3. Prime Minister's Start up India/ Stand up India Programme - Quarterly progress report :

Convenor, SLBC advised the member banks to submit the progress reports on Government of India's Start up India and Stand up India schemes in time to SLBC for consolidation and submission to RBI/Government.

Action: Banks

4. Holding of meeting at branches on distribution and activation of RuPay debit cards and on Financial Literacy:

Convenor, SLBC advised the member banks, that this issue has assumed greater importance and is being reviewed in the Video Conference convened by Ministry of Finance every week. He also advised the banks to ensure that all the RuPay cards at their disposal are distributed to the account holders and also activated.

Action: Banks

AGENDA NO:1

The forum confirmed the minutes of the 144th meeting of the State Level Banker's Committee held on 18.12.2015

AGENDA NO: 2

Pradhan Mantri Awas Yojana: (PMAY)

The representative from National Housing Bank informed the forum that NHB is one of the Central nodal agencies for the scheme. This comes under CLSS vertical and the beneficiary is eligible for a interest subsidy of 6.5% for loan amount of Rs.6.00 lacs if the house is located in urban areas. Almost all the Banks have entered into MOU with NHB and HUDCO. NHB has disbursed around Rs.100 crores as subsidy. The Convenor, SLBC advised the member banks to actively involve themselves in the implementation of the scheme.

Action: Banks

AGENDA NO.3

Government of India's "Stand up India" scheme:-

Convenor SLBC informed the forum that the scheme is one of the most important schemes of Government of India. He requested all the member banks to see the stand up India Portal regularly and process the applications. The connect centres like NABARD and SIDBI also to play a major role in implementation of the scheme. The details of the scheme are provided in the booklet and are also uploaded in the website of SLBC.

General Manager, SIDBI informed the forum that only 7 LDMs have logged into the portal in Tamil Nadu. Convenor requested GM, SIDBI to provide the necessary login credentials to all the LDMs, as many of them are yet to receive the same.

Action: Banks/ SIDBI

AGENDA NO. 4:

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, advised the forum that as per the directives of RBI, SLBC identified 926 such villages without brick and mortar branch in the State and the respective LDMs have allotted the villages to various commercial banks. The list of allotment has been circulated already among the banks and 34 brick & mortar branches have been opened as on 31.03.2016. Convenor, SLBC requested the member banks to complete opening of branches by 31.03.2017 as per RBI's directives.

Action: Banks

AGENDA NO.5

Action Points of 36th Empowered Committee meeting on MSME-Banks to provide effective training to their staff members:

Convenor, SLBC requested all the member banks to initiate necessary steps to train their staff on MSME related developments.

Action: Banks

AGENDA NO. 6:

Agriculture Loans - Part payments not accepted by Banks:

Convenor, SLBC informed the forum that some banks in Kerala are not accepting part payments from Agriculture loan defaulters and this was observed by Government of India in connection with the SLBC meeting held on 22.09.2015 at Trivandrum. He requested the members to discuss on this issue as to whether such practice is followed by banks in Tamil Nadu. The members after discussion informed that all banks are accepting part payments from agricultural loan defaulters.

Action: Banks

AGENDA NO. 7:

Tamil Nadu Government's Scheme for Poultry Development: District wise / Bank wise list of pending applications:

Convenor, SLBC advised the forum that the pending list of applications provided by Dept.of Animal Husbandry has been circulated to all member banks. He advised the member banks and LDMS of the implementing districts to ensure that the pending applications are disposed at the earliest.

The Additional Director of Animal Husbandry thanked the bankers for their support extended to the scheme for the past 4 years. He also requested that during the year 2015-16 the target under Broiler units could not be completed and 79 broiler units have been converted to 532 Native Chicken units and requested the bankers to finance these converted units. He also requested that the 25 % subsidy under Poultry Venture Capital Fund managed by NABARD was not passed on to the beneficiaries for the last 2 years and the same may be given at the earliest. CGM, NABARD informed that as and when the funds are received from Govt.of India, it will be passed on to the beneficiaries within a week.

Action: Banks/NABARD

AGENDA NO. 8:

National Backward Classes Finance & Development Corporation-Engaging Public Sector Banks and Regional Rural Banks as channelizing agents for implementation of their schemes:

Convenor, SLBC informed the forum that this subject has already been placed in various meetings of SLBC earlier. He advised the member banks to go through the enclosed scheme details and the draft of MOU and to approach TABCEDCO if they desire to enter into an MOU with NBCFDC.

Action: Banks

AGENDA NO. 9:

Declaration of the State of Tamil Nadu as "Flood Affected" - Declaration of flood affected areas by District Administration:

Convenor, SLBC informed the forum that State Government declared the State as flood affected vide their G.O. dated 20.12.2015. He advised the member banks to accept applications for restructuring up to 30.06.2016 and provide relief in terms of RBI's Master Circular dated 01.07.2015 on Natural Calamities.

Action: Member Banks

AGENDA NO.10:

Relief provided to areas affected by flood-RBI guidelines:

Convenor, SLBC informed the forum that various guidelines issued by RBI regarding relief to be provided to the flood affected persons/units are provided in the annexure for the ready reference of the member banks and requested the member banks to accept applications for restructuring up to 30.06.2016 and provide relief to all the eligible persons/units.

The Additional Commissioner, Dept. of Industries and Commerce informed that though the data made available to them show that banks have extended relief to many MSME units in the districts, the number of applications received for interest subvention on the restructured accounts is very less. She requested the LDMs to take up with the member banks in their districts and ensure that the applications for all the relief provided units are sent to them through district administration.

Action: Banks/LDMs

AGENDA NO. 11:

Public Election- Tamil Nadu Assembly elections- Expenditure Monitoring:

Convenor, SLBC appreciated the member banks for providing data on transactions continuously to Chief Electoral Officer on daily basis till the election date (16.05.2016)

AGENDA NO.12:

Tamil Nadu Government's Scheme for financing Tuna Long Liners:

Convenor, SLBC informed the forum that many banks have already sanctioned loans under the above scheme. He requested the member banks to process the pending applications if any with them immediately as there was a delay due to the model election code of conduct in force.

Action: Banks

146th meeting of SLBC, Tamil Nadu

146th meeting of SLBC, Tamil Nadu was held at Chennai on 17th June, 2016. The meeting was chaired by Shri. R.Koteeswaran, Managing Director and CEO, Indian Overseas Bank.

AGENDA NO.1:

Flood situation in Tamil Nadu - Relief Packages for MSME, Agriculture & Others - Extension of time to provide relief to the affected:

Convenor, SLBC informed the forum that RBI has permitted extension of time limit for receiving application for restructuring by member banks upto 30.06.2016. He advised the member banks to utilise this opportunity and provide relief to all the eligible persons/units.

Action: Banks

AGENDA NO.2:

Progress report on the roadmap to open brick and mortar branches in villages with population more than 5000

Convenor, SLBC informed the forum that 926 villages are allotted to various banks for opening brick and mortar branches. Banks in the State have opened 34 branches so far in the identified villages. He advised the member banks to initiate necessary steps to complete opening of brick and mortar branches in the villages allotted to them before 31.03.2017.

Action: Banks

AGENDA NO. 3

36th Meeting of Empowered Committee (EC) on MSME and 116th SLIIC meeting held on 12.11.2015.

Convenor SLBC informed the forum that the minutes of the above meetings, received from RBI are provided for the ready reference of the member banks/SLBC/Government of T.N. etc and requested them to initiate necessary action on the points relevant to them.

Action: Banks/Govt. Of T.N/SLBC

AGENDA NO. 4:

Pradhan Mantri Fasal Bima Yojana (PMFBY-Guidelines

Convenor, SLBC informed the forum that the scheme is an attractive scheme with low premium. It has replaced NAIS/MNAIS with effect from 01.04.2016. He advised all the member banks to ensure that all the loans extended to the notified crops in the notified areas are covered without fail.

The Deputy General Manager from Tamilnad Mercantile bank informed that the name of the Nodal Insurance Company for Tamil Nadu is yet to be announced and the procedure for collection and payment of premium is also not yet circulated. Notification is not given for crops/procedure of settlement of claims is yet to be finalised.

Additional Chief Secretary (Finance) informed that the State Government is in the process of finalising the tender to fix up the insurance company. Insurance of crops can be taken up after finalisation of the Company.

Joint Director, Dept.of Agriculture informed that already 18 crops have been approved and the process of selection of Insurance Company will be finalised shortly. Additional Chief Secretary advised Dept.of Agriculture to issue G.O soon for adoption of the scheme in the State.

Action: Banks/ Dept. Of Agriculture

AGENDA NO. 5:

One day workshop organized by Entrepreneurship Development Institute of Government of Tamil Nadu for the beneficiaries of PMEGP, NEEDS and UYEGP:

Convenor, SLBC informed the forum that bankers /LDMs /KVIC /DIC/ KVIB/ TABCEDCO and other stake holders should go through the suggestions given by the beneficiaries and explore the possibility of implementing the same.

Action: Banks/LDM/KVIC/DIC/KVIB/TABCEDCO

AGENDA NO. 6:

Coir Board - Representation from Kanyakumari District Coir Manufacturers' Association, Tamil Nadu

Convenor, SLBC informed the forum that Kanyakumari District Coir Manufacturer's Association represented for certain concessions and rescheduling of loans / moratorium period etc. After discussion, the forum concluded that the District Collector however has not declared natural calamity. Hence the RBI's master circular dated 01.07.2015 on Natural Calamities does not apply.

AGENDA NO.7:

PMEGP- Refund of interest on Term Deposits with Margin Money subsidy to KVIC in case of units found not working under PMEGP scheme:

Convenor, SLBC requested the members to discuss on the issue. The members opined that as banks are not charging interest on the subsidy amount, they will not be in a position to pay any interest on the subsidy amount to KVIC. Additional Chief Secretary (Finance) advised that if the unit becomes dysfunctional, then the subsidy should be adjusted to the loan account. It was decided by the forum after deliberations that interest need not be paid on the subsidy portion as banks are not charging interest for that portion of the loan.

Action: KVIC

AGENDA NO.8:

Recovery of NPA in Agricultural Loans- Directives from some of the District Collectors:

Member banks have requested the State Government to issue suitable instructions to the District Collectors in this regard. The Additional Chief Secretary informed that there are no such instructions from the Government. He advised that some of the District Collectors would have cautioned the bankers to show restraint during the Assembly election period to avoid law and order problems.

AGENDA NO.9:

Government of India's Stand up India Scheme:

Convenor, SLBC informed the forum about the launch of the scheme and an interactive portal. He advised the member banks that the scheme is closely monitored by Government of India and also advised that a monthly progress report should be submitted to SLBC in the format provided before 5th of every succeeding month.

Action: Banks

AGENDA NO.10

Ground Level Credit to Agriculture and Allied activities- State wise and agency wise target for the year 2016-17:

Convenor, SLBC informed the forum that a ground level credit target of Rs. 78540 Crores has been allotted to Tamil Nadu under Agriculture & Allied activities. He appreciated the member banks who have projected a target of Rs.99644.40 Crores under Annual Credit Plan 2016-17 which is 26.87% higher than the Government of India's target.

He requested the member banks to advise all their implementing branches to achieve the targets projected by them under Annual Credit Plan.

Action: Banks

AGENDA NO: 11

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

The forum noted that year on year incremental deposits & credit growth as of March, 2016 was 9.69 % and 5.06 % respectively over March 2015. The CD Ratio has decreased from 119.46% as of March 2015 to 114.42 % as of March 2016. The share of Priority sector advances and agricultural advances was 46.19% & 19.17 % as against the national norm of 40% 18% respectively.

The forum also noted that the growth of Education, Housing, Weaker section advances over March 2015 is 0.39%, 5.20 % and 12.89 % respectively.

Action: Banks

AGENDA NO 12

Review of performance under Annual Credit Plan 2015-16 (April 2015 to March 2016)

The forum took on record, the achievements from April 2015 to March 2016 under ACP 2015-16. The banks in Tamil Nadu have achieved 106% under agriculture, 101 % under MSE, 86 % under Education, 88 % under housing, 109 % under Other Priority Sector and 113% under Non Priority Sector against the proportionate targets.

AGENDA NO 13

ANNUAL CREDIT PLAN 2016-17

Convenor, SLBC informed the forum that in the Annual Credit Plan for the financial year 2015-16, banks have projected a credit flow of Rs.179803.07 crores under PRIORITY and NON PRIORITY sectors. He also informed that the Banks in Tamil Nadu have projected an outlay of Rs.99644.40 crores under agriculture sector (an increase of 12.47 % over 2015-16 target) which is Rs.21104.40 crores higher than the target of Rs 78,540 crores fixed by NABARD for 2016-17 based on the budgetary allocation.

Convenor, SLBC requested the member banks and LDMs to involve actively for implementation of the Annual credit plan 2016-17. He also requested the various Departments and agencies of the Government to extend support for achieving 100%.

Action: Banks / LDMs/ Government Departments

AGENDA NO. 14

Micro, Small and Medium Enterprises (MSME) sector

The Convenor, SLBC informed the forum that a sum of Rs. 63372.75 crores was disbursed from April 2015 to March 2016 to Micro, Small and Medium Enterprises. The Convenor, also informed that member banks should improve their lending to Micro Sector.

Action: Banks

AGENDA NO. 15

Prime Minister's Employment Generation Programme (PMEGP)

The Convenor, SLBC informed that banks have disbursed 2463 projects with the margin money of Rs.54.97 crores and employment was generated for 20836 persons which represent 102% of the annual target. He requested the member banks to claim subsidy immediately for sanctioned projects through their nodal branches.

Convenor, SLBC requested the member banks to advise all their implementing branches to co-ordinate with KVIC/DIC/KVIB and to process the applications in time. He also requested the Lead District Managers to place the district wise targets in the ensuing DCC meetings and follow up with member banks for speedy disposal of applications.

Action: Banks/ LDMs

AGENDA NO. 16

Target under New Entrepreneur-Cum-Enterprise Development Scheme (NEEDS) & Unemployed Youth Employment Generation Programme (UYEGP)

Department of Industries and Commerce, Government of Tamil Nadu vide their letter dated 24.05.2016 advised the Target of 1000 projects with subsidy target of Rs 100.00 Crores under NEEDS for 2016-17.

The Convenor, SLBC requested the member banks to advise all their implementing branches to co-ordinate with Department of Industries Commerce and to process the applications in time.

State Director, RSETI suggest that RSETIs having the capacity to provide to training to NEEDS candidates. Convenor SLBC suggested that duration for the NEEDS scheme is one month and it requires good infrastructure and faculty support which may not be available in all the districts.

Secretary, Industries commerce suggests that candidates of PMEGP, UYEGP getting training through RSETIs since they are short term training programmes.

Additional Chief Secretary (Finance) expressed that EDI is located in Guindy. Institute is having all facilities including accommodation facility to the candidates. Moreover the beneficiaries selected under NEEDS are very minimum and a very high level of training to be imparted to them.

Action: Banks/ LDMS

AGENDA NO: 17

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

Convenor, SLBC informed the forum that the 31 RSETIs in Tamil Nadu have conducted 900 training programmes during April 2015 to March 2016, wherein 25314 persons were trained of which 12412 persons secured employment and 5747 persons have availed credit from banks.

He requested the member banks to give priority in sanction of the loan for the RSETIs trained persons. He also suggested that under the Govt. sponsored loan schemes, priority may be given to the persons trained by RSETIs.

Action: RSETIs/Banks/LDMs

AGENDA NO.18

Financial Literacy & Credit Counselling Centres (FLCCC)

Convenor, SLBC informed the forum that 59 FLCCCs have undertaken 695 Financial Literacy Camps from January 2016 to March 2016. He has requested all the member banks to instruct their rural branches to conduct financial literacy camps once a month and to submit consolidated quarterly progress report to SLBC in the prescribed format for submission to RBI.

Action: Banks

AGENDA NO. 19

Details of Educational Loan disbursement from April 2015 to March 2016:

The forum noted that 77110 loans to the tune of Rs.1882.73 crores have been granted during April 2015 to March 2016 by the banks of which loans for Engineering/Medical courses account for 50339 loans amounting to Rs 1035.88 Cr, 3683 loans for study abroad amounting to Rs.415.67 Cr and 23088 loans to others, to the tune of Rs.431.18 Cr.

AGENDA NO. 20

Performance on Educational Loans 2015-16 as on March 2016

The Convenor, SLBC informed the forum that as advised by Government of India, disbursement target for the year 2015-16 has been fixed (instead of outstanding target) with " 20% growth in disbursement and 15 % growth in number of accounts" over 2014-15 disbursement.

He also informed that banks in Tamil Nadu have disbursed educational loans to the tune of Rs.1932.93 crores up to March 2016 against the target of Rs.2442.61 crores.

AGENDA NO.21

Bank finance under Housing Scheme:

The forum noted that banks in Tamil Nadu have disbursed 87437 housing loans (up to a limit of Rs.28.00 lacs) to the tune of Rs.6544.40 Crores to the Housing Sector during April 2015 to March 2016.

AGENDA NO.22

Golden Jubilee Rural Housing Finance Scheme (GJRHFS)

The forum noted that banks in Tamil Nadu have disbursed 956 loans amounting to Rs.3817.56 lacs during the quarter ended March 2016 under the above scheme.

AGENDA NO. 23

Credit Flow to Women:

The forum noted that as on March 2016 the share of credit flow to women in the State constitutes 12.36% of total Bank credit against the national norm of 5 %

AGENDA NO. 24

Credit flow to Minority Communities:

The forum noted that the achievement was to the tune of Rs.3393.33 Crores for the quarter ended March 2016, under credit flow to Minority Communities.

Convenor, SLBC informed the forum that achievement is 12.02 % against national norm of 15 % of the Priority sector advances. Convenor, SLBC advised member banks to achieve the national norms under credit flow to minority communities.

Action: Banks

AGENDA NO. 25

Kisan Credit Card Scheme (KCC):

Convenor, SLBC informed the forum that banks in Tamil Nadu have issued 1953325 Kisan Credit Cards to the tune of Rs.13258.64 Crores for the quarter

ended March 2016. The total number of ATM enabled Kisan Credit Cards issued is 3,18,625.

Convenor SLBC informed that Ministry of Finance, Government of India advised that all banks should 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 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.

Action: Banks

AGENDA NO. 26

Self Help Groups (SHG / NRLM):

Convenor, SLBC informed the forum that banks in Tamil Nadu have achieved 103 % under credit disbursement to SHGs for the Year 2015-16. Banks in the state have disbursed to SHGs by banks, amount to Rs 6191 crores against the target of Rs Rs 6000 Crores.

Financial Advisor from TNSRLM thanked the banks for achieving the Target under SHG Bank Linkage. She also requested banks to cooperate in seeding of Aadhaar with bank accounts of SHG members. She also requested the bankers to upload the loan sanction details in the NRLM portal without fail as there is a difference between data collected from the branches and from portal.

Convenor SLBC informed that TNCDW should prepare a state wide schedule for Aadhaar seeding camps and bank will cooperate with TNCDW in Aadhaar seeding.

CGM, NABARD informed that they have taken up digitization of SHGs. The scheme is started in Puducherry and in Tamil Nadu, Salem has been selected on pilot basis. He also said that in the process of digitisation it is found that nearly 40% of the SHGs do not exist. The recent trend is MFIs are gaining ground when compared to the commercial banks in SHG finance.

Additional Chief Secretary (Finance) advised that for better control and monitoring of SHGs a Micro Finance portal can be started through a combined effort of Government/Banks/MFIs/and other stake holders.

All of them can upload the data in the portal and the data can be integrated to avoid double / dual finance from more than one financing institution. Chairman, Pallavan Grama Bank suggested that TNCDW is the right organization who can set up the portal integrating the data from all financing institutions.

DGM, Tamilnad Mercantile Bank informed that Government of India has come up with a scheme of creation of a credit information company exclusively for SHGs & MFIs in line of CIBIL. He also informed that already guidelines have been issued by RBI during March, 2016. The scheme will be implemented in two stages commencing from 1st July, 2016.

Action: TNCDW / Banks

AGENDA NO. 29

TAHDCO Scheme:

Financial Controller, TAHDCO informed the forum that so far banks sanctioned 10318 loans against the yearly target of 17770 under economic development scheme. He also informed that Rs 41.00 crores are yet to be disbursed by member banks. He requested banks to disburse the remaining amount to the beneficiaries.

LDM Tirunelveli expressed that nearly Rs 2.00 Crores subsidy is not released to banks by TAHDCO. TAHDCO advised that TAHDCO is in the process of releasing subsidy to members.

Convenor, SLBC requested the member banks to instruct their branches to dispose of pending applications. SLBC had already circulated the pending list of applications provided by TAHDCO to all member banks.

Action: Banks/LDMs/TAHDCO

AGENDA NO. 28

National Urban Livelihood Mission (NULM)

Convenor SLBC informed the forum that up to March 2016, 6452 applications were sanctioned by the banks to the tune of Rs 73.98 crores under NULM -SEP, NULM Group scheme.

He also informed that NULM Target for the year 2016-17 is communicated to all the member banks. He requested member banks to take part in the implementation of the Scheme.

Action: Banks/ Dept. of Municipal Administration

AGENDA NO. 29

Weavers Credit Card Scheme (WCC)

Convenor SLBC informed the forum that as per recent meeting with Ministry of Finance, Weavers Credit Card scheme is coming under Pradhan Mantri Mudra Yojana scheme.

The representative from Handloom & Textiles thanked all the member banks for disbursement of 78000 cards for the last four years. He also expressed that some features included in the Weavers Mudra Scheme are,

- Minimum loan amount is Rs 50,000. For Silk is Rs 1,00,000
- Margin money is Rs 10,000 for all cards
- Maximum interest subvention is allowed up to 7%.
- Banks can claim advance amount directly from Government of Tamil Nadu.

Target fixed for the year 2016-17 is 50,000 cards.

Convenor, SLBC requested member banks to achieve the above Target for the year 2016-17.

Action: Banks/ Dept. of Handloom & Textiles

AGENDA NO. 30

Review of NPA Accounts in Priority Sector Lending - March 2016

Convenor, SLBC informed the forum that NPA percentage under Education loans is very high. Renewable Energy sector is also having NPA level of 19.25 %.

AGENDA NO. 31

Success Story:

Convenor, SLBC appreciated RSETI, Tiruvannamalai for sharing success stories with SLBC. He requested the member banks and Govt. Dept. to share their success stories with SLBC.

TABLE AGENDA

1. NABARD-Allocation of target for promotion and Bank Linkages of SHGs/ JLGs for the year 2016-17:

Convenor, SLBC informed the forum targets for promotion and Bank linkage of SHGs and JLGs for the year 2016-17 for the State of Tamil Nadu. A target of 2,25,000 SHGs and 39,800 JLGs has been allotted for the State.

The lead District Managers are requested to advise the bank wise targets in the prescribed format to SLBC before 25.06.2016 for submission of the consolidated district wise target to NABARD

Action: LDMs

2. NABARD- Agenda on various topics:

Convenor SLBC informed the forum that NABARD has given information agenda on the following topics:

1. Conversion of existing KCCs to RuPay KCCs/ Issuance of RuPay/ATM enabled KCCs
2. Recommendation of the Committee for Strengthening the Negotiable warehouse Receipt (NWR)-MIS
3. Revision in rate of interest on LT refinance
4. MNRE lighting scheme-2016
5. Dairy Entrepreneurship Development Scheme (DEDS)
6. Agri Clinic and Agri Business Centre (ACABC)
7. RIDF/WIF
8. SCC and CLSS
9. Farmer producer Organisation

CGM NABARD informed the forum that the above guidelines are for information. The member banks/LDMs are requested to take note of the contents and ensure compliance.

Action: LDMs/ Banks

3. NABARD- Campaign on water use efficiency:

Convenor SLBC informed that SLBC convened a Sub-Committee meeting on 06.06.2016 to discuss the modalities and strategies to conduct the campaign. Representatives from Indian Bank, IOB, SBI, Canara Bank, SLBC, NABARD, Department of Co-operation-Government of Tamil Nadu and Department of Rural Development and Panchayat Raj, Government of Tamil Nadu participated in the meeting.

The action points emanated from the meeting is enclosed for the ready reference of the member banks, LDMs and other related line Departments of the State Government.

1. The LDMs are requested to conduct special DCC meeting to firm up specific strategy for the campaign.
2. The campaign material is to be provided in Tamil by NABARD both print and visual. The material will be forwarded by SLBC to LDMs and member banks for dissemination at district level. The Banks are requested to print sufficient number of copies of the campaign material and to circulate the same among their branches.
3. The sponsor Banks of FLCs should advise their respective FLCs to spread the message of water conservation by including a session in their financial literacy camps

Action: LDMs /Banks

4. District wise & Bank wise Performance as on 31.03.2016 under Tamil Nadu Government's UYEGP and NEEDS schemes:

Convenor SLBC informed the forum that under UYEGP 8229 applications were sanctioned by banks to the tune of Rs 49.72 Crores.

Under NEEDS scheme provisional sanction has been given to 739 applications, Project cost is Rs 398.97 Crores.

Convenor, SLBC requested the member banks to advise all their implementing branches to co-ordinate with DIC and to process the applications in time. He also requested the Lead District Managers to place the district wise targets in the ensuing DCC meetings and follow up with member banks for speedy disposal of applications.

5. RBI-Green KCC scheme of Gujarat

Convenor SLBC explained the forum about the Green KCC scheme implemented in the Gujarat State.

6. Reserve Bank of India, Chennai -Display of publicity pamphlet in banks branches - Cautioning public against placing deposits in dubious schemes

Convenor SLBC requested the member banks to display the Pamphlet in all the bank branches to create the awareness about dubious schemes.

The meeting ended with a vote of thanks by Chairman, Pallavan Grama Bank.